



KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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March 6, 2023
Ms. Katie Carney
Office of Fiscal Statement Review
Legislative Research Commission
Capitol Annex, Room 104
Frankfort, KY 40601

**RE: House Bill 49 (2023 RS BR 196) – GA Version
AA Statement Required by KRS 6.350
AA Statement 1 and 2 of 2**

Dear Ms. Carney:

The Kentucky Public Pensions Authority (KPPA) had previously provided an Actuarial Analysis of House Bill 49 (2023 RS BR 196) – HCS 1 Version via letter dated February 23, 2023. We have now examined the GA Version of House Bill 49 (2023 RS BR 196).

We have determined that the GA Version of House Bill 49 (2023 RS BR 196) would not impact the previous actuarial statement provided for this legislation. Therefore, the Actuarial Analysis of House Bill 49 (2023 RS BR 196) – HCS 1 Version, dated February 23, 2023, is applicable to House Bill 49 (2023 RS BR 196) – GA Version.

We have not requested any further actuarial analysis of House Bill 49 (2023 RS BR 196) – GA Version by the Authority's independent actuary. Please let me know if you have any questions regarding our analysis of House Bill 49 (2023 RS BR 196) – GA Version.

Sincerely,

A handwritten signature in black ink that reads "David Eager".

David L. Eager
Executive Director
Kentucky Public Pensions Authority



KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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February 23, 2023

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

**RE: House Bill 49 (2023 RS BR 196) – HCS 1 Version
AA Statement Required by KRS 6.350
AA Statement 1 and 2 of 2**

Dear Ms. Carney:

The Kentucky Public Pensions Authority (KPPA) had previously provided an Actuarial Analysis of House Bill 49 (2023 RS BR 196) via letter dated January 17, 2023. KPPA has now examined the HCS 1 Version of House Bill 49 (2023 RS BR 196).

We have determined that the HCS 1 Version of House Bill 49 (2023 RS BR 196) would not change the previous actuarial impact provided for this legislation. Therefore, the Actuarial Analysis of House Bill 49 (2023 RS BR 196) dated January 17, 2023, is applicable to HCS 1 Version of House Bill 49 (2023 RS BR 196).

We have not requested any further actuarial analysis of HCS 1 Version of House Bill 49 (2023 RS BR 196) by the Authority's independent actuary. Please let me know if you have any questions regarding our analysis of HCS 1 Version of House Bill 49 (2023 RS BR 196).

Sincerely,

A handwritten signature in black ink that reads "David Eager".

David L. Eager
Executive Director
Kentucky Public Pensions Authority



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Kentucky Public
Pensions Authority

January 17, 2023

Ms. Katie Carney
Office of Fiscal Statement Review
Legislative Research Commission
Capitol Annex, Room 186
Frankfort, KY 40601

RE: House Bill 49 (2023 RS BR 196)
AA Statement Required by KRS 6.350
AA Statement 1 and 2 of 2

Dear Ms. Carney:

House Bill 49 (2023 RS BR 196) is the Authority's housekeeping bill. It amends KRS 16.505, 61.510 and KRS 78.510 to make various changes and additions to definitions; amends KRS 61.525 and KRS 78.540 to remove outdated language and comply with federal law regarding membership; repeals, reenacts and amends KRS 16.652, 61.456 and 61.692 in response to the Supreme Court decision to void 2018 RS SB 151 and make technical changes; amends KRS 61.552 to require Tier 3 members (participation date on or after January 1, 2014) to remit employee contributions before receiving military service credit; changes references to participation date to "membership date" to conform to 2021 amendment; amends KRS 61.569 to set forth process for repayment of employee contributions after a member's employment is reinstated by order of a court or tribunal; amends KRS 61.590 to define "employment" as used in provisions requiring notice of retirement; amends KRS 61.615 to permit KPPA to employ vocational experts to review and evaluate employment information in disability review cases, removes review of physical exertion requirement when disability is due solely to a mental illness, makes technical changes; amends KRS 61.625 regarding procedures for members who receive a refund in error or who have taken a refund and subsequently have their reemployment reinstated; amends KRS 61.637 and 78.5540 to conform with respect to the process for repayment of employee contributions after a member's employment is reinstated by order of a court or tribunal and the requirements of a three month break in service for retired members returning to work with the same employer as an independent contractor or leased employee; amends KRS 61.645 and 78.782 to permit voting by telephone in trustee elections; changes the name of annual report to Annual Comprehensive Financial Report (ACFR) to conform to national standard naming convention; make technical corrections; amends KRS 61.650 to make a housekeeping change; amends KRS 61.665 to change the process for the review of disability applications to permit only one medical examiner to review initial applications; provides that if a member is approved for

disability, no additional reviews are required, and if not approved, a process using up to two more examiners shall be employed; amends KRS 61.705 and 78.5538 to provide that the death benefit of \$5,000 is payable to a beneficiary of member, not the member, and is not subject to garnishment unless the beneficiary is the member's estate or there is an overpayment of benefits or outstanding balance owed to the system; and amends KRS 61.652, 61.505, 61.685, 61.702, 78.530, 78.5536, and 78.852 to conform and make technical changes.

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(2023 RS BR 196)
AA Statement Required by KRS 6.350
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Kentucky Public Pensions Authority (KPPA) staff members and the Authority's independent actuary have examined House Bill 49 (2023 RS BR 196). We have determined that House Bill 49 (2023 RS BR 196) will not change the actuarial liability of the CERS, KERS, or SPRS systems.

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

1. The estimated number of individuals affected as of June 30, 2022, are 122,932 active; 162,809 inactive; and 124,341 retired members in the systems operated by the Kentucky Public Pensions Authority;
2. There is no estimated change in benefit payments;
3. There is no estimated change to employer costs; and
4. House Bill 49 (2023 RS BR 196) may provide cost savings to KPPA's administrative expenses as a result of the amended disability review process.

We have not requested any further actuarial analysis of House Bill 49 (2023 RS BR 196) by the Authority's independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 49 (2023 RS BR 196).

Sincerely,



David L. Eager.
Executive Director
Kentucky Public Pensions Authority