Local Government Mandate Statement Kentucky Legislative Research Commission 2023 Regular Session

Part I: Measure Information

Bill Request #: 1615		
Bill #: SB 206 GA		
Document ID #: 5593		
Bill Subject/Title: AN ACT relating to retirement funds of urban-county governments.		
Sponsor: Senator Amanda Mays Bledsoe		
Unit of Government: City County X Urban-County Unified Local		
Charter County Consolidated Local Government		
Office(s) Impacted: Police and Fire Retirement Fund		
Requirement: X Mandatory Optional		
Effect on Powers & Duties: Modifies ExistingX Adds New Eliminates Existing		
Part II. Bill Provisions and the Estimated Fiscal Impact Relating to Local		

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SB 206 GA provides the monthly minimum amount any retiree or surviving spouse will receive from the Police and Firefighter Retirement Fund of an urban-county government is \$1,500, except for those individuals receiving a non-occupational disability. Effective date is July 1, 2023.

SB 206 GA also provides that the minimum monthly annuity may be increased once every two years by no more than 10% above the most recent federal poverty level guidelines for a two-person household and calculated on a monthly basis.

This bill currently only affects Lexington-Fayette Urban County Government, Kentucky's only urban-county form of government, but this proposal will pertain to any future urban-county local governments, if they are established.

The fiscal impact of SB 206 GA on Lexington-Fayette Urban County Government is expected to be minimal.

An actuarial study was conducted by Cavanaugh MacDonald Consulting, LLC. The proposed change increased the unfunded accrued liability of the Fund by \$88,000 and increased the employer contribution by 0.02% of payroll. The possibility of future increases of up to 10% was not included in the minimum monthly annuity in the analysis.

The Police and Firefighter Retirement Fund, Lexington-Fayette Urban-County Government said that currently, there are only 6 individuals that are receiving an annuity less than \$1,500 and all are widows.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II refers to SB 206 GA version. The GA version for SB 206 is the same as the bill as introduced. SB 206 passed its chamber of origin without amendments or substitutes.

Data Source(s):	LRC Staff, Police and Firefighter Retirement Fund, Lexington-Fayette
	Urban-County Government; Cavanaugh MacDonald Consulting, LLC

Preparer: WB (RB) **Reviewer:** KHC **Date:** 3/7/23