1		AN	ACT	relati	ng to Kentucky State Police salaries and declaring an emergency.		
2	2 Be it enacted by the General Assembly of the Commonwealth of Kentucky:						
3		⇒s	ectior	n 1. I	KRS 16.052 is amended to read as follows:		
4	(1)	The	base	comp	pensation of <i>troopers and commercial vehicle enforcement</i> officers		
5		shal	l be d	eterm	ined based on years of service and rank, as provided in this section.		
6	(2)	(a)	The	years	s-of-service requirements for the salary schedule for ranks below		
7			serg	eant a	are as follows:		
8			1.	A tı	cooper and a commercial vehicle enforcement officer shall have[is		
9				<del>an (</del>	officer with] less than three (3) years of continuous service as a		
10				com	missioned <i>trooper or commercial vehicle enforcement</i> officer with		
11				the	department;		
12			2.	A so	enior trooper and a senior commercial vehicle enforcement officer		
13				shal	l have:		
14				a.	At least three (3) years of continuous service as a commissioned		
15					trooper or commercial vehicle enforcement officer with the		
16					department and sixty (60) college credit hours;		
17				b.	At least four (4) years of continuous service as a commissioned		
18					trooper or commercial vehicle enforcement officer with the		
19					department and thirty-two (32) college credit hours; or		
20				c.	Five (5) years of continuous service as a commissioned <i>trooper or</i>		
21					commercial vehicle enforcement officer with the department with		
22					no college credit requirement;		
23			3.	A tr	cooper first class and a commercial vehicle enforcement officer first		
24				<u>clas</u>	$\underline{s}$ shall have at least ten (10) years of continuous service as a		
25				com	missioned <i>trooper or commercial vehicle enforcement</i> officer with		
26				the	department; and		
27			4.	A n	naster trooper and a master commercial vehicle enforcement officer		

- 1 shall have at least fifteen (15) years of continuous service as a 2 commissioned *trooper or commercial vehicle enforcement* officer with 3 the department. 4 (b) In addition to meeting the years of service requirements established by paragraph (a) of this subsection, troopers and commercial vehicle 5 6 enforcement officers listed in the salary schedule for troopers and 7 commercial vehicle enforcement officers below the rank of sergeant shall 8 also meet the requirements for promotion in rank established by the 9 commissioner pursuant to KRS 16.050. 10 Requirements for promotion to sergeant, lieutenant, and captain are as (c) 11 established by KRS 16.055. 12 Any overtime and any salary supplement received from the Law Enforcement (3)13 Foundation Program pursuant to KRS 15.410 to 15.510 or any comparable 14 supplements received from another funding source shall be in addition to the 15 amounts reflected in the base salary schedules established by subsection (4) of this 16 section.
- 17 (4) (a) The salary schedules established in this subsection are based on a combination
  18 of *trooper and commercial vehicle enforcement* officer classification and
  19 years of service.
- (b) When "NA" appears in the schedule, it is not possible for <u>a[an]</u> <u>trooper or</u>
   <u>commercial vehicle enforcement</u> officer to be in that classification and years of-service combination based upon statutory or regulatory conditions
   established for promotion or advancement.
- (c) Salary increases based on years of service shall be effective on the first day of
   the month during which the anniversary of the *trooper's or commercial vehicle enforcement* officer's appointment as a commissioned Kentucky State
   Police officer falls.

1	(d) Salary	v increases based on	promotion to a l	nigher rank shall	be effective on the
2	first	day the <i>trooper</i>	and commercial	vehicle enfor	cement officer is
3	promo	oted.			
4	(e) If <u>a</u> [a	<del>n]</del> trooper or comm	nercial vehicle e	nforcement offic	cer is reverted to a
5	previo	ous rank, the <i>troop</i>	er's or commer	cial vehicle en	forcement officer's
6	salary	shall be adjusted to	o the salary refle	cted in the base	salary schedule for
7	the <u>tre</u>	ooper's or commerc	cial vehicle enfor	cement officer's	applicable number
8	of yea	ars of service and a	rank. The adjusti	nent shall take	effect the first pay
9	period	l following the pay	period in which the	ne reversion occu	ırs.
10	(f) The b	base salary for a c	eadet trooper <u>or</u>	commercial ve	hicle enforcement
11	<u>office</u>	<u>r cadet</u> shall	be <u>forty-five</u>	e[thirty_five]	thousand dollars
12	( <u>\$45,0</u>	0 <u>00</u> [\$35,000]).			
13	<u>(g) The s</u>	alary for a legislati	ve security speci	alist, as establist	hed in KRS 16.187
14	and 1	<u>16.188, shall be th</u>	<u>e equivalent of</u>	the base salary	<u>for a trooper or</u>
15	<u>comm</u>	ercial vehicle enfo	rcement officer	with the same n	number of years of
16	<u>servic</u>	<u>e.</u>			
17	BA	SE SALARY SCHE	EDULE FOR RAT	NKS BELOW S	ERGEANT
18	Years of Service	Tre	ooper Salary Step	s Based on Rank	
19		Trooper	Senior	First Class	Master
20	Base Pay	\$55,888.80	N/A	N/A	<u>N/A</u>
21	<u>3 years</u>	\$59,583.12	\$61,422.00	N/A	<u>N/A</u>
22					
	5 years	N/A	\$62,719.20	N/A	<u>N/A</u>
23	<u>5 years</u> 7 years	N/A N/A	\$62,719.20 \$64,053.12	N/A N/A	<u>N/A</u> <u>N/A</u>
23	7 years	N/A	\$64,053.12	N/A	<u>N/A</u>
23 24	<u>7 years</u> 9 years	N/A N/A	\$64,053.12 \$65,428.08	N/A N/A	<u>N/A</u> <u>N/A</u>

1	17 years	N/A	N/A	N/A	\$77,837.04
2	19 years	N/A	N/A	N/A	<u>\$81,116.88</u>
3	21 years	N/A	N/A	N/A	<u>\$84,499.20</u>
4	23 years	N/A	N/A	N/A	<u>\$88,081.20</u>
5	25 years	N/A	N/A	N/A	<u>\$88,834.56</u>
6	27 years	N/A	N/A	N/A	<u>\$89,594.16</u>
7	29 years	N/A	N/A	N/A	<u>\$90,361.68</u>
8	[Base Pay	\$37,887	\$43,014	NA	NA
9	<del>3 years</del>	\$41,310	NA	NA	NA
10	5 years	\$43,014	\$44,216	NA	NA
11	7 years	NA	\$45,452	NA	NA
12	9 years	NA	\$46,726	NA	NA
13	10 years	NA	NA	\$47,000	NA
14	13 years	NA	NA	\$49,450	NA
15	15 years	NA	NA	NA	<del>\$55,356</del>
16	17 years	NA	NA	NA	<del>\$58,224</del>
17	19 years	NA	NA	NA	<del>\$61,263</del>
18	21 years	NA	NA	NA	<del>\$64,397</del>
19	23 years	NA	NA	NA	<del>\$67,716</del>
20	25 years	NA	NA	NA	<del>\$68,414</del>
21	27 years	NA	NA	NA	<del>\$69,118</del>
22	29 years	NA	NA	NA	<del>\$69,829</del>
23	<del>B/</del>	A <del>SE SALARY SC</del>	CHEDULE SERC	EANT AND AB	OVE
24	Years of Service	Sala	ary Steps Based o	<del>n Rank</del>	
25		Sergeant	Lieutenant		
26	6 years	\$45,271	NA	NA	
27	7 years	\$47,271	\$53,500	<del>NA</del>	

