



Kentucky Retirement Systems

Records Retention Schedule

Prepared by the State Records Branch
Archives and Records Management Division
Approved by the State Libraries, Archives, and Records Commission



Kentucky Department for Libraries and Archives

This records retention schedule governs retention and disposal of records created, used and maintained by the Kentucky Retirement Systems. **Government records in Kentucky can only be disposed of with the approval of the State Archives and Records Commission (the Commission). If records do not appear on a Commission-approved records retention schedule, agencies should not destroy those records.** This agency-specific schedule was drafted by Kentucky Retirement Systems personnel and Archives and Records Management Division staff, and reviewed and approved by the Commission. This schedule provides the legal authority for Kentucky Retirement Systems to destroy the records listed, after the appropriate retention periods have passed.

Kentucky Retirement Systems personnel should use this agency-specific schedule in combination with the *General Schedule for State Agencies (General Schedule)*, also approved by the Commission. The *General Schedule* applies to records that are created, used and maintained by staff at all or most state agencies. Agency-specific retention schedules are used only by specific agencies and apply to records that are created only by a particular state agency, or to records that a state agency is required to retain longer than the approved time period on the *General Schedule*. The *General Schedule* and agency-specific retention schedule should cover all records for Kentucky Retirement Systems.

This retention schedule applies to state agency records and information regardless of how it is created or stored. For example, information created and sent using e-mail is as much a public record as materials created or maintained in paper. Kentucky law defines public records, in part, as "documentary materials, *regardless of physical form or characteristics*, which are prepared, owned, used, in the possession of or retained by a public agency" (KRS 171.410[1]). This means that records management standards and principles apply to all forms of recorded information, from creation to final disposition, regardless of the medium. Records retention scheduling is important in developing, using, and managing computer systems and other electronic devices. Records management practices encourage cost-effective use of electronic media through accurate retention scheduling and legal destruction of records.

All state government employees are responsible for maintaining records according to the retention schedule, whether those records are stored electronically or in paper. Information must be accessible to the appropriate parties until all legal, fiscal, and administrative retention periods are met, regardless of the records storage medium.

This retention schedule covers the content of records created by Kentucky Retirement Systems, including records created or stored using computers and computer systems. The *General Schedule for Electronic and Related Records* applies to records related to computers or a computer system. Examples of these include system documentation and use records, backup files, or website format and control records.

Audits and Legal Action

Agency records may be subject to fiscal, compliance or procedural audit. If an agency should maintain records longer than the approved retention period, as may be the case with some federal audits, then all affected records should be retained until the audit has been completed and the retention period met. In no case should records that are subject to audit be destroyed until the audit has been completed and retention periods met, or the records have been officially exempt from any audit requirements.

Records may also be involved in legal or investigative actions, such as lawsuits, administrative hearings or open records matters. These records must be retained at least until all legal or

investigative matters have concluded, regardless of retention period. This includes all appeals of lawsuits.

Vital Records

Vital records are essential to the continued functioning of an agency during and after an emergency. Vital records are also essential to the protection of the rights and interests of an agency and of the individuals for whose rights and interests it has a responsibility. Vital records are identified in the retention schedule with a (V).

Confidential Records

While all records created, used and maintained by government agency personnel are public records, not all of those records are open to public inspection. Whether a record is open to public inspection is determined by the state's Open Records laws and other relevant state or federal statutes and regulations. Restriction of public inspection of confidential records may apply to the whole record or only to certain information contained in the record.

Kentucky's public records are considered open for public inspection unless there is some specific law or regulation that exempts them. Agency personnel who believe certain records are confidential should submit a citation from Kentucky Revised Statutes, Administrative Regulations, Code of Federal Regulations, or similar authority. **State agency heads have the responsibility to know all the appropriate confidentiality laws, statutes and regulations that apply to the records maintained by their agency and to see that those laws are enforced.** Even though a record series may or may not be marked confidential on a retention schedule, contradictory laws or regulations that are passed after the schedule has been approved must be honored.

Copies of Records

Agency personnel often make copies of records for internal use or reference purposes. Agencies should designate one copy as the official copy and make sure it is retained according to the records retention schedule. Agencies can destroy all other copies when no longer useful.

Updating the Retention Schedule

Per 725 KAR 1:010, the head of each state government agency is required to designate a member of his or her staff to serve as a records officer. The agency records officer represents that agency in its records-related work with the Archives and Records Management Division. The agency records officer is responsible for assisting the Archives and Records Management Division in drafting a records retention schedule, and in finding any schedule updates to bring before the Commission. The retention schedule should be reviewed on a regular basis to suggest appropriate changes to the Commission.

Kentucky Retirement Systems

Kentucky Retirement Systems is responsible for the investment of funds and administration of benefits for state and local government employees in the Commonwealth of Kentucky. These employees include state employees, state police officers, county and city employees, as well as non-teaching staff of local school boards and regional universities.

