

Kentucky Judicial Form Retirement System

JUDICIAL RETIREMENT PLAN
LEGISLATORS RETIREMENT PLAN

Donna S. Early
Executive Director

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MEMORANDUM

To: Joshua Nacey, Committee Staff Administrator
Capital Projects Committee
From: Donna S. Early, Executive Director
RE: **RS 2016 SB 2 SCS (BR 437)**
AA Statement 1 & 2 of 4
Date: January 28, 2016

I have examined **2016 SB 2 SCS** and have formed the opinion that it will not *increase or decrease the benefits or increase or decrease participation in the benefits or change the actuarial accrued liability* of the Judicial Retirement Plan or the Legislators Retirement Plan. Consequently, I have not requested an actuarial analysis by the System's independent actuary.

Please let me know if you have any questions regarding this communication.



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



January 28, 2016

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

RE: SB 2 SCS/BR 437

AA Statement 3 of 4

Dear Mr. Nacey:

SB 2 SCS amends KRS 61.645 to require Senate confirmation of, and modify the minimum requirements for, gubernatorial appointees to the Kentucky Retirement Systems board of trustees and for the executive director; requires the Kentucky Retirement Systems to follow the provisions of KRS Chapters 45, 45A, 56, and 57 regarding budgeting and the procurement of services, goods, and property; requires the Kentucky Retirement Systems to disclose on its Web site and upon request investment fees in addition to investment holdings and commissions; requires the Kentucky Retirement Systems to disclose on its Web site and upon request all contracts and offering documents for services, goods, or property purchased or utilized by the systems; provides that no funds of the Kentucky Retirement Systems shall be used to pay placement agents; amends KRS 61.650 to provide that the Kentucky Retirement Systems board, staff, and investment advisors shall adhere to the CFA Institute's codes of conduct; provides that amendments in the Act requiring Senate confirmation and modifying the requirements for gubernatorial appointments to the Kentucky Retirement Systems' board shall apply to appointments or reappointments made on or after the effective date of the Act; and provides that amendments requiring Senate confirmation of executive director shall apply to appointments or employments after the effective date of the Act.

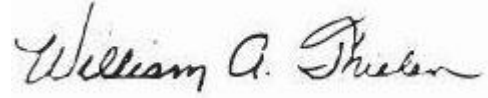
In addition to the provisions of the original bill, SB 2 SCS amends KRS 21.540 to require the Judicial Form Retirement System, who administers the Legislators' Retirement Plan and the Judicial Retirement Plan, to post descriptive and financial information to the system's website; amends KRS 61.645 to specify that investment fee and commission reporting requirements for KRS shall include profit sharing, carried interest, and partnership incentives; provides that KRS may not have to disclose contracts on a website if disclosure would result in competitive disadvantage, but requires those contracts to be released to the trustees, State Auditor, and the LRC Government. Contract Review Committee; makes technical amendments; declares an EMERGENCY.

Kentucky Retirements Systems' staff members have examined SB 2 SCS and have determined that the bill will not increase or decrease benefits or the participation in benefits in any of the retirement systems administered by Kentucky Retirements Systems. If SB 2 SCS is enacted, compliance with various requirements of the bill will increase administrative costs; however, the

increase will be actuarially insignificant and will not measurably increase the actuarial liability of the Systems. Consequently, we have not requested any further actuarial analysis of SB 2 SCS by the System's independent actuary.

Please let me know if you have any questions regarding our analysis of SB 2 SCS.

Sincerely,

A handwritten signature in black ink that reads "William A. Thielen". The signature is written in a cursive style with a large initial 'W'.

William A. Thielen
Executive Director
Kentucky Retirement Systems