

# **PUBLIC PENSION OVERSIGHT BOARD**

## **Minutes**

**February 13, 2026**

### **Call to Order and Roll Call**

The second meeting of the Public Pension Oversight Board was held on February 13, 2026, at 10:00 AM in Room 131 of the Capitol Annex. Representative Walker Thomas, Chair, called the meeting to order, and the secretary called the roll.

### **Present were:**

Members: Senator Jimmy Higdon, Co-Chair; Representative Walker Thomas, Co-Chair; Senators Greg Elkins, Shelley Funke Frommeyer, Gerald A. Neal, Michael J. Nemes, and Mike Wilson; Representatives David Hale, Tina Bojanowski, Adrielle Camuel, Robert Duvall, Ken Fleming, DJ Johnson, and James Tipton; and Allison Ball (Savannah Baker, by proxy).

Guests: Representative Emily Callaway; Brandon Lincoln, Vice President, Fraternal Order of Police (FOP); Representative Chris Lewis; Jeff Taylor, Legislative Government Affairs, Professional Firefighters; Representative Stephanie Dietz; Gracie Kelly, Kentucky League of Cities (KLC); Brian Dehner, City Administration, City of Edgewood; Ryan Barrow, Executive Director, Kentucky Public Pensions Authority (KPPA); and Erin Surratt, Deputy Executive Director, KPPA;

LRC Staff: Brad Gross, Michael Clancy, Shawn Sparks, and Sasche Allen.

### **Approval of Minutes**

A motion was made by Representative Johnson and seconded by Representative Tipton to approve the minutes of the January 16, 2026, meeting. Minutes were approved by voice vote without objection.

### **Legislative Proposals**

Representative Emily Callaway discussed 2026 RS HB 213, her proposal to amend KRS 70.292, 70.293, and 95.022. Under current law, these statutes exempt cities and counties from paying employer retirement contributions to KPPA on retirees reemployed as police officers provided the retiree and employing city/county meet certain conditions/requirements. The proposal extends the exemption to retirees who retired with at least 15 years' service (from the current 20-year requirement) and by removing

the prohibition on cities and counties to offer health insurance coverage for reemployed retirees under these programs. Brandon Lincoln, Vice President, FOP, discussed how the legislation would help with recruitment and retention of retired police officers.

In response to Co-Chair Higdon, Representative Callaway explained why she reduced the required service from 20 to 15 years for reemployment under the program. Co-Chair Higdon commented that he liked the idea of allowing health insurance coverage to be offered by the employing city or county but also believes the employing city or county should not be exempted from paying employer contributions and should pay the employer normal cost contribution.

In response to Senator Funke Frommeyer, Representative Callaway stated 2026 RS HB 213 would be applied to the Kentucky Employees Retirement System and County Employees Retirement System (CERS). The bill would not allow “double dipping” and returning retirees would not be contributing into the retirement systems. Representative Callaway stated the bill is a way to lower a barrier for experienced officers to reenter this line of work.

Representative Tipton clarified that the proposed legislation would not reduce current service requirements a retiree would need to draw benefits. The bill would allow someone who has already retired with at least 15 years of service to be eligible for reemployment by a city or county under these programs that exempt cities/counties from paying retirement contributions. Co-Chair Higdon commented that retired reemployed police officers would not pay into a second retirement account.

In response to Representative Bojanowski, Representative Callaway stated the reemployed retirees would not be competing for positions wanted by new hires. Mr. Lincoln stated that there is a cap on the number of rehires a city can employ each year, based on a percentage of the agency’s current workforce. He further stated that the total number of applicants for law enforcement jobs in Louisville is trending up but not all applicants are qualified.

In response to Representative Camuel, Representative Callaway stated there is no age minimum to be reemployed. Reemployed retirees will continue to draw their current pension.

Representative Chris Lewis discussed 2026 RS HB 516, his proposal to amend KRS 61.552 to allow employees to purchase service credit for the time spent as a probationary employee upon conclusion of their probationary period and to ensure minimum line of duty death and disability benefits are paid to employees who are

serving in a probationary position or just started a fulltime position. Jeff Taylor, Legislative Government Affairs, Professional Firefighters, commented the Professional Firefighters worked diligently with all stakeholders to provide some flexibility for the employee relative to probationary service while not mandating the employer to go back and purchase the service credit. The fiscal note is marked negligible.

In response to Co-Chair Higdon, Representative Lewis clarified there is a 6-month time limitation on purchasing probationary service under these new provisions.

In response to Representative Camuel, Mr. Taylor stated the bill was written to make the cost of purchasing the probationary time as economical for all parties as possible.

Representative Fleming commented he supports 2026 RS HB 516.

In response to Senator Funke Frommeyer, Mr. Taylor stated employers have the choice to set up a probationary period for retirement purposes before they begin enrolling new employees in retirement coverage.

