

January 14, 2021

Ms. Katie Carney
Director's Office
Legislative Research Commission
Capitol Annex, Room 104
Frankfort, KY 40601

RE: HB 241 - AN ACT relating to wagering and making an appropriation therefor.
AA Statement 1 and 2 of 4

Dear Ms. Carney:

JFRS has examined **HB 241 (BR 65)** and determined it would not increase or decrease benefits, or increase or decrease participation in benefits, or change the actuarial liability of either plan administered by JFRS. Therefore, we have not requested any further actuarial analysis of HB 241 (BR 65) by the Systems' independent actuary.

In compliance with KRS 6.350(2)(c), the Judicial Form Retirement Systems (the agency in charge with the administration of JRP and LRP) certifies the following:

1. There has no individuals affected. As of June 30, 2020, there were a total of 596 individuals participating in JRP and 381 individuals participating in LRP.
2. There is no change in benefits.
3. There is no change to employer costs.
4. There is no estimated change to administrative expenses.

We have not requested any further actuarial analysis of HB 69 by the Systems' independent actuary. Please let me know if you have any questions regarding this analysis.

Sincerely,



Bo Cracraft
Executive Director



KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Executive Director

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



January 25, 2021

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

RE: House Bill 241 (2021 RS BR 65)
AA Statement Required by KRS 6.350
AA Statement 3 of 4

Dear Ms. Carney:

House Bill 241 (2021 RS BR 65) proposes to create a new Kentucky Revised Statute Chapter 239 that would, in pertinent part for Kentucky Retirement Systems, establish a wagering administration fund within the State Treasury. The bill states that five percent (5%) of the amounts deposited in the wagering administration fund in excess of oversight costs would go to the Kentucky problem gambling assistance account, with the remaining funds allocated to the Kentucky permanent pension fund established in KRS 42.205. The bill does not specify an end date for the funds to cease being deposited into the Kentucky permanent pension fund, so for the purposes of this Actuarial Analysis it is assumed the revenue will continue to be deposited in perpetuity.

Kentucky Retirement Systems staff members have examined House Bill 241 (2021 RS BR 65). 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. House Bill 241 (2021 RS BR 65) could potentially reduce the unfunded actuarial liability of the pension plans administered by Kentucky Retirement Systems, as passage of the bill would create a new revenue stream for the Kentucky permanent pension fund that could then be allocated to the pension plans 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 KRS;
2. There is no estimated change in benefit payments;
3. The additional revenue generated by House Bill 241 (2021 RS BR 65) could reduce employer costs only if the money were allocated to KRS; and
4. There is no estimated change to administrative expenses.

We have not requested any further actuarial analysis of House Bill 241 (2021 RS BR 65) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 241 (2021 RS BR 65).

Sincerely,

A handwritten signature in black ink that reads "David Eager". The signature is written in a cursive, flowing style.

David L. Eager
Executive Director
Kentucky Retirement Systems