



# KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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March 17, 2022

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

**RE: House Bill 76 (2022 RS BR 341) – SCS 1 Version**  
**AA Statement Required by KRS 6.350**  
**AA Statement 1 and 2 of 5**

Dear Ms. Carney:

The Kentucky Public Pensions Authority (KPPA) had previously provided an Actuarial Analysis of House Bill 76 (22 RS BR 341) via letter dated January 12, 2022. We have now examined the SCS 1 Version of House Bill 76 (22 RS BR 341).

Kentucky Public Pensions Authority (KPPA) staff members and the Authority's independent actuary have examined House Bill 76 (22 RS BR 341) – SCS 1 Version. We have determined that the bill may increase benefits for those members bound by an educational contract prior to December 31, 2003 which currently participate within the Kentucky Employees Retirement System, County Employees Retirement System or State Police Retirement System. While members included in KRS 61.552(10)(d) may receive enhanced health insurance benefits and more favorable retirement eligibility requirements as a result of a qualified service purchase, the passage of this bill will *not* impact the participation in benefits in any of the Systems administered by the KPPA.

In accordance with KRS 6.350 (2)(c), Kentucky Public Pensions Authority certifies the following:

1. The estimated number of individuals potentially affected as of June 30, 2021 are 123,809 active members in all of the plans administered by KPPA;
2. **Those specific members affected by the passage of House Bill 76 (22 RS BR 341) – SCS 1 Version may be eligible to retire earlier and receive enhanced insurance benefits as a result of a qualified service purchase, that would not otherwise be entitled to these benefits as a result of a qualified service purchase;**
3. There is no estimated change to employer costs; and
4. There is no estimated change to KPPA's administrative expenses.

We have discussed House Bill 76 (22 RS BR 341) – SCS 1 Version with the Authority's independent actuary. They advise it will not have a measureable fiscal cost to any of the Systems administered by the KPPA. The change in the actuarially determined contribution rate is expected to be less than one basis point.

Please note, while the proposed legislation in House Bill 76 (22 RS BR 341) – SCS 1 Version and others are independently projected to have minimal fiscal impact on the Systems administered by the KPPA, a pattern of amendments to legislation collectively may become a measurable burden to the Systems.

Please let me know if you have any questions regarding our analysis of House Bill 76 (22 RS BR 341) – SCS 1 Version.

Sincerely,

A handwritten signature in black ink, reading "David Eager". The signature is fluid and cursive, with the first name "David" and last name "Eager" clearly distinguishable.

David L. Eager  
Executive Director  
Kentucky Public Pensions Authority



# TEACHERS' RETIREMENT SYSTEM

## of the State of Kentucky

GARY L. HARBIN, CPA

*Executive Secretary*  
ROBERT B. BARNES, JD J. ERIC WAMPLER, JD

*Deputy Executive Secretary*  
*Operations and General Counsel*

*Deputy Executive Secretary*  
*Finance and Administration*

March 22, 2022

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

RE: 22 RS HB 76 SCS 1  
AA Statement 3 of 5

Dear Ms. Carney:

22 RS HB 76 SCS 1, an Act relating to actuarial investigations, would, in part, amend KRS 161.400 to require at least once in each two-year period that the board shall cause an actuarial investigation of all economic experience of the retirement system, including, but not limited to, inflation rate, investment return and payroll growth. A full actuarial experience study is currently conducted every five years.

22 RS HB 76 SCS 1 would not increase or decrease retirement benefits, or increase or decrease participation in benefits, or negatively impact the actuarial liability of the system. As 22 RS HB 76 SCS 1 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. There are approximately 133,000 members of TRS.
2. There would be no increase or decrease in benefits, or participation in benefits.
3. There would be no increase in employer cost.
4. There would be an increase in administrative costs as a result of additional actuary's fees resulting from more frequent investigations of economic assumptions. The most recent experience study of all experience cost approximately \$57,500.

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

Sincerely,

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



# JUDICIAL FORM RETIREMENT SYSTEM

JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

John R. Grise, Chairman

Board of Trustees

**Bo Cracraft**  
Executive Director

March 23, 2022

Ms. Katie Carney  
Director's Office  
Legislative Research Commission  
Capitol Annex, Room 104  
Frankfort, KY 40601

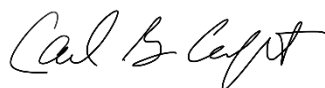
**RE: HB 76 SCS 1 - AN ACT relating to retirement**  
**AA Statement 4 and 5 of 5**

Dear Ms. Carney:

Judicial Form Retirement System (JFRS) has examined **SCS1 for HB 76**. After review, we do not believe the committee substitute will have an impact or change the actuarial analysis provided by JFRS on January 13, 2022 with regards the HB 76 (BR 341).

As a result, we have not requested any further actuarial analysis of HB 76 - SCS 1 by the Systems' independent actuary and would refer to our January 13, 2022 analysis.

Sincerely,



Bo Cracraft  
Executive Director

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# JUDICIAL FORM RETIREMENT SYSTEM

JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

John R. Grise, Chairman

Board of Trustees

**Bo Cracraft**  
Executive Director

January 13, 2022

Ms. Katie Carney  
Legislative Research Commission  
Capitol Annex, Room 104  
Frankfort, KY 40601

HB 76/BR 341 – AA Statement 4 and 5 of 5

Dear Ms. Carney:

JFRS has examined **HB 76 (BR 341)**, which amends KRS 21.440 to require the Legislator's Retirement Plan (LRP) and Judicial Retirement Plan (JRP) to perform an actuarial investigation of economic assumptions once every two years rather than once every five years while retaining a review of demographic assumptions once every five years

We have determined that the bill will not increase or decrease benefits, or increase or decrease participation in benefits, or change the actuarial liability of either plan administered by JFRS. Per discussion with our actuary, there may be a modest increase in actuarial fees associated with the proposed review of economic assumptions every other year as compared to the current five-year statutory requirement.

In compliance with KRS 6.350(2)(c), the Judicial Form Retirement Systems (the agency in charge with the administration of JRP and LRP) certifies the following:

1. There has no individuals affected. As of June 30, 2021, there were a total of 601 individuals participating in JRP and 393 individuals participating in LRP.
2. There is no change in benefits.
3. There is no change to employer costs.
4. There may be a modest increase in actuarial fees associated with the proposed review of economic assumptions every other year as compared to the current five-year statutory requirement.

We have not requested any further actuarial analysis of HB 76 by the Systems' independent actuary. Please let me know if you have any questions regarding this analysis.

Sincerely,

Bo Cracraft  
Executive Director

Whitaker Bank Building, Suite 302 | 305 Ann Street | Frankfort, Kentucky 40601

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