



KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Executive Director

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February 16, 2021

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

RE: Senate Bill 240 (2021 RS BR 1228)
AA Statement Required by KRS 6.350
AA Statement 1 of 2

Dear Ms. Carney:

Senate Bill 240 (2021 RS BR 1228) amends Section 226 of the Constitution of Kentucky to authorize the General Assembly to define, permit, oversee, and regulate all forms of otherwise permissible gaming; provides for the oversight and control of gaming by an administrative body funded by license fees and taxes levied on gaming; prior to July 2042, requires 100% of gaming proceeds, in excess of the amount used to pay for an oversight administrative body of gaming, to go to the Kentucky Employees Retirement System Nonhazardous pension fund (KERS Nonhaz), the Kentucky Employees Retirement System Hazardous pension fund (KERS Haz), and the Kentucky Teachers' Retirement System in amounts the General Assembly determines best meet the needs of those funds. If passed, the bill would require the amendment to be submitted to the voters of the Commonwealth for their ratification or rejection.

Kentucky Retirement Systems staff members have examined Senate Bill 240 (2021 RS BR 1228). 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. Senate Bill 240 (2021 RS BR 1228) could potentially reduce the unfunded actuarial liability of the pension plans administered by Kentucky Retirement Systems, as passage of the bill and ratification of the amendment by Kentucky voters would create a new revenue stream for those funds.

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 35,302 active; 54,421 inactive; and 46,834 retired members in the KERS Nonhazardous and KERS Hazardous systems;
2. There is no estimated change in benefit payments;
3. The additional revenue generated by Senate Bill 240 (2021 RS BR 1228) could reduce employer costs; and

4. There is no estimated change to administrative expenses.

We have not requested any further actuarial analysis of Senate Bill 240 (2021 RS BR 1228) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of Senate Bill 240 (2021 RS BR 1228).

Sincerely,

A handwritten signature in black ink that reads "David Eager". The signature is written in a cursive style with a large, sweeping initial "D".

David L. Eager
Executive Director
Kentucky Retirement Systems