

**Local Mandate Fiscal Impact Estimate
Kentucky Legislative Research Commission
2015 Regular Session**

Part I: Measure Information

Bill Request #: 92

Bill #: HB 116

Bill Subject/Title: An ACT relating to retirement benefit spiking.

Sponsor: Representative Yonts

Unit of Government: City County Urban-County
Unified Local
 Charter County Consolidated Local Government

Office(s) Impacted: county and city government retirement systems

Requirement: Mandatory Optional

Effect on

Powers & Duties: Modifies Existing Adds New Eliminates Existing

Part II: Purpose and Mechanics

House Bill 116 amends KRS 61.598 to exclude last participating employers from paying pension spiking costs less than or equal to \$2,500.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

HB 116 is anticipated to have minimal impact on local governments.

Analysis from Kentucky Retirement Systems indicates the bill will not increase or decrease the fiscal impact to Kentucky Retirement Systems or local governments, because local governments would no longer have to pay Kentucky Retirement Systems for spiking costs less than or equal to \$2,500. Further, Kentucky Retirement Systems determined that the actuarial liability of Kentucky Retirement Systems would not change; the administrative costs offset the benefit of reimbursement for claims \$2,500 or less.

Data Source(s): Kentucky Retirement Systems

Preparer: Daniel Carter **Reviewer:** MCY **Date:** 1/15/15