

Actuarial Analysis Summary

BR or Bill Ref.	HB 98 (26 RS BR 105)	Actuarial Analysis Conducted For:	
Date:	1/16/2026	<input checked="" type="checkbox"/> KERS NH	<input checked="" type="checkbox"/> KERS Haz <input checked="" type="checkbox"/> SPRS <input type="checkbox"/> TRS
Actuary:	GRS	<input type="checkbox"/> CERS NH	<input type="checkbox"/> CERS Haz <input type="checkbox"/> LRP <input type="checkbox"/> JRP

Section I: Executive Summary

In the opinion of the actuary, this bill would make the affected state-administered retirement system(s) actuarially:

MORE SOUND LESS SOUND NO IMPACT

If actuarially MORE SOUND OR LESS SOUND, please summarize the factors leading to the actuary's opinion:

The actuarially determined contribution for the KERS non-hazardous fund will increase by approximately \$11 million due to this proposed legislation. Additionally, the actuarially determined contribution rate increases by 3.1% of pay for the SPRS fund due to the proposed legislation. As long as employer contribution requirements are increased accordingly (after the proposed member contribution increases are applied), we do not believe this benefit change will impact the current actuarial soundness of the funds.

- Does this bill increase or decrease employer costs? INCREASE DECREASE NO IMPACT
- Does this bill increase or decrease benefits? INCREASE DECREASE NO IMPACT
- Does this bill increase or decrease benefit participation? INCREASE DECREASE NO IMPACT

If the bill impacts employer costs, benefits, or benefit participation, please explain and estimate the impact in Sections II and VI.

Section II: Financial Projections

	Combined Pension and Retiree Health Plan					
	KERS Non-Hazardous*		KERS Hazardous*		SPRS*	
	Current	Proposed	Current	Proposed	Current	Proposed
Projected Employer Cost* (\$ in Millions)						
30-Yr Nominal \$	\$25,188	\$25,431	\$1,213	\$1,213	\$1,113	\$1,164
30-Yr Net Present Value \$	\$13,990	\$14,099	\$605	\$605	\$580	\$596
Proj. Normal Cost for New Hire	4.42%	4.59%	6.70%	6.30%	19.10%	19.49%
	of pay	of pay	of pay	of pay	of pay	of pay

*Projected costs are for all employers and all fund sources for entire 30-year period.
 Proj. normal cost is the normal cost for new hires after subtracting employee contributions effective July 1, 2027.

	Pension Plan					
	KERS Non-Hazardous		KERS Hazardous		SPRS	
	Current	Proposed	Current	Proposed	Current	Proposed
Projected UAL (\$ in Millions)						
Baseline (Year 1)	\$12,029	\$12,029	\$412	\$412	\$430	\$430
5 Years	\$10,391	\$10,391	\$296	\$296	\$330	\$330
10 Years	\$8,819	\$8,819	\$260	\$260	\$311	\$311
20 Years	\$4,034	\$4,034	\$153	\$153	\$222	\$222
30 Years	\$0	\$0	\$0	\$0	\$0	\$0
Projected Funding Ratio (%)						
Baseline (Year 1)	29%	29%	72%	72%	62%	62%
5 Years	38%	38%	82%	82%	72%	72%
10 Years	46%	46%	86%	86%	74%	74%
20 Years	73%	73%	94%	94%	83%	83%
30 Years	100%	100%	100%	100%	100%	100%

	Retiree Health Plan					
	KERS Non-Hazardous		KERS Hazardous		SPRS	
	Current	Proposed	Current	Proposed	Current	Proposed
Projected UAL (\$ in Millions)						
Baseline (Year 1)	\$657	\$743	(\$280)	(\$251)	(\$4)	\$9
5 Years	\$600	\$700	(\$389)	(\$350)	(\$16)	\$1
10 Years	\$661	\$741	(\$517)	(\$471)	(\$12)	\$8
20 Years	\$541	\$552	(\$942)	(\$867)	(\$6)	\$23
30 Years	\$0	\$0	(\$1,744)	(\$1,614)	(\$16)	\$0
Projected Funding Ratio (%)						
Baseline (Year 1)	74%	71%	167%	156%	102%	97%
5 Years	77%	75%	188%	172%	106%	100%
10 Years	75%	74%	216%	194%	105%	97%
20 Years	78%	79%	301%	255%	103%	92%
30 Years	100%	100%	432%	355%	107%	100%

Section III: Brief Summary of Bill

The proposed legislation would increase the insurance benefit for members who began participating on or after July 1, 2003 to \$40 a month for non-hazardous service and \$50 a month for hazardous service, effective January 1, 2027. These increases are only payable when a member is not eligible for Medicare benefits and only if they have met certain year-of-service thresholds at retirement. In order for the member to be eligible for the proposed increase in the insurance dollar benefit, the member must meet the following career threshold requirements:

- (1) 20 years of service for a hazardous Tier 1 member;
- (2) 25 years of service for a hazardous Tier 2 or Tier 3 member; and
- (3) 27 years of service for a non-hazardous member.

The legislation also increases the insurance member contribution rate for hazardous members from 1% of pay to 2% of pay, and extends the required member contribution to members hired on or after July 1, 2003 but prior to September 1, 2008 for both non-hazardous and hazardous members. Both changes are effective July 1, 2027.

Section IV: Statement of Assumptions and Methods

Did the analysis rely solely upon the same assumptions & methods previously established and utilized by the actuary in the retirement system's most recent actuarial valuation?

