



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



January 10, 2020

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

RE: Senate Bill 24 (2020 RS BR 236)
AA Statement Required by KRS 6.350
AA Statement 1 of 2

Dear Ms. Carney:

Senate Bill 24 (2020 RS BR 236) proposes to create a new section of Kentucky Revised Statute 239 to establish a sports wagering distribution trust fund within the State Treasury and distribute sixty percent (60%) of the amounts deposited in the fund to the Kentucky Employees Retirement System Nonhazardous pension fund (KERS Nonhaz) and the Kentucky Teachers' Retirement System in amounts proportional to the number of participants in those funds.

Kentucky Retirement Systems staff members have examined Senate Bill 24 (2020 RS BR 236). 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 24 (2020 RS BR 236) could potentially reduce the unfunded actuarial liability of the KERS Nonhaz plan administered by Kentucky Retirement Systems, as passage of the bill would create a new revenue stream for that fund.

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;
2. There is no estimated change in benefit payments;
3. The additional revenue generated by Senate Bill 24 (2020 RS BR 236) 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 24 (2020 RS BR 236) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of Senate Bill 24 (2020 RS BR 236).

Sincerely,

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

David L. Eager
Executive Director
Kentucky Retirement Systems