



KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Executive Director

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January 21, 2020

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

**RE: House Bill 207 GA (2020 RS BR 1051)
AA Statement Required by KRS 6.350
AA Statement 1 of 1**

Dear Ms. Carney:

House Bill 207 (2020 RS BR 1051) is housekeeping legislation for the Kentucky Retirement Systems. The bill would amend KRS 16.578 and 61.640 to apply the alternate death calculation to and reinstate the life annuity, 60 months certain, actuarial refund, and Social Security adjustment retirement options as written prior to 2009 legislation; amend KRS 61.598 to establish a minimum salary increase of 10% plus \$1,000 over the prior year's salary in order for employee anti-pension spiking measures to apply; amend KRS 61.645 to remove the requirement that Kentucky Retirement Systems' board election ballots be returned to a Kentucky post office box, rather than out-of-state vendor, and remove the requirement that a ballot counting vendor be an audit firm, and make other conforming changes; amend KRS 61.510, 61.637, and 78.510 to change the period under which reemployment of a retiree would void their status as a volunteer from 24 months to 12 months consistent with other retired reemployed categories; amend KRS 61.540 to remove the requirement that failure to file a statement of facts by member and employer will result in no benefits paid in order to conform language to other provisions in chapter; amend KRS 61.565 to use as maximum the rate for employers participating in the County Employees Retirement System, a factor of 1.12 over the prior fiscal year's contribution rate instead of language referencing projected dollars.

Kentucky Retirement Systems staff members have examined House Bill 207 (2020 RS BR 1051). 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. Furthermore, House Bill 207 (2020 RS BR 1051) will not change the actuarial liability of any of the retirement systems administered by Kentucky Retirement Systems.

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, 2019 are 132,144 active; 140,130 inactive; and 114,437 retired members in the plans administered by Kentucky Retirement Systems;
2. There is no estimated change in benefit payments;
3. There is no estimated change to employer costs; and

4. It is possible there will be minimal cost savings to the Systems' administrative expenses, due to decreases in KRS staff time spent handling pension spiking cases that do not meet the new threshold.

We have not requested any further actuarial analysis of House Bill 207 (2020 RS BR 1051) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 207 (2020 RS BR 1051).

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