

require a high degree of physical conditioning would be classified as hazardous, so long as their duties are not primarily clerical or administrative.

HB 738 would have a negative fiscal impact on Metro Louisville Government.

The Bill would change code enforcement officers employed by Metro Louisville government from the County Employee Retirement System non-hazardous plan to the County Employee Retirement System hazardous plan.

Metro Louisville government, through its representative is unsure how many employees in Metro Louisville Codes and Regulation department would be covered by this change in participating retirement systems. It reports there could be a minimum of approximately 50 strictly code enforcement employees or up to approximately 85 employees impacted by the retirement system change if building, electrical, and zoning inspectors were also included within the definition of hazardous duty work within the bill.

The reclassification of the Metro Louisville workers from non-hazardous duty to hazardous duty would result in an increase in the employer pension contribution expense for Metro Louisville government. The FY25 Kentucky Public Pensions Authority Employer Contribution rates are 38.61% of earnings for hazardous duty positions and 19.71% of earnings for non-hazardous duty positions. The hazardous duty employer contribution expense for Metro Louisville for 50 employees would be approximately \$965,000 in FY25 while the non-hazardous duty employer contribution expense for Metro Louisville for 50 employees would be about \$493,000. This constitutes an additional annual expense of about \$472,000 for Metro Louisville government. However, if up to 85 employees were covered in this reclassification, then the additional annual employer contribution expense for Metro Louisville government would total approximately \$802,000.

Data Source(s): Louisville Metro Government; LRC staff.

Preparer: Mary Stephens (BW) **Reviewer:** KHC **Date:** 3/8/24