



KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



Actuarial Analysis 1 of 3

February 24, 2026

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

RE: Senate Bill 85 (2026 RS BR 1087) – GA
AN ACT relating to designating a special needs trust to receive state-administered retirement benefits.
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 85 (2026 RS BR 1087) via letter dated February 11, 2026. KPPA has now examined the GA for Senate Bill 85 (2026 RS BR 1087).

We have determined that the GA for Senate Bill 85 (2026 RS BR 1087) would not change the previous actuarial impacts provided for this legislation. Therefore, the Actuarial Analysis of Senate Bill 85 (2026 RS BR 1087) dated February 11, 2026, is applicable to the GA for Senate Bill 85 (2026 RS BR 1087).

We have not requested any further actuarial analysis of the GA for Senate Bill 85 (2026 RS BR 1087) by the Authority's independent actuary. Please let me know if you have any questions regarding our analysis of the GA for Senate Bill 85 (2026 RS BR 1087).

Sincerely,

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

Ryan Barrow, Executive Director
Kentucky Public Pensions Authority



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Actuarial Analysis 1 of 3

February 11, 2026

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

RE: Senate Bill 85 (2026 RS BR 1087)
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, 2025 are 316,118 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. There is no estimated change in administrative expenses.

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 purple ink, appearing to read "Ryan Barrow".

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 6, 2026

Actuarial Analysis 2 of 3

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

RE: SB 85 GA - AN ACT relating to designating a special needs trust to receive state-administered retirement benefits.

Dear Mrs. Allen:

Judicial Form Retirement System (JFRS) have examined the GA of **SB 85**. After review, we the GA for Senate Bill 85 does not change our previous actuarial analysis of SB 85 (BR 1087) provided in a letter dated February 23, 2026.

Staff determined that SB 85 (BR 1087) 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. This determination is applicable to the GA of Senate Bill 85.

As a result, we have not requested any further actuarial analysis of **SB 85 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

February 23, 2026

Actuarial Analysis 2 of 3

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

RE: SB 85 (BR 1087) - AN ACT relating to designating a special needs trust to receive state-administered retirement benefits.

Dear Mrs. Allen:

Staff of the Judicial Form Retirement System (JFRS) have reviewed **SB 85 (BR 1087)** 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.

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, 2025, are 1,025 individuals participating in JRP or LRP.
2. There is no estimated change in benefits.
3. There is no estimated change to current employer costs;
4. Any increase in administrative expenses should be negligible.

We have not requested any further actuarial analysis of **SB 85 (BR 1087)** by the Systems' independent actuary. Please let me know if you have any questions regarding this analysis.

Sincerely,

Bo Cracraft, Executive Director



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 23, 2026

Actuarial Analysis 3 of 3

Maurya Allen
Office of the Deputy Director
Legislative Research Commission
Capitol Annex, Room 186
Frankfort, KY 40601

RE: Senate Bill 85 / GA (2026 RS BR 1087)

Dear Ms. Allen:

26 RS SB 85 / GA would amend KRS 16.505, 61.510, and 78.510 to define "special needs trust" (SNT) for purposes of the State Police Retirement System, Kentucky Employees Retirement System, and County Employees Retirement System; amend the definition of "beneficiary" to include a SNT; amend KRS 16.578 to allow a SNT to receive a lifetime retirement payment if a member dies before retirement; amend KRS 61.635 to allow a person who is the beneficiary of a SNT to be designated as the beneficiary of a lifetime retirement benefit; require the trustee of a SNT to notify the Kentucky Public Pensions Authority (KPPA) upon the death of the beneficiary of a SNT and repay any payment not properly payable to the SNT; allow KPPA to promulgate administrative regulations to administer the SNT provisions; amend KRS 61.640 to allow a SNT to receive a lifetime retirement payment if a member dies before retirement; amend KRS 61.690 to allow a recipient or legal representative to direct retirement benefits to be paid to a SNT and clarify that it is not an assignment or transfer; amend KRS 78.5532 to allow a SNT to receive a lifetime retirement benefit if a member dies before retirement; amend KRS 161.525, relating to the Teachers' Retirement System (TRS) to allow a SNT to receive a lifetime annuity if a member dies before retirement; amend KRS 161.640 to allow checks to be sent by mail to the trustee of a SNT; require the trustee to notify the TRS upon the death of the beneficiary; require any payments not properly payable to the SNT to be repaid to TRS; allow TRS to promulgate administrative regulations to administer the SNT provisions; amend KRS 161.700 to require TRS to assign annuity payments to a SNT, issue payments to the trustee, and prevent annuity payments from being used to reimburse any state for any Medicaid benefits paid on behalf of the beneficiary of a SNT; amend KRS 21.420, relating to the Judicial Retirement Plan, to allow for a SNT to be selected as a beneficiary, and define "special needs trust"; amend 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.

26 RS SB 85 / GA would not increase or decrease retirement benefits or participation in benefits, nor will it impact 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