



## KENTUCKY RETIREMENT SYSTEMS

William A. Thielen, Executive Director

Perimeter Park West ▾ 1260 Louisville Road ▾ Frankfort, Kentucky 40601  
kyret.ky.gov ▾ Phone: 502-696-8800 ▾ Fax: 502-696-8822



March 9, 2016

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

RE: HB 505/BR 1819  
AA Statement 1 of 2

Dear Mr. Nacey:

House Bill 505 creates a new section of KRS 61.510 to 61.705 to prohibit future members of the General Assembly from participating in the Kentucky Employees Retirement System unless they participated in the Kentucky Employees Retirement System or the Legislators' Retirement Plan as members of the General Assembly prior to August 1, 2016; allows current members of the General Assembly participating in the Kentucky Employees Retirement System to make a one-time election to discontinue participation and to take a refund of accumulated contributions; amends KRS 61.510 to conform.

Kentucky Retirement Systems' staff members have examined HB 505 and have determined that the bill will not increase or decrease benefits of the retirement systems administered by Kentucky Retirement Systems. The bill may result in a reduction in the participation in benefits if legislators currently participating in the KERS nonhazardous plan elect to take a refund of accumulated contributions. If one or more legislators elect to take a refund of their accumulated contributions, the actuarial liability of the KERS nonhazardous plan will be reduced; however, it is not possible, due to unknown factors, to calculate the actuarial impact. Consequently, we have not requested any further actuarial analysis of HB 505 by the System's independent actuary.

Please let me know if you have any questions regarding our analysis of HB 505.

Sincerely,

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

William A. Thielen  
Executive Director  
Kentucky Retirement Systems