

2019 PPOB Approved Recommendations

#	Type	Issue	PPOB Member(s) Making Recommendation	Recommendation
1	Administrative	Amortization Methods & Policies	Rep. Miller	The PPOB should study and evaluate the amortization methods/policies state systems are using to pay off the unfunded liabilities and the impact of layering/stacking of future actuarial gains/losses.
2	Administrative	Carried Interest	Rep. Miller	TRS should report carried interest at the asset class level.
3	Administrative	PPOB Membership	Sen. Higdon	The PPOB should in 2020 evaluate: (1) adding the State Treasurer to the PPOB membership; and (2) adding legislators as non-voting members of the KRS and TRS boards.
4	Administrative	Retiree Health Reciprocity	Sen. Higdon	The PPOB should examine issues and potential solutions to concerns brought forward by KRS regarding who pays the health premium costs of retirees who have service in multiple state-administered retirement systems.
5	Administrative	TRS funding	Sen. Higdon	The PPOB should examine the level of funding requests for TRS as it relates to both the pension and retiree health funds and how the 2020 experience study impacts these costs.
6	Administrative	Ky. Deferred Comp.	Sen. Higdon	The PPOB should twice annually request that the Ky. Deferred Compensation Authority provide updates on plan participation, asset levels, and performance.
7	Legislative	KERS NH Liability Based Funding	Rep. Duplessis	Legislation that converts the Kentucky Employees Retirement System nonhazardous employer contribution amounts from a payroll based model to a liability based model, similar to the measures included in BR 292 that has been prefiled for the 2020 Regular Session, should be enacted. <i>A copy of the prefiled bill can be found at: https://apps.legislature.ky.gov/record/20rs/prefiled/BR292.html</i>
8	Legislative	SB 2 Transparency Compliance	Sen. Higdon	Based upon the State Auditor's finding regarding SB 2 compliance, legislation should be enacted to address the problems of: (1) reporting of carried interest; (2) posting of investment contracts online; and (3) the gating process for redacting information from contracts.

9	Legislative	KRS Housekeeping	Rep. Miller	The Kentucky Retirement Systems housekeeping measures that were presented at the November 2019 meeting of the PPOB should be enacted. <i>A copy of the measures can be found at: https://apps.legislature.ky.gov/CommitteeDocuments/287/12171/11%2025%202019%20KRS%20Housekeeping%202020.pdf</i>
10	Legislative	Budget	Rep. Duplessis; Sen. Higdon	The General Assembly should budget sufficient funds to pay the full actuarially required contribution rates to the KERS, SPRS, and TRS pension funds.

Recommendations Not Approved But That Will Be Discussed at the January 2020 PPOB Meeting

1	Legislative	Actuarial Analysis	Rep. Miller	Legislation to amend KRS 6.350 (the actuarial analysis statute) to: (1) require the analysis to evaluate the impact over a 30 year period rather than a 20 year period; (2) require the analysis to be completed in a standardized format established by the Legislative Research Commission; and (3) require the first page of the analysis to show a summary of the analysis including but not limited to: the total nominal dollar savings/costs over the 30 year period; the net present value of saving/costs over the 30 year period; the estimated change in the normal cost if applicable (for evaluating any changes to costs for new hires).
2	Legislative	Beneficiary Change/Payment Option Changes After Retirement	Rep. Wheatley	Legislation that allows KRS and TRS retirees drawing a monthly payment the option (or an enhanced option in the case of TRS) to change beneficiaries and payment options after a qualifying event occurs, similar to the measures included in BR 463 that has been prefilled for the 2020 Regular Session. Qualifying events include marriage, divorce, death of a beneficiary, or the birth/adoption of a child. <i>A copy of the prefilled bill can be found at: https://apps.legislature.ky.gov/recorddocuments/bill/20RS/BR463/orig_bill.pdf</i>
3	Legislative	Senate Bill 151 Language	Rep. Graviss	Legislation to remove 2018 RS SB 151 language (bill declared void by courts) from current statutes.