



March 3, 2023

Mr. David Eager  
Executive Director  
Kentucky Public Pensions Authority  
1260 Louisville Road  
Frankfort, KY 40601

**Re: Actuarial Analysis of Proposed Legislation HB 520 (23 RS BR 1716) and its Financial Impact on the Systems Maintained by KPPA  
AA Statement 1 and 2 of 2**

Dear Mr. Eager:

We have reviewed the proposed legislation HB 520 (23 RS BR 1716) and the purpose of this letter is to communicate the actuarial analysis of this proposed legislation in regards to the five Systems within the Kentucky Public Pensions Authority (KPPA).

#### **Summary of Provisions of Proposed Legislation and Fiscal Impact**

This proposed legislation adjusts the minimum required separation period to one month for all circumstances for each System maintained by KPPA for members who were reemployed during the time period beginning March 6, 2020 and ending January 1, 2023, with the intent to restore benefits for retirees who returned to work during the COVID-19 crisis even though their retirement allowance was suspended.

Based on discussions with KPPA, there are approximately 25 retirees (the majority of whom are retired in one of the Non-Hazardous systems) who would have their retirement allowance restored if this proposed legislation became enacted. Given this information and that this legislation only applies retroactively, this proposed legislation has no measurable impact on the contribution rates in each system maintained by KPPA.

#### **Closing Comments**

We are not attorneys and we cannot provide a legal opinion regarding the changes in this proposed legislation. Nothing in this letter should be construed as providing legal, investment or tax advice.

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Both of the undersigned are Enrolled Actuaries, members of the American Academy of Actuaries, and meet all of the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. In addition, both of the undersigned are experienced in performing valuations for large public retirement systems.

Sincerely,

**Gabriel, Roeder, Smith & Company**



Daniel J. White, FSA, EA, MAAA  
Senior Consultant



Janie Shaw, ASA, EA, MAAA  
Consultant