Representative Stephanie Dietz discussed 2026 RS HB 589, her proposal to create a new section of KRS Chapter 95 to allow cities to employ retired firefighters like the city retired police officer program discussed earlier in the meeting. Retired firefighters could be reemployed provided they met the statutory requirements in the bill. The retiree would not receive any other retirement benefits for reemployment but the city could provide health insurance benefits to the reemployed firefighters.

In response to Co-Chair Higdon, Gracie Kelly, KLC, stated the employers would be required to pay the normal cost contribution for the firefighters.

Ryan Barrow, Executive Director, KPPA, and Erin Surratt, Deputy Executive Director, KPPA, were asked to discuss and answer questions regarding 2026 RS HB 213, 2026 RS HB 516, and 2026 RS HB 589.

In response to Chair Thomas, Ms. Surratt and Mr. Barrow concurred the General Assembly passed 2008 RS HB 1 that prohibited a reemployed retiree from earning a second retirement account but required employers to still contribute on their behalf to help pay down the unfunded liability. Over time, exemptions to the employer contribution requirements have been established like the programs discussed earlier in the meeting.

Next, Mr. Barrow commented on 2026 RS HB 516 and the purchase of probationary employment and said the key financial component of the bill for KPPA is that both the employer and the employee contributions would be paid into the system.

In response to Senator Funke Frommeyer regarding 2026 RS HB 516, Mr. Barrow stated that the bill limits a person's eligibility to purchase probationary time under these special provisions to a 6-month period following the probationary period. This matters to KPPA because a longer period would impact plan costs. As an example, he explained that a person who wanted to purchase their probationary time from 15 or 20 years ago would not have had that money invested and earning interest in the systems during that time. Mr. Barrow said KPPA is not advocating either way, but if the bill allowed a longer time period to purchase under these special provisions KPPA would have to revisit the bill's actuarial impact.

In response to Co-Chair Higdon, Mr. Barrow stated if 2026 RS HB 516 were to incorporate a retroactive date for the purchase of probationary service credit, KPPA would be able to calculate the actuarial cost but additional actuarial assumptions would have to be considered.

In response to Chair Thomas regarding 2026 RS HB 516, Ms. Surratt stated Tier 1 and Tier 2 members can already purchase probationary service credit once they are vested, but it is not calculated the same way and is more expensive. Ms. Surratt stated that Tier 3 members are not eligible to purchase probationary service credit, so without the passage of 2026 RS HB 516, those new employees would not otherwise be eligible to purchase their probationary service.

In response to Senator Funke Frommeyer regarding 2026 RS HB 516, Mr. Barrow stated if the legislation were to be amended beyond the 6-month time frame, there would be more lost earnings and interest. Ms. Surratt added there would also be a backlog of members seeking to purchase probationary service credit.

Representative Tipton commented in regards to 2026 RS HB 516, to leave the purchase deadline at 6-months for the probationary service credit.

In response to questions from Representative Tipton regarding 2026 RS HB 213 and 2026 RS HB 589, Ms. Surratt stated she believed there are some positions that do not pay Social Security and confirmed the CERS employer rate and that 2026 RS HB 213 and 2026 RS HB 589 do not apply to the State Police Retirement System.

In response to Senator Funke Frommeyer, Ms. Surratt stated none of the systems under KPPA are receiving a Cost-of-Living Adjustment.

In response to Co-Chair Higdon, Ms. Surratt stated in 2026 RS HB 589 the retired reemployed employer contributions collected are used to help pay down the unfunded liability.

Representative Hale commented he believes 2026 RS HB 213 is a good bill.

In response to Chair Thomas, Ms. Surratt stated KPPA retirees reemployed as school resource officers and under statutory programs for police officers and deputy sheriffs at cities, counties, and post-secondary institutions are exempt from paying employer contributions and health premium reimbursements to the systems. KPPA does not have an actuarial impact on these current exemptions and would have to follow up at a later date.

In response to Co-Chair Higdon, Mr. Barrow discussed the provisions of 2026 RS HB 213 and that the bill does not affect a member's eligibility to retire.

In response to Senator Elkins, Ms. Surratt agreed that the intent of 2026 RS HB 213 is to rehire retired law enforcement officers. Representative Callaway stated that in the Louisville area there are at least three individuals this legislation could affect. Mr. Barrow stated KPPA did not necessarily see any financial impact of the bill and the agency does not expect to see a change in retirement patterns if this bill were to become law.

In response to Co-Chair Higdon, Representative Callaway stated under current law a retiree with 15 years' service could be reemployed by a city or county but the city/county would be required to pay employer contributions on their behalf because the retiree did not meet the statutory requirements for the contribution exemption.

## **Adjournment**

There being no further business, the meeting was adjourned.