



## KENTUCKY RETIREMENT SYSTEMS

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February 2, 2021

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

**RE: House Bill 115 (2021 RS BR 411)**  
**AA Statement Required by KRS 6.350**  
**AA Statement 1 of 1**

Dear Ms. Carney:

House Bill 115 (2021 RS BR 411) amends KRS 61.542 to allow a retiree to elect to change his or her beneficiary at any time, if the retiree has selected upon retirement a basic monthly annuity payment as defined in the subsection, a period certain payment option under KRS 61.635(5) to (7), or the Social Security adjustment option without survivorship rights under KRS 61.635(8)(a); requires a retiree to file a beneficiary change form prescribed by the Kentucky Retirement Systems with the retirement office; provides that a retiree may change his or her actual monthly payment option only upon marriage or remarriage and only if he or she files a beneficiary change form within 120 days of marriage or remarriage designating the new spouse as beneficiary and selecting a survivorship payment option under KRS 61.635(2) to (4) and (8)(b), with the resulting payments being actuarially equivalent to the retirement allowance provided at the date of the original retirement; amends KRS 61.590, 61.615, and 61.630 to conform; provides that members who retired prior to the effective date of the Act, who were married or remarried prior to the effective date of the Act and remain married or remarried to the same spouse, shall have 120 days from the effective date to select a survivorship option for their spouse under the Act.

Kentucky Retirement Systems staff members have examined House Bill 115 (2021 RS BR 411). 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, because the resulting payments after changing a retirement option will be actuarially equivalent to the retirement allowance provided at the date of the original retirement, House Bill 115 (2021 RS BR 411) 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, 2020 are 128,908 active; 148,367 inactive; and 117,665 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
4. The bill is expected to result in an increase in administrative expenses for Kentucky Retirement Systems. House Bill 115 (2021 RS BR 411) will require KRS to make multiple amendments to its technical programs and processes to provide retirees an opportunity to elect both a new beneficiary and a new retirement payment option when a qualifying event occurs.

We have not requested any further actuarial analysis of House Bill 115 (2021 RS BR 411) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 115 (2021 RS BR 411).

Sincerely,



David L. Eager  
Executive Director  
Kentucky Retirement Systems