1	8 years	\$47,805	NA	<del>\$59,100</del>
2	9 years	\$49,918	\$54,500	NA
3	11 years	\$50,911	\$56,000	<del></del>
4	13 years	\$53,108	\$58,000	<del>\$63,798</del>
5	15 years	\$56,966	\$61,000	<del>\$67,188</del>
6	17 years	\$61,093	\$65,000	<del>\$70,747</del>
7	19 years	\$65,510	\$70,436	<del>\$74,845</del>
8	21 years	\$70,235	\$74,158	<del></del>
9	23 years	\$75,292	\$78,066	<u> \$82,529</u>
10	<del>25 years</del>	\$80,702	\$82,169	<del>\$86,755</del>
11	<del>27 years</del>	\$85,491	<del>\$86,</del> 478	<del>\$90,306</del>
12	<del>29 years</del>	\$90,686	\$91,002	<del>\$93,998]</del>
13	(5) <u>The base set</u>	alary for ranks def	ined in KRS 16.	055 and 16.191 shall be set at:
14	<u>(a)</u> Ten p	vercent (10%) abo	we the base sald	ary for the trooper's or commercial
15	<u>vehic</u>	le enforcement of	ficer's applicable	e number of years of service for the
16	<u>rank</u>	of sergeant;		
17	(b) Twen	ty percent (20%) a	bove the base so	llary for the trooper's or commercial
18	<u>vehic</u>	le enforcement of	ficer's applicable	e number of years of service for the
19	<u>rank</u>	<u>of lieutenant; and</u>		
20	<u>(c)</u> Thirt	y percent (30%) al	bove the base sa	lary for the trooper's or commercial
21	<u>vehic</u>	le enforcement of	ficer's applicable	e number of years of service for the
22	<u>rank</u>	of captain.		
23	(6) Beginning	on July 1, <u>2023</u> [ <del>20</del>	) <del>18]</del> , the salary s	chedule established by subsection (4)
24	of this see	ction shall be adj	justed annually	to incorporate any increase in the
25	nonseasona	Ily adjusted Const	umer Price Index	x for all urban consumers, U.S. city
26	average, al	l items, published	by the United St	ates Department of Labor, Bureau of
27	Labor Stati	stics.		

- (7)[(6)] The salary schedules shall be applied to *troopers and commercial vehicle enforcement* officers employed by the department on *July 1, 2022*[July 15, 2016],
   as follows:
- 4 (a) Except as provided in paragraph (b) of this subsection:
- 51. Any trooper or commercial vehicle enforcementofficer whose base6salary exceeds the amount established for his or her years of service and7rank in subsection (4) of this section shall retain his or her base salary8and shall not receive an increase under the salary schedule until the9trooper's or commercial vehicle enforcement10and rank require a higher base salary than the base salary he or she was11receiving on July 1, 2022[July 15, 2016]; and
- 12 2. Any *trooper or commercial vehicle enforcement* officer whose base
  13 salary is below the amount established for his or her years of service and
  14 rank in subsection (4) of this section shall receive the base salary he or
  15 she qualifies for under the salary schedule for the pay period beginning
  16 July 1, 2022[August 1, 2016]; and
- 17 (b) Any *trooper or commercial vehicle enforcement* officer who is receiving
  18 compensation under KRS 16.165 shall not receive any years of service or rank
  19 increases during any period that he or she is receiving compensation under
  20 KRS 16.165.
- 21 (8)[(7)] The commissioner may establish additional ranks beyond those provided in
   22 the salary schedules established by this section, including the ranks of major,
   23 lieutenant colonel, colonel, and executive security detail. If the commissioner
   24 establishes any of these ranks, the commissioner shall set forth in a policy the
   25 conditions under which <u>a[an]</u> <u>trooper or commercial vehicle enforcement</u> officer
   26 may be promoted to the rank, and the salary that the <u>trooper or commercial vehicle</u>
   27 enforcement officer will receive while serving in that rank.

1		→s	ection 2. KRS 16.583 is amended to read as follows:
2	(1)		nember of the State Police Retirement System, a member of the Kentucky
- 3	(1)		loyees Retirement System in a hazardous duty position covered by this section,
4			se participation begins on or after January 1, 2014, or a member making an
5		elect	ion pursuant to KRS 61.5955, shall receive the retirement benefits provided by
6		this	section in lieu of the retirement benefits provided under KRS 16.576 and
7		16.5	77. The retirement benefit provided by this section shall be known as the hybrid
8		cash	balance plan and shall operate as another benefit tier within the State Police
9		Reti	rement System and the Kentucky Employees Retirement System.
10	(2)	The	hybrid cash balance plan shall provide a retirement benefit based upon the
11		men	ber's accumulated account balance, which shall include:
12		(a)	Contributions made by the member as provided by KRS 16.505 to 16.652 and
13			61.510 to 61.705, except for employee contributions prescribed by KRS
14			61.702(3)(b);
15		(b)	<u>1.</u> An employer pay credit of seven and one-half percent $(7.5\%)$ of the
16			creditable compensation earned by the employee for each month the
17			employee is contributing to the hybrid cash balance plan provided by
18			this section; and
19			2. For members of the State Police Retirement System covered by this
20			section, an employer pay credit for the value of accumulated sick leave
21			as determined and limited by Section 3 of this Act; and
22		(c)	Interest credits added annually to the member's accumulated account balance
23			as provided by this section.
24	(3)	(a)	Member contributions and employer pay credits as provided by subsection
25			(2)(a) and (b) <u>1</u> . of this section shall be credited to the member's account
26			monthly as contributions are reported and posted to the system in accordance
27			with KRS 61.675.