YES NO

If NO, please describe each new assumption or method utilized, the basis for selecting the revised assumption or method, and whether each new assumption or method increased or decreased projected employer costs:

N/A

Section V: Comment from Actuary

KERS Non-hazardous fund: The proposed legislation is expected to increase the total contribution requirement for the KERS non-hazardous fund by \$11 million. This will be partially offset by the additional member contributions received from members hired on or after July 1, 2003 but prior to September 1, 2008, resulting in an initial increase in the employer contribution requirement of \$10 million. As members hired prior to July 1, 2003 retire and are replaced with Tier 3 members, the increase in the employer cost will increase over time to \$14 million a year, as shown in Exhibit 1-1 of the attached detailed analysis.

SPRS fund: The proposed legislation increases the member contribution rate for the SPRS fund to 2% of pay. The proposed legislation increases the contribution rate requirement for this fund by 3.1% of pay, with about two thirds of the cost being paid by the employer and one third by the member. Additional details are shown in Exhibit 1-3 of the attached detailed analysis.

KERS hazardous fund: Employers do not currently contribute to this insurance fund and an increase in the employer contribution requirement is not expected under the proposed legislation. The funded ratio of this insurance fund is projected to remain over 150% funded over the next 30 years.

Section VI: Detailed Actuarial Analysis and Projections *(May be attached as Appendix)*

Please see attached.



January 16, 2026

Mr. Ryan Barrow
Executive Director
Kentucky Public Pensions Authority
1260 Louisville Road
Frankfort, KY 40601

Re: Actuarial Analysis of House Bill 98 (26 RS BR 105) and its Financial Impact on the Systems Maintained by KPPA

Dear Mr. Barrow:

We have reviewed the proposed legislation HB 98 (26 RS BR 105), and the purpose of this letter is to communicate the actuarial analysis of this legislation in regards to the five Systems administered by the Kentucky Public Pensions Authority (KPPA). Note, similar legislation was passed in 2025 (Senate Bill 10) for the County Employees Retirement System (CERS). Therefore, the proposed legislation only has a fiscal impact on the Kentucky Employees Retirement System (KERS) and the State Police Retirement System (SPRS).

Summary of Provisions of Proposed Legislation and Fiscal Impact

The proposed legislation would increase the insurance benefit for members who began participating on or after July 1, 2003 to \$40 a month for non-hazardous service and \$50 a month for hazardous service, effective January 1, 2027. These increases are only payable when a member is not eligible for Medicare benefits and only if they have met certain year-of-service thresholds at retirement.

The legislation also increases the insurance member contribution rate for hazardous members from 1% of pay to 2% of pay, and extends the required member contribution to members hired on or after July 1, 2003 but prior to September 1, 2008 for both non-hazardous and hazardous members. Both changes are effective July 1, 2027. The impact of the proposed legislation on the unfunded actuarial accrued liability and the actuarially determined contribution requirement calculated as of June 30, 2025 are shown in the table below.

Increase in Unfunded Liability and Actuarially Determined Contribution Requirements (Employer and Employee Requirement Combined)

Plan	Increase in Unfunded Liability	Increase in Total Contribution Requirement	Increase in Total Contribution Rate	Increase in Member Rate
KERS Non-Hazardous	85,695,000	11,476,000	N/A	0.0%
KERS Hazardous	28,376,000	0	0.0%	1.0%
SPRS	13,044,000	2,322,000	3.1%	1.0%

The proposed legislation increases the actuarially determined contribution for the KERS hazardous insurance fund by 1.8% of pay; however, due to the overall funded ratio of the plan the actuarially determined contribution is still less than 0% of pay so the net impact is 0% of pay.

In order for the member to be eligible for the proposed increase in the insurance dollar benefit, the member must meet the following career threshold requirements:

- (1) 20 years of service for a hazardous Tier 1 member;
- (2) 25 years of service for a hazardous Tier 2 or Tier 3 member; and
- (3) 27 years of service for a non-hazardous member.

GRS Comments on the Proposed Legislation

The proposed legislation increases the normal cost rate for Tier 3 members, as well as the member contribution rate for the hazardous funds. The table below shows the increased normal cost rates and member contribution rates for Tier 3 members under the proposed legislation.

Plan	Tier 3 Normal Cost Rate	Expected Member Contribution Rate	% of Benefit Paid by Member
KERS Non-Hazardous	1.19%	1.00%	84%
KERS Hazardous	2.24%	2.00%	89%
SPRS	4.25%	2.00%	47%

It is important to note that contributions made to the health insurance funds are not refundable like member contributions to pension plans. Therefore, members who do not retire with their respective system retiree health insurance benefits will not be refunded these contributions made to the retiree health insurance plan.

GRS Comments on the Proposed Legislation – KERS Non-Hazardous Fund

The proposed legislation is expected to increase the total contribution requirement for the KERS non-hazardous fund by \$11 million. This will be partially offset by the additional member contributions received from members hired on or after July 1, 2003 but prior to September 1, 2008, resulting in an initial increase in the employer contribution requirement of \$10 million. As members hired prior to July 1, 2003 retire and are replaced with Tier 3 members, the increase in the employer cost will increase over time to \$14 million a year, as shown in Exhibit 1-1.



GRS Comments on the Proposed Legislation – KERS Hazardous Fund

Employers do not currently contribute to the KERS hazardous insurance fund and an increase in the employer contribution requirement is not expected under the proposed legislation. The funded ratio of this insurance fund is projected to remain over 150% funded over the next 30 years.

