



existing retirement and health benefits, and cities are not required to make additional retirement or health contributions to state systems, though employers are required to pay the standard, basic retirement cost for any full-time firefighter. These employees remain subject to city merit or civil service rules, and non-renewal of their contract is not considered disciplinary. Finally, cities face limits on how many retired firefighters they can employ: small cities with five or fewer firefighters have no limit, medium cities with six to ninety-nine firefighters may hire up to five or 25% of their workforce, and large cities with one hundred or more firefighters may hire up to twenty-five or 10%, whichever is greater. This measure provides flexibility for cities to address staffing needs while protecting pension integrity and controlling costs.

**The fiscal impact of HB 589/HCS 1 on local government is likely minimal to none.**

This legislation permits cities and certain local governments to rehire retired firefighters without requiring additional employer contributions to the Kentucky Employees Retirement System (KERS), County Employees Retirement System (CERS), or State Police Retirement System (SPRS). Retired firefighters rehired under this section do not accrue new service credit, and their existing retirement benefits remain unchanged. Therefore, the measure does not increase KPPA’s liabilities or funding requirements. The only potential effect is administrative oversight to ensure compliance with separation requirements.

**Data Source(s):** LRC Staff

**Preparer:** HT **Reviewer:** AS (MDA) **Date:** 2/20/26