22 RS HB 259/EN

1		(b)	Interest credits, as provided by subsection (2)(c) of this section, shall be
2			credited to the member's account annually on June 30 of each fiscal year, as
3			determined by subsection (4) of this section.
4		<u>(c)</u>	Employer pay credits for accumulated sick leave shall be credited to the
5			member's account as determined by Section 3 of this Act.
6	(4)	(a)	On June 30 of each fiscal year, the system shall determine if the member
7			contributed to the hybrid cash balance plan during the fiscal year.
8		(b)	If the member contributed to the hybrid cash balance plan during the fiscal
9			year, the interest credit added to the member's account for that fiscal year shall
10			be determined by multiplying the member's accumulated account balance on
11			June 30 of the preceding fiscal year by a percentage increase equal to:
12			1. Four percent (4%); plus
13			2. Seventy-five percent (75%) of the system's geometric average net
14			investment return in excess of a four percent (4%) rate of return.
15		(c)	If the member did not contribute to the hybrid cash balance plan during the
16			fiscal year, the interest credit added to the member's account for that fiscal
17			year shall be determined by multiplying the member's accumulated account
18			balance on June 30 of the preceding fiscal year by four percent (4%).
19		(d)	For purposes of this subsection, "system's geometric average net investment
20			return":
21			1. Means the annual average geometric investment return, net of
22			administrative and investment fees and expenses, over the last five (5)
23			fiscal years as of the date the interest is credited to the member's
24			account; and
25			2. Shall be expressed as a percentage and based upon the system in which
26			the member has an account.
27		(e)	No employer pay credits or interest credits shall be provided to a member who

Page 8 of 32

- has taken a refund of contributions as provided by KRS 61.625 or who has
   retired and annuitized his or her accumulated account balance as prescribed by
   this section.
- 4 (5) (a) Upon termination of employment, a member who has less than five (5) years
  5 of service credited under KRS 16.543(1), 61.543(1), and 78.615(1), who
  6 elects to take a refund of his or her accumulated account balance as provided
  7 by KRS 61.625, shall forfeit the accumulated employer credit, and shall only
  8 receive a refund of his or her accumulated contributions.
- 9 (b) Upon termination of employment, a member who has five (5) or more years of
  10 service credited under KRS 16.543(1), 61.543(1), and 78.615(1), who elects to
  11 take a refund of his or her accumulated account balance as provided by KRS
  12 61.625, shall receive a full refund of his or her accumulated account balance.
- 13 (6) A member participating in the hybrid cash balance plan provided by this section14 may retire:
- 15 (a) At his or her normal retirement date, provided he or she has earned five (5) or
  16 more years of service credited under KRS 16.543(1), 61.543(1), or 78.615(1),
  17 or another state-administered retirement system; or
- (b) At any age, provided he or she has earned twenty-five (25) or more years of
  service credited under KRS 16.543(1), 61.543(1), or 78.615(1), or another
  state-administered retirement system.
- 21 (7) A member eligible to retire under subsection (6) of this section may elect to:
- (a) Receive a monthly retirement allowance payable for life by having his or her
  accumulated account balance annuitized by the retirement systems in
  accordance with the actuarial assumptions and actuarial methods adopted by
  the board and in effect on the member's retirement date;
- (b) Receive the actuarial equivalent of his or her retirement allowance calculated
  under paragraph (a) of this subsection payable under one (1) of the options set

1		forth in KRS 61.635, except for the option provided by KRS 61.635(11); or
2		(c) Take a refund of his or her account balance as provided by KRS 61.625.
3	(8)	The provisions of this section shall not apply to members who began participating
4		in the Kentucky Employees Retirement System, the County Employees Retirement
5		System, or the State Police Retirement System prior to January 1, 2014, except for
6		those members who make an election pursuant to KRS 61.5955.
7		→SECTION 3. A NEW SECTION OF KRS 16.505 TO 16.652 IS CREATED TO
8	REA	AD AS FOLLOWS:
9	<u>(1)</u>	Subject to the limitations and requirements provided by this section, the following
10		shall apply to members of the State Police Retirement System who are eligible for
11		benefits from the hybrid cash balance plan established by Section 2 of this Act:
12		(a) Within thirty (30) days following the close of each fiscal year ending on or
13		after June 30, 2023, members participating in the State Police Retirement
14		System in the hybrid cash balance plan who have five (5) or more years of
15		service credited under KRS 16.543(1), 61.543(1), and 78.615(1), shall
16		receive an employer pay credit under subsection (2)(b)2. of Section 2 of this
17		Act equal to an amount determined by multiplying the member's hours of
18		accumulated sick leave in excess of four hundred eighty (480) hours as of
19		the most recently completed fiscal year by the member's hourly base pay
20		determined under Section 1 of this Act, including any annual adjustments
21		provided by subsection (6) of Section 1 of this Act. The member's hourly
22		<u>base pay shall not include any payments for overtime or any salary</u>
23		supplement received from the Law Enforcement Foundation Program
24		established pursuant to KRS 15.410 to 15.510; and
25		(b) Effective July 1, 2023, members with an account in the hybrid cash balance
26		plan who retire from the State Police Retirement System shall receive an
27		employer pay credit under subsection (2)(b)2. of Section 2 of this Act equal

1		to an amount determined by multiplying the member's hours of
2		accumulated sick leave upon termination of employment by the member's
3		hourly base pay determined under Section 1 of this Act, including any
4		annual adjustments provided by subsection (6) of Section 1 of this Act. The
5		member's hourly base pay shall not include any payments for overtime or
6		any salary supplement received from the Law Enforcement Foundation
7		Program established pursuant to KRS 15.410 to 15.510.
8	<u>(2)</u>	The Department of Kentucky State Police shall report the information required
9		by the Kentucky Public Pensions Authority to carry out the provisions of this
10		section and shall reduce the member's accumulated sick leave by the amount of
11		sick leave converted to an employer pay credit pursuant to this section.
12	<u>(3)</u>	The provisions of subsection (2)(b)2. of Section 2 of this Act and this section are
13		subject to funding for the benefit in the executive branch budget. In the event
14		funding for this additional employer credit is not provided in the executive
15		branch budget, no employer credits for accumulated sick leave shall be provided
		branch budget, no employer credits for accumulated sick leave shall be provided during the period the budget is effective.
15		
15 16	(1)	during the period the budget is effective.
15 16 17	(1)	<i>during the period the budget is effective.</i> → Section 4. KRS 7A.255 is amended to read as follows:
15 16 17 18	(1)	<ul> <li>during the period the budget is effective.</li> <li>→ Section 4. KRS 7A.255 is amended to read as follows:</li> <li>Notwithstanding KRS 21.345 to 21.580, 61.661, 61.870 to 61.884, or 161.585 to</li> </ul>
15 16 17 18 19	(1)	<ul> <li>during the period the budget is effective.</li> <li>→ Section 4. KRS 7A.255 is amended to read as follows:</li> <li>Notwithstanding KRS 21.345 to 21.580, 61.661, 61.870 to 61.884, or 161.585 to the contrary, on or before November 15 following the close of each fiscal year, the</li> </ul>
15 16 17 18 19 20	(1)	<ul> <li>during the period the budget is effective.</li> <li>→ Section 4. KRS 7A.255 is amended to read as follows:</li> <li>Notwithstanding KRS 21.345 to 21.580, 61.661, 61.870 to 61.884, or 161.585 to the contrary, on or before November 15 following the close of each fiscal year, the state-administered retirement systems shall collectively file a report with the Public</li> </ul>
15 16 17 18 19 20 21	(1)	<ul> <li>during the period the budget is effective.</li> <li>→ Section 4. KRS 7A.255 is amended to read as follows:</li> <li>Notwithstanding KRS 21.345 to 21.580, 61.661, 61.870 to 61.884, or 161.585 to the contrary, on or before November 15 following the close of each fiscal year, the state-administered retirement systems shall collectively file a report with the Public Pension Oversight Board that shall include the following information for each</li> </ul>
<ol> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> </ol>	(1)	<ul> <li>during the period the budget is effective.</li> <li>→ Section 4. KRS 7A.255 is amended to read as follows:</li> <li>Notwithstanding KRS 21.345 to 21.580, 61.661, 61.870 to 61.884, or 161.585 to the contrary, on or before November 15 following the close of each fiscal year, the state-administered retirement systems shall collectively file a report with the Public Pension Oversight Board that shall include the following information for each member or recipient of a retirement allowance from any of the state-administered</li> </ul>
<ol> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> </ol>	(1)	<ul> <li>during the period the budget is effective.</li> <li>→ Section 4. KRS 7A.255 is amended to read as follows:</li> <li>Notwithstanding KRS 21.345 to 21.580, 61.661, 61.870 to 61.884, or 161.585 to the contrary, on or before November 15 following the close of each fiscal year, the state-administered retirement systems shall collectively file a report with the Public Pension Oversight Board that shall include the following information for each member or recipient of a retirement allowance from any of the state-administered retirement systems:</li> </ul>
<ol> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> </ol>	(1)	<ul> <li>during the period the budget is effective.</li> <li>Section 4. KRS 7A.255 is amended to read as follows:</li> <li>Notwithstanding KRS 21.345 to 21.580, 61.661, 61.870 to 61.884, or 161.585 to the contrary, on or before November 15 following the close of each fiscal year, the state-administered retirement systems shall collectively file a report with the Public Pension Oversight Board that shall include the following information for each member or recipient of a retirement allowance from any of the state-administered retirement systems:</li> <li>(a) A unique identification number for each member or recipient that is created</li> </ul>

