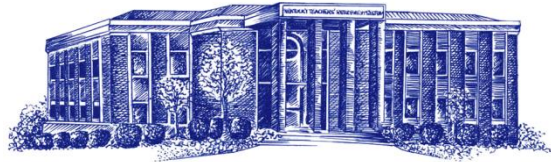


TEACHERS' RETIREMENT SYSTEM OF KENTUCKY

GARY L. HARBIN, CPA
Executive Secretary
502/848-8500



SERVING KENTUCKY TEACHERS SINCE 1940

ROBERT B. BARNES, JD
Deputy Executive Secretary
Operations and General Counsel

J. ERIC WAMPLER, JD
Deputy Executive Secretary
Finance and Administration

February 20, 2017

Katie Carney
Office of Special Projects
Legislative Research Commission
Capitol Annex, Room 39
Frankfort, KY 40601

RE: BR 924 HB 146
AA Statement 1 of 1

Dear Ms. Carney:

HB 146, an Act relating to sick leave, would amend KRS 161.155 to allow teachers and school district employees to voluntarily contribute sick leave to teachers and school district employees in other districts. KRS 161.155 as currently worded allows donations of sick leave only within the same district. HB 146 would also require the Kentucky Department of Education to promulgate administrative regulations establishing policies and procedures for the implementation of a sick leave donation program between districts.

TRS has examined HB 146 and determined that it would not increase retirement benefits payable to members; it simply allows existing sick leave already accrued by members to be donated outside of the district. Those sick leave days must then be used by the donee or, if not, returned to the donor. Under this bill there is some savings to the retirement system as those sick leave days that are donated and used for sick leave absences by the donee, and not held onto until retirement by the donor for retirement calculation purposes, would eventually result in a reduced retirement benefit payable to the donor. There is no negative actuarial impact that would result from this bill, only a slight positive impact from the savings. As such, TRS has not requested any further actuarial analysis of this bill by the Retirement System's independent actuary.

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

Sincerely,



Robert B. Barnes
Deputy Executive Secretary of Operations and
General Counsel

cc. Kate Talley