

161.560 Deduction and forwarding of teachers' contributions -- Picked-up employee contributions -- Correction of omitted member contributions.

- (1) Each agency employing members of the retirement system shall deduct from the compensation of each member for each payroll period subsequent to the date the individual became a member, the percentage of his compensation due under the rates prescribed in KRS 161.540. No later than fifteen (15) days following the end of each payroll period, the agency shall forward all amounts deducted to the Teachers' Retirement System. The retirement system shall charge the employing agency interest at an annual rate not to exceed twelve percent (12%) for deductions not remitted within the specified fifteen (15) days. Payroll reports, contributions lists, and other data required by administrative regulation of the board of trustees shall be submitted. Employers shall submit an annual report, in compliance with requirements of the retirement system, of member contributions and periods employed to the retirement system no later than August 1 following the completion of each fiscal year. The retirement system may impose a penalty on the employer not to exceed one thousand dollars (\$1,000) when the employer does not meet the August 1 reporting date. The deductions shall be made notwithstanding the fact that the salary as a result may be less than the minimum compensation provided by law. Every member shall be deemed to consent and agree to the deductions, and the deductions shall be considered as having been paid to the member. After August 1, 1982, member contributions shall be picked up by the agency pursuant to KRS 161.540(2).
- (2) If an employer fails to deduct the correct retirement contribution from a member's compensation, the member may make the contribution that should have been deducted by the employer and receive retirement credit for the payment. For correction of omitted member contributions that occur more than one (1) year after the year in which the error was made, the employer shall be responsible for paying interest to the retirement system at a rate of eight percent (8%) from the end of the year in which the service was performed to the date of payment.

Effective: July 1, 2002

History: Amended 2002 Ky. Acts ch. 275, sec. 23, effective July 1, 2002. -- Amended 1996 Ky. Acts ch. 359, sec. 11, effective July 1, 1996. -- Repealed and reenacted 1990 Ky. Acts ch. 476, Pt. V, sec. 518, effective July 13, 1990. -- Amended 1988 Ky. Acts ch. 363, sec. 13, effective July 1, 1988. -- Amended 1984 Ky. Acts ch. 253, sec. 18, effective July 1, 1984; and ch. 302, sec. 6, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 166, sec. 13, effective July 15, 1982; and ch. 414, sec. 2, effective July 15, 1982. -- Amended 1964 Ky. Acts ch. 43, sec. 12. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4506b-38.