Local Government Mandate Statement Kentucky Legislative Research Commission 2024 Regular Session

Part I: Measure Information

Bill Request #: 1052							
Bill #: HB 661 GA							
Document ID #: 8315							
Bill Title: AN ACT relating to pension spiking in the Kentucky Public Pensions Authority.							
Sponsor: Representative John C. Blanton							
Unit of Government:	X City X County X Urban-County W City W City Unified Local						
	X Charter County X Consolidated Local X Government						
Office(s) Impacted: All local government offices							
Requirement: Mandatory Optional							
Effect on Powers & Duties:	Modifies Existing Adds New Eliminates Existing						

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

Pension "spiking" is generally a process where public sector employees are given large raises or other wage increases immediately before they retire in order for them to receive a larger pension than they would otherwise be entitled to. HB 661 would establish that if the governing body of a local government votes a raise for all employees in a specific class, or such employees are given a raise as negotiated in an approved collective bargaining agreement, the increase in pay would not be considered pension spiking.

The fiscal impact of HB 661 is undeterminable at this time. Artificially inflating pensions would lead to larger pension pay-outs.

Input was sought from Kentucky League of Cities and Kentucky Association of Counties to prepare this mandate. If information is received from them this mandate statement may be amended.

Data Source(s): <u>LRC staff</u>

Preparer:	MS (BL)	Reviewer:	KHC	Date:	3/13/24
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