



KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Executive Director

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March 9, 2021

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

RE: Senate Bill 212 (2021 RS BR 1209) – GA Version
AA Statement Required by KRS 6.350
AA Statement 1 of 2

Dear Ms. Carney:

Kentucky Retirement Systems had previously provided an Actuarial Analysis of Senate Bill 212 (2021 RS BR 1209) via letter dated February 25, 2021. We have now examined the GA Version of Senate Bill 212 (2021 RS BR 1209).

We have determined that the GA Version of Senate Bill 212 (2021 RS BR 1209) would not impact the previous actuarial statement provided for this legislation. Therefore, the Actuarial Analysis of Senate Bill 212 (2021 RS BR 1209), dated February 25, 2021, is applicable to Senate Bill 212 (2021 RS BR 1209) – GA Version.

We have not requested any further actuarial analysis of Senate Bill 212 (2021 RS BR 1209) – GA Version by the Systems' independent actuary. Please let me know if you have any questions regarding our analysis of Senate Bill 212 (2021 RS BR 1209) – GA Version.

Sincerely,

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

David L. Eager
Executive Director
Kentucky Retirement Systems



KENTUCKY RETIREMENT SYSTEMS

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February 25, 2021

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

RE: Senate Bill 212 (2021 RS BR 1209)
AA Statement Required by KRS 6.350
AA Statement 2 of 2

Dear Ms. Carney:

Senate Bill 212 (2021 RS BR 1209) amends KRS 61.542 and 161.480 to require effective September 1, 2021, that any future changes to beneficiary designations for all members shall be submitted to the systems electronically or by an electronic method developed by the systems; and amends KRS 61.526 and 161.480 to require effective July 1, 2022, that new member forms, including beneficiary designation forms, shall be submitted to the systems electronically or by an electronic method developed by the systems.

Kentucky Retirement Systems staff members have reviewed Senate Bill 212 (2021 RS BR 1209). Our review only applies to the plans administered by Kentucky Retirement Systems. 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, Senate Bill 212 (2021 RS BR 1209) 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 expected to be a decrease in administrative expenses for Kentucky Retirement Systems due to the elimination of printing and mailing costs associated with member forms.

We have not requested any further actuarial analysis of Senate Bill 212 (2021 RS BR 1209) by the Systems' independent actuary.

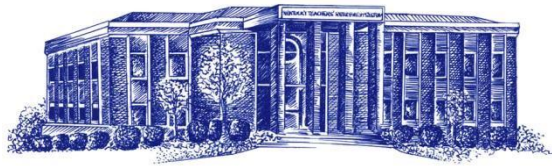
Please let me know if you have any questions regarding our analysis of Senate Bill 212 (2021 RS BR 1209).

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 KENTUCKY



SERVING KENTUCKY TEACHERS SINCE 1940

March 5, 2021

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

RE: 21 RS SB 212 GA
AA Statement 2 of 2

Dear Ms. Carney:

SB 212 GA, AN ACT relating to the submission of member forms prior to retirement with the state-administered retirement systems, would, in part, amend KRS 161.480 to provide that beneficiary designation modifications made on or after September 1, 2021 must be made solely on an electronic form or via an electronic method, and that effective July 1, 2022 any forms required to be submitted by an individual upon becoming a member of TRS, including the form for designating a beneficiary, must be made solely on an electronic form or via an electronic method, and the member must provide verification by mail or email that the information has been filed and completed.

TRS has examined SB 212 GA and determined that it would not increase or decrease retirement benefits, or increase or decrease participation in benefits, or negatively change the actuarial liability of the system.

As SB 212 GA 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 75,000 active members to whom the change in beneficiary provisions could apply. TRS has approximately 2,000 new members enroll each year for whom, in the future, the provisions regarding new member applications would apply.
2. There would be no increase or decrease in benefits, or participation in benefits.

3. There would be no employer cost, other than noted in paragraph 4 below.
4. There will be increased administrative costs in programming the IT system to have the capacity to accept new membership applications electronically, and in assistance provide to members in enrolling in electronic accounts. There is an annual license fee for enrolling members in electronic accounts of approximately \$1.00 to \$1.50 per year.

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

Sincerely,

A handwritten signature in dark ink, appearing to read "RBBarnes", with a stylized flourish at the end.

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

cc. Mariah Derringer-Lackey

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