



KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Executive Director

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November 27, 2018

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

**RE: 2019 RS BR 320/SB 23
AA Statement 1 of 2**

Dear Ms. Carney:

2019 RS BR 320 proposes to create a new section of Kentucky Revised Statute 239 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.

Kentucky Retirement Systems staff members have consulted with their actuaries and have examined 2019 RS BR 320. 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. 2019 RS BR 320 could potentially reduce the unfunded 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, 2018 are 34,845 active and 45,768 inactive members in the KERS Nonhaz plan;
2. There is no estimated change in benefit payments;
3. The additional revenue generated by 2019 RS BR 320 would reduce employer costs; and
4. There is no estimated change to administrative expenses.

We have not requested any further actuarial analysis of 2019 RS BR 320 by the Systems' independent actuary.

Sincerely,

A handwritten signature in cursive script that reads "David Eager".

David L. Eager
Executive Director
Kentucky Retirement Systems