

The effective date of this proposal is January 1, 2023, which will coincide with the next health plan year.

The fiscal impact of HB 169 on local governments is not known at this time. The Kentucky Public Pensions Authority has completed an actuarial analysis for HB 169 and it is attached to the bill. The section of the AA statement that expresses some concern regarding the employer contribution rates for CERS is notated below.

Under current statutes, the CERS Hazardous fund is expected to receive the full actuarially determined employer contribution for FYE 2023 of 49.59% of pay, as it is less than the maximum rate allowed under the CERS phase-in provisions, or 49.65% of pay. Under the proposed legislation, the actuarially determined contribution rate would increase from 49.59% of pay to 51.29% of pay, which would be limited by the current phase-in provisions. Given that the phase-in provisions were designed to phase-in the assumption changes adopted by the Board, legislators may want to consider amending the phase-in provisions so that the increase associated with this proposed legislation be immediately recognized in the employer contribution rate.

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

Part II refers to as introduced. There are no prior versions of this bill.

Data Source(s): LRC Staff; AA Statement to HB 169

Preparer: Wendell F. Butler **Reviewer:** KHC **Date:** 1/25/22