

**78.535 Termination of participation -- Effect on employees and employers.**

- (1) If a participating county fails to fully comply with the provisions of KRS 78.510 to 78.852, the board shall notify the county in writing of its failure to comply and shall inform the county that the failure shall be deemed to be cause for termination of the participation of the county in the system.
- (2) In not less than ninety (90) days after the issuance of the notice in accordance with subsection (1) of this section, the board may terminate the participation of the county in the system unless the county has fully complied or has made satisfactory arrangements to comply. The board shall determine the effective date of the termination of participation.
- (3) The county may appeal the decision of the board to the Franklin Circuit Court.
- (4) Employees of the county who are members of the system on the effective date of termination of participation shall have the privilege of continuing in membership in the system until their county employment is terminated. The employees shall continue to make contributions to the system in accordance with the provisions of KRS 78.610 and the county shall contribute employer contributions for the employees in accordance with KRS 61.565.
- (5) Notwithstanding the provisions of subsection (4) of this section, the aggregate amount of the employer contributions during a fiscal year of a county whose participation has been terminated by the board shall be not less than the amount the system is required to pay in retirement allowances during the fiscal year to former employees of the county and the beneficiaries of the former employees. In determining the amount of retirement allowances, the system shall allow credit for the member contributions paid by the former employees.
- (6) In lieu of termination of the participation of a county which fails to fully comply with the provisions of KRS 78.510 to 78.852, the board may file an action in the Franklin Circuit Court to collect money owed and to attach so much of the general fund of the delinquent county as is necessary to achieve full compliance with the provisions of KRS 78.625.

**Effective:** July 14, 1992

**History:** Amended 1992 Ky. Acts ch. 240, sec. 53, effective July 14, 1992. -- Amended 1988 Ky. Acts ch. 11, sec. 17, effective July 15, 1988. -- Amended 1980 Ky. Acts ch. 188, sec. 71, effective July 15, 1980. -- Created 1964 Ky. Acts ch. 49, sec. 3.