



KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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February 27, 2023

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

RE: House Bill 328 GA (2023 RS BR 1214)
AA Statement Required by KRS 6.350
AA Statement 1 and 2 of 2

Dear Ms. Carney:

House Bill 328 (2023 RS BR 1214) amends KRS 78.510 to provide that the participation date in the County Employees Retirement System (CERS) for those individuals who entered the Kentucky Department of Criminal Justice Training's Police Corps program prior to July 1, 2003, through an agreement with a CERS employer, and who subsequently began participating in CERS as a sworn officer upon completion of the program, will be the date training began in the Police Corps program.

Kentucky Public Pensions Authority (KPPA) staff members and the Authority's independent actuary have examined House Bill 328 (2023 RS BR 1214). We have determined that the bill may increase benefits for CERS members who entered the Kentucky Department of Criminal Justice Training's Police Corps program prior to July 1, 2003, through an agreement with a CERS employer, and who subsequently began participating in CERS as a sworn officer upon completion of the program. While the passage of this bill may provide members who meet the aforementioned criteria with enhanced health insurance benefits and more favorable retirement eligibility requirements, it will not impact 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, 2022, are 89,412 active members in the Systems administered by the KPPA.
2. Those explicit members affected by the passage of House Bill 328 (22 RS BR 1214) may be eligible to retire earlier and receive enhanced health insurance benefits they would otherwise not be entitled.
3. There is no estimated change to employer costs.

4. There is no estimated change to KPPA's administrative expenses.

We have discussed House Bill 328 (23 RS BR 1214) with the Authority's independent actuary. They advise it will not have measurable 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 328 (23 RS BR 1214) and others are independently projected to have minimal fiscal impact on the Systems administered by the KPPA, a pattern of amendments to legislation may collectively become a measurable burden to the Systems.

Please let me know if you have any questions regarding the analysis of House Bill 328 (23 RS BR 1214).

Sincerely,



David L. Eager
Executive Director
Kentucky Public Pensions Authority