GRS Comments on the Proposed Legislation – SPRS Fund

The proposed legislation increases the member contribution rate for the SPRS fund to 2% of pay. The rate requirement for the SPRS fund is expected to increase by 3.1% of pay under the proposed legislation, therefore about two thirds of the cost of the proposed legislation is being paid by the employer and one third by the member. Additional details are shown in Exhibit 1-3.

Basis of Calculations

Except where noted, the calculations are based on the methods, assumptions, and plan provisions documented in the actuarial valuation as of June 30, 2025. Our calculations are based upon assumptions regarding future events, which may or may not materialize. Depending on actual plan experience, actual results could deviate significantly.

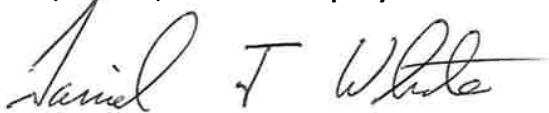
We are not attorneys, and we cannot provide a legal opinion regarding the changes in this proposed legislation. Nothing in this letter should be construed as providing legal, investment or tax advice. In instances we provide comment on certain provisions, our purpose is to educate stakeholders of possible unintended consequences based on our experience working with systems in other states.



All three of the undersigned are members of the American Academy of Actuaries and meet all of the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. In addition, all three are independent of KPPA and are experienced in performing valuations for large public retirement systems.

Sincerely,

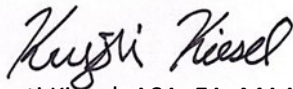
Gabriel, Roeder, Smith & Company



Daniel J. White, FSA, EA, MAAA
Senior Consultant and Actuary



Jamie Shaw, ASA, EA, MAAA
Consultant and Actuary



Krysti Kiesel, ASA, EA, MAAA
Consultant and Actuary

Actuarial Analysis of HB 98
Section 1.
Comparison of Fiscal Impact
Current Plan vs. Proposed Changes

Kentucky Public Pensions Authority
Exhibit 1-1
KERS Non-Hazardous Insurance Fund
Actuarial Analysis of HB 98
Comparison of Current Plan and Proposed Legislation
(\$ in Millions)

Fiscal Year Beginning July 1, (1)	Unfunded Actuarial Accrued Liability			Funded Ratio			Employer Contributions (incl Normal Cost)			Member Contribution Rate		
	Current (2)	Proposed (3)	Difference (4)	Current (5)	Proposed (6)	Difference (7)	Current (8)	Proposed (9)	Difference (10)	Current (11)	Proposed (12)	Difference (13)
2025	\$ 657	\$ 743	\$ 86	74%	71%	-3%	\$ 31	\$ 31	\$ -	1.0%	1.0%	0.0%
2026	686	777	91	73%	71%	-2%	60	60	-	1.0%	1.0%	0.0%
2027	644	741	97	75%	73%	-2%	60	60	-	1.0%	1.0%	0.0%
2028	611	715	104	77%	74%	-3%	49	59	10	1.0%	1.0%	0.0%
2029	600	700	100	77%	75%	-2%	49	59	10	1.0%	1.0%	0.0%
2030	606	703	97	77%	75%	-2%	39	50	11	1.0%	1.0%	0.0%
2031	619	711	92	77%	75%	-2%	39	50	11	1.0%	1.0%	0.0%
2032	632	720	88	76%	75%	-1%	36	47	11	1.0%	1.0%	0.0%
2033	646	730	84	76%	74%	-2%	36	47	11	1.0%	1.0%	0.0%
2034	661	741	80	75%	74%	-1%	33	45	12	1.0%	1.0%	0.0%
2035	677	752	75	74%	73%	-1%	33	45	12	1.0%	1.0%	0.0%
2036	695	763	68	73%	73%	0%	31	43	12	1.0%	1.0%	0.0%
2037	713	776	63	72%	72%	0%	31	43	12	1.0%	1.0%	0.0%
2038	732	790	58	71%	71%	0%	30	42	12	1.0%	1.0%	0.0%
2039	753	804	51	70%	71%	1%	30	42	12	1.0%	1.0%	0.0%
2040	775	819	44	69%	70%	1%	51	65	14	1.0%	1.0%	0.0%
2041	775	812	37	69%	70%	1%	67	80	13	1.0%	1.0%	0.0%
2042	760	789	29	69%	71%	2%	151	164	13	1.0%	1.0%	0.0%
2043	656	676	20	73%	75%	2%	155	168	13	1.0%	1.0%	0.0%
2044	541	552	11	78%	79%	1%	144	158	14	1.0%	1.0%	0.0%
2045	428	431	3	83%	84%	1%	119	124	5	1.0%	1.0%	0.0%
2046	335	336	1	86%	88%	2%	120	124	4	1.0%	1.0%	0.0%
2047	234	235	1	91%	91%	0%	124	128	4	1.0%	1.0%	0.0%
2048	122	123	1	95%	95%	0%	127	131	4	1.0%	1.0%	0.0%
2049	-	-	-	100%	100%	0%	1	4	3	1.0%	1.0%	0.0%
2050	-	-	-	100%	100%	0%	-	4	4	1.0%	1.0%	0.0%
2051	-	-	-	100%	100%	0%	-	4	4	1.0%	1.0%	0.0%
2052	-	-	-	100%	100%	0%	-	4	4	1.0%	1.0%	0.0%
2053	-	-	-	100%	100%	0%	-	4	4	1.0%	1.0%	0.0%
2054	-	-	-	100%	100%	0%	-	4	4	1.0%	1.0%	0.0%



