

KENTUCKY PUBLIC PENSIONS AUTHORITY (KPPA)
HOUSEKEEPING BILL
(2024 BR 31)

SAME AS 2023 RS HB 49 PASSED BY THE HOUSE EXCEPT ADDED TECHNICAL AMENDMENTS.

CATEGORIES OF PROPOSED CHANGES:

1. KPPA Administrative Functions

- Change deadline to post board minutes on website from 72 hours to 3 days.
- Rename new position of "Internal Auditor" (created by 2023 RS HB 587) to "Chief Auditor" with no change to position reporting directly to KPPA board.
- For KRS and CERS elected positions to the Boards of Trustees, permit members to vote by telephone in addition to other electronic means. Retain option to receive paper ballot upon request of any eligible voting member.
- Make conforming changes to statutes allowing KPPA to contact members by electronic mail and the Member Portal.

2. Disability Benefits

- Change disability determinations to allow the KPPA to approve disability retirement on the recommendation of one medical examiner. If the first medical examiner recommends that disability be denied, disability application will be reviewed by up to two other medical examiners for a majority (2 of 3) decision either denying or approving disability.
- Adopt same review process for consideration of additional supporting medical evidence.
- Allow vocational experts to review and investigate employment information and forms in connection with the review of disability benefits (Annual/periodic reviews; review after gainful employment.)

3. Codify Existing KPPA Policies

- Tier 3 members must remit employee contributions (as well as employer contributions) in order to service credit when called to active military duty.
- The \$5,000 retiree death benefit payable to the surviving beneficiary is not garnishable as an asset of the member's estate, except when money is owed to system or the estate is the beneficiary.
- KPPA may sue to collect and seek civil penalties for the "knowing" receipt of a retirement allowance or health insurance benefit to which a person is not entitled.
- For hazardous retirees receiving the set dollar contribution for retiree health, excess dollars may be used toward spouse and dependent health insurance premium.
- To comply with federal law, close "window" allowing employees who previously opted out of KERS participation (when agency originally joined KERS many years ago) to "opt-in".

4. Other Miscellaneous & Technical Changes

- Amend/restore language in response to court case voiding 2018 RS SB 151.
- "Housekeeping" relating to CERS separation (HB 484 & HB 9)