



## KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Interim Executive Director

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~~January 31, 2017~~ February 17, 2017

Mr. Josh Nacey  
Office of Fiscal Statement Review  
Legislative Research Commission  
Capitol Annex, Room 34  
Frankfort, KY 40601

**RE: House Bill 96 GA (2017 RS BR 356)**  
**AA Statement Required by KRS 6.350**  
**AA statement 1 of 1**

Dear Mr. Nacey:

House Bill 96 (2017 RS BR 356) amends KRS 78.530 to provide that fire districts that begin participating in the County Employees Retirement System (CERS) on or after July 15, 2017, were established by a merger or an interlocal agreement to provide public services that was entered into on or after July 15, 2017, but not later than July 15, 2018, between two or more fire districts with not more than fifteen (15) employees each, shall be exempt from the requirement of signing a contract for employee health insurance with the Personnel Cabinet as a condition of participation in CERS.

Kentucky Retirement Systems staff members have examined House Bill 96 (2017 RS BR 356) and have determined that the bill will not increase or decrease benefits in CERS. The bill may increase participation in benefits if additional fire districts with new employees begin participating in CERS as a result of passage of House Bill 96 (2017 RS BR 356): however, the bill will not change the actuarial liability of the Kentucky Retirement Systems since the employee and employer contributions, along with investment earnings, should pay for expenses and the normal cost of benefits for these members. Therefore, we have not requested any further actuarial analysis of House Bill 96 (2017 RS BR 356) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 96 (2017 RS BR 356).

Sincerely,

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

David L. Eager  
Interim Executive Director  
Kentucky Retirement Systems