KENTUCKY PUBLIC PENSIONS AUTHORITY
David L. Eager, Executive Director
1260 Louisville Road • Frankfort, Kentucky 40601
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822

January 5, 2022

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

RE: 2022 Regular Session, Senate Bill 25
AA Statement Required by KRS 6.350
AA Statement 1 and 2 of 3

Dear Ms. Carney:

Senate Bill 25 (2022 RS) temporarily revises retirement reemployment provisions for retirees who retired from the systems operated by Kentucky Public Pensions Authority (KPPA) on, or before, August 1, 2021, and who subsequently return to employment for a local board of education in a fulltime or part-time classified position, or in a position providing substitute certified or classified services until June 30, 2022. The Senate Bill has an Emergency clause.

KPPA staff members have examined Senate Bill 25 (2022 RS). 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 the KPPA. Senate Bill 25 (RS 2022) may benefit the systems as the employer is required to pay employer contributions as specified by KRS 61.565, 78.635, 61.702 and 78.5536 on all creditable compensation earned by the employee during the period of reemployment, but the reemployed retiree cannot accumulate benefits based on these contributions. The additional contributions paid will be used to reduce the unfunded actuarial liability of the systems.

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 121,728 retired members in the plans administered by KPPA;
2. There is no estimated change in benefit payments;
3. Senate Bill 25 (2022 RS) would not increase employer costs as the employer contributions are the same for an active member and retired reemployed member;
4. There is no estimated change to administrative expenses.

We have not requested any further actuarial analysis of Senate Bill 25 (2022 RS).

Please let me know if you have any questions regarding our analysis of Senate Bill 25 (2022 RS).

Sincerely,

David Eager

David L. Eager
Executive Director
Kentucky Public Pensions Authority

TEACHERS' RETIREMENT SYSTEM
OF KENTUCKY

GARY L. HARBIN, CPA
Executive Secretary
502/848-8500

SERVING KENTUCKY TEACHERS SINCE 1940

ROBERT B. BARNES, JD
Deputy Executive Secretary
Operations and General Counsel

J. ERIC WAMPLER, JD
Deputy Executive Secretary
Finance and Administration

January 6, 2022

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

RE: 22 RS SB 25/BR 934
AA Statement 3 of 3

Dear Ms. Carney:

22 RS SB 25, an Act relating to relating to education and declaring an emergency, would, in part, temporarily amend KRS 161.605 to allow TRS retirees who retired on or before August 1, 2021, to return to employment for a local board of education in a certified or classified position after a one-month separation in service. 22 RS SB 25 also increases the number of critical shortage positions from one percent (1%) to ten percent (10%) of the active TRS members employed by the district. These temporary provisions, except the one-month separation, expire June 30, 2022.

22 RS SB 25 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 SB 25 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, of which approximately 58,000 are retirees.
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 no increase in administrative costs.

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

Sincerely,

RBBarnes

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

cc. Mariah Derringer-Lackey
    Maurya Allen