

Section 9:

(This provision originated from SB 226).

SB 239 HCS 1 amends KRS 95.022 to provide that retired police officers who after retirement are hired by the city for purposes of being a school-resource officer shall not count against the limitations of the number of reemployed retirees hired by a city.

Section 10:

(These provisions originated from SB 192.)

In regards to retired members who are reemployed by an agency participating in one of the retirement systems on or after September 1, 2008: SB 239 HCS 1 provides that mayors or members of a city legislative body are not required to resign in order to begin drawing benefits from a system administered by the Kentucky Retirement Systems (KRS) subject to the following provisions:

- has not participated in the County Employees Retirement System (CERS) prior to retirement but were otherwise eligible to retire from the Kentucky Employees Retirement Systems (KERS) or the State Police Retirement System;
- has or is participating in the CERS and at least 62 years of age. If a mayor or member of a city legislative body who is at least 62 retires from a system administered by the KRS but remains in office, they shall not accrue any further service credit or benefits in a system administered by the KRS for any employment occurring on or after the effective retirement date.

The fiscal impact of SB 239 HCS 1 on local governments is indeterminable.

The Kentucky Retirement Systems have completed an actuarial analysis of SB 239 HCS 1 and have provided the following: *“Kentucky Retirement Systems staff members have examined Senate Bill 239 (2020 RS BR 1912) House Committee Substitute. 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. Furthermore, Senate Bill 239 (2020 RS BR 1912) House Committee Substitute will not change the actuarial liability of any of the retirement systems administered by Kentucky Retirement Systems. “*

KRS 90.400 (8) and KRS 95.290, both effective July 15, 1988, provided that any city maintaining a pension plan for employees, including policemen’s and firefighter’s pension funds, shall participate in the CERS effective August 1, 1988. The pensions’ governing boards provided members hired on or prior to August 1, 1988 the option to retain coverage under the city-administered plan. The memberships of the remaining city-administered plans have diminished over the years. SB 239 addresses those plans with 12 or fewer members. This is an administrative burden to cities. There are cost related to administering these plans and for providing the statutory actuarial requirements necessary for the plans to operate. **This bill allows these pension funds to be sold to insurance companies affectively removing the administrative burden and cost from the city.**

The Kentucky Association of Chiefs of Police (KACP) responded to SB 226 regarding the rehiring of retired police officers. The KACP stated that *“the bill is critical for City Police*

Department(s) to be able to implement SRO Programs and schools to implement provisions of SB 1 from 2019. Without its passage it will create financial hurdles that will be hard to overcome. KACP strongly supports passage of this legislation.”

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

SB 239 HCS 1 retains the provisions of SB 239 GA and adds the following:

- From SB 226: provides that retired police officers who after retirement are hired by the city for purposes of being a school-resource officer shall not count against the limitations of the number of reemployed retirees hired by a city.
- From SB 192: provides that mayors and members of a city’s legislative body do not have to resign in order to draw benefits subject to specific provisions.

Data Source(s): LRC Staff

Preparer: Wendell F. Butler **Reviewer:** KHC **Date:** 3/26/20