Kentucky Public Pensions Authority
Exhibit 1-2
KERS Hazardous Insurance Fund
Actuarial Analysis of HB 98
Comparison of Current Plan and Proposed Legislation
(\$ in Millions)

Fiscal Year Beginning July 1,	Unfunded Actuarial Accrued Liability			Funded Ratio			Employer Contributions			Member Contribution Rate			Employer Contribution Rate		
	Current	Proposed	Difference	Current	Proposed	Difference	Current	Proposed	Difference	Current	Proposed	Difference	Current	Proposed	Difference
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
2025	\$ (280)	\$ (251)	\$ 29	167%	156%	-11%	\$ -	\$ -	\$ -	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%
2026	(297)	(266)	31	169%	158%	-11%	-	-	-	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%
2027	(331)	(295)	36	176%	163%	-13%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2028	(362)	(325)	37	183%	168%	-15%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2029	(389)	(350)	39	188%	172%	-16%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2030	(412)	(372)	40	193%	176%	-17%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2031	(435)	(394)	41	198%	180%	-18%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2032	(461)	(418)	43	204%	184%	-20%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2033	(489)	(444)	45	210%	189%	-21%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2034	(517)	(471)	46	216%	194%	-22%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2035	(549)	(500)	49	224%	199%	-25%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2036	(583)	(531)	52	232%	205%	-27%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2037	(618)	(565)	53	240%	211%	-29%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2038	(656)	(600)	56	248%	216%	-32%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2039	(697)	(638)	59	256%	223%	-33%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2040	(740)	(678)	62	265%	229%	-36%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2041	(785)	(721)	64	273%	235%	-38%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2042	(835)	(766)	69	283%	241%	-42%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2043	(886)	(815)	71	291%	248%	-43%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2044	(942)	(867)	75	301%	255%	-46%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2045	(1,001)	(921)	80	310%	262%	-48%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2046	(1,064)	(981)	83	320%	269%	-51%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2047	(1,132)	(1,043)	89	331%	277%	-54%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2048	(1,204)	(1,110)	94	343%	286%	-57%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2049	(1,280)	(1,181)	99	355%	295%	-60%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2050	(1,361)	(1,257)	104	367%	305%	-62%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2051	(1,448)	(1,337)	111	382%	316%	-66%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2052	(1,540)	(1,424)	116	397%	328%	-69%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2053	(1,639)	(1,516)	123	413%	341%	-72%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%
2054	(1,744)	(1,614)	130	432%	355%	-77%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.0%	0.0%



Kentucky Public Pensions Authority
Exhibit 1-3
SPRS Insurance Fund
Actuarial Analysis of HB 98
Comparison of Current Plan and Proposed Legislation
(\$ in Millions)

Fiscal Year Beginning July 1,	Unfunded Actuarial Accrued Liability			Funded Ratio			Employer Contributions			Member Contribution Rate			Employer Contribution Rate		
	Current (1)	Proposed (2)	Difference (3)	Current (4)	Proposed (5)	Difference (6)	Current (7)	Proposed (8)	Difference (9)	Current (10)	Proposed (11)	Difference (12)	Current (13)	Proposed (14)	Difference (15)
2025	\$ (4)	\$ 9	\$ 13	102%	97%	-5%	\$ 2	\$ 2	\$ -	1.0%	1.0%	0.0%	2.3%	2.3%	0.0%
2026	(4)	11	15	101%	96%	-5%	2	2	-	1.0%	1.0%	0.0%	2.5%	2.5%	0.0%
2027	(10)	7	17	104%	98%	-6%	2	2	-	1.0%	2.0%	1.0%	2.5%	2.5%	0.0%
2028	(15)	3	18	105%	99%	-6%	-	2	2	1.0%	2.0%	1.0%	0.0%	2.5%	2.5%
2029	(16)	1	17	106%	100%	-6%	-	2	2	1.0%	2.0%	1.0%	0.0%	2.5%	2.5%
2030	(16)	1	17	106%	100%	-6%	-	1	1	1.0%	2.0%	1.0%	0.0%	0.8%	0.8%
2031	(15)	3	18	106%	99%	-7%	-	1	1	1.0%	2.0%	1.0%	0.0%	0.8%	0.8%
2032	(15)	5	20	106%	98%	-8%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.5%	0.5%
2033	(14)	6	20	105%	98%	-7%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.5%	0.5%
2034	(12)	8	20	105%	97%	-8%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.3%	0.3%
2035	(12)	10	22	105%	97%	-8%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.3%	0.3%
2036	(11)	14	25	104%	95%	-9%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.2%	0.2%
2037	(10)	16	26	104%	94%	-10%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.2%	0.2%
2038	(9)	19	28	104%	93%	-11%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.2%	0.2%
2039	(8)	22	30	103%	92%	-11%	-	-	-	1.0%	2.0%	1.0%	0.0%	0.2%	0.2%
2040	(7)	25	32	103%	91%	-12%	-	1	1	1.0%	2.0%	1.0%	0.0%	1.0%	1.0%
2041	(6)	28	34	103%	90%	-13%	-	1	1	1.0%	2.0%	1.0%	0.0%	1.0%	1.0%
2042	(5)	30	35	102%	89%	-13%	2	7	5	1.0%	2.0%	1.0%	2.8%	9.9%	7.1%
2043	(6)	27	33	103%	90%	-13%	2	7	5	1.0%	2.0%	1.0%	2.8%	9.9%	7.1%
2044	(6)	23	29	103%	92%	-11%	3	8	5	1.0%	2.0%	1.0%	3.8%	10.9%	7.1%
2045	(8)	18	26	103%	94%	-9%	3	8	5	1.0%	2.0%	1.0%	3.8%	10.9%	7.1%
2046	(11)	12	23	105%	96%	-9%	2	6	4	1.0%	2.0%	1.0%	3.1%	8.0%	4.9%
2047	(12)	9	21	105%	97%	-8%	2	6	4	1.0%	2.0%	1.0%	3.1%	8.0%	4.9%
2048	(14)	6	20	106%	98%	-8%	4	7	3	1.0%	2.0%	1.0%	4.9%	9.4%	4.5%
2049	(17)	-	17	107%	100%	-7%	-	2	2	1.0%	2.0%	1.0%	0.0%	2.3%	2.3%
2050	(16)	-	16	107%	100%	-7%	-	2	2	1.0%	2.0%	1.0%	0.0%	2.3%	2.3%
2051	(17)	-	17	107%	100%	-7%	-	2	2	1.0%	2.0%	1.0%	0.0%	2.3%	2.3%
2052	(16)	-	16	107%	100%	-7%	-	2	2	1.0%	2.0%	1.0%	0.0%	2.2%	2.2%
2053	(16)	-	16	107%	100%	-7%	-	2	2	1.0%	2.0%	1.0%	0.0%	2.2%	2.2%
2054	(16)	-	16	107%	100%	-7%	-	2	2	1.0%	2.0%	1.0%	0.0%	2.1%	2.1%



