



KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Interim Executive Director

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March 1, 2018

Ms. Katie Carney
Office of Fiscal Statement Review
Legislative Research Commission
Capitol Annex, Room 104
Frankfort, KY 40601

RE: BR 238 HB 536
AA Statement 1 of 3
AA Statement Required by KRS 6.350

Dear Ms. Carney:

House Bill 536 (2018 RS BR 238) proposes to create a new section of Kentucky Revised Statute 154A to establish a sports wagering distribution trust fund within the State Treasury and distribute funds to the Kentucky Employees Retirement System Non-Hazardous pension fund (KERS Nonhaz), Kentucky Employees Retirement System Hazardous pension fund (KERS Haz), Kentucky Teachers' Retirement System (KTRS), the Judicial Retirement Plan (JRP), and the "County Employees Retirement Plan" in amounts proportional to the ratio each system's membership bears to the total number of members of all systems. Appropriations to each system shall continue until each system reaches a funding level of one hundred twenty-five percent (125%). The bill is effective upon contingency and only takes effect if the federal Professional and Amateur Sports Protection Act is repealed by Congress or is rendered void by the United States Supreme Court.

Kentucky Retirement Systems staff members have consulted with their actuaries and have examined House Bill 536 (2018 RS BR 238). We 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 536 (2018 RS BR 238) could potentially reduce the actuarial liability of the pension plans administered by Kentucky Retirement Systems, as passage of the bill would create a new revenue stream for that fund.

In accordance with KRS 6.350 (2)(c), Kentucky Retirement Systems certifies the following:

1. From a KRS perspective, the estimated number of individuals affected as of June 30, 2017 are 122,386 active, inactive, and retired members in the KERS Nonhaz plan; 11,247 active, inactive, and retired members in the KERS Haz plan; 217,359 active, inactive, and retired members in the CERS Nonhaz plan; and 18,949 active, inactive, and retired members in the CERS Haz plan.
2. There is no estimated change in benefit payments;

3. There is no estimated change to employer costs; and
4. There is no estimated change to administrative expenses.

We have not requested any further actuarial analysis of House Bill 536 (2018 RS BR 238) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 536 (2018 RS BR 238).

Sincerely,



David L. Eager
Interim Executive Director
Kentucky Retirement Systems