Page 11 of 32

- 1 multiple accounts in the state-administered retirement systems, all of the state-2 administered retirement systems shall use the same unique identification 3 number:
- 4 (b) The system or systems in which the member has an account or from which the
  5 retired member is receiving a monthly retirement allowance;
- 6 (c) The status of the member or recipient, including but not limited to whether he 7 or she is a contributing member, a member who is not currently contributing 8 to the systems but has not retired, a retired member, a beneficiary, or a retired 9 member who has returned to work following retirement with an agency 10 participating in the systems;
- (d) If the individual is a retired member or beneficiary, the annualized monthly
  retirement allowance that he or she was receiving at the end of the most
  recently completed fiscal year; and
- 14 (e) If the individual is a member who has not yet retired, the estimated annual 15 retirement allowance that he or she is eligible to receive at his or her normal 16 retirement date based upon his or her service credit, final compensation, and 17 accumulated account balance at the end of the most recently completed fiscal 18 year.
- 19 Under no circumstances shall the member's name, address, or Social Security 20 number be included in the information required to be reported to the board by this 21 section, nor shall the unique identification number established by subsection (1) of 22 this section be capable of being linked to a specific member's retirement account 23 with a state-administered retirement system.
- (2) On or before November 15 following the close of each fiscal year, the stateadministered retirement systems shall report to the Public Pension Oversight Board
  the percentage of system assets and managers for which fees and commissions are
  being reported in accordance with KRS 21.540(4)(m), 61.645(19)(i), and

1 2

161.250(4)(i). This subsection shall apply on a fiscal year basis beginning on or after July 1, 2017.

3 On or before November 15, 2017, the state-administered retirement systems shall (3) 4 tender to the Public Pension Oversight Board a copy of their board-adopted 5 investment procurement policy along with certification from the secretary of the 6 Finance and Administration Cabinet that the investment procurement policy meets 7 or does not meet the best practices for investment management procurement. If the 8 board amends its investment procurement policy, it shall tender a copy of its 9 amended investment procurement policy to the Public Pension Oversight Board 10 within sixty (60) days of adoption along with certification from the secretary of the 11 Finance and Administration Cabinet that the policy meets or does not meet the best 12 practices for investment management procurement.

13 (4) On or before November 15 following the close of each fiscal year, the Kentucky 14 Public Pensions Authority shall report to the Public Pension[Pensions] Oversight 15 Board the number of individuals and total payments to members who become 16 totally and permanently disabled as a direct result of an act in line of duty as defined 17 in KRS 16.505 or become disabled as a result of a duty-related injury as defined in 18 KRS 61.621. The data shall be broken down by system and for recipients who are 19 drawing a benefit from the disablement of a hazardous member, a nonhazardous 20 member who worked in a nonhazardous position that could be certified as a 21 hazardous position based upon KRS 61.592, and a nonhazardous member who 22 worked in a nonhazardous position that could not be certified as a hazardous 23 position based upon KRS 61.592.

24 (5) On or before November 15, 2023, and on or before November 15th every fourth

- 25 year thereafter, the Department of State Police and the Kentucky Public Pensions
- 26 Authority shall jointly report to the Public Pension Oversight Board on the costs
- and effectiveness of the program established by subsection (2)(b)2. of Section 2 of 27

1

#### this Act and Section 3 of this Act.

2  $\rightarrow$  Section 5. KRS 16.080 is amended to read as follows:

3 (1) The commissioner shall promulgate administrative regulations for the enlistment,
4 training, code of ethics, discipline, and conduct of officers of the department and
5 individuals employed as a Trooper R Class or CVE R Class, and the commissioner
6 may promulgate administrative regulations for the governing and operation of the
7 department as appear to him or her reasonably necessary to carry out the provisions
8 of KRS 16.010 to 16.170.

9 (2)The commissioner may require any officer, individual employed as a Trooper R 10 Class or CVE R Class, or civilian who receives or disburses public funds in the 11 course of his or her duties to file a bond, conditioned that he or she will honestly, 12 correctly, and according to law, receive, disburse, and account for all public moneys 13 coming into his or her hands. The commissioner, each officer, and each individual 14 employed as a Trooper R Class or CVE R Class, shall execute a bond to the 15 Commonwealth of Kentucky in the sum of not less than two thousand dollars 16 (\$2,000), conditioned upon the faithful discharge of his or her duties. The premium 17 on the bonds shall be paid by the department. The commissioner, each officer of the 18 department, and each individual employed as a Trooper R Class or CVE R Class 19 shall, before entering upon the discharge of their official duties, take the 20 constitutional oath of office.

(3) Subject to the provisions of KRS 56.440 to 56.550, the commissioner, with the approval of the Governor and the secretary of the Finance and Administration
Cabinet, may acquire real estate or interests therein, by purchase, lease, or otherwise, necessary for the purposes of the department, and, with like approval, provide for the acquisition or construction of necessary buildings and other permanent structures and facilities. Title to any real estate acquired shall be taken in the name of the Commonwealth.

