

Legislative Report

January 10, 2025
Prepared by: KPPA
Staff



Bill Information


HB30 PENSION SPIKING IN KPPA *(BLANTON, JOHN; Fugate, Chris; Smith, Tom)*

AN ACT relating to pension spiking in the Kentucky Public Pensions Authority.

Amend KRS 61.598 to exempt from the pension spiking provisions any increases in rates of pay authorized or funded by the legislative or administrative body of an employer or mandated in a collective bargaining agreement approved by the legislative body of the employer that are provided to members of the Kentucky Employees Retirement System, County Employees Retirement System, or State Police Retirement System.

ALL BILL STATUS

1/7/2025 - Introduced

[HB30 Bill Page](#) 

HB71 KENTUCKY PUBLIC PENSIONS AUTHORITY *(JOHNSON, DJ; Johnson, DJ)*

AN ACT relating to the Kentucky Public Pensions Authority.

Amend KRS 61.505 to establish the Office of Financial Management within the Kentucky Public Pensions Authority; amend KRS 12.020 to conform; EFFECTIVE July 1, 2025.

ALL BILL STATUS

1/7/2025 - Introduced

[HB71 Bill Page](#) 

HB76

RETIREMENT BENEFITS FOR STATE AND COUNTY EMPLOYEES IN HAZARDOUS POSITIONS *(LEHMAN, MATTHEW)*

AN ACT relating to retirement benefits for state and county employees in hazardous positions.

Create a new section of KRS 16.505 to 16.652 to change the retirement benefits for members participating in the State Police Retirement System (SPRS) or in a hazardous position in either the Kentucky Employees Retirement System (KERS) or County

Employees Retirement System (CERS) who are hired after January 1, 2014, but before January 1, 2026, so that, in lieu of continued participation in the hybrid cash balance plan (Tier 3 benefits), these members receive the benefits provided to members in a hazardous position who began participating immediately prior to January 1, 2014 (Tier 2 benefits); for those eligible hazardous employees, create a presumption that service credit in a hazardous position earned after January 1, 2014, is service credit earned immediately prior to January 1, 2014; for eligible hazardous members transitioning to Tier 2, require that accumulated contributions in the hybrid cash balance plan remain in the member's account, but any employer credit be transferred to the retirement allowance account; allow a member in a hazardous position subject to a change from Tier 3 to Tier 2 benefits to make a one-time election to opt out of the change of benefits within 30 days; establish exclusions; amend KRS 16.576, 16.577, 16.578, 16.582, 61.546, 61.552, 61.597, 61.615, 78.5512, 78.5514, 78.5524, 78.5528, and 78.616 to grant to members in a hazardous position who begin participating after January 1, 2026, or whose participation is presumed under Section 1 of this Act to begin immediately prior to January 1, 2014, the same benefits provided to members whose participation began immediately prior to January 1, 2014 (Tier 2 benefits), including death and disability benefits, benefit factors and service credit that includes service credit for unused sick leave, and eligibility for early retirement and service purchases; make technical corrections; amend KRS 16.583 and 78.5516 to limit the hybrid cash balance plan (Tier 3 benefits) only to members participating in SPRS or in hazardous positions in KERS or CERS who make an election to opt out of Tier 2 benefits under Section 1 of this Act or who make an election, prior to the effective date of the Act, under KRS 61.5955; amend KRS 61.5955 to provide that only a member in a nonhazardous position who began participating in KERS or CERS as a Tier 2 member may elect to receive Tier 3 benefits in the hybrid cash balance plan in lieu of Tier 2 benefits; amend KRS 16.505, 61.510, and 78.510 to amend definitions of various terms to conform and make technical changes; amend KRS 16.560, 61.575, and 78.640 to allow interest credited on the accounts of members participating in SPRS or in a hazardous position in KERS or CERS to be adjusted to conform; amend KRS 61.592 and 78.5520 to exempt only hazardous members who opt out of receiving Tier 2 benefits from eligibility for an employer payment to convert nonhazardous service to hazardous service; amend KRS 61.680 to require that a member who is eligible under Section 1 of this Act and who has nonhazardous service credit as a Tier 3 member of either KERS or CERS to have his or her nonhazardous and hazardous service consolidated to determine eligibility and benefits; amend KRS 78.545 to add Section 1 of this Act as one of the provisions that shall be administered for the CERS in the same manner as for the KERS.

ALL BILL STATUS

1/7/2025 - Introduced

[HB76 Bill Page](#) →

HB146 TAXATION OF RETIREMENT DISTRIBUTIONS *(TACKETT LAFERTY, ASHLEY; Holloway, Kim)*

AN ACT relating to the taxation of retirement distributions.

Amend KRS 141.019 to increase the retirement distribution exclusion from \$31,110 to \$41,110 for taxable years beginning on or after January 1, 2026.

ALL BILL STATUS

1/8/2025 - Introduced

[HB146 Bill Page](#) →

HB185 ELIGIBILITY FOR BENEFITS IN THE KPPA SYSTEMS *(FUGATE, CHRIS)*

AN ACT relating to eligibility for benefits in the systems administered by the Kentucky Public Pensions Authority.

Amend KRS 61.595 to allow full-time employment for services to Kentucky River Community Care to be used for determining retirement eligibility in the Kentucky Employees Retirement System (KERS) but not the amount of benefits; amend KRS 61.552 to allow full-time employment for services to Kentucky River Community Care to be used towards meeting the 20 year service eligibility requirement for non-qualified service purchases made at less than 20 years of service.

ALL BILL STATUS

1/9/2025 - Introduced

[HB185 Bill Page](#) →

SB58 STATE-ADMINISTERED RETIREMENT BENEFITS *(WEBB, ROBIN L.)*

AN ACT relating to designating a special needs trust to receive state-administered retirement benefits.

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 "person" to include a SNT, and amend the definition of "beneficiary" to exclude sole beneficiary of a SNT; amend KRS 16.578 to allow a SNT to receive a lifetime retirement benefit; amend KRS 61.623 to allow a trustee to receive checks on behalf of a SNT; 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 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.

ALL BILL STATUS

1/8/2025 - Introduced

[SB58 Bill Page](#) →