



# KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Executive Director

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February 27, 2019

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

**RE: House Bill 384 (2019 RS BR 1788)**  
**AA Statement Required by KRS 6.350**  
**AA Statement 1 of 1**

Dear Ms. Carney:

House Bill 384 (2019 RS BR 1788) proposes to create a new section of KRS 78.510 to 78.852 to provide that the County Employees Retirement System (CERS) Non-Hazardous and CERS Hazardous employer contribution rates shall not increase by more than 12% per year over the prior fiscal year from July 1, 2018, to June 30, 2028; and provides that the CERS rate increase limit is retroactive to July 1, 2018.

Kentucky Retirement Systems (KRS) staff members have consulted with our actuaries and examined House Bill 384 (2019 RS BR 1788). We have determined that the bill will not increase or decrease benefits in any of the retirement systems administered by Kentucky Retirement Systems, and would not increase or decrease the participation in benefits within the retirement systems administered by KRS.

House Bill 384 (2019 RS BR 1788) would have no fiscal impact to the liability and contribution requirement for the CERS Non-Hazardous and CERS Hazardous plans. Rather, this proposed legislation is making a technical update to this provision, which was enacted in HB 362 during the 2018 Regular Session.

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 84,435 active, 81,608 inactive, and 56,629 retired members in the CERS Non-Hazardous plan; and 9,285 active, 2,581 inactive, and 7,647 retired members in the CERS Hazardous plan;
2. There is no estimated change in benefit payments;
3. There is no estimated increase in employer costs; and
4. There is no estimated change to administrative expenses.

We have not requested any further actuarial analysis of House Bill 384 (2019 RS BR 1788) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 384 (2019 RS BR 1788).

Sincerely,

A handwritten signature in black ink that reads "David Eager". The signature is written in a cursive style with a large, sweeping initial "D".

David L. Eager  
Executive Director  
Kentucky Retirement Systems