



KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601
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March 10, 2025

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

AA Statement 1 of 3.

RE: Senate Bill 183 (2025 RS BR 1546) – GA
AN ACT relating to the fiduciary duties owed to the state-administered retirement systems
AA Statement Required by KRS 6.350

Dear Ms. Allen:

The Kentucky Public Pensions Authority has reviewed the GA for Senate Bill 183 (2025 RS BR 1546) and determined that it does not impact the Actuarial Analyses previously provided for the introduced bill or SCS 1 via letters dated February 25, 2025 and March 3, 2025.

We have not requested any further actuarial analysis of the GA for 183 (2025 RS BR 1546) by the Authority's independent actuary. Please let me know if you have any questions regarding our analysis of the GA for Senate Bill 183 (2025 RS BR 1546).

Sincerely,

A handwritten signature in purple ink, appearing to read "Ryan Barrow".

Ryan Barrow, Executive Director
Kentucky Public Pensions Authority



KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601
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March 3, 2025

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

AA Statement 1 of 3.

RE: Senate Bill 183 (2025 RS BR 1546) – SCS 1
AN ACT relating to the fiduciary duties owed to the state-administered retirement systems
AA Statement Required by KRS 6.350

Dear Ms. Allen:

The Kentucky Public Pensions Authority (KPPA) had previously provided an Actuarial Analysis of Senate Bill 183 (2025 RS BR 1546) via a letter dated February 25, 2025. KPPA has now examined SCS 1 of Senate Bill 183 (2025 RS BR 1546).

We have determined that the SCS 1 of Senate Bill 183 (2025 RS BR 1546) would not change the previous actuarial impact provided for this legislation. Therefore, the Actuarial Analysis of Senate Bill 183 (2025 RS BR 1546) dated February 25, 2025, is applicable to SCS 1 of Senate Bill 183 (2025 RS BR 1546).

We have not requested any further actuarial analysis of SCS 1 Version of Senate Bill 183 (2025 RS BR 1546) by the Authority's independent actuary. Please let me know if you have any questions regarding our analysis of SCS 1 Version of Senate Bill 183 (2025 RS BR 1546).

Sincerely,

A handwritten signature in dark ink, appearing to read "Ryan Barrow".

Ryan Barrow, Executive Director
Kentucky Public Pensions Authority



KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601
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February 25, 2025

AA Statement 1 of 3.

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

RE: Senate Bill 183 (2025 RS BR 1546)
AN ACT relating to the fiduciary duties owed to the state-administered retirement systems
AA Statement Required by KRS 6.350

Dear Ms. Allen:

The Kentucky Public Pensions Authority (KPPA) staff have reviewed the proposed legislation and certify the following in accordance with KRS 6.350 (2)(c):

1. The estimated number of individuals potentially affected as of June 30, 2024 are 433,461 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 in employer costs; and
4. Administrative expenses may increase due to requiring proxy advisors to perform additional services and the necessary oversight required by the KPPA investment staff concerning the economic analysis conducted by the proxy advisor, or requiring KPPA investment staff to independently conduct the economic analysis. Additionally, the passage of this legislation may require current investment staff to be delegated to vote proxies or require the Office of Investments to hire additional staff to provide a means for the investment committees or Boards to vote the proxies.

KPPA has not sought further analysis of the proposed legislation from the independent actuary.

Should you have any questions regarding our assessment of the proposed bill, please contact us.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ryan Barrow". The signature is fluid and cursive, with the first name "Ryan" and last name "Barrow" clearly distinguishable.

Ryan Barrow, Executive Director
Kentucky Public Pensions Authority



TEACHERS' RETIREMENT SYSTEM

of the State of Kentucky

GARY L. HARBIN, CPA
Executive Secretary

ROBERT B. BARNES, JD
Deputy Executive Secretary
Operations and General Counsel

J. ERIC WAMPLER, JD
Deputy Executive Secretary
Finance and Administration

March 12, 2025

AA Statement 2 of 3.

Maurya Allen
Office of Special Projects
Legislative Research Commission
Capitol Annex, Room 39
Frankfort, KY 40601

RE: Senate Bill 183 GA (2025 RS BR 1546)

Dear Ms. Allen:

25 RS SB 183 GA, an act relating to the fiduciary duties owed to the state-administered retirement systems, amends KRS 21.450, 61.650, 78.790, and 161.430 relating to the fiduciary duties owed to the state-administered retirement systems to define "shareholder-sponsored proposal" and "economic analysis"; require a proxy adviser under contract with a state-administered retirement system to conduct and document an economic analysis prior to voting on or recommending a vote on a shareholder-sponsored proposal that is inconsistent with the recommendation of the board of directors of the issuer of shares in order to demonstrate that a vote against management's recommendation is solely in the interest of the retirement plan members and beneficiaries; make technical corrections.

