SENATE

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM

2025 REGULAR SESSION

Amend printed copy of **HB 694/GA**

On page 1, line 15, and continuing to page 2, line 9, by deleting subsections (2) and (3) of Section 1 in their entirety and inserting in lieu thereof:

"***(2) Except as provided in subsection (3) of this section, when the medical insurance fund has reached an actuarial funding level of at least one hundred percent (100%) as determined by the annual actuarial valuation:***

(a) The employer contributions for retiree health benefits as provided in subsections (1)(a)2., (b)2., (c)2., (d)3., and (e)3. and (3) of Section 4 of this Act shall be deposited into the state accumulation fund to help pay down the unfunded liabilities of pension annuities instead of being deposited into the medical insurance fund. Deposits to the state accumulation fund shall occur on and after the beginning of the fiscal year following the annual actuarial valuation in which the criteria of this subsection are first met; and

(b) The employee contribution rate for retiree health benefits paid by nonuniversity employees as provided in subsection (1)(a)2. and (c)3. of Section 3 of this Act shall be reduced by one-half of one percent (0.5%) annually, but shall not be reduced below one and three-quarters percent (1.75%) of annual compensation. Reductions to the employee contribution rate shall occur on and after the beginning of the fiscal year following the annual actuarial valuation in which the criteria of this

Amendment No.	SFA 2	Rep.	Sen. Jimmy Higdon
Committee Amendment		Signed:	
Floor Amendment		LRC Drafter:	
Adopted:		Date:	
Rejected:		Doc. ID:	XXXX

subsection are first met and shall continue as provided in this paragraph, except as provided in subsection (3) of this section. The employee contribution rate for retiree health benefits paid by university employees as provided in subsection (1)(b)2. and (d)3. of Section 3 of this Act shall be reduced in an actuarially equivalent amount as determined by the retirement system's consulting actuary.

(3) After reaching an actuarial funding level of at least one hundred percent (100%), if the actuarial funding level of the medical insurance fund falls below ninety-five percent (95%) as determined by the annual actuarial valuation:

(a) The employer contributions for retiree health benefits as provided in subsections (1)(a)2., (b)2., (c)2., (d)3., and (e)3. and (3) of Section 4 of this Act shall be deposited into the medical insurance fund instead of the state accumulation fund. Deposits to the medical insurance fund shall occur on and after the beginning of the fiscal year following the annual actuarial valuation in which the criteria of this subsection are met and shall continue until the actuarial funding level of the medical insurance fund is at least one hundred percent (100%); and

(b) The employee contribution rate for retiree health benefits paid by nonuniversity employees as provided in subsection (1)(a)2. and (c)3. of Section 3 of this Act and as adjusted by subsection (2)(b) of this section shall be increased by one-half of one percent (0.5%) annually, but shall not be increased above three and three quarters percent (3.75%) of annual compensation. Increases to the employee contribution rate shall occur on and after the beginning of the fiscal year following the annual actuarial valuation in which the criteria of this subsection are first met and shall continue as provided in this paragraph, except as provided in subsection (2) of this section. The employee contribution rate for retiree health benefits paid by university employees as provided in subsection (1)(b)2. and (d)3. of Section 3 of this

<u>Act shall be increased in an actuarially equivalent amount as determined by the retirement system's consulting actuary.</u>

<u>When the medical insurance fund regains an actuarial funding level of at least one hundred percent (100%), the provisions of subsection (2) of this section shall apply.</u>"; and

On page 4, line 27, after "(d)(3)." by inserting "***<u>, except as provided in Section 1 of this Act</u>***"; and

On page 7, line 15, after "2022," by inserting "***<u>except as provided in Section 1 of this Act,</u>***"; and

On page 7, line 20, after "2." by inserting "***<u>Except as provided in Section 1 of this Act,</u>***"; and

On page 7, line 23, after "2022," by inserting "***<u>except as provided in Section 1 of this Act,</u>***"; and

On page 7, line 27, after "2." by inserting "***<u>Except as provided in Section 1 of this Act,</u>***"; and

On page 8, line 3, after "2022," by inserting "***<u>except as provided in Section 1 of this Act,</u>***"; and

On page 8, line 16, after "3." by inserting "***<u>Except as provided in Section 1 of this Act,</u>***"; and

On page 8, line 19, after "2022," by inserting "***<u>except as provided in Section 1 of this Act,</u>***"; and

On page 9, line 6, after "3." by inserting "***<u>Except as provided in Section 1 of this Act,</u>***"; and

On page 9, line 8, by deleting "***<u>funds established to actuarially fund pension annuities and the</u>***"; and

On page 9, line 9, by deleting "***<u>each achieve</u>***" and insert "***<u>achieves</u>***" in lieu thereof; and

On page 9, line 12, after "shall" by inserting "***<u>adjust the employee contribution rate in accordance with Section 1 of this Act.</u>***"; and

On page 9, lines 13 to 15, by bracketing and striking through those lines in their entirety.