



KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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March 12, 2024

Ms. Katie Carney
Executive Assistant, Director's Office
Legislative Research Commission
Capitol Annex, Room 186
Frankfort, KY 40601

RE: House Bill 542 (24 RS BR 1814)
AA Statement Required by KRS 6.350
AA statement 1 of 1

Dear Ms. Carney:

House Bill 542 (2024 RS BR 1814) amends Kentucky Revised Statute 78.5520 to redefine "hazardous position" to include solid waste management services enforcement officers employed by a consolidated local government for the purpose of determining benefits of the County Employees Retirement System.

Kentucky Public Pensions Authority (KPPA) staff members and the KPPA's independent actuary have examined House Bill 542 (2024 RS BR 1212). We have determined that the bill may increase benefits for solid waste management services enforcement officers employed by consolidated local governments in the County Employees Retirement System (CERS) retirement plan, should an employer receive approval of their petition for hazardous coverage from the CERS Board of Trustees. We do not anticipate the bill will increase or decrease participation in any of the systems administered by the KPPA. House Bill 542 (2024 RS BR 1814) is not expected to have measurable fiscal impact on any of the KERS, CERS, or SPRS funds.

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, 2023, is 125,995 active, members and 169,245 inactive members within the CERS administered by the KPPA.
2. Solid waste management services enforcement officers employed by consolidated local governments may be eligible for increased benefits if an employer successfully appeals to the CERS Board of Trustees for hazardous coverage and the request is granted.
3. There is no estimated change to employer costs as the bill is currently written, however, if an employer successfully petitions the CERS Board of Trustees for hazardous coverage and is approved, employer costs may increase to reflect the higher employer contribution rate for hazardous members; and
4. There is no estimated change to administrative expenses.

The KPPA's independent actuary has examined House Bill 542 (2024 RS BR 1814) and concurs the bill's impact on the systems is negligible.

Please let me know if you have any questions regarding our analysis of House Bill 542 (2024 RS BR 1814).

Sincerely,

A handwritten signature in black ink that reads "David Eager". The signature is written in a cursive style with a large, prominent initial "D".

David L. Eager, Executive Director
Kentucky Public Pensions Authority