Kentucky Retirement Systems administers three retirement systems which are qualified public defined benefit plans under Section 401 (a) of the Internal Revenue Code:

1. Kentucky Employees Retirement System (KERS), governed by KRS 61.510 – KRS 61.705;
2. County Employees Retirement System (CERS), governed by KRS 78.510 – 78.852; and
3. State Police Retirement System (SPRS), governed by KRS 16.505 -16.652.

The Kentucky Retirement Systems consists of a nine-member Board of Trustees: two (2) trustees elected by KERS members; two (2) trustees elected by CERS members; one (1) trustee elected by SPRS members; three (3) trustees appointed by the Governor; and the Secretary of the state Personnel Cabinet. One of the trustees appointed by the Governor must be knowledgeable about the impact of pensions on local governments. Elected trustees may serve no more than three consecutive four (4) year terms. The Board appoints the Executive Director to oversee administration.

The employee contribution rate is set by statute and presently employees in non-hazardous positions contribute five percent (5%) of their salary and hazardous duty employees contribute eight percent (8%). All funds are invested in accordance with Kentucky law and Board policies. The Board is governed by the "Prudent Person" rule and must invest the funds solely in the interests of the members and beneficiaries of the retirement systems.

An annual audit is conducted to ensure proper accounting procedures. An annual actuarial valuation is performed to assure that the contribution rates are sufficient to fund the benefits. Studies are conducted every five years to determine if actuarial assumptions reasonably reflect the actual experience of the retirement systems.

RECORDS RETENTION SCHEDULE

Signature Page

Kentucky Retirement Systems
Agency

December 9, 2010
Schedule Date

Unit

Change Date

December 9, 2010
Date Approved By Commission

APPROVALS

The undersigned approve of the following Records Retention Schedule or Change:

[Signature]
Agency Head

12/15/10
Date of Approval

Rosemary Bebe
Agency Records Officer

12/15/2010
Date of Approval

Barbara Teague
State Archivist and Records Administrator
Director, Public Records Division

12/9/2010
Date of Approval

Wayne Onit
Chairman, State Archives and Records Commission

12/9/2010
Date of Approval

The undersigned Public Records Division staff have examined the record items and recommend the disposition as shown:

Pam Compton
Records Analyst/Regional Administrator

12/09/10
Date of Approval

[Signature]
Appraisal Archivist

12/9/10
Date of Approval

[Signature]
State/Local Records Branch Manager

12/9/10
Date of Approval

The determination as set forth meets with my approval.

Brian L. Lewis
Auditor of Public Accounts

12/9/10
Date of Approval

STATE ARCHIVES AND RECORDS COMMISSION
Archives and Records Management Division
Kentucky Department for Libraries and Archives

STATE AGENCY RECORDS
RETENTION SCHEDULE

Finance and Administration
 Kentucky Retirement Systems

Record Group
Number
2550

Series	Records Title and Description	Function and Use
01817	Purchase and Sale of Securities File (V)	This series documents the investment portfolio for retirement benefits of purchases and sales of securities by Kentucky Retirement Systems pursuant to the provisions established in KRS 61.510-61.705. Per KRS 61.650, the Kentucky Retirement Systems Board shall be the trustee of the several funds created by KRS 16.518 (Kentucky State Police); Kentucky Employee Retirement System (KRS 61.515 and 61.701), and County Employee Retirement System (KRS 78.520) and has the exclusive power to invest and reinvest the funds in accordance with federal law. Northern Trust Corporation is the investor contracted with Kentucky Retirement Systems and also stores the records electronically. Kentucky Retirement Systems has the ability to access and extract data as needed.
	Access Restrictions	None
	Contents	Series contains: Account transactions; Broker information; Dividends paid; Income earned; Maturity date; Purchased at a discount or premium; Securities sales and purchases; Total cash outlay amount; Asset and Liability Information from Series 01837 - Investment Portfolio System
	Retention and Disposition	Retain permanently in agency
01819	Active Member File (V)	This series documents the records of active members who are currently contributing to a Kentucky Retirement Fund either in the Kentucky Employees Retirement System, County Employees Retirement System or State Police Retirement System. If an employee resigns from state or local government and requests a refund the records are transferred to Refunded Member File (Series 01822) and the retention period is forty (40) years from date of request. If the employee retires, the records are transferred to Retired Member File (Series 01825) and the paper copies are destroyed ten (10) years from date of retirement.
	Access Restrictions	KRS 61.661
	Contents	Series contains: Annual account statements; Former Service verification; correspondence; Membership and beneficiary information; Personnel action forms; Retirement contribution information; Service purchase documents; Social Security documents; Wage and service information
	Retention and Disposition	Transfer to Refunded Member File (01822) and retention period is forty (40) years from date of request or Retired Member File (01825) and retention period is ten (10) years from date of retirement.
01822	Refunded Member File (V)	This series documents individuals who are no longer members of Kentucky Retirement Systems and have been refunded their retirement account of his accumulated contributions as set forth in KRS 61.625. A designated beneficiary shall have the right to request a refund if the contributing member is deceased. If the individual is rehired by a participating agency, the service and refund information is transferred back to the Active Member File (01819).
	Access Restrictions	KRS 61.661
	Contents	Series may contain: Refund documentation; correspondence; retirement fund rollover documents; Annual account statements; former service verification; membership and beneficiary information; personnel action forms; retirement contribution information; service purchase documents; Social Security documents; wage and service information
	Retention and Disposition	Retain in Agency five (5) years; then transfer to State Records Center for thirty five (35) years; destroy after audit. Total retention is forty (40) years.