1	<u>(4)</u>	Sub	ject to the provisions of Sections 2 and 3 of this Act, the commissioner shall					
2		<u>dire</u>	ct the department to reduce sick leave balances of officers subject to the					
3	provisions of Sections 2 and 3 of this Act by the amount of sick leave credited to							
4	the hybrid cash balance plan for State Police Retirement System members under							
5		<u>Sect</u>	tions 2 and 3 of this Act.					
6		⇒s	ection 6. KRS 16.565 is amended to read as follows:					
7	The	retire	ment allowance account shall be the account in which shall be accumulated all					
8	emp	loyer	contributions, amounts transferred from the member account, and to which all					
9	inco	me fr	rom the investment assets of the system shall be credited. From this account					
10	there	e shal	I be paid administrative expenses and in addition all benefits payable under					
11	KRS	5 16.5	510 to 16.652. There shall be transferred from this account to the member					
12	acco	ount:						
13	(1)	The	employer pay credit added monthly to each member's individual accounts as					
14		prov	vided by subsection (2)(b)1. of Section 2 of this Act or annually as provided by					
15		<u>subs</u>	section (2)(b)2. of Section 2 of this Act and Section 3 of this Act[KRS 16.583];					
16		and						
17	(2)	The	interest credited annually to each member's individual accounts as provided by					
18		KRS	S 16.505 to 16.652.					
19		⇒s	ection 7. KRS 18A.110 is amended to read as follows:					
20	(1)	The	secretary shall promulgate comprehensive administrative regulations for the					
21		clas	sified service governing:					
22		(a)	Applications and examinations;					
23		(b)	Certification and selection of eligibles;					
24		(c)	Classification and compensation plans;					
25		(d)	Incentive programs;					
26		(e)	Lay-offs;					
27		(f)	Registers;					

- 1 (g) Types of appointments; 2 (h) Attendance; hours of work; compensatory time; annual, court, military, sick, 3 voting, living organ donor, and special leaves of absence, provided that the 4 secretary shall not promulgate administrative regulations that would reduce 5 the rate at which employees may accumulate leave time below the rate 6 effective on December 10, 1985; and 7 Employee evaluations. (i) 8 The secretary shall promulgate comprehensive administrative regulations for the (2)9 unclassified service. 10 Except as provided by KRS 18A.355, the secretary shall not promulgate (3) (a) 11 administrative regulations that would reduce an employee's salary; and 12 As provided by KRS 18A.0751(4)(e), the secretary may submit a proposed (b) 13 administrative regulation providing for an initial probationary period in excess 14 of six (6) months to the board for its approval. 15 The secretary may promulgate administrative regulations to implement state (4)16 government's affirmative action plan under KRS 18A.138.
- 17 (5) (a) The administrative regulations shall comply with the provisions of this chapter
  18 and KRS Chapter 13A, and shall have the force and effect of law after
  19 compliance with the provisions of KRS Chapters 13A and 18A and the
  20 procedures adopted thereunder;
- (b) Administrative regulations promulgated by the secretary shall not expand or
   restrict rights granted to, or duties imposed upon, employees and
   administrative bodies by the provisions of this chapter; and
- (c) No administrative body other than the Personnel Cabinet shall promulgate
   administrative regulations governing the subject matters specified in this
   section.
- 27 (6) Prior to filing an administrative regulation with the Legislative Research

- 1 Commission, the secretary shall submit the administrative regulation to the board 2 for review. 3 The board shall review the administrative regulation proposed by the secretary (a) 4 not less than twenty (20) days after its submission to it; 5 (b) Not less than five (5) days after its review, the board shall submit its 6 recommendations in writing to the secretary; 7 The secretary shall review the recommendations of the board and may revise (c) 8 the proposed administrative regulation if he deems it necessary; and 9 (d) After the secretary has completed the review provided for in this section, he 10 may file the proposed administrative regulation with the Legislative Research 11 Commission pursuant to the provisions of KRS Chapter 13A. 12 (7)The administrative regulations shall provide: 13 For the preparation, maintenance, and revision of a position classification plan (a) 14 for all positions in the classified service, based upon similarity of duties 15 performed and responsibilities assumed, so that the same qualifications may 16 reasonably be required for, and the same schedule of pay may be equitably 17 applied to, all positions in the same class. The secretary shall allocate the 18 position of every employee in the classified service to one (1) of the classes in 19 the plan. The secretary shall reallocate existing positions, after consultation 20 with appointing authorities, when it is determined that they are incorrectly 21 allocated, and there has been no substantial change in duties from those in 22 effect when such positions were last classified. The occupant of a position 23 being reallocated shall continue to serve in the reallocated position with no 24 reduction in salary; 25 (b) For a pay plan for all employees in the classified service, after consultation 26 with appointing authorities and the state budget director. The plan shall take
- 27

into account such factors as:

Page 17 of 32

1 2

3

4

5

- The relative levels of duties and responsibilities of various classes of positions;
- Rates paid for comparable positions elsewhere taking into consideration the effect of seniority on such rates; and
- 3. The state's financial resources.

6 Amendments to the pay plan shall be made in the same manner. Each 7 employee shall be paid at one (1) of the rates set forth in the pay plan for the 8 class of position in which he is employed, provided that the full amount of the 9 annual increment provided for by the provisions of KRS 18A.355, and the full 10 amount of an increment due to a promotion, salary adjustment, 11 reclassification, or reallocation, shall be added to an employee's base salary or 12 wages;

13 For open competitive examinations to test the relative fitness of applicants for (c) 14 the respective positions. The examinations shall be announced publicly and 15 applications accepted at least ten (10) days prior to certification of a register, 16 and may be advertised through the press, radio, and other media. The secretary 17 shall continue to receive applications and examine candidates on a continuous basis long enough to assure a sufficient number of eligibles to meet the needs 18 19 of the service. Except as provided by this chapter, he shall add the names of 20 successful candidates to existing eligible lists in accordance with their 21 respective ratings. The secretary shall be free to use any investigation of 22 education and experience and any test of capacity, knowledge, manual skill, 23 character, personal traits, or physical fitness, which in his judgment, serves the 24 need to discover the relative fitness of applicants;

(d) As provided by this chapter, for the establishment of eligible lists for
 appointment, upon which lists shall be placed the names of successful
 candidates in the order of their relative excellence in the respective

examinations. Except as provided by this chapter, an eligible's score shall
expire automatically one (1) year from the date of testing, unless the life of the
score is extended by action of the secretary for a period not to exceed one (1)
additional year. Except for those individuals exercising reemployment rights,
all eligibles may be removed from the register when a new examination is
established;

