



KENTUCKY RETIREMENT SYSTEMS

William A. Thielen, Executive Director

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February 27, 2015

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

RE: SB 200/BR 1661
AA Statement 1 of 1

Dear Mary:

SB 200 amends various sections of KRS Chapter 15 and KRS 95A.250 relating to the Kentucky Law Enforcement Foundation Program Fund and the Professional Fire Fighters Foundation Program Fund to increase the annual supplement payment to local governments for qualifying law enforcement officers and fire fighters from \$3,000 to \$4,000 in 2016 and \$4,500 in 2018; provides a reimbursement to local governments to fully reimburse for required contributions to the employee pension system resulting from the supplement increase; provides partial compensation for local government administrative expenses; and amends KRS 95A.262 to increase the annual allocation to volunteer fire departments from the Commission on Fire Protection Personnel Standards and Education from \$8,250 to \$11,000 in 2016 and \$12,000 in 2018.

Kentucky Retirement Systems' staff members have examined SB 200 and have determined that the bill will not increase or decrease benefits or the participation in benefits in any of the retirement plans administered by Kentucky Retirement Systems. SB 200 may increase the actuarial accrued liability of the system due to the increase in compensation provided to fire fighters; however, this addition to the actuarial accrued liability will be offset by the payment of the actuarially required contribution by the employer. Consequently, we have not requested any further actuarial analysis of SB 200 by the Kentucky Retirement Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of SB 200.

Sincerely,

A handwritten signature in cursive script that reads "William A. Thielen".

William A. Thielen
Executive Director
Kentucky Retirement Systems