KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601
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March 12, 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 58 (2025 RS BR 938) – GA
AN ACT relating to prior authorization
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 58 (2025 RS BR 938) via letter dated January 16, 2025. KPPA has now examined the GA of Senate Bill 58 (2025 RS BR 938).

We have determined that the GA of Senate Bill 58 (2025 RS BR 938) would not change the previous actuarial impact provided for this legislation. Therefore, the Actuarial Analysis of Senate Bill 58 (2025 RS BR 938) dated January 16, 2025, is applicable to the GA of Senate Bill 58 (2025 RS BR 938).

We have not requested any further actuarial analysis for the GA of Senate Bill 58 (2025 RS BR 938) by the Authority's independent actuary. Please let me know if you have any questions regarding our analysis for the GA of Senate Bill 58 (2025 RS BR 938).

Sincerely,

Ryan Barrow, Executive Director
Kentucky Public Pensions Authority

KENTUCKY PUBLIC PENSIONS AUTHORITY

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Kentucky Public Pensions Authority

January 16, 2025

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

RE: Senate Bill 58 (2025 RS BR 938)
AN ACT relating to designating a special needs trusts to receive state-administered retirement benefits
AA Statement Required by KRS 6.350

Dear Ms. Allen:

The Kentucky Public Pensions Authority (KPPA) staff have reviewed the proposed legislation cited above 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 305,307 active, and inactive 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. The estimated increase in administrative expenses is not material.

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,

Ryan Barrow, Executive Director
Kentucky Public Pensions Authority

JUDICIAL FORM RETIREMENT SYSTEM
JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

Daniel Venters, Chairman
Board of Trustees

Bo Cracraft
Executive Director

March 14, 2025

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

AA Statement 2 of 3.

RE: SB 58 GA - AN ACT relating to designating a special needs trust to receive state-administered retirement benefits.

Dear Mrs. Allen:

Judicial Form Retirement System (JFRS) has examined the GA version of **SB 58.** After review, we do not believe this version will change the previous actuarial analysis provided by JFRS on February 25, 2025 with regards the SB 58 (BR 938).

As a result, we have not requested any further actuarial analysis of **SB 58 GA** by the Systems' independent actuary. Please let me know if you have any questions regarding our analysis.

Sincerely,

Bo Cracraft, Executive Director

Whitaker Bank Building, Suite 302 | 305 Ann Street | Frankfort, Kentucky 40601
☎ (502) 564-5310 | Fax (502) 564-2560 | ✉ Bo.Cracraft@ky.gov

JUDICIAL FORM RETIREMENT SYSTEM
JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

Daniel Venters, Chairman
Board of Trustees

Bo Cracraft
Executive Director

February 25, 2025

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

AA Statement 2 of 3.

RE: SB 58 (BR 938) - AN ACT relating to designating a special needs trust to receive state-administered retirement benefits.

Dear Mrs. Allen:

SB 58 (BR 938) amends amend KRS 21.420, relating to the Judicial Retirement Plan, to allow for a special needs trust (SNT) to be selected as a beneficiary, and define "special needs trust"; amends KRS 21.425 to allow a member to designate a SNT to receive lifetime survivorship benefits on behalf of a surviving spouse, dependent child, or disabled child.

Staff of the Judicial Form Retirement System (JFRS) has reviewed **SB 58 (BR 938)** and determined it would not materially increase or decrease benefits, or increase or decrease participation in benefits, or change the current actuarial liability of either plan administered by JFRS. The requirements outlined in the legislation could cause an increase to premiums for insurance policies provided through JFRS, but that is not easily measurable at this time.

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 estimated change to current employer costs; however, if the inclusion of the additional coverage as outlined in the legislation resulted in increased insurance premiums, there could be an increase in employer cost.
4. Any increase in administrative expenses should be negligible.

We have not requested any further actuarial analysis of **SB 58 (BR 938)** by the Systems' independent actuary. Please let me know if you have any questions regarding this analysis.

Sincerely,

Bo Cracraft, Executive Director

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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

AA Statement 3 of 3.

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

RE: Senate Bill 58 (2025 RS BR 938)

Dear Ms. Allen:

25 RS SB 58, relating to designating a special needs trust to receive state-administered retirement benefits, amends amend KRS 21.420 to allow for a special needs trust (SNT) to be selected as a beneficiary, and define "special needs trust"; amends KRS 21.425 to allow a member to designate a SNT to receive lifetime survivorship benefits on behalf of a surviving spouse, dependent child, or disabled child.

25 RS SB 58 would not materially increase or decrease retirement benefits or increase or decrease participation in benefits. 25 RS SB 58 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,

Robert B. Barnes
Deputy Executive Secretary and
General Counsel