- 7 (e) For the rejection of candidates or eligibles who fail to comply with reasonable
  8 requirements of the secretary in regard to such factors as age, physical
  9 condition, training, and experience, or who have attempted any deception or
  10 fraud in connection with an examination;
- 11 (f) Except as provided by this chapter, for the appointment of a person whose
  12 score is included in the five (5) highest scores earned on the examination;
- (g) For annual, sick, and special leaves of absence, with or without pay, or
  reduced pay, after approval by the Governor as provided by KRS
  15 18A.155(1)(d);
- (h) For lay-offs, in accordance with the provisions of KRS 18A.113, 18A.1131,
  and 18A.1132, by reasons of lack of work, abolishment of a position, a
  material change in duties or organization, or a lack of funds;
- (i) For the development and operation of programs to improve the work
  effectiveness of employees in the state service, including training, whether inservice or compensated educational leave, safety, health, welfare, counseling,
  recreation, employee relations, and employee mobility without written
  examination;
- (j) For a uniform system of annual employee evaluation for classified employees,
   with status, that shall be considered in determining eligibility for discretionary
   salary advancements, promotions, and disciplinary actions. The administrative
   regulations shall:

1		1.	Require the secretary to determine the appropriate number of job
2			categories to be evaluated and a method for rating each category;
3		2.	Provide for periodic informal reviews during the evaluation period
4			which shall be documented on the evaluation form and pertinent
5			comments by either the employee or supervisor may be included;
6		3.	Establish a procedure for internal dispute resolution with respect to the
7			final evaluation rating;
8		4.	Permit a classified employee, with status, who receives either of the two
9			(2) lowest possible evaluation ratings to appeal to the Personnel Board
10			for review after exhausting the internal dispute resolution procedure.
11			The final evaluation shall not include supervisor comments on ratings
12			other than the lowest two (2) ratings;
13		5.	Require that an employee who receives the highest possible rating shall
14			receive the equivalent of two (2) workdays, not to exceed sixteen (16)
15			hours, credited to his or her annual leave balance. An employee who
16			receives the second highest possible rating shall receive the equivalent
17			of one (1) workday, not to exceed eight (8) hours, credited to his or her
18			annual leave balance; and
19		6.	Require that an employee who receives the lowest possible evaluation
20			rating shall either be demoted to a position commensurate with the
21			employee's skills and abilities or be terminated; and
22		(k) For	other administrative regulations not inconsistent with this chapter and
23		KR	S Chapter 13A, as may be proper and necessary for its enforcement.
24	(8)	For any	individual hired or elected to office before January 1, 2015, and paid
25		through t	he Kentucky Human Resources Information System, the Personnel Cabinet
26		shall not	require payroll payments to be made by direct deposit or require the
27		individua	l to use a Web-based program to access his or her salary statement.

Page 20 of 32

6

(9) To the extent that <u>Sections 3 and 5 of this Act</u>, KRS 16.010 to 16.199, and
administrative regulations promulgated by the commissioner of the Department of
Kentucky State Police under authority granted in KRS Chapter 16 conflict with this
section or any administrative regulation promulgated by the secretary pursuant to
authority granted in this section, the provisions of KRS Chapter 16 shall prevail.

Section 8. KRS 61.565 is amended to read as follows:

7 (1)Each employer participating in the State Police Retirement System as (a) 8 provided for in KRS 16.505 to 16.652 and the Kentucky Employees 9 Retirement System as provided for in KRS 61.510 to 61.705 shall contribute 10 annually to the respective retirement system an amount determined by the 11 actuarial valuation completed in accordance with KRS 61.670 and as specified 12 by this section. Employer contributions for each respective retirement system 13 shall be equal to the sum of the "normal cost contribution" and the "actuarially 14 accrued liability contribution."

15 (b) For purposes of this section, the normal cost contribution shall be computed as 16 a percentage of pay and shall be an annual amount that is sufficient when 17 combined with employee contributions to fund benefits earned during the year 18 in the respective system. The amount shall be:

191.Paid as a percentage of creditable compensation reported for each20employee participating in the system and accruing benefits; and

21
2. The same percentage of pay for all employees who are participating in
the same retirement system, except that separate percentage rates shall
be developed in each system for those employers whose employees are
participating in hazardous duty retirement coverage as provided by KRS
61.592.

# 26 (c) For purposes of this section, the actuarially accrued liability contribution for 27 all employers, except for contributions paid by nonhazardous employers in the

1		Ken	tucky Employees Retirement System on or after July 1, 2021, shall be:
2		1.	Computed by amortizing the total unfunded actuarially accrued liability
3			of each system over a closed period of thirty (30) years beginning with
4			the 2019 actuarial valuation using the level percentage of payroll
5			amortization method, except that any increase or decrease in the
6			unfunded actuarially accrued liability occurring after the completion of
7			the 2019 actuarial valuation shall be amortized over a closed period of
8			twenty (20) years beginning with the actuarial valuation in which the
9			increase or decrease in the unfunded actuarially accrued liability is
10			recognized. An increase or decrease in the unfunded actuarially accrued
11			liability may result from, but not be limited to, legislative changes to
12			benefits, changes in actuarial methods or assumptions, or actuarial gains
13			or losses;
14		2.	Paid as a percentage of payroll on the creditable compensation reported
15			for each employee participating in the system and accruing benefits; and
16		3.	The same percentage of pay for all employees who are participating in
17			the same retirement system, except that separate percentage rates shall
18			be developed in each system for those employers whose employees are
19			participating in hazardous duty retirement coverage as provided by KRS
20			61.592.
21	(d)	1.	For purposes of this section, the actuarially accrued liability contribution
22			for nonhazardous employers in the Kentucky Employees Retirement
23			System on or after July 1, 2021:
24			a. Shall be an annual dollar amount that is sufficient to amortize the
25			total unfunded actuarially accrued liability of the system over a
26			closed period of thirty (30) years beginning with the 2019 actuarial
27			valuation using the level percentage of payroll amortization

1		method, except that any increase or decrease in the unfunded
2		actuarially accrued liability occurring after the completion of the
3		2019 actuarial valuation shall be amortized over a closed period of
4		twenty (20) years beginning with the actuarial valuation in which
5		the increase or decrease in the unfunded actuarially accrued
6		liability is recognized. An increase or decrease in the unfunded
7		actuarially accrued liability may result from but not be limited to
8		legislative changes to benefits, changes in actuarial methods or
9		assumptions, or actuarial gains or losses;
10	b.	Shall be prorated to each individual nonhazardous employer in the
11		Kentucky Employees Retirement System by multiplying the annual
12		dollar amount of the actuarially accrued liability contribution for
13		the system as determined by subdivision a. of this subparagraph by
14		the individual employer's percentage of the system's total
15		actuarially accrued liability as of the June 30, 2019, actuarial
16		valuation which shall be determined solely by the system's
17		consulting actuary and assigned to each employer based upon the
18		last participating employer of the member or retiree as of June 30,
19		2019. The individual employer's percentage of the system's total
20		actuarially accrued liability as of the June 30, 2019, actuarial
21		valuation shall be used to determine the individual employer's
22		prorated dollar amount of the system's actuarially accrued liability
23		contribution in all future fiscal years of the amortization period or
24		periods, except that the employer's percentage shall be adjusted to
25		reflect any employer who voluntarily or involuntarily ceases
26		participation as provided by KRS 61.522 and except as provided
27		by subparagraphs 4. and 5. of this paragraph. For purposes of this

