



# 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 11, 2020

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

RE: HB 644 (20 RS BR 2030)  
AA Statement 1 of 4

Dear Ms. Carney:

HB 644, an Act relating to forfeiture of retirement benefits upon conviction of a sexual offense against a minor, in part amends KRS 161.470 to provide that upon conviction of a felony or misdemeanor, or upon entering into a plea agreement to avoid such conviction, for engaging in sex with a minor, the member shall forfeit all rights and benefits earned under the retirement system, except for the return of his or her contributions and interest accredited to his or her account. HB 644 further amends KRS 161.714 by excepting from the inviolable contract all retirement benefits that would otherwise payable to a member, but for a conviction involving sex with a minor. Non-codified language in the bill provides that it applies to convictions entered into on or after the effective date of the Act.

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

1. This legislation has the potential to impact a limited number of TRS members.
2. There would be no increase in benefits. There could be a very slight decrease in benefits in the event a member is convicted of an act involving sex with a minor.
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.



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Sincerely,

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

cc. Christy Young

# Kentucky Judicial Form Retirement System

## JUDICIAL RETIREMENT PLAN LEGISLATORS RETIREMENT PLAN

Donna S. Early  
Executive Director

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Frankfort, Kentucky 40601

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### M E M O R A N D U M

**To:** Katie Carney, Office of Fiscal Statement Review  
**From:** Donna S. Early, Executive Director  
**RE:** **2020 HB 644**  
**AA Statement 2 and 3 of 4**  
**Date:** March 11, 2020

The provisions included in **HB 644** would not negatively change the actuarial accrued liability of the Judicial Retirement Plan (JRP) or the Legislators Retirement Plan (LRP). There is insufficient statistical data on which to determine the impact of HB 644 on JRP and LRP participation and/or benefits.\* 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. 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. If any of these individuals are affected, it is anticipated that the number will be negligible.
2. While there would be no increase in benefit payments, there could be a potential decrease 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.

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\* Some proposals under HB 644 may or may not be allowed under state law. Whether or not these changes are permissible is a legal issue, and we provide no opinion in this regard.



# KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Executive Director

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March 12, 2020

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

**RE: House Bill 644 (2020 RS BR 2030)**  
**AA Statement Required by KRS 6.350**  
**AA Statement 4 of 4**

Dear Ms. Carney:

House Bill 644 (2020 RS BR 2030), in pertinent part for Kentucky Retirement Systems, amends KRS 16.652, 61.535, and 78.852 to provide that any member of the retirement systems administered by the Kentucky Retirement Systems who is convicted of or enters into a plea agreement to avoid conviction of a felony or misdemeanor for engaging in sex with a minor, including rape, sodomy, sexual abuse, and sexual misconduct, shall cease membership in the retirement system to which the member has made contributions and forfeit all rights and benefits earned in that system, except for the return of his or her individual contributions and any interest; amends KRS 61.692 to conform; and specifies in noncodified language that the Act shall only apply to felonies, misdemeanors, and plea agreements entered into on or after the effective date of the Act.

Kentucky Retirement Systems staff members have examined House Bill 644 (2020 RS BR 2030). We have determined that the bill will not increase or decrease benefits in any of the retirement systems administered by Kentucky Retirement Systems. The bill will not increase participation in benefits, but would decrease participation in benefits for anyone required to cease membership in the retirement system due to their conviction of, or plea agreement to avoid conviction of, a felony or misdemeanor for engaging in sex with a minor, including rape, sodomy, sexual abuse, and sexual misconduct.

House Bill 644 (2020 RS BR 2030) 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



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*AA Statement Required by KRS 6.350*  
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4. There is no estimated change to administrative expenses.

We have not requested any further actuarial analysis of House Bill 644 (2020 RS BR 2030) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 644 (2020 RS BR 2030).

Sincerely,

A handwritten signature in black ink that reads "David Eager".

David L. Eager  
Executive Director  
Kentucky Retirement Systems