COMMONWEALTH OF KENTUCKY
UNITED WE STAND DIVIDED WE FALL

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

Kentucky Public Pensions Authority

RECEIVED
JUN 16 2026
ARRS

June 16, 2026

Senator Michael Nemes
Representative David Hale
Representative D.J. Johnson
c/o Legislative Research Commission
083, Capitol Annex
702 Capitol Avenue
Frankfort, KY 40601

RE: 105 KAR 1:170. Membership form requirements.

Dear State Government Interim Joint Committee Co-Chairs,

After consideration of the issues raised by Senate Bill 85 passed by the 2026 General Assembly, and signed by the Governor on April 3, 2026, the Kentucky Public Pensions Authority proposes the attached agency amendment to this ordinary administrative regulation.

Sincerely,

Ryan Barrows
Executive Director

RB/cjc

Agency Amendment
(State Government IJC – June 2026)

Finance and Administration Cabinet
Kentucky Public Pensions Authority

105 KAR 1:170. Membership form requirements.

Page 4
Section 7(1)(c)
Line 20

After "KPPA", insert "6/2026".
Delete "1/2026".

Form 2035, "Beneficiary Designation", KPPA, Revised 6/2026
Changes to the previous form include:

Page 1:
Revision date changed from 1/2026 to 6/2026.
"Living trust" field amended to include Living Trust, Special Needs Trust, and Testamentary Trust as beneficiary options.
"Trust Tax ID" field replaced with "Trust Tax EIN or special needs trust beneficiary Social Security Number"
"Date of Trust" eliminated.
"Trustee Contact Information" includes the statement: "Our office will contact the trustee listed below following your death".
"Testamentary Trust" field eliminated and replaced with "If the trust is a special needs trust:" with fields for the Trust's beneficiary and the beneficiary's birthdate.

Page 2:
"Living trust" field amended to include Living Trust, Special Needs Trust, and Testamentary Trust as beneficiary options.
"Trust Tax ID" field replaced with "Trust Tax EIN or special needs trust beneficiary Social Security Number"
"Date of Trust" eliminated.
"Trustee Contact Information" includes the statement: "Our office will contact the trustee listed below following your death".
"Testamentary Trust" field eliminated and replaced with "If the trust is a special needs trust:" with fields for the Trust's beneficiary and the beneficiary's birthdate.

SUMMARY OF AMENDMENT

Special needs trusts were made a beneficiary option due to the passage of Senate Bill 85 during the 2026 legislative session, and signed by the governor on April 3, 2026. The agency amendment makes changes to Form 2035 and its revision date, contained in Section 7(1)(c) (Materials Incorporated By Reference), so that members may select a special needs trust as their beneficiary and provide necessary information to the agency when they make that selection.

SUMMARY OF AGENCY AMENDMENT TO MATERIALS INCORPORATED BY REFERENCE

Form 2035, "Beneficiary Designation", KPPA, Revised 6/2026, is the two-page form used by members to designate a beneficiary. Special needs trusts were made an option for members to choose as a beneficiary due to the passage of Senate Bill 85 during the 2026 legislative session, and signed by the governor on April 3, 2026. This action requires some changes to Form 2035 so that members may select a special needs trust as their beneficiary and more clearly understand the information required to select a trust as a beneficiary.

Changes to the previous form include:

Page 1:

Revision date changed from 1/2026 to 6/2026.

"Living trust" field amended to include Living Trust, Special Needs Trust, and Testamentary Trust as beneficiary options.

"Trust Tax ID" field replaced with "Trust Tax EIN or special needs trust beneficiary Social Security Number"

"Date of Trust" eliminated.

"Trustee Contact Information" includes the statement: "Our office will contact the trustee listed below following your death".

"Testamentary Trust" field eliminated and replaced with "If the trust is a special needs trust:" with fields for the Trust's beneficiary and the beneficiary's birthdate.

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"Trustee Contact Information" includes the statement: "Our office will contact the trustee listed below following your death".

"Testamentary Trust" field eliminated and replaced with "If the trust is a special needs trust:" with fields for the Trust's beneficiary and the beneficiary's birthdate.

FISCAL IMPACT STATEMENT

105 KAR 1:170
Contact Person: Carole J. Catalfo
Phone: (502) 696-8679
Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 61.505(1)(g), and as amended by Senate Bill 85 of the 2026 legislative session, 16.505(25) and (42); 16.578(2) and (3); 21.420(4), (5), (8) and (9); 21.425(2); 61.502(26) and (31); 61.635(16); 61.640(2) and (3); 61.690(1); 78.510(25) and (56); 78.5532(2) through (4); 161.640(3); and 161.700(2).

