

95.862 Permanent occupational disability -- Annuity rate -- Reduction of benefits -- Cost-of-living increases.

- (1) In the event a total and permanent occupational disability occurs, the member shall receive an annuity equal to seventy percent (70%) of his last rate of salary. If the calculated monthly benefit is less than five hundred dollars (\$500) per month, the board may increase the monthly benefit to a minimum of five hundred dollars (\$500) monthly if the increase can be supported on an actuarially sound basis by the fund. This benefit shall begin at such time as his salary may cease, and shall be paid during his entire lifetime. Any member who retired prior to June 21, 1974, shall receive an increase of ten dollars (\$10) per month for each year or part thereof of retirement prior to June 21, 1974, with a maximum increase of one hundred and seventy dollars (\$170) per month. Upon his death, his eligible widow and minor children, if any, shall receive the benefits as provided under KRS 95.860.
- (2) If the member retired for total and permanent occupational disability would receive from a combination of (a) pension disability payments pursuant to subsection (1) of this section, and (b) workers' compensation payments, excluding spouse or dependent children's allowances or payments for medical expenses or legal fees related to the workers' compensation claim, an amount greater than one hundred percent (100%) of his last rate of salary, then the pension system benefits shall be reduced to the point that the combined payments equal one hundred percent (100%) of the last rate of salary. The benefit shall not be reduced, however, below an amount equal to two and one-half percent (2-1/2%) of average salary for each year of the member's service. Any reduction in the payment shall be based upon workers' compensation benefits applicable at the time the payment is granted, and not upon subsequent increases in either benefit. If workers' compensation benefits are reduced at a subsequent time, the retiree shall inform the board, and the board shall increase the benefit by the amount of the reductions, but not by more than an amount which would increase the benefit to seventy percent (70%) of the last rate of salary, excluding cost-of-living increases. The board of trustees may pay estimated benefits to a retiree, upon qualification for the benefits, based upon an estimate of workers' compensation benefits until such amounts are actually determined, at which time a final calculation of the actual benefits shall be determined and the account corrected retroactive to the effective date of the benefit. If workers' compensation benefits are paid in lump sums, the board shall reduce the disability retirement annuity on a monthly rather than a lump-sum basis. The amount of the monthly reduction shall be based upon the life expectancy of the retired member. The board may request the assistance of the general manager of Kentucky Retirement Systems to calculate the reduction in the retirement benefit when lump sum payments are involved, and the general manager shall provide such assistance upon request.
- (3) Any member retired pursuant to this section shall receive the same cost-of-living increases granted to other retirees pursuant to the terms of KRS 95.859(3).

Effective: July 14, 2000

History: Amended 2000 Ky. Acts ch. 341, sec. 4, effective July 14, 2000. -- Amended 1996 Ky. Acts ch. 132, sec. 2, effective July 15, 1996. -- Amended 1992 Ky. Acts ch. 84, sec. 1, effective March 24, 1992. -- Amended 1984 Ky. Acts ch. 351, sec. 4, effective July 13, 1984. -- Amended 1980 Ky. Acts ch. 367, sec. 3, effective July 15, 1980. -- Amended 1974 Ky. Acts ch. 396, sec. 5. -- Created 1956 Ky. Acts ch. 16, sec. 12, effective July 1, 1956.