

Kentucky Judicial Form Retirement System

JUDICIAL RETIREMENT PLAN LEGISLATORS RETIREMENT PLAN

Donna S. Early
Executive Director

Whitaker Bank Building, Suite 302
305 Ann Street
Frankfort, Kentucky 40601

Phone (502) 564-5310
Fax (502) 564-2560
E Mail DonnaS.Early@ky.gov

MEMORANDUM

To: Katie Carney, Office of Fiscal Statement Review
From: Donna S. Early, Executive Director
RE: **2020 HB 412 HCS**
AA Statements 1 and 2 of 4
Date: March 2, 2020

The proposals included in **HB 412** would not increase or decrease the benefits or increase or decrease participation in the benefits or negatively change the actuarial accrued liability of the Judicial Retirement Plan (JRP) or the Legislators Retirement Plan (LRP). Therefore, I have not requested any further actuarial analysis by the Plans' independent actuary.

In accordance with KRS 6.350(2)(c), the Judicial Form Retirement System (the agency in charge with the administration of JRP and LRP), certifies the following:

1. There are no individuals affected; however, as of June 30, 2019, there were 607 JRP active members, terminated vested members, retirees and beneficiaries, and 384 LRP active members, terminated vested members, retirees and beneficiaries.
2. There is no change in benefit payments.
3. There is no change to employer costs.
4. There is no change to administrative expenses.

Please let me know if you have any questions.



TEACHERS' RETIREMENT SYSTEM

of the State of Kentucky

GARY L. HARBIN, CPA
Executive Secretary

ROBERT B. BARNES, JD
*Deputy Executive Secretary
Operations and General Counsel*

J. ERIC WAMPLER, JD
*Deputy Executive Secretary
Finance and Administration*

March 4, 2020

Katie Carney
Office of Special Projects
Legislative Research Commission
Capitol Annex, Room 39
Frankfort, KY 40601

RE: HB 412 HCS 1 (20 RS BR 1306)
AA Statement 3 of 4

Dear Ms. Carney:

HB 412 HCS 1, an Act relating to duty-related disability benefits and declaring an emergency, in part amends KRS 61.621 to increase the disability benefit payable under that statute from 25% of the member's monthly average pay, to 75% of the member's monthly average pay. HB 412 HCS 1 further provides that in the event of a duty-related disability, payments to the member and dependent child payments shall not exceed 100% of the member's monthly average pay, and that total dependent child benefits shall not exceed 25% of the member's pay while the member is living, and that payments to dependent children shall be divided equally among them.

TRS has examined HB 412 HCS 1 and determined that it could increase retirement benefits for members who suffer a disabling condition from a "duty-related" injury. However, since KRS 61.621 first became effective on June 1, 2000, TRS has had no members suffer a duty-related injury resulting in a disabling condition, and, therefore, no members have qualified for this benefit. TRS has spoken with its actuary and, given this history, HB 412 HCS 1 would have no material impact on the funded liability of the pension fund.

Accordingly, in compliance with KRS 6.350(2)(c), TRS certifies as follows:

1. No members have qualified for disability benefits under this statute since its effective date.
2. The change in benefits would be to increase the disability benefit payable under the statute from 25% of the member's monthly average pay, to 75% of the member's monthly average pay. HB 412 HCS 1 further provides that in the event of a duty-related disability, payments to the member and dependent child payments shall not exceed 100% of the member's monthly average pay, and that



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total dependent child benefits shall not exceed 25% of the member's pay while the member is living, and that payments to dependent children shall be divided equally among them.

3. There is no change in employer costs for TRS.
4. There would be no change in administrative expenses.

Accordingly, TRS has not requested any further actuarial analysis of this bill by its independent actuary.

Please let me know if you have any questions regarding this analysis.

Sincerely,

Robert B. Barnes
Deputy Executive Secretary of Operations and
General Counsel

cc. Christy Young