25 RS SB 183 GA would not materially increase or decrease retirement benefits or increase or decrease participation in benefits. 25 RS SB 183 GA would not change the actuarial liability of the system.

TRS certifies, in compliance with KRS 6.350(2)(c), as follows:

1. There are approximately 140,000 members of TRS, of which approximately 58,000 are retirees.
2. There is no material increase or decrease in benefits, or participation in benefits.
3. There is no estimated increase in employer cost.
4. There is no estimated increase in administrative costs.

Please let me know if you have any questions regarding this analysis.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Barnes', with a long horizontal flourish extending to the right.

Robert B. Barnes

Deputy Executive Secretary and
General Counsel



TEACHERS' RETIREMENT SYSTEM

of the State of Kentucky

GARY L. HARBIN, CPA
Executive Secretary

ROBERT B. BARNES, JD
Deputy Executive Secretary
Operations and General Counsel

J. ERIC WAMPLER, JD
Deputy Executive Secretary
Finance and Administration

March 4, 2025

AA Statement 2 of 3.

Maurya Allen
Office of Special Projects
Legislative Research Commission
Capitol Annex, Room 39
Frankfort, KY 40601

RE: Senate Bill 183 SCS (2025 RS BR 1546)

Dear Ms. Allen:

25 RS SB 183 SCS, and act relating to the fiduciary duties owed to the state-administered retirement systems, amends KRS 21.450, 61.650, 78.790, and 161.430 relating to the fiduciary duties owed to the state-administered retirement systems to define "shareholder-sponsored proposal" and "economic analysis"; require a proxy adviser under contract with a state-administered retirement system to conduct and document an economic analysis prior to voting on or recommending a vote on a shareholder-sponsored proposal that is inconsistent with the recommendation of the board of directors of the issuer of shares in order to demonstrate that a vote against management's recommendation is solely in the interest of the retirement plan members and beneficiaries; make technical corrections. The Senate Committee Substitute adds a definition for "proxy adviser."

25 RS SB 183 SCS would not materially increase or decrease retirement benefits or increase or decrease participation in benefits. 25 RS SB 183 SCS would not change the actuarial liability of the system.

TRS certifies, in compliance with KRS 6.350(2)(c), as follows:

1. There are approximately 140,000 members of TRS, of which approximately 58,000 are retirees.
2. There is no material increase or decrease in benefits, or participation in benefits.
3. There is no estimated increase in employer cost.
4. There is no estimated increase in administrative costs.

Please let me know if you have any questions regarding this analysis.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Barnes", with a long horizontal flourish extending to the right.

Robert B. Barnes
Deputy Executive Secretary and
General Counsel



TEACHERS' RETIREMENT SYSTEM

of the State of Kentucky

GARY L. HARBIN, CPA
Executive Secretary

ROBERT B. BARNES, JD
Deputy Executive Secretary
Operations and General Counsel

J. ERIC WAMPLER, JD
Deputy Executive Secretary
Finance and Administration

February 25, 2025

Maurya Allen
Office of Fiscal Statement Review
Legislative Research Commission
Capitol Annex, Room 186
Frankfort, KY 40601

AA Statement 2 of 3.

RE: Senate Bill 183 (2025 RS BR 1546)

Dear Ms. Allen:

25 RS SB 183, and act relating to the fiduciary duties owed to the state-administered retirement systems, amends KRS 21.450, 61.650, 78.790, and 161.430 relating to the fiduciary duties owed to the state-administered retirement systems to define "shareholder-sponsored proposal" and "economic analysis"; require a proxy adviser under contract with a state-administered retirement system to conduct and document an economic analysis prior to voting on or recommending a vote on a shareholder-sponsored proposal that is inconsistent with the recommendation of the board of directors of the issuer of shares in order to demonstrate that a vote against management's recommendation is solely in the interest of the retirement plan members and beneficiaries; make technical corrections.

25 RS SB 183 would not materially increase or decrease retirement benefits or increase or decrease participation in benefits. 25 RS SB 183 would not change the actuarial liability of the system.

TRS certifies, in compliance with KRS 6.350(2)(c), as follows:

1. There are approximately 140,000 members of TRS, of which approximately 58,000 are retirees.
2. There is no material increase or decrease in benefits, or participation in benefits.
3. There is no estimated increase in employer cost.
4. There is no estimated increase in administrative costs.

