

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2018 REGULAR SESSION**

**MEASURE**

2018 BR NUMBER 1239

**HOUSE** BILL NUMBER 335

RESOLUTION NUMBER \_\_\_\_\_

AMENDMENT NUMBER \_\_\_\_\_

**SUBJECT/TITLE** An ACT relating to retirement benefits for legislators.

**SPONSOR** Representative Kay

**NOTE SUMMARY**

FISCAL ANALYSIS:  IMPACT     NO IMPACT     INDETERMINABLE IMPACT- Impact will be identified in an Actuarial Analysis pursuant to KRS 6.350.

LEVEL(S) OF IMPACT:  STATE     LOCAL     FEDERAL

BUDGET UNIT(S) IMPACT: General Assembly, Kentucky Retirement Systems, Judicial Form Retirement System

FUND(S) IMPACT:  GENERAL     ROAD     FEDERAL     RESTRICTED AGENCY \_\_\_\_\_     OTHER

**FISCAL SUMMARY**

FISCAL ESTIMATES	2017-2018	2018-2019	2019-2020	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES				
NET EFFECT				

( ) indicates a decrease/negative

**MEASURE'S PURPOSE:** The measure requires all legislators to earn benefits as members of the Kentucky Employees Retirement System (KERS) rather than as members of the Legislators' Retirement Plan (LRP) after the effective date of the bill.

**PROVISIONS/MECHANICS:** Section 1 closes LRP to new members and instead requires newly-elected legislators after the effective date of the bill to become members of KERS. It also requires that, as of the effective date, existing LRP members cease making contributions and earning benefits in LRP and begin making contributions and earning benefits in KERS.

**FISCAL EXPLANATION:** Employer contributions to each of the two retirement systems fluctuate from biennium to biennium based on the financial position of those systems at a point in time, so the relative cost of employer contributions from the move from LRP to KERS is indeterminable.

Regarding administrative costs to each of the systems, there should be minimal to no impact on each system. The new members entering KERS would be a very small percentage of the total number of new members for that system, so there would be no discernible impact. Judicial Form Retirement System's administrative costs would shrink over time due to declining membership, but the trendline of members retiring or losing re-election cannot be determined.

Pursuant to KRS 6.350, an actuarial analysis of this legislation is pending.

**DATA SOURCE(S): LRC Staff**

**PREPARER: Chuck Truesdell NOTE NUMBER: 100 REVIEW: JAB DATE: 2/15/2018**