



## KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Interim Executive Director

Perimeter Park West • 1260 Louisville Road • Frankfort, Kentucky 40601  
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



March 7, 2017

Ms. Katie Carney  
Executive Assistant, Director's Office  
Legislative Research Commission  
Capitol Annex, Room 104  
Frankfort, KY 40601

**RE: House Bill 412 (2017 RS BR 1413)**  
**AA Statement Required by KRS 6.350**  
**AA Statement 1 of 1**

Dear Ms. Carney:

House Bill 412 (2017 RS BR 1413) amends KRS 61.637 to provide that effective July 1, 2017, local school districts shall not be required to reimburse Kentucky Retirement Systems (KRS) for retiree health care premiums for reemployed retirees.

Kentucky Retirement Systems staff members have examined House Bill 412 (2017 RS BR 1413) 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 Retirement Systems.

House Bill 412 (2017 RS BR 1413) would likely increase the actuarial liability of the CERS Nonhazardous Insurance Fund. In Fiscal Year 2015-2016 alone, KRS billed 52 school boards a total of \$436,006.24 for 94 retired-reemployed school board members. If this source of income were to be removed from the Insurance Fund, KRS would need to find a way to offset the loss through other means, such as increased investment returns.

We have not requested any further actuarial analysis of House Bill 412 (2017 RS BR 1413) by the Systems' independent actuary. Please let me know if you have any questions regarding our analysis of House Bill 412 (2017 RS BR 1413).

Sincerely,

A handwritten signature in cursive script that reads "David Eager".

David L. Eager  
Interim Executive Director  
Kentucky Retirement Systems