67A.510 Members' contributions -- Picked-up employee contributions.

(1) (a) Each active member shall contribute a sum equal to not less than ten and one-half percent (10.5%) nor more than eleven percent (11%) of current salary, to be determined by the legislative body of the urban-county government, except that:

1. For members whose participation date in the fund is prior to March 14, 2013, the members shall, effective July 1, 2013, contribute a sum equal to twelve percent (12%) of current salary to the fund; and

2. For members whose participation date in the fund is on or after March 14, 2013, the member shall contribute a sum equal to twelve percent (12%) of current salary to the fund.

(b) The commissioner of finance of the government is hereby authorized to deduct such amount provided by this subsection from the salary paid to each active member during any pay period. This contribution shall be made as a deduction from salary, notwithstanding that the salary paid in cash to such member may be reduced thereby below the established statutory rate. Every member of the fund shall be deemed to consent and agree to the deduction from salary as herein provided, and shall receipt for his full salary, and payment to such member of salary less such deduction shall constitute a full and complete discharge and acquittance of all claims and demand whatsoever for the services rendered by such member during the period covered by such payment, except as to the benefits herein provided. After August 1, 1982, employee contributions shall be picked up by the urban-county government pursuant to subsection (2) of this section.

(2) The urban-county government shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employee contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(10). However, the urban-county government shall continue to withhold federal and state income taxes based upon these contributions and hold them in a separate account until the Internal Revenue Service or the federal courts rule that, pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions shall not be included as gross income of the employee until such time as the contributions are distributed or made available to the employee. The picked-up employee contribution shall satisfy all obligations to the retirement fund satisfied prior to August 1, 1982, by the employee contribution, and the picked-up employee contribution shall be in lieu of an employee contribution. The urban-county government shall pay these picked-up employee contributions from the same source of funds which is used to pay earnings to the employee. The employee shall have no option to receive the contributed amounts directly instead of having them paid by the urban-county government to the fund. Employee contributions picked up after August 1, 1982, shall be treated for all purposes of KRS 67A.360 to 67A.690 in the same manner and to the same extent as employee contributions

made prior to August 1, 1982.

Effective: March 14, 2013

History: Amended 2013 Ky. Acts ch. 7, sec. 13, effective March 14, 2013. -- Amended 1990 Ky. Acts ch. 189, sec. 3, effective July 13, 1990; and ch. 476, Pt. VII D, sec. 646, effective April 11, 1990. -- Amended 1982 Ky. Acts ch. 166, sec. 37, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 329, sec. 1, effective July 15, 1980. -- Created 1974 Ky. Acts ch. 106, sec. 16, effective July 1, 1974.