



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 26, 2021

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

RE: House Bill 261 GA (2021 RS BR 808)
AA Statement Required by KRS 6.350
AA Statement 1 of 1

Dear Ms. Carney:

House Bill 261 (2021 RS BR 808) amends KRS 61.685 to make a person liable for civil penalties if he or she knowingly submits false or fraudulent claims or fails to report or remit required money, records, or property to the Kentucky Public Pensions Authority (KPPA) in order to obtain retirement benefits from any of the retirement systems administered by the KPPA; defines "person" and "knowingly" for purposes of the Act; provides civil penalties, including restitution of the payments received as a result of fraud, a penalty of as much as 3 times the amount of the excess payments, a penalty of \$500 for each false or fraudulent claim submitted, and recovery of all legal fees and costs of the investigation and enforcement of civil remedies; requires that, at the request of the KPPA, the Attorney General investigate and enforce the provisions of this Act and may recover the reasonable costs of litigation as determined by the court and provided by KRS 48.005; provides that civil payments, costs, and interest be made payable to the State Treasurer and remitted to the KPPA for deposit in the affected systems' trusts consistent with the methods used to distribute administrative expenses between the trusts; and provides that the remedies provided by this Act be separate from and cumulative to any other remedy available to the KPPA.

NOTE: Effective April 1, 2021, Kentucky Retirement Systems as an Agency of the Commonwealth will be known as the Kentucky Public Pensions Authority (KPPA).

Kentucky Retirement Systems staff members have examined House Bill 261 (2021 RS BR 808). We have determined that the bill will not increase or decrease benefits or the participation in benefits in any of the systems that will be administered by the KPPA after April 1, 2021. Furthermore, House Bill 261 (2021 RS BR 808) will not change the actuarial liability of the plans.

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 that will be administered by the KPPA after April 1, 2021;

2. There is no estimated change in benefit payments;
3. There is no estimated change to employer costs; and
4. There is no estimated change to administrative expenses.

We have not requested any further actuarial analysis of House Bill 261 (2021 RS BR 808) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 261 (2021 RS BR 808).

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