Local Government Mandate Statement Kentucky Legislative Research Commission 2021 Regular Session

Part I: Measure Information

Bill Request #: 277								
Bill #: HB 9 GA								
Document ID #: <u>5504</u>								
Bill Subject/Title: AN ACT relating to retirement and declaring an emergency.								
Sponsor: Representative Russell Webber								
Unit of Government:	City	County	Urban-County Unified Local					
	Charter County	Consolidated Loca						
Office(s) Impacted: All participants in the County Employees Retirement System.								
Requirement: X	Mandatory Opti	ional						
Effect on Powers & Duties: <u>X</u>	Modifies Existing	X Adds New]	Eliminates Existing					
Part II. Bill Provisions and the Estimated Fiscal Impact Polating to Local								

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

HB 9 GA provides for the following:

- Creates separate retirement benefits, disability benefits, and retiree health benefits for County Employees Retirement System (CERS) members separate from the Kentucky Retirement Systems (KRS). This is a continuation of the intent of HB 484 from the 2020 regular session.
- Amends the definition of "retirement office" for CERS to be the Kentucky Public Pensions Authority (KPPA) office building unless otherwise designated.
- Defines "vested" as having at least 48 months of service if 65 or older, or at least 60 months of service if under 65 for participants in the CERS.
- Any administrative expenses for the KPPA assigned to the CERS shall be paid from the retirement allowance account.
- Details changes regarding the amortization of the unfunded liability per RS 20 SB 249.

- Allows for members of CERS, if they meet specific criteria, to elect to receive benefits and rights provided members who participated on or after January 1, 2014, including hybrid cash balance plan.
- Appointments made by the Governor to the 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.
- CERS may use the existing registration of assets in order to avoid additional expenses.
- The CERS board may meet but not take action prior to April 1, 2021.
- Removes language that was voided due to recent court rulings.

The fiscal impact of HB 9 GA on local governments is not known at this time.

Part III: Differences to Local Government Mandate Statement from Prior Versions

HB 9 GA includes the provisions of HB 9 as introduced with the addition of conforming or clarifying language. The fiscal impact on local governments from the GA version is the same as the as introduced version.

Data Source(s): <u>LRC Staff</u>

Preparer:	Wendell F. Butler	Reviewer:	KHC	Date:	2/25/21
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