



## 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



February 22, 2017

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

**RE: Senate Bill 226 (2017 RS BR 17)**  
**AA Statement Required by KRS 6.350**  
**AA Statement 1 of 1**

Dear Ms. Carney:

Senate Bill 226 (2017 RS BR 17) separates the administration of the County Employees Retirement System (CERS) from the Kentucky Retirement Systems and establishes the governance structure for the separate CERS system.

Kentucky Retirement Systems staff members have examined Senate Bill 226 (2017 RS BR 17) 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. Furthermore, Senate Bill 226 (2017 RS BR 17) will not change the actuarial liability of any of the retirement plans administered by Kentucky Retirement Systems.

Although there would be no material impact on the actuarial liabilities of the Systems from implementing Senate Bill 226 (2017 RS BR 17), there could be potential administrative costs to the Systems as the transition occurs over the four-year, or shorter, period. Potential administrative costs include the expense of supporting two Boards (the separate CERS Board and the remaining Kentucky Employees Retirement System and State Police Retirement System Board), any associated parallel committees (Investment Committee, Disability Appeals Committee, etc.), and KRS staff to assist in transition planning. It is difficult to quantify an expense amount based on available information.

We have not requested any further actuarial analysis of Senate Bill 226 (2017 RS BR 17) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of Senate Bill 226 (2017 RS BR 17).

Sincerely,

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

David L. Eager

Interim Executive Director, Kentucky Retirement Systems