Please let me know if you have any questions regarding this analysis.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Barnes', with a long horizontal flourish extending to the right.

Robert B. Barnes

Deputy Executive Secretary and
General Counsel



JUDICIAL FORM RETIREMENT SYSTEM

JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

Daniel Venters, Chairman
Board of Trustees

Bo Cracraft
Executive Director

March 11, 2025

Mrs. Maurya Allen
Deputy Director's Office
Legislative Research Commission
Capitol Annex, Room 186
Frankfort, KY 40601

AA Statement 3 of 3.

RE: SB 183 GA - AN ACT relating to the fiduciary duties owed to the state-administered retirement systems.

Dear Mrs. Allen:

Judicial Form Retirement System (JFRS) has examined the GA version of **SB 183**. After review, we do not believe this version will change the previous actuarial analysis provided by JFRS on March 5, 2025 with regards the SB 183 (BR 1546) – SCS 1.

As a result, we have not requested any further actuarial analysis of **SB 183 GA** by the Systems' independent actuary. Please let me know if you have any questions regarding our analysis.

Sincerely,

Bo Cracraft, Executive Director



JUDICIAL FORM RETIREMENT SYSTEM

JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

Daniel Venters, Chairman
Board of Trustees

Bo Cracraft
Executive Director

March 5, 2025

Mrs. Maurya Allen
Deputy Director's Office
Legislative Research Commission
Capitol Annex, Room 186
Frankfort, KY 40601

AA Statement 3 of 3.

RE: SB 183 SCS 1 - AN ACT relating to the fiduciary duties owed to the state-administered retirement systems.

Dear Mrs. Allen:

Judicial Form Retirement System (JFRS) has examined the SCS 1 version of **SB 183**. After review, we do not believe this version will materially change the previous actuarial analysis provided by JFRS on February 26, 2025 with regards the SB 183 (BR 1546).

As a result, we have not requested any further actuarial analysis of **SB 183 SCS 1** by the Systems' independent actuary. Please let me know if you have any questions regarding our analysis.

Sincerely,

Bo Cracraft, Executive Director



JUDICIAL FORM RETIREMENT SYSTEM

JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

Daniel Venters, Chairman
Board of Trustees

Bo Cracraft
Executive Director

February 26, 2025

Mrs. Maurya Allen
Deputy Director's Office
Legislative Research Commission
Capitol Annex, Room 186
Frankfort, KY 40601

AA Statement 3 of 3.

RE: SB 183 (BR 1546) - AN ACT relating to the fiduciary duties owed to the state-administered retirement systems.

Dear Mrs. Allen:

SB 183 (BR 1546) amends KRS 21.450, 61.650, 78.790, and 161.430 relating to the fiduciary duties owed to the state-administered retirement systems to define "shareholder-sponsored proposal" and "economic analysis"; require a proxy adviser under contract with a state-administered retirement system to conduct and document an economic analysis prior to voting on or recommending a vote on a shareholder-sponsored proposal that is inconsistent with the recommendation of the board of directors of the issuer of shares in order to demonstrate that a vote against management's recommendation is solely in the interest of the retirement plan members and beneficiaries; make technical corrections.

Staff of the Judicial Form Retirement System (JFRS) has reviewed **SB 183 (BR 1546)** and determined it would not increase or decrease benefits, or increase or decrease participation in benefits, or materially change the current actuarial liability of either plan administered by JFRS. The proposed legislation would require JFRS staff and/or their sole investment advisor to prepare and produce a written economic analysis in certain situations, which could result in added administrative and/or investment fees.

In compliance with KRS 6.350(2)(c), the Judicial Form Retirement Systems (the agency in charge with the administration of JRP and LRP) certifies the following:

1. The estimated number of participants potentially affected, as of June 30, 2024, are 1,012 individuals participating in JRP or LRP.
2. There is no estimated change in benefits.
3. There is no material change expected with regards to current employer costs; however, if the proposed legislation did result in added investment fees, there could be an increase in employer cost.
4. Any increase in administrative expenses is not expected to be material.

We have not requested any further actuarial analysis of **SB 183 (BR 1546)** by the Systems' independent actuary. Please let me know if you have any questions regarding this analysis.

Sincerely,

Bo Cracraft, Executive Director

Whitaker Bank Building, Suite 302 | 305 Ann Street | Frankfort, Kentucky 40601

☎ (502) 564-5310 | ☎ (502) 564-2560 | ✉ Bo.Cracraft@ky.gov