Page 23 of 32

1	subdivision, all executive branch departments, program cabinets
2	and their respective departments, and administrative bodies
3	enumerated in KRS 12.020, and any other executive branch
4	agencies administratively attached to a department, program
5	cabinet, or administrative body enumerated in KRS 12.020, shall
6	be considered a single individual employer and only one (1) value
7	shall be computed for these executive branch employers. For
8	purposes of this subdivision, all employers of the legislative
9	branch, including the Legislative Research Commission and the
10	General Assembly that covers legislators and staff who participate
11	in the Kentucky Employees Retirement System, shall be
12	considered a single individual employer and only one (1) value
13	shall be computed for these employers. For purposes of this
14	subdivision, all employers of the judicial branch, including the
15	Administrative Office of the Courts, the Judicial Form Retirement
16	System, and all master commissioners, shall be considered a single
17	individual employer and only one (1) value shall be computed for
18	these employers;
19 c.	Shall be payable by an individual employer in equal monthly dollar
20	installments during the fiscal year in accordance with the reporting

20 installments during the fiscal year in accordance with the reporting 21 requirements specified by KRS 61.675 so that the individual 22 employer pays its full prorated dollar amount of the actuarially 23 accrued liability contribution as determined by subdivision b. of 24 this subparagraph; and

25d.Notwithstanding subdivision b. of this subparagraph for those26individual participating employers who are local and district health27departments governed by KRS Chapter 212, community mental

1	hea	Ith centers, and employers whose employees are not subject to
2	KR	S 18A.005 to 18A.200, who received or were eligible to
3	rec	eive a distribution of general fund appropriations in the 2018-
4	202	20 biennial executive branch budget to assist in paying
5	reti	rement costs under 2018 Ky. Acts ch. 169, Part I, G., 4., (5);
6	201	8 Ky. Acts ch. 169, Part I, G., 5., (2); or 2018 Ky. Acts ch. 169,
7	Par	t I, G., 9., (2), shall not, once the initial dollar amounts are
8	esta	ablished in accordance with this paragraph, be adjusted in terms
9	of	dollars paid by the individual employer, except that adjustments
10	sha	ll be made by the system upon completion of an actuarial
11	inv	estigation as provided by KRS 61.670, so long as at least four
12	(4)	years have passed since the last adjustment to the actuarially
13	acc	rued liability contribution for these employers. The provisions
14	of	his subdivision shall not be interpreted to mean that employers
15	des	cribed by this subdivision may continue paying the dollar value
16	of	contributions or employer contribution rates established or paid
17	by	the employer in budget periods occurring prior to July 1, 2021.
18	2. Individua	al employers, solely for purposes of collecting employer
19	contribut	ions from various fund sources during the fiscal year, may
20	convert t	he actuarially accrued liability contribution established by this
21	paragrap	n to a percentage of pay and may adjust the percent of pay
22	during the	ne fiscal year in order to pay the required dollar value of
23	actuarial	y accrued liability contribution required by this paragraph. No
24	provisior	of this subparagraph shall be construed to reduce an individual

26 provided by this paragraph.

27

25

3. The provisions of this paragraph shall not apply to those employers who

employer's actuarially accrued liability contribution as otherwise

1

cease participation as provided by KRS 61.522.

2 In the event an individual Kentucky Employees Retirement System 4. 3 nonhazardous employer who is required to pay an actuarially accrued 4 liability contribution as provided by this paragraph and as calculated 5 from the 2019 actuarial valuation or subsequent valuations, merges with another employer or entity, forms a new or separate employer or entity, 6 7 or splits or separates operations into multiple employers or entities, the system shall, except for those employers or entities who pay the costs to 8 9 cease participation as provided by KRS 61.522, have full authority to 10 assign a portion or all of the total actuarially accrued liability 11 contribution to the merged, new, split, or separate employers or entities, 12 regardless of whether or not the merged, new, split, or separate 13 employers or entities participate in the system. In the case of a district 14 health department established pursuant to KRS Chapter 212, which 15 ceases to operate or which has a county or counties that withdraw from 16 the district health department, the systems shall assign the total actuarially accrued liability contribution based upon the proportion of 17 18 taxable property of each county as certified by the Department for Public 19 Health in the Cabinet for Health and Family Services in accordance with 20 KRS 212.132. The system shall establish by administrative regulations 21 the process of assigning actuarially accrued liability contributions as 22 authorized by this subparagraph.

5. a. An employer who is not in the executive, legislative, or judicial branch of Kentucky state government as enumerated in subparagraph 1.b. of this paragraph may on or before July 1, 2021, appeal to the board regarding any current or former employees or retirees the employer believes should not be used to determine the

23

24

25

26

27

1		employer's percentage of the system's total actuarially accrued
2		liability. The only appeals that shall be submitted by the employer
3		or considered by the board shall be potential errors where the last
4		participating employer is in dispute, situations where employees of
5		the employer were hired through a contract between the executive
6		branch and the employer for the employee to provide services to
7		the executive branch, or situations where a community mental
8		health center was contracted to provide services at a facility
9		previously operated by the executive branch. The employer shall
10		submit the information required by the board to verify potential
11		errors or contract employees with employers.
12	b.	The board shall review and issue a final determination regarding
13		any appeals by December 31, 2021. In situations where the board
14		determines the last participating employer was incorrect and
15		should be assigned to another employer, the system shall, effective
16		for employer contributions payable on or after July 1, 2022, assign
17		the cost to the executive branch until such time ownership of the
18		liability can be determined and assigned to the correct employer. In
19		situations where the board determines certain employees of
20		employers were hired through a contract between the executive
21		branch and the employer for an employee or employees to provide
22		services to the executive branch, those liabilities shall, effective for
23		employer contributions payable on or after July 1, 2022, be
24		assigned to the executive branch. In situations where the board
25		determines the community mental health center was contracted to
26		provide services at a facility previously operated by the executive
27		branch, the liabilities for employees providing services at that

Page 27 of 32

1			facility shall be assigned to the executive branch.
2			c. No appeal shall be submitted by the employer or considered by the
3			board regarding the assumptions or methodology used by the
4			actuary to determine a particular employer's percentage of the
5			system's total actuarially accrued liability or the use of the last
6			participating employer to assign liabilities to an employer, except
7			as otherwise provided by this subparagraph.
8			d. The board shall within thirty (30) days following the final
9			determinations submit to the Public Pension Oversight Board the
10			list of appeals that were approved, the number of employees
11			involved, and any costs that will be transferred to the executive
12			branch effective July 1, 2022.
13		(e)	The employer contributions computed under this section shall be determined
14			using:
15			1. The entry age normal cost funding method;
16			2. An asset smoothing method that smooths investment gains and losses
17			over a five (5) year period; and
18			3. Other funding methods and assumptions established by the board in
19			accordance with KRS 61.670.
20	(2)	(a)	Except as limited by subsection (1)(d)1.d. of this section as it relates to the
21			Kentucky Employees Retirement System, normal cost contribution rates and
22			the actuarially accrued liability contribution shall be determined by the board
23			on the basis of the annual actuarial valuation last preceding the July 1 of a new
24			biennium.
25		(b)	The board shall not have the authority to amend contribution rates as of July 1
26			of the second year of the biennium for the Kentucky Employees Retirement
27			System and the State Police Retirement System.