Actuarial Analysis of HB 98
Section 2.
Projected Cost of the Retirement and Insurance
Current Plan

Kentucky Public Pensions Authority
Exhibit 2-1
KERS Non-Hazardous Insurance Fund
Actuarial Analysis of HB 98
Current Plan
(\$ in Millions)

Fiscal Year Beginning July 1, (1)	Actuarial Accrued Liability (2)	Actuarial Value of Assets (3)	Unfunded Actuarial Accrued Liability (4)	Funded Ratio (3) / (2) (5)	Employer Contribution (6)	Member Contribution (7)	Covered Payroll (8)	Employer Contribution as % of Covered Payroll (Normal Cost) (9)	Employer Contribution (Amortization Cost) (10)
2025	\$ 2,475	\$ 1,818	\$ 657	74%	\$ 31	\$ 12	\$ 2,014	1.45%	\$ 2
2026	2,544	1,858	686	73%	60	13	2,014	1.11%	37
2027	2,594	1,950	644	75%	60	14	2,014	1.11%	37
2028	2,631	2,020	611	77%	49	15	2,014	0.85%	32
2029	2,657	2,057	600	77%	49	15	2,014	0.85%	32
2030	2,671	2,065	606	77%	39	16	2,014	0.65%	26
2031	2,674	2,055	619	77%	39	17	2,014	0.65%	26
2032	2,668	2,036	632	76%	36	17	2,014	0.48%	26
2033	2,655	2,009	646	76%	36	18	2,014	0.48%	26
2034	2,636	1,975	661	75%	33	18	2,014	0.34%	26
2035	2,612	1,935	677	74%	33	18	2,014	0.34%	26
2036	2,587	1,892	695	73%	31	19	2,014	0.25%	26
2037	2,562	1,849	713	72%	31	19	2,014	0.25%	26
2038	2,537	1,805	732	71%	30	19	2,014	0.18%	26
2039	2,515	1,762	753	70%	30	19	2,014	0.18%	26
2040	2,495	1,720	775	69%	51	20	2,014	0.13%	49
2041	2,479	1,704	775	69%	67	20	2,014	0.13%	64
2042	2,468	1,708	760	69%	151	20	2,014	0.10%	149
2043	2,461	1,805	656	73%	155	20	2,014	0.10%	153
2044	2,458	1,917	541	78%	144	20	2,014	0.07%	143
2045	2,458	2,030	428	83%	119	20	2,014	0.07%	117
2046	2,461	2,126	335	86%	120	20	2,014	0.06%	119
2047	2,464	2,230	234	91%	124	20	2,014	0.06%	123
2048	2,467	2,345	122	95%	127	20	2,014	0.04%	127
2049	2,470	2,470	-	100%	1	20	2,014	0.03%	-
2050	2,470	2,470	-	100%	-	20	2,014	0.02%	-
2051	2,469	2,469	-	100%	-	20	2,014	0.01%	-
2052	2,467	2,467	-	100%	-	20	2,014	0.01%	-
2053	2,464	2,464	-	100%	-	20	2,014	0.00%	-
2054	2,460	2,460	-	100%	-	20	2,014	0.00%	-

Notes and assumptions:

The projection is based on the results of the June 30, 2025 actuarial valuation and assumes that all actuarial assumptions are realized, including the assumed annual asset return of 6.50%.

New active members are assumed to be hired as current active members are assumed to terminate employment or retire.

The total active population is assumed to decrease 2% each year for each of the next 30 years.

Covered payroll is assumed to remain level throughout the entire projection.

The contribution rate established in the Commonwealth's biennium budget is assumed to be equal to the normal cost portion of the actuarially determined contribution.

The full actuarially determined amortization cost is assumed to be allocated amongst employers each biennium.

