

January 7, 2021

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

AA Statement 1 and 2 of 4

Dear Ms. Carney:

JFRS has examined **HB 69 GA (BR 17)**, which amends KRS 6.350 to establish additional standards and requirements for the completion of the actuarial analysis required for bills pertaining to state-administered retirement systems.

We have determined that the bill will not increase or decrease benefits, or increase or decrease participation in benefits, or change the actuarial liability of either plan administered by JFRS. Per discussion with our actuary, there may be a very modest one-time fee to incorporate the new format established by LRC and add the requirement to project costs or savings over 30-years.

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 may be a very minimal one-time set up fee, estimated as less than \$2,000, that would impact administrative expenses minimally.

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



February 2, 2021

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

RE: House Bill 69 GA (2021 RS BR 17)
AA Statement Required by KRS 6.350
AA Statement 3 of 4

Dear Ms. Carney:

House Bill 69 (2021 RS BR 17) amends KRS 6.350 to establish additional standards and requirements for the completion of the actuarial analysis required for bills pertaining to state-administered retirement systems, including a projection of costs/savings over a 30-year period rather than 20 years, completion of the analysis in a format established by the Legislative Research Commission, and the addition of a summary of relevant data and information on the front page of the analysis; amends KRS 21.440, 61.670, and 161.400 to require the state-administered retirement systems to provide a projection/analysis over a 30-year period rather than a 20-year period regarding projections in the annual actuarial valuation and as it relates to experience studies, assumption changes, and other changes made by the boards of each system.

Kentucky Retirement Systems staff members have examined House Bill 69 (2021 RS BR 17). 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, House Bill 69 (2021 RS BR 17) 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. There is a possible change to administrative expenses due to the additional calculations and information required of the actuary. Current actuarial rates are \$210 to \$385 per hour.

Depending on the complexity and length of time required to complete each analysis, the administrative costs to the Systems could slightly increase.

We have not requested any further actuarial analysis of House Bill 69 (2021 RS BR 17) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 69 (2021 RS BR 17).

Sincerely,

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

David L. Eager
Executive Director
Kentucky Retirement Systems



TEACHERS' RETIREMENT SYSTEM

of the State of Kentucky

GARY L. HARBIN, CPA
Executive Secretary

ROBERT B. BARNES, JD
Deputy Executive Secretary
Operations and General Counsel

J. ERIC WAMPLER, JD
Deputy Executive Secretary
Finance and Administration

February 23, 2021

Katie Carney
Office of Special Projects
Legislative Research Commission
Capitol Annex, Room 39
Frankfort, KY 40601

RE: 21 RS HB 69 GA
AA Statement 4 of 4

Dear Ms. Carney:

21 RS HB 69, an Act relating to relating to actuarial reporting for the state-administered retirement systems, would amend KRS 6.350 to require actuarial analyses as follows: to provide 30, rather than 20, year projections; to be provided in a format established by the Legislative Research Commission; and to include on the front page a summary of specific relevant data from the analysis.

21 RS HB 69 would not increase or decrease retirement benefits, or increase or decrease participation in benefits, or negatively change the actuarial liability of the system.

As 21 RS HB 69 does not increase or decrease retirement benefits, or increase or decrease participation in benefits, or negatively change the actuarial liability of the system, TRS has not requested any further actuarial analysis of this bill by its independent actuary.

TRS certifies, in compliance with KRS 6.350(2)(c), as follows:

1. As of June 30, 2020, there were approximately 133,000 members of TRS.
2. There would be no increase or decrease in benefits, or participation in benefits.
3. There would be no increase in employer cost.
4. There is potentially a very slight increase in administrative costs as a result of additional calculations and information that may be required of the actuary.

Please let me know if you have any questions regarding this analysis.

Sincerely,



Robert B. Barnes
Deputy Executive Secretary of Operations and
General Counsel

cc. Mariah Derringer-Lackey

479 Versailles Road • Frankfort, Kentucky 40601-3800 • Phone 502-848-8500