

**61.460 Plans for coverage of employees of political subdivisions.**

- (1) Each political subdivision of the state is hereby authorized to submit for approval by the state agency a plan for extending insurance coverage to employees of the political subdivision; except that no plan shall provide insurance coverage to an employee occupying a position to which KRS 161.220 to 161.710 are applicable except for employees of the state universities and public junior colleges. Each plan and any amendments thereof shall be approved by the state agency if it finds that the plan, or the plan as amended, is in conformity with requirements as are provided in administrative regulations of the state agency, except that no plan shall be approved unless:
  - (a) It is in conformity with the requirements of the Social Security Act and with the agreement entered into under KRS 61.430;
  - (b) It provides that all services which constitute employment and are performed in the employ of the political subdivision by employees thereof, shall be covered by the plan;
  - (c) It specifies the source or sources from which the funds necessary to make the payments required by paragraph (a) of subsection (3) and by subsection (4) of this section are expected to be derived and contains reasonable assurance that those sources will be adequate for that purpose;
  - (d) It provides for methods of administration of the plan by the political subdivision as are found by the state agency to be necessary for the proper and efficient administration thereof; and
  - (e) It provides that the political subdivision will make reports, in the form and containing the information, as the state agency may from time to time require, and will comply with any provisions the state agency or the commissioner may from time to time find necessary to assure the correctness and verification of the reports.
- (2) The state agency shall not finally refuse to approve a plan submitted by a political subdivision under subsection (1) of this section without reasonable notice and opportunity for hearing to the political subdivision affected thereby.
- (3)
  - (a) Each political subdivision for which a plan has been approved under this section is authorized to and shall pay into the contribution fund, with respect to contributions due for wages paid prior to 1987, at the time or times as the state agency may by administrative regulation prescribe, contributions in the amounts and at the rates specified in the applicable agreement entered into by the state agency under KRS 61.430; and, furthermore, in anticipation of the due date of any payments of contributions required by this paragraph, is authorized to and shall make any advancements the state agency, by administrative regulation or contract, may require.
  - (b) Each political subdivision is authorized to and shall make the payments as are determined by the state agency to be necessary for the purpose of defraying the expenses incurred by the state agency in administering KRS 61.410 to 61.500 for the benefit of those employees covered under any plan approved

under subsection (1) of this section, but in no event shall such amount be greater than five percent (5%) of the contributions required under paragraph (a) of this subsection. The payments shall be made into the State Treasury and shall be credited to a separate trust and agency fund to be used by the state agency solely for the purpose stated in this paragraph.

- (c) Each political subdivision required to make payments under paragraph (a) of this subsection is authorized, in consideration of the employee's retention in, or entry upon, employment after the effective date of KRS 61.410 to 61.500, to impose upon each of its employees, as to services which are covered by an approved plan, a contribution with respect to wages received for each calendar year, at the rate established by the Federal Insurance Contributions Act, as amended, and the Social Security Act, as amended. Contributions so collected for wages paid prior to 1987 shall be paid into the contribution fund in partial discharge of the liability of the political subdivision under paragraph (a) of this subsection. Failure to deduct the contribution shall not relieve the employer of liability therefor.
- (4) Delinquent payments due under paragraph (a) of subsection (3) of this section, with interest at the rate prescribed by Section 218 (j) of the Social Security Act, may be recovered by action in the Franklin Circuit Court against the political subdivision liable therefor or may, at the request of the state agency, be deducted from any other moneys payable to the subdivision by any department or agency of the state.

**Effective:** July 15, 1998

**History:** Amended 1998 Ky. Acts ch. 436, sec. 6, effective July 15, 1998. -- Amended 1982 Ky. Acts ch. 393, sec. 38, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 275, sec. 2, effective July 15, 1980. -- Amended 1962 Ky. Acts ch. 12, sec. 6. -- Amended 1960 Ky. Acts ch. 85, sec. 2. -- Amended 1958 Ky. Acts ch. 135, sec. 4. -- Created 1951 (1st Extra. Sess.) Ky. Acts ch. 3, sec. 6.