



KENTUCKY RETIREMENT SYSTEMS

William A. Thielen, Executive Director

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January 13, 2015

Mary C. Yaeger
Office of Special Projects
Legislative Research Commission
Capitol Annex, Room 39
Frankfort, KY 40601

RE: HB 174/BR 237
AA Statement 1 of 2

Dear Mary:

House Bill 174, among other things, creates new sections of KRS Chapter 160 to describe the intent of the General Assembly and the purposes of authorizing public charter schools; and amends KRS 78.510(21) to include full-time noncertified employees of public charter schools in the County Employees Retirement System (CERS).

Kentucky Retirement Systems' staff members have examined this bill and have determined that the bill will not increase or decrease the benefits of any of the retirement plans administered by Kentucky Retirement Systems. The bill may increase participation in benefits, if charter county schools are created and new noncertified charter county school employees begin participating in CERS as a result of the passage of HB 174. Although the addition of new members would change the actuarial accrued liability of CERS the amount of the impact is not determinable because the number of new members and other pertinent facts are not known. Furthermore, the increase in accrued liability will be offset by the payment of the actuarially required contribution by the employers. Consequently, we have not requested any further actuarial analysis of HB 174 by the System's independent actuary.

Please let me know if you have any questions regarding our analysis of HB 174.

Sincerely,

A handwritten signature in blue ink that reads "William A. Thielen".

William A. Thielen
Executive Director
Kentucky Retirement Systems