## Local Government Mandate Statement Kentucky Legislative Research Commission 2020 Regular Session

**Part I: Measure Information** 

Bill Request #: 1053
Bill #: SB 249 GA
Document ID #:
Bill Subject/Title: AN ACT relating to retirement costs and declaring an emergency.
Sponsor: Senator Christan E. McDaniel
Unit of Government: X City X County X Urban-County Unified Local
X Charter County X Consolidated Local X Government
Office(s) Impacts employer pension contribution rates.
Requirement: X Mandatory Optional
Effect on Powers & Duties: Modifies ExistingX Adds New Eliminates Existing

## Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

SB 249 GA provides for a thirty year amortization for the total unfunded actuarial accrued liability, except that any increase and decrease in the actuarially accrued liability occurring after the completion of the 2019 actuarial valuation be amortized over a separate 20 period beginning with the valuation in which the increase or decrease is first recognized. An increase or decrease in the actuarially accrued liability may result from, but not limited to, legislative changes to benefits, changes in actuarial methods or assumption, or actuarial gains or losses.

SB 249 GA deletes the definition of level dollar amortization method and defines level percentage of payroll amortization method to be a method of determining the annual amortization payment on the unfunded actuarial accrued liability as expressed as a set percentage of payroll over a set period of years.

The fiscal impact of SB 249 GA on local governments is not known at this time. The Kentucky Retirements Systems has not completed an actuarial analysis for SB 249 GA. If, and when, the statement is available, the LM will be updated accordingly.

## 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, Kentucky Retirement Systems

**Preparer:** Wendell F. Butler **Reviewer:** KHC **Date:** 3/18/20