



KENTUCKY RETIREMENT SYSTEMS

William A. Thielen, Executive Director

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January 25, 2016

Mr. Josh Nacey
Office of Special Projects
Legislative Research Commission
Capitol Annex, Room 34
Frankfort, KY 40601

RE: HB 246/BR 1187
AA Statement 1 of 1

Dear Mr. Nacey:

House Bill 246 amends KRS 16.191 to require that Commercial Vehicle Enforcement Officers be paid equally to Kentucky State Police Officers with the equivalent rank, grade, and position.

Kentucky Retirement Systems' staff members have examined HB 246 and have determined that there will not be any increase in the participation in benefits in any of the retirement systems administered by Kentucky Retirement Systems because there will not be an increase in the number of members as a result of the passage of HB 246. However, to the extent that the creditable compensation of Vehicle Enforcement Officers will increase as a result of the passage of the bill there will be an increase in pension benefits accrued by these Vehicle Enforcement Officers and, thus, there will be an increase in the actuarial liability of the system in which the Vehicle Enforcement Officers participate. The increase in the accrued liability, to the extent it is not offset by investment returns, will be offset by an increase in the employer contribution rate. The specific actuarial impact is not determinable at this time since KRS does not have the necessary information to allow the impact to be calculated. Consequently, we have not requested any further actuarial analysis of HB 241 by the System's independent actuary.

Please let me know if you have any questions regarding our analysis of HB 241.

Sincerely,

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

William A. Thielen
Executive Director
Kentucky Retirement Systems