



KENTUCKY RETIREMENT SYSTEMS

William A. Thielen, Executive Director

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February 11, 2015

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

RE: SB 94 GA/BR 209
AA Statement 1 of 1

Dear Mary:

SB 94 amends KRS 48.010 to define terms; creates a new section of KRS Chapter 48 to establish limitations on the issuance of general fund-supported debt, calculate the debt limitation savings, and transfer the savings to the nonhazardous employee unfunded liability trust fund; creates a new section of KRS Chapter 61 to establish the nonhazardous employee unfunded liability trust fund, to offset the supplemental contribution required by certain employers; amends KRS 61.565 to require a supplemental contribution for each employer participating in the Kentucky Employees Retirement System (KERS); amends KRS 56.063 to conform.

Kentucky Retirement Systems' staff members have examined SB 94 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 94 will not change the actuarial accrued liability of the systems; however, the bill, if enacted, will provide additional funding for the KERS nonhazardous pension plan, which will help increase the funding level of the plan and help to ensure that Kentucky Retirement Systems is able to pay the KERS nonhazardous pension plan's liabilities. Since participation in benefits will not be changed and the actuarial liabilities of the Systems are not affected, we have not requested any further actuarial analysis of SB 94 by the Kentucky Retirement Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of SB 94.

Sincerely,

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

William A. Thielen
Executive Director
Kentucky Retirement Systems