

**MINUTES OF MEETING
KENTUCKY PUBLIC PENSIONS AUTHORITY
AD HOC REGULATION COMMITTEE
SPECIAL-CALLED MEETING
SEPTEMBER 16, 2025, AT 10:00 AM
VIA LIVE VIDEO TELECONFERENCE**

At the Special-Called Meeting of the Kentucky Public Pensions Authority Ad Hoc Regulation Committee held on September 16, 2025, the following members were present: Keith Percy (Chair), George Cheatham, and Lynn Hampton. Staff members present were CERS CEO Ed Owens III, KRS CEO John Chilton, Erin Surratt, Michael Lamb, Michael Board, Victoria Hale, Nathan Goodrich, Carole Catalfo, Kristen Coffey, Shaun Case, and Sherry Rankin.

1. Mr. Percy called the meeting to order.
2. Mr. Goodrich read the Opening Statement.
3. Ms. Rankin called roll.
4. Ms. Rankin indicated that no ***Public Comment*** was received.
5. Mr. Percy introduced agenda item ***Approval of Minutes – March 6, 2025*** (Video 00:06:40 to 00:07:09). Mr. Cheatham made a motion to approve the minutes as presented. Ms. Hampton seconded the motion. The motion passed unanimously.
6. Mr. Percy introduced agenda item ***Administrative Regulation 105 KAR 1:445 – Trustee Election*** (Video 00:07:09 to 00:09:20). Ms. Coffey noted that following the CERS election, Mr. Barrow requested that she and several staff members review the regulation to determine whether it accurately reflects internal processes and, if not, to recommend revisions. Upon thorough review, the team found that the regulation generally aligns with current practices, though a few minor adjustments were proposed. The most significant changes pertained to the timeline. The original dates included in the regulation were not established by statute but

had been incorporated administratively. While those dates may have been appropriate when first implemented, they have since created tight deadlines that have proven to be challenging for staff to meet. To ease this pressure and provide greater flexibility in the election process, the timeline was adjusted. These date modifications represent the most notable changes to the regulation.

Ms. Hampton made a motion to approve *Administrative Regulation 105 KAR 1:445* as presented, regarding Trustee Elections, and to forward it to the full KPPA Board for approval. Mr. Cheatham seconded the motion. The motion passed unanimously.

7. Mr. Percy introduced agenda item ***Administrative Regulation 105 KAR 1:020 – Reciprocal Program*** (Video 00:09:20 to 00:11:10). Mr. Goodrich noted that regulation 105 KAR 1:020 pertains to reciprocal programs, specifically governing reciprocity with the Teachers' Retirement System as well as the Legislative and Judicial Retirement Programs. He explained that the legislature enacted a requirement in 2017 or 2018 mandating that agencies review each regulation every seven years and either certify that it remains current or notify the legislature of any necessary updates. This particular regulation was last certified in 2019 and is now due for review; without action, it would otherwise expire. The proposed updates reflect statutory changes made since 2019 and revise the material incorporated by reference to ensure continued accuracy and compliance.

Mr. Cheatham made a motion to approve regulation 105 KAR 1:020 as presented, regarding the Reciprocal Program between CERS, KERS, SPRS, TRS, JRP, and LRP, and to forward it to the full KPPA Board for its approval. Ms. Hampton seconded the motion. The motion passed unanimously.

8. Mr. Percy introduced agenda item ***Administrative Regulation 105 KAR 1:150 – Installment Purchase Procedures*** (Video 00:11:10 to 00:12:35). Mr. Goodrich indicated that regulation 105 KAR 1:150 governs the installment purchase of service. When a member elects to purchase service, they may do so by paying the full amount either through a rollover, in cash, or by opting for an installment plan via payroll deductions. This regulation outlines the

procedures for those options and has been updated accordingly. While the regulation is currently being implemented as written and no substantive changes are being made, it has been revised to ensure compliance with Chapter 13A requirements.

Mr. Cheatham made a motion to approve regulation 105 KAR 1:150 as presented, regarding Installment Purchase Procedures, and to forward it to the full KPPA Board for its approval. Ms. Hampton seconded the motion. The motion passed unanimously.

9. Mr. Percy introduced agenda item ***Administrative Regulation 105 KAR 1:300 – Determination of Service Credit for Classified Employees*** (Video 00:12:35 to 00:14:05). Mr. Goodrich explained that classified employees are school district employees, and this regulation primarily affects members of the County Employees Retirement System (CERS). He noted that the regulation was due to expire unless reviewed and certified in accordance with legislative requirements. The proposed update revises references from Kentucky Retirement Systems to the Kentucky Public Pensions Authority and incorporates changes related to the separation mandated by House Bill 484. Aside from these updates, the regulation is being implemented as written, with no substantive changes to its procedures.

