

7A.250 Powers and duties of board. (Effective April 1, 2021)

The Public Pension Oversight Board:

- (1) Shall, from time to time, conduct an impartial review of all the laws governing the state-administered retirement systems and recommend any changes it may find desirable with respect to benefits and administration, funding of benefits, investments of funds, and the improvement of language, structure, and organization of the statutes;
- (2) May, once every five (5) years, review the benefits provided to employees who begin participating in the systems administered by Kentucky Retirement Systems or the County Employees Retirement System on or after January 1, 2014, and recommend any changes to the provisions affecting these employees that are necessary to maintain the actuarial soundness of the systems;
- (3) Shall review semiannually the investment programs of the state-administered retirement systems, including a review of asset allocation targets and ranges, risk factors, asset class benchmarks, total return objectives, relative volatility, performance evaluation guidelines, investment policies, and securities litigation policies and recoveries from fraud or other corporate malfeasance. The board may establish an advisory committee, as provided by KRS 7A.260, which may include investment professionals to assist in complying with the provisions of this subsection;
- (4) May review any benefits, bylaws, policies, or charters established by the state-administered retirement systems;
- (5) Shall, at the request of the Speaker of the House of Representatives or the President of the Senate, evaluate proposed changes to laws affecting the state-administered retirement systems and report to the Speaker or the President on the probable costs, actuarial implications, and desirability as a matter of public policy;
- (6) May review all new or amended administrative regulations of the state-administered retirement systems and provide comments to the Administrative Regulation Review Subcommittee established by KRS 13A.020;
- (7) Shall research issues related to the state-administered retirement systems as directed by the Legislative Research Commission;
- (8) Shall at least once every five (5) years have an actuarial audit performed for the state-administered retirement systems to evaluate the reliability of each system's actuarial assumptions and methods. The actuarial audit shall be performed by an actuary retained by the Public Pension Oversight Board;
- (9) May prior to each budget biennium occurring on or after July 1, 2020, have an actuarial review of the funding requests and needs submitted by the state-administered retirement systems. The review shall be performed by an actuary retained by the Public Pension Oversight Board;
- (10) Shall once every four (4) years review the administrative expenses of the state-administered retirement systems. The review shall include but not be limited to evaluating the level and growth of administrative costs, the potential for legislative changes to reduce administrative costs, and administrative changes the systems may

make to reduce administrative costs and staffing needs; and

- (11) Shall publish an annual report covering the board's evaluation and recommendations with respect to the operations of the state-administered retirement systems. The report shall be submitted to the Legislative Research Commission no later than December 31 of each year and shall include at a minimum any legislative recommendations made by the board, a summary of the financial and actuarial condition of the state-administered retirement systems, and an analysis of the adequacy of the current levels of funding.

Effective: April 1, 2021

History: Repealed, reenacted, and amended 2020 Ky. Acts ch. 79, sec. 10, effective April 1, 2021. -- Amended 2018 Ky. Acts ch. 107, sec. 81, effective July 14, 2018. -- Amended 2016 Ky. Acts ch. 133, sec. 3, effective July 15, 2016. -- Amended 2015 Ky. Acts ch. 27, sec. 5, effective June 24, 2015. -- Created 2013 Ky. Acts ch. 120, sec. 6, effective July 1, 2013.

Legislative Research Commission Note (12/13/2018). On December 13, 2018, the Kentucky Supreme Court ruled that the passage of 2018 SB 151 (2018 Ky. Acts ch. 107), did not comply with the three-readings rule of Kentucky Constitution Section 46 and that the legislation is, therefore, constitutionally invalid and declared void. That ruling applies to changes made to this statute in that Act.