

161.552 Definitions for section -- Employer contributions for retiree health benefits to be deposited into state accumulation fund when medical insurance fund reaches actuarial funding level of at least one hundred percent -- Restoration of funding.

- (1) As used in this section:
 - (a) "Funding level" means the actuarial value of assets divided by the actuarially accrued liability expressed as a percentage that is determined and reported by the retirement system's actuary in the retirement system's annual actuarial valuation for the medical insurance fund;
 - (b) "Medical insurance fund" means all contributions and amounts included in the funds established in KRS 161.420(5) and 161.677; and
 - (c) "State accumulation fund" means the fund established in KRS 161.420(3).
- (2) Except as provided in subsection (3) of this section, when the medical insurance fund has reached an actuarial funding level of at least one hundred percent (100%) as determined by the annual actuarial valuation, the employer contributions for retiree health benefits as provided in KRS 161.550(1)(a)2., (b)2., (c)2., (d)3., and (e)3. and (3) shall be deposited into the state accumulation fund to help pay down the unfunded liabilities of pension annuities instead of being deposited into the medical insurance fund. Deposits to the state accumulation fund shall occur on and after the beginning of the fiscal year following the annual actuarial valuation in which the criteria of this subsection are first met.
- (3) After reaching an actuarial funding level of at least one hundred percent (100%), if the actuarial funding level of the medical insurance fund falls below ninety-five percent (95%) as determined by the annual actuarial valuation, the employer contributions for retiree health benefits as provided in KRS 161.550(1)(a)2., (b)2., (c)2., (d)3., and (e)3. and (3) shall be deposited into the medical insurance fund instead of the state accumulation fund. Deposits to the medical insurance fund shall occur on and after the beginning of the fiscal year following the annual actuarial valuation in which the criteria of this subsection are met and shall continue until the actuarial funding level of the medical insurance fund is at least one hundred percent (100%). When the medical insurance fund regains an actuarial funding level of at least one hundred percent (100%), the provisions of subsection (2) of this section shall apply.

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