

1 AN ACT relating to a cost-of-living increase to the retirement benefits for retired
2 state employees, making an appropriation therefor, and declaring an emergency.

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

4 ➔Section 1. Notwithstanding any provision of KRS 61.691 to the contrary and
5 subject to limitations established by this section, there is hereby appropriated General
6 Fund moneys in the amount of \$221,400,000 in fiscal year 2026-2027 from the Budget
7 Reserve Trust Fund Account established by KRS 48.705 to the Kentucky Public Pensions
8 Authority to be applied to the Kentucky Employees Retirement Fund of the Kentucky
9 Employees Retirement System established by KRS 61.515 to prefund in fiscal year 2026-
10 2027 and effective July 1, 2026, a two percent increase in the monthly retirement
11 allowances paid from the Kentucky Employees Retirement System to each recipient for
12 service in a nonhazardous position.

13 ➔Section 2. Notwithstanding any provision of KRS 61.691 to the contrary and
14 subject to limitations established by this section, there is hereby appropriated General
15 Fund moneys in the amount of \$18,700,000 in fiscal year 2026-2027 from the Budget
16 Reserve Trust Fund Account established by KRS 48.705 to the Kentucky Public Pensions
17 Authority to be applied to the Kentucky Employees Retirement Fund of the Kentucky
18 Employees Retirement System established by KRS 61.515 to prefund in fiscal year 2026-
19 2027 and effective July 1, 2026, a two percent increase in the monthly retirement
20 allowances paid from the Kentucky Employees Retirement System to each recipient for
21 service in a hazardous position as provided in KRS 61.592.

22 ➔Section 3. Notwithstanding any provision of KRS 61.691 to the contrary and
23 subject to limitations established by this section, there is hereby appropriated General
24 Fund moneys in the amount of \$16,000,000 in fiscal year 2026-2027 from the Budget
25 Reserve Trust Fund Account established by KRS 48.705 to the Kentucky Public Pensions
26 Authority to be applied to the State Police Retirement Fund of the State Police
27 Retirement System established by KRS 16.510 to prefund in fiscal year 2026-2027 and

1 effective July 1, 2026, a two percent increase in the monthly retirement allowances paid
2 from the State Police Retirement System to each recipient.

3 ➡Section 4. Whereas retired members and beneficiaries of the Kentucky
4 Employees Retirement System and the State Police Retirement System have not received
5 a cost-of-living adjustment to their retirement allowances since fiscal year 2011-2012, an
6 emergency is declared to exist, and this Act takes effect upon its passage and approval by
7 the Governor or upon its otherwise becoming a law.