STATE ARCHIVES AND RECORDS COMMISSION
Archives and Records Management Division
Kentucky Department for Libraries and Archives

STATE AGENCY RECORDS
RETENTION SCHEDULE

Finance and Administration
Kentucky Retirement Systems

Record Group
Number
2550

Series	Records Title and Description	Function and Use
01825	Retired Member File (V)	This series documents the retirement of a state or local government employee who is no longer contributing to a retirement fund, but instead is receiving retirement benefits pursuant to provisions stated in KRS 61.580. All of the information in the Retired Member File originates in the Active Member File (01819) except the retirement benefit calculations and the retirement plan election form. An employee must work five (5) years in state government in order to be vested (eligible to draw a retirement payment). When one decides to retire, a Notification of Retirement Form is completed, a retirement plan selected and calculations are computed. A member may change his retirement plan or beneficiary up to the time retirement becomes effective. Once benefits are received, the payment and beneficiary(s) cannot change. There may be address changes, or other administrative changes to the file following retirement. The files are maintained in-house with hard copy documents electronically imaged and accessible via the STARTLibrary Manager Kentucky Retirement System. IFiles referenced following retirement are largely due to legal activity, which generally happens in the early years following retirement.
	Access Restrictions	KRS 61.661
	Contents	Series may contain: Active member records (Series 01819); Account audit documents; Benefit estimate calculations; Claim information (medical and pharmacy); Disability hearing transcription; Disability medical records; Disability retirement documents; Health insurance records; premiums, correspondence; Payroll documentation; Re-employment documents; Retirement notification; Tax and legal documents
	Retention and Disposition	Retain in Agency and destroy paper records one (1) year from the date records are verified into Electronic Member File. Purge electronic records ten (10) years from date all benefits cease.
01840	Agency/Employer Monthly Pre-billing Report (V)	This series documents monthly reports of retirement contributions from participating local government agencies as established in KRS 78.520. Pursuant to KRS 78.780, the government and control of the system is vested in the Kentucky Retirement Systems Board of Trustees. The county agency reporting official shall file the contribution report by the tenth day of each month to Kentucky Retirement Systems according to the provisions of KRS 78.625.
	Access Restrictions	(C) KRS 61.661
	Contents	Series contains: Report/Summary of wages earned; Retirement contributions
	Retention and Disposition	Retain in Agency three (3) years and destroy after audit
03280	Contribution Report (V)	This series documents the employer and employee contribution records and reports to the Kentucky Retirement Systems pursuant to the requirements of KRS 61.515 to 61.705. Each retirement membership employee shall contribute each pay period a percentage of his creditable compensation. Each employer shall solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code pick up the employee contributions and are treated as employer contributions. The employer contributions are not included as gross income of the employee until such time as the contributions are distributed or made available to the employee. The employee/employer contribution rate amount is set by statute.
	Access Restrictions	(C) KRS 61.661
	Contents	Series contains: Member account adjustment documents; member service corrections; member wage and service information; payroll refund documents; reinstatement documents; Supplemental wage reports
	Retention and Disposition	Retain in Agency six (6) months and destroy when information is verified in Active Member Folder (01819)

STATE ARCHIVES AND RECORDS COMMISSION
Archives and Records Management Division
Kentucky Department for Libraries and Archives

