

Section 2 also requires that any employer of one or more of the individuals listed above, shall be reimbursed for the Federal Insurance Contributions Act (FICA) tax and retirement plan contributions that employers are required to make to defined benefit pension plans.

The fiscal impact on local governments is dependent on the availability of adequate funding, but could be minimal to moderate.

Local governments who are eligible to participate in the KLEFPF are entitled to receive an annual supplement of \$4,000 for each eligible police officers from the KLEFPF. Per KRS 15.460, and if funds are available after meeting the required FICA and retirement plan contributions, local government shall receive reimbursement equaling 7.65 percent of the total annual supplement for amounts greater than \$3,100 for each qualifying officer; the total amount distributed not exceeding \$525,000 for each fiscal year. If there are insufficient funds to provide for full reimbursement, the amount shall be distributed equally among the governmental units.

In addition to the above payments, the local government shall also receive any fringe benefit amounts associated with the \$4,000 supplement, but only to the extent of retirement plan contributions and the federal insurance contributions act tax. The local government may use the moneys received in any manner it deems necessary to partially cover the costs of administering the payment received.

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

Part II above, pertains to the changes brought by HCS 1. The fiscal impact remains unchanged.

HCS 1 retains all of the original provisions and adds local alcoholic beverage control investigator appointed pursuant to KRS Chapter 241 to the definition of "police officer" in KRS 15.420.

Data Source(s): LRC Staff

Preparer: MJO (wfb) **Reviewer:** KHC **Date:** 2/8/22