

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2020 REGULAR SESSION**

**MEASURE**

2020 BR NUMBER 1306

HOUSE BILL NUMBER 412 HCS 1

**TITLE** AN ACT relating to duty-related disability benefits and declaring an emergency.

**SPONSOR** Representative John Blanton

**FISCAL SUMMARY**

STATE FISCAL IMPACT:  YES  NO  UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY:  ACTUARIAL ANALYSIS  
 LOCAL MANDATE  CORRECTIONS IMPACT  HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: All branches of state government

FUND(S) IMPACTED:  GENERAL  ROAD  FEDERAL  RESTRICTED Various

FISCAL ESTIMATES	2019-2020	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES		\$375,500	\$409,900	Indeterminable
NET EFFECT		(\$375,500)	(409,900)	(Indeterminable)

( ) indicates a decrease/negative

**PURPOSE OF MEASURE:** HB 412 HCS 1 will increase minimum total and permanent in line of duty or duty-related disability benefits payable to a member of various retirement systems.

**FISCAL EXPLANATION:** HB 412 HCS 1 will increase costs to the state and local units of government. Below is a summary of the impact to the state over the next two fiscal years (FYs) when comparing contribution rates that will go into effect for the next two FYs under current law to those rates established under HB 412 HCS 1 provisions.

Retirement Plan	Current Law		HB 412 HCS 1		Difference	
	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	FY 2022
KERS Nonhazardous	\$99,036,700	\$108,888,200	\$99,346,500	\$109,226,400	\$309,800	\$338,200
KERS Hazardous	\$2,754,700	\$3,005,200	\$2,769,500	\$3,021,300	\$14,800	\$16,100
SPRS	\$4,539,600	\$4,952,300	\$4,590,500	\$5,007,900	\$50,900	\$55,600
Total	\$106,331,000	\$116,845,700	\$106,706,500	\$117,255,600	\$375,500	\$409,900

Costs after FY 2022 will be determined once an actuarial valuation factors in each systems' financial experience.

**DATA SOURCE(S):** KY Retirement Systems, Teachers' Retirement Systems, Judicial Form Retirement System, and LRC Staff

**PREPARER:** Zach Ireland **NOTE NUMBER:** 236 **REVIEW:** JAB **DATE:** 3/24/2020