The second year of a biannual budget is assumed to take into account any expiring amortization bases.



Kentucky Public Pensions Authority
Exhibit 2-2
KERS Hazardous Insurance Fund
Actuarial Analysis of HB 98
Current Plan
(\$ in Millions)

Fiscal Year Beginning July 1, (1)	Actuarial Accrued Liability (2)	Actuarial Value of Assets (3)	Unfunded Actuarial Accrued Liability (4)	Funded Ratio (3) / (2) (5)	Employer Contribution (6)	Member Contribution (7)	Covered Payroll (8)	Employer Contribution as % of Covered Payroll (9)	Employer Actuarially Determined Contribution (10)
2025	\$ 420	\$ 700	\$ (280)	167%	\$ -	\$ 2	\$ 266	0.00%	0.00%
2026	430	727	(297)	169%	-	2	266	0.00%	0.00%
2027	435	766	(331)	176%	-	2	266	0.00%	0.00%
2028	439	801	(362)	183%	-	2	266	0.00%	0.00%
2029	442	831	(389)	188%	-	2	266	0.00%	0.00%
2030	443	855	(412)	193%	-	3	266	0.00%	0.00%
2031	444	879	(435)	198%	-	3	266	0.00%	0.00%
2032	444	905	(461)	204%	-	3	266	0.00%	0.00%
2033	444	933	(489)	210%	-	3	266	0.00%	0.00%
2034	444	961	(517)	216%	-	3	266	0.00%	0.00%
2035	443	992	(549)	224%	-	3	266	0.00%	0.00%
2036	443	1,026	(583)	232%	-	3	266	0.00%	0.00%
2037	443	1,061	(618)	240%	-	3	266	0.00%	0.00%
2038	444	1,100	(656)	248%	-	3	266	0.00%	0.00%
2039	446	1,143	(697)	256%	-	3	266	0.00%	0.00%
2040	449	1,189	(740)	265%	-	3	266	0.00%	0.00%
2041	453	1,238	(785)	273%	-	3	266	0.00%	0.00%
2042	457	1,292	(835)	283%	-	3	266	0.00%	0.00%
2043	463	1,349	(886)	291%	-	3	266	0.00%	0.00%
2044	469	1,411	(942)	301%	-	3	266	0.00%	0.00%
2045	476	1,477	(1,001)	310%	-	3	266	0.00%	0.00%
2046	483	1,547	(1,064)	320%	-	3	266	0.00%	0.00%
2047	490	1,622	(1,132)	331%	-	3	266	0.00%	0.00%
2048	496	1,700	(1,204)	343%	-	3	266	0.00%	0.00%
2049	503	1,783	(1,280)	355%	-	3	266	0.00%	0.00%
2050	509	1,870	(1,361)	367%	-	3	266	0.00%	0.00%
2051	514	1,962	(1,448)	382%	-	3	266	0.00%	0.00%
2052	519	2,059	(1,540)	397%	-	3	266	0.00%	0.00%
2053	523	2,162	(1,639)	413%	-	3	266	0.00%	0.00%
2054	526	2,270	(1,744)	432%	-	3	266	0.00%	0.00%

Notes and assumptions:

The projection is based on the results of the June 30, 2025 actuarial valuation and assumes that all actuarial assumptions are realized, including the assumed annual asset return of 6.50%.

New active members are assumed to be hired as current active members are assumed to terminate employment or retire.

The total active population is assumed to decrease 2% each year for each of the next 30 years.

Covered payroll is assumed to remain level throughout the entire projection.

The contribution rate established in the Commonwealth's biennium budget is assumed to be equal to the full actuarially determined contribution rate.



Kentucky Public Pensions Authority
Exhibit 2-3
SPRS Insurance Fund
Actuarial Analysis of HB 98
Current Plan
(\$ in Millions)

Fiscal Year Beginning July 1, (1)	Actuarial Accrued Liability (2)	Actuarial Value of Assets (3)	Unfunded Actuarial Accrued Liability (4)	Funded Ratio (3) / (2) (5)	Employer Contribution (6)	Member Contribution (7)	Covered Payroll (8)	Employer Contribution as % of Covered Payroll (9)	Employer Actuarially Determined Contribution (10)
2025	\$ 273	\$ 277	(4)	102%	\$ 2	\$ -	\$ 74	2.31%	1.46%
2026	278	282	(4)	101%	2	1	74	2.49%	2.49%
2027	280	290	(10)	104%	2	1	74	2.49%	1.37%
2028	281	296	(15)	105%	-	1	74	0.00%	0.00%
2029	280	296	(16)	106%	-	1	74	0.00%	0.00%
2030	278	294	(16)	106%	-	1	74	0.00%	0.00%
2031	275	290	(15)	106%	-	1	74	0.00%	0.00%
2032	271	286	(15)	106%	-	1	74	0.00%	0.00%
2033	267	281	(14)	105%	-	1	74	0.00%	0.00%
2034	263	275	(12)	105%	-	1	74	0.00%	0.00%
2035	258	270	(12)	105%	-	1	74	0.00%	0.00%
2036	253	264	(11)	104%	-	1	74	0.00%	0.00%
2037	249	259	(10)	104%	-	1	74	0.00%	0.00%
2038	245	254	(9)	104%	-	1	74	0.00%	0.00%
2039	241	249	(8)	103%	-	1	74	0.00%	0.00%
2040	238	245	(7)	103%	-	1	74	0.00%	0.00%
2041	235	241	(6)	103%	-	1	74	0.00%	0.00%
2042	233	238	(5)	102%	2	1	74	2.78%	2.78%
2043	232	238	(6)	103%	2	1	74	2.78%	3.18%
2044	232	238	(6)	103%	3	1	74	3.84%	3.84%
2045	232	240	(8)	103%	3	1	74	3.84%	2.87%
2046	232	243	(11)	105%	2	1	74	3.08%	3.08%
2047	233	245	(12)	105%	2	1	74	3.08%	4.11%
2048	234	248	(14)	106%	4	1	74	4.90%	4.90%
2049	235	252	(17)	107%	-	1	74	0.00%	0.00%
2050	236	252	(16)	107%	-	1	74	0.00%	0.00%
2051	236	253	(17)	107%	-	1	74	0.00%	0.00%
2052	236	252	(16)	107%	-	1	74	0.00%	0.00%
2053	236	252	(16)	107%	-	1	74	0.00%	0.00%
2054	235	251	(16)	107%	-	1	74	0.00%	0.00%