KRS 61.505(1)(g), 26 C.F.R. 1.401-1(b)(1)(i), 26 U.S.C. 401(a)

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: KRS 61.505(1)(g) and Senate Bill 85 of the 2026 legislative session.

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: The promulgating agency is the Kentucky Public Pensions Authority. There are no other affected state units, parts, or divisions.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:
   For the first year: None.
   For subsequent years: None.
2. Revenues:
   For the first year: None.
   For subsequent years: None.
3. Cost Savings:
   For the first year: None.
   For subsequent years: None.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): There are no affected local entities.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:
   For the first year: N/A.
   For subsequent years: N/A.
2. Revenues:
   For the first year: N/A.
   For subsequent years: N/A.
3. Cost Savings:

For the first year: N/A.
For subsequent years: N/A.

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): There are no additional regulated entities.

(b) Estimate the following for each regulated entity identified in (5)(a):
1. Expenditures:
For the first year: N/A.
For subsequent years: N/A.
2. Revenues:
For the first year: N/A.
For subsequent years: N/A.
3. Cost Savings:
For the first year: N/A.
For subsequent years: N/A.

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: This administration establishes membership form requirements and has minimal fiscal impact.

(b) Methodology and resources used to determine the fiscal impact: The agency analyzed costs, procedures, and forms for employees who may select a special needs trust as a beneficiary.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a "major economic impact", as defined by KRS 13A.010(13): No, this administrative regulation will not have a major economic impact as defined by KRS 13A.010(13).

(b) The methodology and resources used to reach this conclusion: The agency analyzed costs, procedures, and forms for employees who may select a special needs trust as a beneficiary.

KENTUCKY PUBLIC PENSIONS AUTHORITY
1260 Louisville Road • Frankfort, KY 40601
Phone: (502) 696-8800 • Fax: (502) 696-8822 • kyret.ky.gov

Print Form

Form 2035
Revised ~~6/2026~~ 1/2026

Beneficiary Designation

Member Information Please provide your Member ID or Social Security Number in the Member ID box below.

Member Name: Phone (select type) ☐ Mobile ☐ Home ☐ Work Member ID or SSN:

KPPA will update contact information for your retirement account based on the details provided below.

Address: City: State: zip Code:

Member's Date of Birth: Sex: Personal Email:

Notice: This form is not valid unless it is completed correctly and received by the retirement office prior to the member's death.

The member and a witness must sign this form or it will not be accepted. You may name one or more individuals, your estate, or a trust as principal or contingent beneficiary of your retirement account. If you wish to name more than four individuals as principal or contingent beneficiaries, please contact our office. Your beneficiary designation may be changed at any time prior to retirement by filing a new Form 2035.

Principal Beneficiary Section: Please select one of the beneficiary types below by checking the appropriate box. The principal beneficiary will receive benefits in the event of your death.

☐ **Person**

You cannot name yourself as principal beneficiary. You also cannot name the same person as both principal and contingent beneficiary. If you name a single individual as beneficiary, that individual may be eligible for a lifetime benefit upon your death, depending on your total service credit. If you name multiple individuals, your estate or a trust, no lifetime benefit is available. If you name more than one individual as principal beneficiary, you may indicate the percentage each beneficiary is to receive. Percentages for the principal beneficiary section should total but not exceed 100%. If the percentages do not total 100%, the percentages will be adjusted proportionally to equal 100%. If you do not indicate percentages, disbursement of payment will be divided equally among living principal beneficiaries, or if all principal beneficiaries have died, among all living contingent beneficiaries, as provided in KRS 61.542 and 78.545.

Name: ____ %: ____
Social Security Number: ____ Sex: ____
Date of Birth: ____ Relationship: ____
Address: ____
City: ____ State: ____ Zip Code: ____

Name: ____ %: ____
Social Security Number: ____ Sex: ____
Date of Birth: ____ Relationship: ____
Address: ____
City: ____ State: ____ Zip Code: ____

Name: ____ %: ____
Social Security Number: ____ Sex: ____
Date of Birth: ____ Relationship: ____
Address: ____
City: ____ State: ____ Zip Code: ____

Name: ____ %: ____
Social Security Number: ____ Sex: ____
Date of Birth: ____ Relationship: ____
Address: ____
City: ____ State: ____ Zip Code: ____

☐ **My Estate**

If you name your estate as a principal beneficiary, you cannot name a contingent beneficiary. No additional information required.

☐ ~~Living~~ **Trust (select one): _ Living Trust _ Special Needs Trust _ Testamentary Trust (no additional information or trust document is required)**

The following information is required to designate a living trust. You must write the name of the trust as it appears in the trust document and submit a copy of the trust with this form. A charitable organization or a religious charity cannot be named as beneficiary unless it is a trust.

