## Local Government Mandate Statement Kentucky Legislative Research Commission 2020 Regular Session

**Part I: Measure Information** 

## Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

HB 271 GA removes the surviving spouse remarriage penalty. Currently, the surviving spouse of a member who dies in the line of duty will have his or her monthly benefits reduced to 25% of the deceased member's monthly average pay. HB 271 amends KRS 16.601 and 61.621 to remove this provision. In doing so, the benefit for surviving spouses who remarry will be 75%.

HB 271 GA will allow a surviving spouse, who is receiving benefits as a result of a members death before April 2018 and opted to take the "regular" spouse monthly benefit of 50% to apply for the 75% death-in-the-line of duty monthly benefit.

House Bill 185 in the 2018 regular session and effective April 2018 changed the surviving spouse "in the line of duty" benefit from 25% to 75% of the deceased member's monthly average pay. Whereas KRS 16.578 provided for a "regular" surviving spouse benefit of 50%, many who lost a spouse prior to April 2018 in the line of duty opted for the 50%

benefit instead of the line of duty 25% benefit. HB 271 will remedy this discrepancy by allow a surviving spouse currently receiving 50% to apply for the 75% benefit.

In the month following the effective date of this Act, a surviving spouse receiving a monthly benefit due to a member's death in the line of duty and who remarried prior to April 13, 2018 shall have his or her monthly benefit limited to 100% of the deceased member's monthly average pay when combined with any dependent child payment from the systems.

## The impact of HB 271 GA on local governments will be minimal.

The actuarial analysis as provided by GRS Retirement Consulting stated:

"This legislation will increase the benefit for approximately 14 surviving spouses and the average benefit for these members is expected to increase from \$1,100 a month to \$2,300 a month. We have determined this proposed legislation will not have a measurable actuarial fiscal impact on any of the systems maintained by KRS (i.e. the proposed legislation will change the actuarially determined contribution rate by less than one basis point)."

## Part III: Differences to Local Government Mandate Statement from Prior Versions HB 271 GA keep the provisions of HB 271 as introduced with the addition of HFA 1.

HFA 1 limits the total payment of the combined surviving spouse benefit and any dependent child payment to 100 % of the deceased member's monthly average pay.

Data Source(s): LRC Staff,

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