

1 AN ACT relating to the reporting of retirement contributions.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 78.625 is amended to read as follows:

4 (1) The agency reporting official of the county shall file the following at the retirement
5 office on or before the tenth day of the month following the period being reported:

6 (a) The employee and employer contributions required under KRS 78.610,
7 61.565, and 61.702;

8 (b) The employer contributions and reimbursements for retiree health insurance
9 premiums required under KRS 61.637; and

10 (c) A record of all contributions to the system on the forms prescribed by the
11 systems.

12 (2) (a) If the agency reporting official fails to file at the retirement office all
13 contributions and reports on or before the tenth day of the month following
14 the period being reported, interest on the delinquent contributions at the
15 actuarial rate adopted by the board compounded annually, but not less than
16 one thousand dollars (\$1,000), shall be added to the amount due the system.

17 (b) Delinquent contributions, with interest at the rate adopted by the board
18 compounded annually, or penalties may be recovered by action in the Franklin
19 Circuit Court against the county liable or may, at the request of the board, be
20 deducted from any other moneys payable to the county by any department or
21 agency of the state.

22 (3) If an agency is delinquent in the payment of contributions due in accordance with
23 any of the provisions of KRS 78.510 to 78.852;~~;~~

24 **(a) For a period of two (2) months or more following the date the contributions**
25 **were due to be filed, then the systems shall notify:**

26 **1. The mayor, county judge/executive, or agency head, as applicable, by**
27 **certified mail of the agency's failure to pay contributions and potential**

- 1 consequences that may result due to the delinquent contributions;
 2 2. Employees of the agency, by electronic or paper mail, of the agency's
 3 failure to pay contributions and potential consequences that may
 4 result due to the delinquent contributions; and
 5 3. The public by posting on the system's Web site the agency's name and
 6 amount of delinquent contributions until the agency has fully paid the
 7 delinquent contributions.

8 (b) Refunds and retirement allowance payments to members of this agency may
 9 be suspended until the delinquent contributions, with interest at the rate
 10 adopted by the board compounded annually, or penalties have been paid to the
 11 system.

12 ➔Section 2. KRS 61.675 is amended to read as follows:

13 (1) The employer shall prepare the records and, from time to time, shall furnish the
 14 information the system may require in the discharge of its duties. Upon employment
 15 of an employee, the employer shall inform him of his duties and obligations in
 16 connection with the system as a condition of employment.

17 (2) The system may at any time conduct an audit of the employer in order to determine
 18 if the employer is complying with the provisions of KRS 16.505 to 16.652, 61.610
 19 to 61.705, or 78.510 to 78.852. The system shall have access to and may examine
 20 all books, accounts, reports, correspondence files, and records of any employer.
 21 Every employer, employee, or agency reporting official of a department or county,
 22 as defined in KRS 78.510(3), having records in his possession or under his control,
 23 shall permit access to and examination of the records upon the request of the
 24 system.

25 (3) (a) Any agency participating in the Kentucky Employees Retirement System
 26 which is not an integral part of the executive branch of state government shall
 27 file the following at the retirement office on or before the tenth day of the

1 month following the period being reported:

- 2 1. The employer and employee contributions required under KRS 61.560,
3 61.565, and 61.702;
- 4 2. The employer contributions and reimbursements for retiree health
5 insurance premiums required under KRS 61.637; and
- 6 3. A record of all contributions to the system on the forms prescribed by
7 the board.

8 (b) If the agency fails to file all contributions and reports on or before the tenth
9 day of the month following the period being reported, interest on the
10 delinquent contributions at the actuarial rate adopted by the board
11 compounded annually, but not less than one thousand dollars (\$1,000), shall
12 be added to the amount due the system.

13 **(4) If an agency is delinquent in the payment of contributions due in accordance**
14 **with any of the provisions of KRS 61.510 to 61.705 for a period of two (2) months**
15 **or more following the date the contributions were due to be filed, then the systems**
16 **shall notify:**

17 **(a) The department or agency head, as applicable, by certified mail of the**
18 **agency's failure to pay contributions and potential consequences that may**
19 **result due to the delinquent contributions;**

20 **(b) Employees of the agency or department, by electronic or paper mail, of the**
21 **agency's failure to pay contributions and potential consequences that may**
22 **result due to the delinquent contributions; and**

23 **(c) The public by posting on the system's Web site the agency's name and**
24 **amount of delinquent contributions until the agency has fully paid the**
25 **delinquent contributions.**