STATE AGENCY RECORDS
RETENTION SCHEDULE

Finance and Administration
 Kentucky Retirement Systems

Record Group
Number
2550

Series	Records Title and Description	Function and Use
05880	Agency/Employer Setup Documents (V)	This series documents the agency/employer setup process for participation in one of the Kentucky Retirement Systems: (Kentucky Employees Retirement Systems - KERS; State Police Retirement Systems -SPRS; County Employees Retirement Systems - CERS) pursuant to KRS 61.510-61.705. The process includes the requirements for participation and benefits, a description of retirement formulas for normal, early and disability retirement and survivor benefits, and statutory requirements for an agency to participate in Kentucky Retirement Systems.
	Access Restrictions	KRS 61.661
	Contents	Series contains: Kentucky Retirement Systems agency setup (Form 7070); Order for Kentucky Retirement Systems participation; Board minutes approving agency's participation; Correspondence relating to KRS 78.530(2); Kentucky Personnel Cabinet's contract for health insurance installment payment plan (IPS) certification letter (Form 7085); sick leave resolution (Form 7030); current agency/employer budget County Articles of Incorporation; County By-Laws; Agency contact information (Form 7075); List of employees including Social Security Numbers, position status;, job titles; Probation period of agency; Documentation on existing retirement programs; Name of agency/employer reporting official; Certification of hazardous position coverage (Form 7011); Job descriptions (Form 7020); Hazardous duty questionnaires (Form 7025); Certification of hazardous duty coverage (Form 2011); Actuarial study
	Retention and Disposition	Retain permanently in Agency.

STATE ARCHIVES AND RECORDS COMMISSION
Archives and Records Management Division
Kentucky Department for Libraries and Archives

STATE AGENCY RECORDS
RETENTION SCHEDULE

Finance and Administration
 Kentucky Retirement Systems
 Disability

Record Group
Number
2550

Series	Records Title and Description	Function and Use
04492	Administrative Hearings for Disability Retirement (V)	This series documents the proceedings of an administrative hearing held to determine the disability retirement of a current employee. The proceedings are digitally recorded and a copy of the recording is available by request of the claimant employee. Pursuant to KRS 61.665, an employee requesting disability retirement must furnish the retirement office with names of at least two physicians who have the necessary information to report the employee's physical and mental condition, and a description of the job and duties from which he received his last pay. The employer also provides a description of the job and duties. Upon review of a medical examiner selected by the agency to evaluate the medical evidence, the examiner recommends that disability retirement be approved or denied. If the medical examiner(s) recommend approval, the General Manager makes retirement payments in accordance with the retirement plan selected by the employee. If denied, the General Manager notifies the employee, who has sixty (60) days to submit additional information or appeal by requesting a formal hearing. An appeal to Franklin Circuit Court may be filed within thirty (30) days of a Final Order by the Board of Trustees.
	Access Restrictions	KRS 61.878 (1)(a) (Medical); KRS 61.661 (Account)
	Contents	Digital recording of an Administrative Hearing proceeding consisting primarily of claimant's testimony and medical review; and if applicable, transcripts of hearing.
	Retention and Disposition	Retain in Agency and destroy forty (40) years after case closure

Electronic System With Included Records Series

General Government Cabinet

Retirement Systems - Kentucky Employees

System Description: The Legacy Pension Administration System is used to administer Kentucky Employees Retirement. The system supports retirement processes for active KRS members and retired members. There are plans to replace the system with a new system called the Strategic Technology Advancements for the Retirement of Tomorrow (START).

System Contents: Modules include: Board Member Election, Disability, Disability-General, Employer Reporting (Units in Progress and Pre-billing Agencies), Fiscal year End (FYR) Processing, General Ledger, Installment Purchase System (IPS), IRS Tracking/Reporting, Miscellaneous, Miscellaneous Reports, Monthly Retirement Benefits, Operations (formerly Tape/Cartridge Tracking), Purchases, Register of Retirement Imaging System, Reports/Inquiry Programs, Retiree Insurance, Retiree Miscellaneous, Retirement Estimates (formerly Benefit Calculations), Security, Update Agency Info, Update Member Data and Update Retiree Data.

General Schedule Items:

System Title:	Legacy Pension Administration System	Alternate Title:	
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Series #:	Series Title:	Disposition Instructions:	Total Retention:
01817	Purchase and Sale of Securities File	Retain in agency	P
01819	Active Member Folder	Transfer to Refunded Member Folder (01822) and retention period is forty (40) years from date of request or Retired Member Folder (01825) and retention period is ten (10) years from date of retirement.	
01822	Refunded Member Folder	Transfer to State Records Center. Destroy after audit	40
01825	Retired Member Folder	Transfer to State Records Center upon retirement, retain at State Records Center for 10 years, then destroy.	10 years

System Title: Legacy Pension Administration System

Alternate Title:

<i>Series #:</i>	<i>Series Title:</i>	<i>Disposition Instructions:</i>	<i>Total Retention:</i>
01840	Agency/Employer Monthly Pre-billing Report	Destroy after audit	3
03280	Contribution Report	Destroy when information is verified in Active Member Folder (01819)	6 months
04492	Administrative Hearings for Disability Retirement	Destroy or reuse two years after closure of the case and all appeals are exhausted	2 years
05880	Agency/Employer Setup Documents		P
