

Section 1 of SB 113, would allow a retiree from the CERS to serve as an elected city official without forfeiting their retirement benefits. It would amend KRS 61.637 to provide that a mayor or city legislator who has no service credit in the CERS for his or her service as mayor or city legislator but is otherwise eligible to retire from a retirement system administered by KRS (including the CERS) due to employment other than as a mayor or city legislator, is not required to resign his or her city position in order to begin drawing retirement benefits.

Section 2 of the bill would amend KRS 78.540 to establish that, if KRS determines that a mayor or city legislator *is* required to participate in the CERS because of other covered employment in the CERS, or because they failed to decline participation, still may *elect* to neither participate nor receive benefits from the CERS because of their service as mayor or city legislator. If a mayor or city legislator makes such an election neither they nor their employer would be required to make contributions to CERS for their service as mayor or city legislator.

SB 113 may have a minimal positive fiscal impact on cities that participate in the County Employees Retirement System.

Under current law, if the city mayor or city legislative body member is considered a full-time city employee, the city participating in CERS must contribute for them. This generally is not a major city expense since city mayors and legislative body members generally do not make much money in Kentucky, so employer contributions would be lower than almost all other full-time equivalent city employees. The bill, though, would allow city mayors and city legislative body members required to participate in CERS through other covered employment to decline participation in CERS in their elected capacity. If declined, that would have a minimal positive financial impact on the city because it would then not be required to contribute to CERS for those elected officials.

Part III: Differences to Local Government Mandate Statement from Prior Versions

The GA version to this bill does not have any changes from the bill as introduced. There were no committee substitutes or floor amendments adopted.

Data Source(s): LRC staff, Kentucky League of Cities

Preparer: Mary Stephens **Reviewer:** KHC **Date:** 3/19/18