

1 AN ACT amending the 2022-2024 Executive Branch biennial budget, making an
2 appropriation therefor, and declaring an emergency.

3 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

4 ➔Section 1. 2022 Kentucky Acts Chapter 199, Part I, Operating Budget, A.
5 General Government, 28. Teachers' Retirement System, at pages 1652 to 1653, is
6 amended to read as follows:

7 **28. TEACHERS' RETIREMENT SYSTEM**

	2021-22	2022-23	2023-24
9 General Fund	479,242,300	<u>722,100,400</u>	<u>728,406,000</u>
10 Restricted Funds	503,100	18,553,300	19,330,200
11 TOTAL	479,745,400	<u>740,653,700</u>	<u>747,736,200</u>

12 (1) **Debt Service:** Included in the above General Fund appropriation is
13 \$17,365,500 in fiscal year 2022-2023 for debt service on previously issued bonds.

14 (2) **Dependent Subsidy for All Retirees under age 65:** Pursuant to KRS
15 161.675(4), health insurance supplement payments made by the retirement system shall
16 not exceed the amount of the single coverage insurance premium.

17 (3) **Retiree Health Insurance:** Pursuant to KRS 161.550(2)(b) and
18 notwithstanding any statute to the contrary, included in the above General Fund
19 appropriation is \$71,200,000 in fiscal year 2022-2023 and \$77,700,000 in fiscal year
20 2023-2024 to support the state's contribution for the cost of retiree health insurance for
21 members not eligible for Medicare who have retired on or after July 1, 2010.
22 Notwithstanding KRS 161.675, the Teachers' Retirement System Board of Trustees shall
23 provide health insurance supplement payments towards the cost of the single coverage
24 insurance premium based on age and years of service credit of eligible recipients of a
25 retirement allowance, the cost of which shall be paid from the Medical Insurance Fund.
26 Notwithstanding KRS 161.675, the Teachers' Retirement System Board of Trustees shall
27 authorize eligible recipients of a retirement allowance from the Teachers' Retirement

1 System who are less than age 65 to be included in the state-sponsored health insurance
2 plan that is provided to active teachers and state employees under KRS 18A.225.
3 Notwithstanding KRS 161.675(4)(a), the contribution paid by retirees who are less than
4 age 65 who qualify for the maximum health insurance supplement payment for single
5 coverage shall be no more than the sum of (a) the employee contribution paid by active
6 teachers and state employees for a similar plan, and (b) the standard Medicare Part B
7 premium as determined by the Centers for Medicare and Medicaid Services.
8 Notwithstanding KRS 161.675(4)(a), the contribution paid by retirees who are less than
9 age 65 who do not qualify for the maximum health insurance supplement payment for
10 single coverage shall be determined by the same graduated formula used by the Teachers'
11 Retirement System for Plan Year 2022.

12 **(4) Medical Insurance Fund Employee Contributions:** Notwithstanding KRS
13 161.540(1), the employee contribution to the Medical Insurance Fund shall not be
14 changed in fiscal year 2022-2023 or fiscal year 2023-2024.

15 **(5) Amortized Benefits Payoff:** Included in the above General Fund
16 appropriation is \$479,242,300 in fiscal year 2021-2022 to pay off the principal balance
17 for past benefit enhancements. Notwithstanding KRS 45.229, any funds in excess of the
18 principal balance shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).

19 **(6) Sick Leave Liability Reporting ~~Payment~~:** ~~Included in the above General~~
20 ~~Fund appropriation is \$39,325,100 in each fiscal year to support the actuarial cost of sick~~
21 ~~leave benefits for new retirees.]~~ The Teachers' Retirement System shall provide a report
22 on the cost of sick leave to the Public Pension Oversight Board no later than December 1,
23 2023.

24 **(7) Actuarially Determined Employer Contribution:** Included in the above
25 General Fund appropriation is \$629,415,000 in fiscal year 2022-2023 and \$646,456,000
26 in fiscal year 2023-2024 to provide the full actuarially determined employer contribution.
27 The Teachers' Retirement System shall provide a report on the actuarially determined

1 employer contribution to the Public Pension Oversight Board no later than December 1,
2 2023.

3 **(8) Salary Increment:** Notwithstanding Part III, 2. of this Act, unexpended
4 Restricted Funds to administer the salary increment pursuant to Part IV, 2. of this Act
5 shall become available for expenditure in the 2022-2024 fiscal biennium. The Teachers'
6 Retirement System shall submit a report on the cost to implement the salary increment to
7 the Interim Joint Committee on Appropriations and Revenue no later than August 1,
8 2022.

9 ➔Section 2. Whereas the provisions of this Act provide ongoing support for
10 programs funded in the 2022-2024 Executive Branch biennial budget, an emergency is
11 declared to exist, and this Act takes effect upon its passage and approval by the Governor
12 or upon its otherwise becoming a law.