



KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Executive Director

Perimeter Park West • 1260 Louisville Road • Frankfort, Kentucky 40601
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



February 28, 2020

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

RE: Senate Bill 145 (2020 RS BR 939)
AA Statement Required by KRS 6.350
AA Statement 1 of 2

Dear Ms. Carney:

Senate Bill 145 (2020 RS BR 939) proposes to amend Section 226 of the Constitution of Kentucky to authorize the General Assembly to define, permit, oversee, and regulate all forms of otherwise-permissible gaming; provides for the oversight and control of gaming by an administrative body funded by license fees and taxes levied on gaming; and prior to July 2040, require 100% of gaming proceeds, in excess of the amount used to pay for an oversight administrative body of gaming, to go to the Kentucky Employees Retirement System Non-Hazardous pension fund (KERS Nonhaz), the Kentucky Employees Retirement System Hazardous pension fund (KERS Haz), and the Kentucky Teachers' Retirement System in amounts the General Assembly determines best meet the needs of those funds. If passed, the bill would require the amendment to be submitted to the voters of the Commonwealth for their ratification or rejection.

Kentucky Retirement Systems staff members have examined Senate Bill 145 (2020 RS BR 939). We have determined that the bill will not increase or decrease benefits or the participation in benefits in any of the retirement systems administered by Kentucky Retirement Systems. Senate Bill 145 (2020 RS BR 939) could potentially reduce the unfunded actuarial liability of the pension plans administered by Kentucky Retirement Systems, as passage of the bill and ratification of the amendment by Kentucky voters would create a new revenue stream for those funds.

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 33,432 active, 46,721 inactive, and 42,874 retired members in the KERS Nonhaz plan; and 3,779 active, 5,094 inactive, and 3,146 retired members in the KERS Haz plan;
2. There is no estimated change in benefit payments;
3. The additional revenue generated by Senate Bill 145 (2020 RS BR 939) could reduce employer costs; and
4. There is no estimated change to administrative expenses.

We have not requested any further actuarial analysis of Senate Bill 145 (2020 RS BR 939) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of Senate Bill 145 (2020 RS BR 939).

Sincerely,

A handwritten signature in black ink that reads "David Eager". The signature is written in a cursive style with a large initial "D" and "E".

David L. Eager
Executive Director
Kentucky Retirement Systems