



## KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Executive Director

Perimeter Park West • 1260 Louisville Road • Frankfort, Kentucky 40601  
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



February 11, 2019

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

**RE: House Bill 190 (2019 RS BR 1118)**  
**AA Statement Required by KRS 6.350**  
**AA Statement 1 of 2**

Dear Ms. Carney:

House Bill 190 (2019 RS BR 1118) proposes to create a new section of Kentucky Revised Statute 154A that would allocate all amounts paid to the Kentucky Lottery Corporation for casino licensing in excess of the cost of oversight and administration of casino licensure to the Kentucky Employees Retirement System Non-Hazardous pension fund (KERS Nonhaz), the Kentucky Employees Retirement System Hazardous pension fund (KERS Haz), and the Kentucky Teachers' Retirement System in amounts the General Assembly determines best meet the needs of those funds. The bill would also establish the casino gaming revenue distribution trust fund within the State Treasury and, for the ten (10) fiscal years after the effective date of the Act, distribute amounts deposited in the fund in excess of the operating expenses of the casino gaming revenue distribution trust fund to the Kentucky Employees Retirement System Non-Hazardous pension fund (KERS Nonhaz), the Kentucky Employees Retirement System Hazardous pension fund (KERS Haz), and the Kentucky Teachers' Retirement System in amounts the General Assembly determines best meet the needs of those funds.

Kentucky Retirement Systems staff members have examined House Bill 190 (2019 RS BR 1118). 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 190 (2019 RS BR 1118) could potentially reduce the unfunded actuarial liability of the KERS pension plans administered by Kentucky Retirement Systems, as passage of the bill would create a new revenue stream for those funds.

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, 2018 are 34,845 active, 45,768 inactive, and 42,175 retired members in the KERS Nonhaz plan; and 3,963 active, 4,716 inactive, and 3,010 retired members in the KERS Haz plan;
2. There is no estimated change in benefit payments;
3. The additional revenue generated by House Bill 190 (2019 RS BR 1118) would reduce employer costs; and

4. There is no estimated change to administrative expenses.

We have not requested any further actuarial analysis of House Bill 190 (2019 RS BR 1118) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 190 (2019 RS BR 1118).

Sincerely,

A handwritten signature in black ink that reads "David Eager". The signature is written in a cursive, flowing style.

David L. Eager  
Executive Director  
Kentucky Retirement Systems