

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2025 REGULAR SESSION**

**MEASURE**

2025 BR NUMBER 77

HOUSE BILL NUMBER 694

**TITLE** AN ACT relating to Teachers' Retirement System benefit funding.

**SPONSOR** Representative Jason Petrie

**FISCAL SUMMARY**

STATE FISCAL IMPACT:  YES  NO  UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY:  ACTUARIAL ANALYSIS  
 LOCAL MANDATE  CORRECTIONS IMPACT  HEALTH BENEFIT MANDATE  STATE  
EMPLOYEE HEALTH PLAN IMPACT

APPROPRIATION UNIT(S) IMPACTED:

FUND(S) IMPACTED:  GENERAL  ROAD  FEDERAL  RESTRICTED \_\_\_\_\_

FISCAL ESTIMATES	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES			
NET EFFECT			

( ) indicates a decrease/negative

**PURPOSE OF MEASURE:** The purpose of the measure is to direct the Teachers' Retirement System (TRS) employer contributions for retiree health to pay down the unfunded liability of the TRS pension fund once the retiree health fund reaches an actuarial funding level of 100% or more. If the retiree health fund falls below an actuarial funding level of 95%, the employer contributions for retiree health would be directed back to the retiree health fund. The measure would also prevent TRS from recommending changes to the General Assembly that would reduce employee or employer funding until both the pension fund and retiree health fund reach an actuarial funding level of 100%.

**FISCAL EXPLANATION:** There are no state fiscal impacts associated with the measure beyond the actuarial impacts to the retiree health insurance trust fund and the retirement annuity trust fund. Those impacts will be addressed in a separate Actuarial Analysis.

**DATA SOURCE(S):** LRC Staff

**PREPARER:** David Talley **NOTE NUMBER:** 81 **REVIEW:** JMR **DATE:** 2/20/2025