Notes and assumptions:

The projection is based on the results of the June 30, 2025 actuarial valuation and assumes that all actuarial assumptions are realized, including the assumed annual asset return of 6.50%.

New active members are assumed to be hired as current active members are assumed to terminate employment or retire.

The total active population is assumed to decrease 2% each year for each of the next 30 years.

Covered payroll is assumed to remain level throughout the entire projection.

The contribution rate established in the Commonwealth's biennium budget is assumed to be equal to the full actuarially determined contribution rate.



Actuarial Analysis of HB 98
Section 3.
Projected Cost of the Retirement and Insurance
Proposed Legislation

Kentucky Public Pensions Authority
Exhibit 3-1
KERS Non-Hazardous Insurance Fund
Actuarial Analysis of HB 98
Proposed Legislation
(\$ in Millions)

Fiscal Year Beginning July 1, (1)	Actuarial Accrued Liability (2)	Actuarial Value of Assets (3)	Unfunded Actuarial Accrued Liability (4)	Funded Ratio (3) / (2) (5)	Employer Contribution (6)	Member Contribution (7)	Covered Payroll (8)	Employer Contribution as % of Covered Payroll (Normal Cost) (9)	Employer Contribution (Amortization Cost) (10)
2025	\$ 2,561	\$ 1,818	\$ 743	71%	\$ 31	\$ 12	\$ 2,014	1.45%	\$ 2
2026	2,639	1,862	777	71%	60	13	2,014	1.11%	37
2027	2,698	1,957	741	73%	60	17	2,014	1.11%	37
2028	2,746	2,031	715	74%	59	18	2,014	0.88%	41
2029	2,783	2,083	700	75%	59	18	2,014	0.88%	41
2030	2,809	2,106	703	75%	50	19	2,014	0.70%	36
2031	2,824	2,113	711	75%	50	19	2,014	0.70%	36
2032	2,831	2,111	720	75%	47	19	2,014	0.55%	36
2033	2,830	2,100	730	74%	47	19	2,014	0.55%	36
2034	2,821	2,080	741	74%	45	20	2,014	0.45%	36
2035	2,805	2,053	752	73%	45	20	2,014	0.45%	36
2036	2,786	2,023	763	73%	43	20	2,014	0.38%	36
2037	2,766	1,990	776	72%	43	20	2,014	0.38%	36
2038	2,746	1,956	790	71%	42	20	2,014	0.33%	36
2039	2,726	1,922	804	71%	42	20	2,014	0.33%	36
2040	2,709	1,890	819	70%	65	20	2,014	0.31%	59
2041	2,695	1,883	812	70%	80	20	2,014	0.31%	74
2042	2,685	1,896	789	71%	164	20	2,014	0.27%	159
2043	2,679	2,003	676	75%	168	20	2,014	0.27%	163
2044	2,676	2,124	552	79%	158	20	2,014	0.26%	152
2045	2,677	2,246	431	84%	124	20	2,014	0.26%	119
2046	2,680	2,344	336	88%	124	20	2,014	0.24%	119
2047	2,684	2,449	235	91%	128	20	2,014	0.24%	123
2048	2,688	2,565	123	95%	131	20	2,014	0.23%	127
2049	2,692	2,692	-	100%	4	20	2,014	0.22%	-
2050	2,694	2,694	-	100%	4	20	2,014	0.22%	-
2051	2,696	2,696	-	100%	4	20	2,014	0.21%	-
2052	2,696	2,696	-	100%	4	20	2,014	0.20%	-
2053	2,696	2,696	-	100%	4	20	2,014	0.19%	-
2054	2,695	2,695	-	100%	4	20	2,014	0.19%	-

Notes and assumptions:

The analysis above is based on the same methods, assumptions, and benefit provisions as the analysis under the Current Plan, except for the changes proposed in potential legislation.



