



KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Interim Executive Director

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February 6, 2018

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

**RE: BR 155 SB 22 – Revised
AA Statement 1 of 2
AA Statement Required by KRS 6.350**

Dear Ms. Carney:

Senate Bill 22 (2018 RS BR 155) proposes to create a new section of Kentucky Revised Statute 230 to establish a sports wagering distribution trust fund within the State Treasury and distribute sixty percent (60%) of the amounts deposited in the fund to the Kentucky Employees Retirement System Non-Hazardous pension fund (KERS Nonhaz) and the Kentucky Teachers' Retirement System in amounts proportional to the number of participants in those funds. 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is effective upon contingency and only takes effect if the federal Professional and Amateur Sports Protection Act is repealed by Congress or is rendered void by the United States Supreme Court.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 Senate Bill 22 (2018 RS BR 155). 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. Senate Bill 22 (2018 RS BR 155) could potentially reduce the actuarial liability of the KERS Nonhaz plan 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. The estimated number of individuals affected as of June 30, 2017 are 36,725 active and 44,848 inactive members in the KERS Nonhaz 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 Senate Bill 22 (2018 RS BR 155) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of Senate Bill 22 (2018 RS BR 155).

Sincerely,



David L. Eager
Interim Executive Director
Kentucky Retirement Systems