



KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601
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February 7, 2024

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

**RE: House Bill 99 (2024 RS BR 31) – GA Version
AA Statement Required by KRS 6.350
AA Statement 1 and 2 of 2**

Dear Ms. Carney:

Kentucky Public Pensions Authority (KPPA) had previously provided an Actuarial Analysis for House Bill 99 (2024 RS BR 31) – HCS 1 Version via letter dated February 6, 2024. KPPA has now examined the GA Version of House Bill 99 (2024 RS BR 31).

We have determined that the GA Version of House Bill 99 (2024 RS BR 31) would not impact the previous actuarial analysis provided for this legislation. Therefore, the Actuarial Analysis of House Bill 99 (2024 RS BR 31) – HCS 1 Version dated February 6, 2024, is applicable to House Bill 99 (2024 RS BR 31) GA Version.

We have not requested any further actuarial analysis of House Bill 99 (2024 RS BR 31) – GA Version by the Authority's independent actuary. Please let me know if you have any questions regarding our analysis of House Bill 99 (2024 RS BR 31) – GA Version.

Sincerely,

A handwritten signature in black ink that reads "David Eager".

David L. Eager, Executive Director
Kentucky Public Pensions Authority



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February 6, 2024

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

**RE: House Bill 99 (2024 RS BR 31) – HCS 1 Version
AA Statement Required by KRS 6.350
AA Statement 1 and 2 of 2**

Dear Ms. Carney:

Kentucky Public Pensions Authority (KPPA) had previously provided an Actuarial Analysis for House Bill 99 (2024 RS BR 31) via letter dated January 12, 2024. KPPA has now examined the HCS 1 Version of House Bill 99 (2024 RS BR 31).

We have determined that the HCS Version of House Bill 99 (2024 RS BR 31) would not impact the previous actuarial analysis provided for this legislation. Therefore, the Actuarial Analysis of House Bill 99 (2024 RS BR 31) dated January 12, 2024, is applicable to House Bill 99 (2024 RS BR 31) HCS 1 Version.

We have not requested any further actuarial analysis of House Bill 99 (2024 RS BR 31) HCS 1 Version by the Authority's independent actuary. Please let me know if you have any questions regarding our analysis of House Bill 99 (2024 RS BR 31) HCS 1 Version.

Sincerely,

A handwritten signature in black ink that reads "David Eager".

David L. Eager, Executive Director
Kentucky Public Pensions Authority



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January 12, 2024

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

RE: House Bill 99 (24 RS BR 31)
AA Statement Required by KRS 6.350
AA Statement 1 and 2 of 2

Dear Ms. Carney:

House Bill 99 (2024 RS BR 31) is the Authority's housekeeping bill. It amends various sections of KRS Chapters 16, 61, and 78 to make technical and housekeeping changes relating to the Kentucky Public Pensions Authority's (KPPA) administration of the systems governed by the Kentucky Retirement Systems and the County Employees Retirement System boards of trustees.

House Bill 99 (2024 RS BR 31) amends KRS 61.505 to rename the position of internal auditor to chief auditor and conform with prior legislation; amends KRS 16.505, 61.510, and 78.510 to make various changes and additions to definitions; repeals, reenacts, and amends KRS 16.652, 61.546, and 61.692 in response to a Kentucky Supreme Court decision and make technical changes; amends KRS 61.525 and 78.540 to remove outdated language and comply with federal law regarding membership in the retirement plan; amends KRS 61.552 to require Tier 3 members to remit employee contributions before receiving military service credit; amends KRS 61.569 to provide process for repayment of employee contributions after a member's employment is reinstated by order of a court or tribunal; amends KRS 61.615 to permit KPPA to employ vocational experts to review and evaluate employment information in disability review cases and removes review of physical exertion requirement when disability is due solely to a mental illness; amends KRS 61.625 regarding procedures for members who receive a refund in error or who have taken a refund and subsequently have their reemployment reinstated; amends KRS 61.637 and 78.5540 to conform to the process for repayment of employee contributions after a member's employment is reinstated by order of a court or tribunal; amends KRS 61.645 and 78.782 to permit voting by telephone in trustee elections and extend deadline for posting board minutes from 72 hours to 3 business days; amends KRS 61.665 to change the process for the review of disability applications to permit one medical examiner to review initial applications and approve a member for disability with no additional reviews required, but if disability is denied, implement up to two more examiners to achieve majority consensus for approval or disapproval of disability; amends KRS 61.705 and 78.5538 to provide that the death benefit of \$5,000 is payable to a beneficiary of the member, not the member, and is not subject to garnishment, unless the beneficiary is the member's estate or there is an overpayment of benefits or outstanding balance owed to the system; and amends KRS 61.685, 61.702, 78.530, 78.5528, 78.5536, 78.640, and 78.852 to make conforming and technical changes.

Kentucky Public Pensions Authority staff members and the Authority's independent actuary have examined House Bill 99 (2024 RS BR 31). We have determined that the bill will not increase or decrease benefits, nor will it increase or decrease the participation in benefits, in any of the retirement systems administered by the Kentucky Public Pensions Authority. House Bill 99 (2024 RS BR 31) will not change the actuarial accrued liability of any of the systems administered by KPPA.

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 are 421,609 active, inactive, and retired members in the plans administered by KPPA;
2. There is no estimated change in benefit payments;
3. There is no estimated change to employer costs; and
4. House Bill 99 (2024 RS BR 31) may provide cost savings to KPPA's administrative expenses as a result of the amended disability review process.

We have not requested any further actuarial analysis of House Bill 99 (2024 RS BR 31) by the KPPA's independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 99 (2024 RS BR 31).

Sincerely,



David L. Eager, Executive Director
Kentucky Public Pensions Authority