Kentucky Public Pensions Authority
Exhibit 3-2
KERS Hazardous Insurance Fund
Actuarial Analysis of HB 98
Proposed Legislation
(\$ in Millions)

Fiscal Year Beginning July 1, (1)	Actuarial Accrued Liability (2)	Actuarial Value of Assets (3)	Unfunded Actuarial Accrued Liability (4)	Funded Ratio (3) / (2) (5)	Employer Contribution (6)	Member Contribution (7)	Covered Payroll (8)	Employer Contribution as % of Covered Payroll (9)	Employer Actuarially Determined Contribution (10)
2025	\$ 449	\$ 700	\$ (251)	156%	\$ -	\$ 2	\$ 266	0.00%	0.00%
2026	461	727	(266)	158%	-	2	266	0.00%	0.00%
2027	471	766	(295)	163%	-	5	266	0.00%	0.00%
2028	478	803	(325)	168%	-	5	266	0.00%	0.00%
2029	484	834	(350)	172%	-	5	266	0.00%	0.00%
2030	488	860	(372)	176%	-	5	266	0.00%	0.00%
2031	492	886	(394)	180%	-	5	266	0.00%	0.00%
2032	495	913	(418)	184%	-	5	266	0.00%	0.00%
2033	498	942	(444)	189%	-	5	266	0.00%	0.00%
2034	501	972	(471)	194%	-	5	266	0.00%	0.00%
2035	504	1,004	(500)	199%	-	5	266	0.00%	0.00%
2036	508	1,039	(531)	205%	-	5	266	0.00%	0.00%
2037	511	1,076	(565)	211%	-	5	266	0.00%	0.00%
2038	516	1,116	(600)	216%	-	5	266	0.00%	0.00%
2039	521	1,159	(638)	223%	-	5	266	0.00%	0.00%
2040	527	1,205	(678)	229%	-	5	266	0.00%	0.00%
2041	534	1,255	(721)	235%	-	5	266	0.00%	0.00%
2042	542	1,308	(766)	241%	-	5	266	0.00%	0.00%
2043	551	1,366	(815)	248%	-	5	266	0.00%	0.00%
2044	560	1,427	(867)	255%	-	5	266	0.00%	0.00%
2045	570	1,491	(921)	262%	-	5	266	0.00%	0.00%
2046	579	1,560	(981)	269%	-	5	266	0.00%	0.00%
2047	589	1,632	(1,043)	277%	-	5	266	0.00%	0.00%
2048	597	1,707	(1,110)	286%	-	5	266	0.00%	0.00%
2049	606	1,787	(1,181)	295%	-	5	266	0.00%	0.00%
2050	613	1,870	(1,257)	305%	-	5	266	0.00%	0.00%
2051	620	1,957	(1,337)	316%	-	5	266	0.00%	0.00%
2052	625	2,049	(1,424)	328%	-	5	266	0.00%	0.00%
2053	629	2,145	(1,516)	341%	-	5	266	0.00%	0.00%
2054	632	2,246	(1,614)	355%	-	5	266	0.00%	0.00%

Notes and assumptions:

The analysis above is based on the same methods, assumptions, and benefit provisions as the analysis under the Current Plan, except for the changes proposed in potential legislation.



Kentucky Public Pensions Authority
Exhibit 3-3
SPRS Insurance Fund
Actuarial Analysis of HB 98
Proposed Legislation
(\$ in Millions)

Fiscal Year Beginning July 1, (1)	Actuarial Accrued Liability (2)	Actuarial Value of Assets (3)	Unfunded Actuarial Accrued Liability (4)	Funded Ratio (3) / (2) (5)	Employer Contribution (6)	Member Contribution (7)	Covered Payroll (8)	Employer Contribution as % of Covered Payroll (9)	Employer Actuarially Determined Contribution (10)
2025	\$ 286	\$ 277	\$ 9	97%	\$ 2	\$ -	\$ 74	2.31%	1.46%
2026	293	282	11	96%	2	1	74	2.49%	2.49%
2027	297	290	7	98%	2	1	74	2.49%	3.69%
2028	299	296	3	99%	2	1	74	2.50%	2.50%
2029	300	299	1	100%	2	1	74	2.50%	1.48%
2030	299	298	1	100%	1	1	74	0.78%	0.78%
2031	298	295	3	99%	1	1	74	0.78%	0.59%
2032	297	292	5	98%	-	1	74	0.45%	0.45%
2033	294	288	6	98%	-	1	74	0.45%	0.36%
2034	291	283	8	97%	-	1	74	0.30%	0.30%
2035	288	278	10	97%	-	1	74	0.30%	0.27%
2036	286	272	14	95%	-	1	74	0.23%	0.23%
2037	283	267	16	94%	-	1	74	0.23%	0.22%
2038	281	262	19	93%	-	1	74	0.20%	0.20%
2039	279	257	22	92%	-	1	74	0.20%	0.19%
2040	277	252	25	91%	1	1	74	0.95%	0.95%
2041	276	248	28	90%	1	1	74	0.95%	3.33%
2042	275	245	30	89%	7	1	74	9.85%	9.85%
2043	275	248	27	90%	7	1	74	9.85%	10.24%
2044	276	253	23	92%	8	1	74	10.90%	10.90%
2045	277	259	18	94%	8	1	74	10.90%	8.13%
2046	278	266	12	96%	6	1	74	7.95%	7.95%
2047	279	270	9	97%	6	1	74	7.95%	8.69%
2048	281	275	6	98%	7	1	74	9.44%	9.44%
2049	282	282	-	100%	2	1	74	2.30%	2.30%
2050	283	283	-	100%	2	1	74	2.28%	2.28%
2051	283	283	-	100%	2	1	74	2.27%	2.27%
2052	283	283	-	100%	2	1	74	2.23%	2.23%
2053	282	282	-	100%	2	1	74	2.17%	2.17%
2054	280	280	-	100%	2	1	74	2.12%	2.12%

Notes and assumptions:

The analysis above is based on the same methods, assumptions, and benefit provisions as the analysis under the Current Plan, except for the changes proposed in potential legislation.