Name of Trust: Trust Tax ~~ID~~ EIN or special needs trust beneficiary Social Security Number ~~Date of Trust:~~

~~Trustee or Successor~~ Trustee Contact Information: Our office will contact the trustee listed below following your death.

Name: ☐ Phone ☐ ~~Home~~ ☐ ~~Work~~

Address: City: State: Zip Code:

☐ ~~Testamentary Trust~~ If the trust is a special needs trust:

Trust's Beneficiary: Beneficiary's Date of Birth:

Contingent Beneficiary Section: Please select one of the beneficiary types below by checking the appropriate box. The contingent beneficiary will receive benefits in the event of your death only if all of the named principal beneficiaries are deceased. If you named your estate as the principal beneficiary, you cannot name a contingent beneficiary.

☐ **Person**

You cannot name yourself as contingent beneficiary. You also cannot name the same person as both principal and contingent beneficiary. If you name more than one individual as contingent beneficiary you may indicate the percentage each beneficiary is to receive. Percentages for the contingent beneficiary section should total but not exceed 100%. If you do not indicate percentages, disbursement of payment will be divided equally among living principal beneficiaries, or if all principal beneficiaries have died, among all living contingent beneficiaries, as provided in KRS 61.542 and 78.545.

Name: ______ %: ______
Social Security Number: ______ Sex: ______
Date of Birth: ______ Relationship: ______
Address: ______
City: ______ State: ______ Zip Code: ______

Name: ______ %: ______
Social Security Number: ______ Sex: ______
Date of Birth: ______ Relationship: ______
Address: ______
City: ______ State: ______ Zip Code: ______

Name: ______ %: ______
Social Security Number: ______ Sex: ______
Date of Birth: ______ Relationship: ______
Address: ______
City: ______ State: ______ Zip Code: ______

Name: ______ %: ______
Social Security Number: ______ Sex: ______
Date of Birth: ______ Relationship: ______
Address: ______
City: ______ State: ______ Zip Code: ______

☐ **My Estate**

No additional information required.

☐ **Living Trust (select one) _ Living Trust _ Special Needs Trust _ Testamentary Trust (no additional information or trust document is required)**

The following information is required to designate a living trust. You must write the name of the trust as it appears in the trust document and submit a copy of the trust with this form. A charitable organization or a religious charity cannot be named as beneficiary unless it is a trust.

Name of Trust: Trust Tax EIN or special needs trust beneficiary Social Security Number Date of Trust:

~~Trustee or Successor~~ Trustee Contact Information: Our office will contact the trustee listed below following your death.

Name: Phone (select type) ☐ Mobile ☐ Home ☐ Work

Trustee Address: City: State: Zip Code:

☐ ~~**Testamentary Trust**~~ If the trust is a special needs trust:

~~A testamentary trust is established by the member's will and takes effect following the member's death. No additional information required.~~

Trust's Beneficiary: Beneficiary's Date of Birth:

⚠ This form is not valid unless signed by the member and witnessed. Please ensure that you have only checked one beneficiary type box in the principal beneficiary section and one beneficiary type box in the contingent beneficiary section. If you select more than one beneficiary type in either section, this form will be considered invalid. Please initial all corrections you have made to the form. Failure to initial changes may cause the form to be invalid.

I hereby certify that the information completed on this form is true and accurate. I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as KPPA is subject to penalty of perjury in accordance with KRS 523.010, et seq.

Your Signature: Member ID:

Witness Signature: (REQUIRED) Date:

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Print Form

Form 2035
Revised 06/2026

Beneficiary Designation

Member Information Please provide your Member ID or Social Security Number in the Member ID box below.

Member Name:
Phone (select type) ☐ Mobile ☐ Home ☐ Work
Member ID or SSN:

KPPA will update contact information for your retirement account based on the details provided below.

Address: City: State: Zip Code:

Member's Date of Birth: Sex: Personal Email:

Notice: This form is not valid unless it is completed correctly and received by the retirement office prior to the member's death.

The member and a witness must sign this form or it will not be accepted. You may name one or more individuals, your estate, or a trust as principal or contingent beneficiary of your retirement account. If you wish to name more than four individuals as principal or contingent beneficiaries, please contact our office. Your beneficiary designation may be changed at any time prior to retirement by filing a new Form 2035.

Principal Beneficiary Section: Please select one of the beneficiary types below by checking the appropriate box. The principal beneficiary will receive benefits in the event of your death.

