

on the date of death inclusive of any accumulated sick leave credit and that the deceased member shall be deemed to have elected the survivorship 100% allowance.

Section 3:

Forbids a member who is on disability retirement to hold a sworn position as an elected, paid, or volunteer peace officer, firefighter, paramedic, or any other position related to public safety that would qualify as hazardous duty salary, retirement, or death benefits. The board may investigate and conduct hearings to ensure compliance. Any final order by the fund's board of trustees may be appealed to Circuit Court.

Section 4:

Provides that in addition to a surviving spouse annuity, a minor child or children is entitled to an additional annuity, except in cases where the surviving spouse annuity is inclusive of an increased annuity allowance as purchased by the member for his or her surviving spouse.

The first child is entitled to 50% of the surviving spouse's annuity; and for each additional child, the rate is 25% of the surviving spouse's annuity; not to exceed 75% of the member's final annuity, rate of pay, or service retirement annuity.

The annuity provided for minor children under the age of 18 shall be divided and paid in equal amounts for each child to the surviving parent or guardian, and directly to the child between 18 and 23 years of age who are full-time students. As the eligibility of children expire, the total annuity for such children shall be reduced by percentage amount in reverse order.

In cases where there is not a surviving spouse, the minor child or children shall be entitled to 50% of the member's final annuity, final rate of pay, or service retirement, whichever is greater; for two children, an additional 15%; and for three children, an additional 10% each; not to exceed 75% of the member's final annuity, rate of pay, or service retirement annuity, whichever is greater. The annuity provided for minor children under the age of 18 shall be divided and paid in equal amounts for each child to the surviving parent or guardian, and directly to the child between 18 and 23 years of age who are full-time students. As the eligibility of children expire, the total annuity for such children shall be reduced by percentage amount in reverse order.

Section 5:

Provides that retired members shall vote for nominees from the department from which they retired.

Section 6:

Requires the Police and Firefighters' Retirement and Benefit Fund comply with all statutory and regulatory laws and regulations.

Section 7:

Requires the board to schedule a rehearing at the board's next scheduled regular meeting following the filing of the applications.

The Lexington Bluegrass Lodge 4 (Lexington FOP) and the Lexington Fayette County Urban Government (LFCUG) Police and Firefighters' Retirement and Benefit Fund were contacted regarding the fiscal impact of HB 479 on Lexington Fayette County Urban Government.

The Lexington Bluegrass Lodge 4 (Lexington FOP) and the LFCUG Police and Firefighters' Retirement and Benefit Fund states there would be minimal financial impact. Attached is a letter from their actuary and both organizations state the letter will apply to their separate responses.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II, above, pertains to the GA version. The GA version is the same as the bill as introduced. No amendments or substitutes were adopted when the bill passed its chamber of origin.

Data Source(s): LRC Staff, Lexington Fayette County Urban Governmnet Police and Firefighter's Retirement and Benefit Fund administrator; Lexington Division of Police

Preparer: Wendell F. Butler **Reviewer:** KHC **Date:** 3/16/20



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March 3, 2020

Ms. Susan Combs
Administrator
Lexington-Fayette Urban County Government
Policemen's and Firefighters' Pension Plan
200 East Main Street
Lexington, Kentucky 40507

Proposed Statute Revisions

Dear Susan:

As requested we have reviewed the proposed changes to Sections KRS 67A.492 which governs the Lexington Fayette Urban County Government Policemen's and Firefighters' Retirement Fund.

We find the proposed revisions to the Kentucky Revised Statutes mention above will have a minimal, if any, impact on the actuarial cost of the plan.

Please let us know if you have any questions.

Sincerely,

Todd B. Green, ASA, FCA, MAAA
President

S:\2020\Lexington Police & Fire\Cost Studies\KRS 67A.402 KRS 57A.492 and KRS 67A.500\03.03.20 Proposed Ordinance Changes.docx

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March 5, 2020

Ms. Susan Combs
Administrator
Lexington-Fayette Urban County Government
Policemen's and Firefighters' Pension Plan
200 East Main Street
Lexington, Kentucky 40507

Proposed Statute Revisions

Dear Susan:

As requested we have reviewed the proposed changes to Sections KRS 67A.450 which governs the Lexington Fayette Urban County Government Policemen's and Firefighters' Retirement Fund.

The proposed ordinance change is noted below:

Any active member who, on the date of death, would otherwise have been eligible for a service retirement under the provisions of KRS 67A.410 shall be deemed to have retired on service effective on the date of the member's death calculated with credit accumulated sick leave under the provisions of KRS 67A.404. The deceased member shall be deemed to have elected 100% survivorship allowance option under the provisions of KRS 67A.492(2)(b).

The financial impact of the proposed change is shown on the following page.



The financial impact of the proposed change is shown below:

	July 1, 2019 Valuation Results	July 1, 2019 Proposed Change
Liabilities		
Actuarial Accrued Liability	\$1,018,818,817	\$1,019,133,698
Actuarial Value of Assets	<u>756,269,783</u>	<u>756,269,783</u>
Unfunded Actuarial Accrued Liability	\$ 262,549,034	\$ 262,863,915
Increase/(Decrease)		\$ 314,881
Actuarial Determined Contribution		
Normal Cost Rate	11.40%	11.42%
Accrued Liability	<u>27.23</u>	<u>27.27</u>
Total	38.63%	38.69%
Required Employer Rate	26.63%	26.69%
Member Rate	<u>12.00</u>	<u>12.00</u>
Total	38.63%	38.69%
Increase/(Decrease)		0.06%

Please let us know if you have any questions.

Sincerely,

Todd B. Green, ASA, FCA, MAAA
President