



## 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



March 2, 2021

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

**RE: House Bill 9 (2021 RS BR 277) – GA Version  
AA Statement Required by KRS 6.350  
AA Statement 1 of 1**

Dear Ms. Carney:

Kentucky Retirement Systems (KRS) had previously provided an Actuarial Analysis statement for House Bill 9 (2021 RS BR 277) via letter dated February 9, 2021. KRS has now examined the GA Version of House Bill 9 (2021 RS BR 277) and compared it to the existing AA statement for House Bill 9.

We have determined that the GA Version of House Bill 9 (2021 RS BR 277) would not impact the previous actuarial statement provided for this legislation. Therefore, the Actuarial Analysis of House Bill 9 (2021 RS BR 277), dated February 9, 2021, is applicable to House Bill 9 (2021 RS BR 277) – GA Version.

We have not requested any further actuarial analysis of House Bill 9 (2021 RS BR 277) – GA Version by the Systems' independent actuary. Please let me know if you have any questions regarding our analysis of House Bill 9 (2021 RS BR 277) – GA Version.

Sincerely,

A handwritten signature in black ink that reads "David Eager".

David L. Eager  
Executive Director  
Kentucky Retirement Systems



## 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 9, 2021

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

**RE: House Bill 9 (2021 RS BR 277)**  
**AA Statement Required by KRS 6.350**  
**AA Statement 1 of 1**

Dear Ms. Carney:

House Bill 9 (2021 RS BR 277) creates separate retirement benefit, disability benefit, retiree health benefit, and other benefit statutes for the County Employees Retirement System (CERS) apart from the Kentucky Retirement Systems (KRS) as provided in intent language of HB 484 during the 2020 Regular Session; amends KRS 16.505 and 61.510 to amend definition of "retirement office," make conforming amendments, and remove language that was voided due to a court ruling; amends KRS 78.635 to include changes from SB 249 from the 2020 Regular Session regarding amortization of unfunded liabilities that were not included in HB 484; amends KRS 61.645 and 78.782 to provide that appointments by the Governor to the KRS or CERS board shall be made at least 30 days prior to the seat becoming vacant and to provide that each board may request that specific items be included in the overall KPPA administrative budget; repeals, reenacts, and amends KRS 61.5955 to remove language that was voided due to a court ruling and restore prior statute language and to conform to a recent private letter ruling from the federal government regarding this section; repeals, reenacts, and amends KRS 61.552 regarding service purchase statute to clean up provisions and to add service purchase provisions from other statutes that are being repealed in the bill; repeals, reenacts, and amends KRS 61.702 to separate CERS from KRS retiree health benefit provisions that are now included in a new section of the bill and to clean up provisions; amends KRS 16.642, 61.650, 61.701, and 78.790 to allow KRS and CERS to use the existing registration of assets in order to avoid additional expenses and make conforming and technical amendments; amends KRS 61.505 that creates the Kentucky Public Pensions Authority (KPPA) to allow the KPPA to file administrative regulations, allow the KPPA to hire a chief investment officer and deputy chief investment officer outside of the KRS Chapter 18A requirements, and require the KPPA to submit a budget for approval during the biennial budgeting process; amends numerous statutes to make technical, clarifying, and conforming amendments and to remove language voided due to a court ruling; repeals KRS 61.5956 since the statute was voided due to a court ruling; repeals KRS 61.555 and 61.5525 since these provisions are now included in KRS 61.552 in the bill; specifies that no provision of this Act shall increase or decrease benefits; specifies that no provision of this Act shall limit the General Assembly's authority held prior to the Act; provides that the KRS and CERS boards created by HB 484 may meet but not take action prior to April 1, 2021; and provides that the current KRS Executive Director shall serve as the KPPA

Executive Director until a permanent replacement is determined. The bill contains an Emergency clause, and takes effect on April 1, 2021, except that Section 88 which provides that the KRS and CERS boards created by HB 484 may meet but not take action prior to April 1, 2021 would become effective upon its passage and approval by the Governor or upon its otherwise becoming a law.

Kentucky Retirement Systems staff members have examined House Bill 9 (2021 RS BR 277). 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 9 (2021 RS BR 277) 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 an estimated change in administrative expenses for Kentucky Retirement Systems (KRS will become Kentucky Public Pensions Authority, effective April 1, 2021). Personnel costs are expected to increase, but these costs should be negated due to anticipated savings from allowing KRS and CERS to use the existing registration of assets in order to avoid additional expenses.

We have not requested any further actuarial analysis of House Bill 9 (2021 RS BR 277) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 9 (2021 RS BR 277).

Sincerely,



David L. Eager  
Executive Director  
Kentucky Retirement Systems