Page 28 of 32

22 RS HB 259/EN

1	(3)	(a) The system shall advise each employer prior to July 1 of any change in the
2		employer contribution rate.
3		(b) Costs for the benefits provided under subsection (2)(b)2. of Section 2 of this
4		Act and Section 3 of this Act shall be included in the employer contribution
5		rate payable to the State Police Retirement System but shall be reported as a
6		separate line item in the actuarial valuation for purposes of Section 3 of this
7		Act and in any correspondence to the Department of Kentucky State Police,
8		the state budget director, and the Legislative Research Commission
9		regarding employer costs for the State Police Retirement System.
10		(c) Based on the employer contribution rate, each employer shall include in the
11		budget sufficient funds to pay the employer contributions as determined by the
12		board under this section.
13	(4)	All employers, including the General Assembly, shall pay the full actuarially
14		required contributions, as prescribed by this section, to the Kentucky Employees
15		Retirement System and the State Police Retirement System in fiscal years occurring
16		on or after July 1, 2020, except as authorized for the program established by
17		subsection (2)(b)2. of Section 2 of this Act and Section 3 of this Act.
18		Section 9. KRS 61.592 is amended to read as follows:
19	(1)	(a) "Hazardous position" for employees participating in the Kentucky Employees
20		Retirement System means:
21		1. Any position whose principal duties involve active law enforcement,
22		including the positions of probation and parole officer and
23		Commonwealth detective, active fire suppression or prevention, or other
24		positions, including but not limited to pilots of the Transportation
25		Cabinet and paramedics and emergency medical technicians, with duties
26		that require frequent exposure to a high degree of danger or peril and
27		also require a high degree of physical conditioning;

Page 29 of 32

- Positions in the Department of Corrections in state correctional
   institutions and the Kentucky Correctional Psychiatric Center with
   duties that regularly and routinely require face-to-face contact with
   inmates; and
- 3. Positions of employees who elect coverage under KRS 196.167(3)(b)2.
  and who continue to provide educational services and support to inmates
  as a Department of Corrections employee.
- 8 (b) The effective date of participation under hazardous duty coverage for 9 positions in the Department of Alcoholic Beverage Control shall be April 1, 10 1998. The employer and employee contributions shall be paid by the employer 11 and forwarded to the retirement system for the period not previously reported.
- 12 (2)Each employer may request of the board hazardous duty coverage for those 13 positions as defined in subsection (1) of this section. Upon request, each employer 14 shall certify to the system, in the manner prescribed by the board, the names of all 15 employees working in a hazardous position as defined in subsection (1) of this 16 section for which coverage is requested. The certification of the employer shall bear 17 the approval of the agent or agency responsible for the budget of the department or 18 county indicating that the required employer contributions have been provided for 19 in the budget of the employing department or county. The system shall determine 20 whether the employees whose names have been certified by the employer are 21 working in positions meeting the definition of a hazardous position as provided by 22 subsection (1) of this section. This process shall not be required for employees who 23 elect coverage under KRS 196.167(3)(b)2.
- (3) (a) An employee who elects coverage under KRS 196.167(3)(b)2., and an
  employee participating in the Kentucky Employees Retirement System who is
  determined by the system to be working in a hazardous position in accordance
  with subsection (2) of this section, shall contribute, for each pay period for

1 2 which he or she receives compensation, eight percent (8%) of his or her creditable compensation.

- 3 (b) Each employer shall pay employer contributions based on the creditable 4 compensation of the employees determined by the system to be working in a 5 hazardous position at the employer contribution rate as determined by the 6 board. The rate shall be determined by actuarial methods consistent with the 7 provisions of KRS 61.565.
- 8 If the employer participated in the system prior to electing hazardous duty (c) 9 coverage, the employer may pay to the system the cost of converting the 10 nonhazardous service to hazardous service from the date of participation to 11 the date the payment is made, or the employer may establish a payment 12 schedule for payment of the cost of the hazardous service above that which 13 would be funded within the existing employer contribution rate. The employer 14 may extend the payment schedule to a maximum of thirty (30) years. 15 Payments made by the employer under this subsection shall be deposited to 16 the retirement allowance account of the proper retirement system and these 17 funds shall not be considered accumulated contributions of the individual 18 members. If the employer elects not to make the additional payment, the 19 employee may pay the cost of converting the service and provide payment for 20 the cost as provided by KRS 61.552(9). Payments made by the employee 21 under this subsection shall not be picked up, as described in KRS 61.560(4), 22 by the employer. If neither the employer nor employee makes the payment, the 23 service prior to hazardous coverage shall remain nonhazardous. The 24 provisions of this paragraph shall not apply to members who begin 25 participating in the systems administered by Kentucky Retirement Systems on 26 or after January 1, 2014.
- 27

(4) The normal retirement age, retirement allowance, hybrid cash balance plans <u>except</u>

*as provided by subsection (2)(b)2. of Section 2 of this Act and Section 3 of this Act*, other benefits, eligibility requirements, rights, and responsibilities of a member
 in a hazardous position, as prescribed by subsections (1), (2), and (3) of this section,
 and the responsibilities, rights, and requirements of his or her employer shall be as
 prescribed for a member and employer participating in the State Police Retirement
 System as provided for by KRS 16.505 to 16.652.

7 (5) Any person employed in a hazardous position after July 1, 1972, shall be required to
8 undergo a thorough medical examination by a licensed physician, and a copy of the
9 medical report of the physician shall be retained on file by the employee's
10 department or county and made available to the system upon request.

11 (6) If doubt exists regarding the benefits payable to a hazardous position employee
12 under this section, the board shall determine the benefits payable under KRS 61.510
13 to 61.705 or 16.505 to 16.652.

Section 10. In the event that budgeted funds in fiscal year 2023-2024 of the executive branch budget are insufficient to fund the program established by subsection (2)(b)2. of Section 2 of this Act and Section 3 of this Act for that fiscal year, the program shall, notwithstanding any provision of Section 3 to the contrary, still be provided in fiscal year 2023-2024 and any additional funding needed for the benefits provided in fiscal year 2023-2024 shall be included in the employer contribution rates payable for fiscal years occurring on or after July 1, 2024.

Section 11. Whereas it is critical to ensure that Kentucky State Police are able
to attract and retain highly qualified peace officers, an emergency is declared to exist, and
Section 1 of this Act takes effect on July 1, 2022.

24

Section 12. Sections 2 to 10 of this Act take effect on April 1, 2023.