



Kentucky Retirement Systems

Inviolable Contract Overview

Inviolable Contract Language – KERS

61.692 Benefits not to be reduced or impaired – Exception.

It is hereby declared that in consideration of the contributions by the members and in further consideration of benefits received by the state from the member's employment, KRS 61.510 to 61.705 shall, except as provided in KRS 6.696 effective September 16, 1993, constitute an inviolable contract of the Commonwealth, and the benefits provided therein shall, except as provided in KRS 6.696, not be subject to reduction or impairment by alteration, amendment, or repeal.

Inviolable Contract Language – CERS

78.852 Benefits not to be reduced or impaired – Exception.

It is hereby declared that in consideration of the contributions by the members and in further consideration of benefits received by the county from the member's employment, KRS 78.510 to 78.852 shall, except as provided in KRS 6.696 effective September 16, 1993, constitute an inviolable contract of the Commonwealth, and the benefits provided therein shall, except as provided in KRS 6.696, not be subject to reduction or impairment by alteration, amendment, or repeal.

Inviolable Contract Language – SPRS

16.652 Benefits not to be reduced or impaired – Exception.

It is hereby declared that in consideration of the contributions by the member, and in further consideration of benefits received by the state from the member's employment, KRS 16.510 to 16.645, except as provided in KRS 6.696 effective September 16, 1993, shall constitute an inviolable contract of the Commonwealth, and the benefits provided therein shall, except as provided in KRS 6.696, not be subject to reduction or impairment by alteration, amendment or repeal.

Inviolable Contract Exception: Pension Benefits on 1/1/2014

KRS 61.692 (2)(a) (KERS)

For members who begin participating in the Kentucky Employees Retirement System on or after January 1, 2014, the General Assembly reserves the right to amend, suspend, or reduce the benefits and rights provided under KRS 61.510 to 61.705 if, in its judgment, the welfare of the Commonwealth so demands, except that the amount of benefits the member has accrued at the time of amendment, suspension, or reduction shall not be affected.

Inviolable Contract Exception: Cost of Living Adjustments

KRS 61.691(2)(f) Increase of Benefits

The benefits of this subsection as provided on July 1, 2009, and thereafter shall not be considered as benefits protected by the inviolable contract provisions of KRS 16.652, 61.692, and 78.852. The General Assembly reserves the right to suspend or reduce the benefits conferred in this subsection if, in its judgment, the welfare of the Commonwealth so demands.

Inviolable Contract Exception: Health Insurance Benefits KRS 61.702(8)(e)

The benefits of this subsection provided to a member whose participation begins on or after July 1, 2003, shall not be considered as benefits protected by the inviolable contract provisions of KRS 61.692, 16.652, and 78.852. The General Assembly reserves the right to suspend or reduce the benefits conferred in this subsection if in its judgment the welfare of the Commonwealth so demands. (Made applicable to SPRS by virtue of KRS 16.645(22) and to CERS by virtue of KRS 78.545(35).)

COVERED BY INVIOABLE CONTRACT:

- + Pension benefits prior to January 1, 2014
- + Health insurance benefits prior to July 1, 2003
- + Employee contribution rate

NOT COVERED BY INVIOABLE CONTRACT:

- Pension benefits on or after January 1, 2014
- Health benefits on or after July 1, 2003
- Cost of Living Adjustments (COLAs)
- Employer contribution rates