☐ **Person**

You cannot name yourself as principal beneficiary. You also cannot name the same person as both principal and contingent beneficiary. If you name a single individual as beneficiary, that individual may be eligible for a lifetime benefit upon your death, depending on your total service credit. If you name multiple individuals, your estate or a trust, no lifetime benefit is available. If you name more than one individual as principal beneficiary, you may indicate the percentage each beneficiary is to receive. Percentages for the principal beneficiary section should total but not exceed 100%. If the percentages do not total 100%, the percentages will be adjusted proportionally to equal 100%. If you do not indicate percentages, disbursement of payment will be divided equally among living principal beneficiaries, or if all principal beneficiaries have died, among all living contingent beneficiaries, as provided in KRS 61.542 and 78.545.

1 Name: ______ %: ______
Social Security Number: ______ Sex: ______
Date of Birth: ______ Relationship: ______
Address: ______
City: ______ State: ______ Zip Code: ______

2 Name: ______ %: ______
Social Security Number: ______ Sex: ______
Date of Birth: ______ Relationship: ______
Address: ______
City: ______ State: ______ Zip Code: ______

3 Name: ______ %: ______
Social Security Number: ______ Sex: ______
Date of Birth: ______ Relationship: ______
Address: ______
City: ______ State: ______ Zip Code: ______

4 Name: ______ %: ______
Social Security Number: ______ Sex: ______
Date of Birth: ______ Relationship: ______
Address: ______
City: ______ State: ______ Zip Code: ______

☐ **My Estate**

If you name your estate as a principal beneficiary, you cannot name a contingent beneficiary. No additional information required.

☐ **Trust (select one):** ☐ **Living Trust** ☐ **Special Needs Trust** ☐ **Testamentary Trust (no additional information or trust document is required)**

The following information is required to designate a living trust. You must write the name of the trust as it appears in the trust document and submit a copy of the trust with this form. A charitable organization or a religious charity cannot be named as beneficiary unless it is a trust.

Name of Trust:		Trust Tax EIN or special needs trust beneficiary Social Security Number :	
Trustee Contact Information: Our office will contact the trustee listed below following your death.			
Name:		Phone:	
Address:	City:	State:	Zip Code:
If the trust is a special needs trust:			
Trust's Beneficiary:		Beneficiary's Date of Birth:	

Contingent Beneficiary Section: Please select one of the beneficiary types below by checking the appropriate box. The contingent beneficiary will receive benefits in the event of your death only if all of the named principal beneficiaries are deceased. If you named your estate as the principal beneficiary, you cannot name a contingent beneficiary.

☐ **Person**

You cannot name yourself as contingent beneficiary. You also cannot name the same person as both principal and contingent beneficiary. If you name more than one individual as contingent beneficiary you may indicate the percentage each beneficiary is to receive. Percentages for the contingent beneficiary section should total but not exceed 100%. If you do not indicate percentages, disbursement of payment will be divided equally among living principal beneficiaries, or if all principal beneficiaries have died, among all living contingent beneficiaries, as provided in KRS 61.542 and 78.545.

1 Name: ________ %: ____

Social Security Number: ________ Sex: ____

Date of Birth: ________ Relationship: ____

Address: ________

City: ________ State: ____ Zip Code: ____

2 Name: ________ %: ____

Social Security Number: ________ Sex: ____

Date of Birth: ________ Relationship: ____

Address: ________

City: ________ State: ____ Zip Code: ____

3 Name: ________ %: ____

Social Security Number: ________ Sex: ____

Date of Birth: ________ Relationship: ____

Address: ________

City: ________ State: ____ Zip Code: ____

4 Name: ________ %: ____

Social Security Number: ________ Sex: ____

Date of Birth: ________ Relationship: ____

Address: ________

City: ________ State: ____ Zip Code: ____

☐ **My Estate**

No additional information required.

☐ **Trust (select one):** ☐ **Living Trust** ☐ **Special Needs Trust** ☐ **Testamentary Trust (no additional information or trust document is required)**

The following information is required to designate a living trust. You must write the name of the trust as it appears in the trust document and submit a copy of the trust with this form. A charitable organization or a religious charity cannot be named as beneficiary unless it is a trust.

Name of Trust:		Trust Tax EIN or special needs trust beneficiary Social Security Number :	
Trustee Contact Information: Our office will contact the trustee listed below following your death.			
Name:		Phone:	
Address:	City:	State:	Zip Code:
If the trust is a special needs trust:			
Trust's Beneficiary:		Beneficiary's Date of Birth:	

This form is not valid unless signed by the member and witnessed. Please ensure that you have only checked one beneficiary type box in the principal beneficiary section and one beneficiary type box in the contingent beneficiary section. If you select more than one beneficiary type in either section, this form will be considered invalid. Please initial all corrections you have made to the form. Failure to initial changes may cause the form to be invalid.

I hereby certify that the information completed on this form is true and accurate. I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as KPPA is subject to penalty of perjury in accordance with KRS 523.010, et seq.

Your Signature: Member ID:

Witness Signature: Date:
(REQUIRED)