Ms. Hampton made a motion to approve regulation 105 KAR 1:300 as presented, regarding the Determination of Service Credit for Classified Employees, and to forward it to the full KPPA Board for its approval. Mr. Cheatham seconded the motion. The motion passed unanimously.

10. Mr. Percy introduced agenda item ***Administrative Regulation 105 KAR 1:340 – Rollovers and Transfers of Contributions in Other Plans*** (Video 00:14:05 to 00:16:44). Mr. Goodrich noted that the regulation under discussion was due to expire if not certified or amended. He explained that it had not been updated since the separation enacted by House Bill 484. While there have been few changes to IRS requirements, the proposed revisions are primarily technical in nature.

Ms. Hampton inquired whether all the regulations being reviewed were seven years old and asked how long the Kentucky Public Pensions Authority (KPPA) had been in existence. Mr. Goodrich responded that KPPA was established on April 1, 2021. Ms. Hampton expressed curiosity as to why the regulations had not been broadly reapproved at that time to reset the seven-year review period. Ms. Hale explained that during the transition, staff were focused on establishing policies for the Boards and addressing other priorities. Since the substantive content of the regulations had not changed, they were placed on a list to be reviewed as they came due. She noted that in 2022 or 2023, staff supported approximately 82 board and committee meetings, which limited capacity for regulatory updates.

Ms. Hampton then asked for confirmation that, in addition to certifying the regulations for the next seven years, the title was also being updated to reflect KPPA. Ms. Hale confirmed this, stating that the regulation was being filed to prevent expiration and that necessary changes were being incorporated to reflect the transition to KPPA.

Ms. Hampton made a motion to approve regulation 105 KAR 1:340 as presented, regarding Rollovers and Transfers of Contributions in Other Plans, and to forward it to the full KPPA Board for its approval. Mr. Cheatham seconded the motion. The motion passed unanimously.

11. Mr. Percy introduced agenda item ***Administrative Regulation 105 KAR 1:350 – Collection of Account Under \$1,000 by Next of Kin*** (Video 00:16:44 to 00:18:19). Mr. Goodrich explained that KRS 61.703 permits the next of kin of a deceased member to collect an account balance of up to \$1,000 without initiating formal estate proceedings. He noted that this regulation was also set to expire unless reviewed and certified. A substantive change has been made to increase the maximum gross estate balance—defined as the total assets of the estate—to align with current Kentucky law or the law of the state in which the member was domiciled. This adjustment will allow more families of deceased members to benefit from the simplified collection process.

Mr. Cheatham made a motion to approve regulation 105 KAR 1:350 as presented, regarding

the Collection of Account Under \$1,000 by Next of Kin, and to forward it to the full KPPA Board for its approval. Ms. Hampton seconded the motion. The motion passed unanimously.

12. Mr. Percy introduced agenda item ***Regulations for Seven-Year Certification to LRC - 105 KAR 1:320 Proration of Service Credit and 105 KAR 1:345 Rollovers and Transfers of Contributions to Other Plans*** (Video 00:18:19 to 00:20:14). Mr. Goodrich noted that, unlike previous regulations requiring substantive revisions, these two regulations do not require any changes and may be certified to the Legislative Research Commission (LRC) as permanent. He referenced a letter included in the meeting materials that supports this certification for both regulations.

Ms. Catalfo added that there are two technical amendments to regulation 105 KAR 1:345, which have already been discussed with the LRC. The first amendment corrects an omission in Section 2(1)(b), where “(a)” was inadvertently left out and should read “2(1)(a)2–4.” The second amendment addresses a terminology correction in Section 2(4)(b), where the word “distribute” should be replaced with “Distributee.” She stated that these two technical changes will be formally requested. Mr. Goodrich confirmed that the LRC has indicated both amendments qualify as technical.

Mr. Cheatham made a motion to approve the certifications to the LRC that regulations 105 KAR 1:320 and 105 KAR 1:345 as presented, regarding the Proration of Service Credit and the Rollovers and Transfers of Contributions to Other Plans. Ms. Hampton seconded the motion. The motion passed unanimously.

13. Mr. Percy introduced agenda item ***Upcoming Regulations Overview*** (Video 00:06:40 to 00:26:19). Mr. Goodrich presented the upcoming regulations scheduled for review over the next year, noting that there are currently 44 active regulations on file with the Legislative Research Commission (LRC), 15 of which are set to expire between now and June 2026. He explained that this will result in full agendas as final reviews are brought forward ahead of the December KPPA Board meeting and again in March and/or April. He suggested that the Committee may wish to schedule a November meeting or have Ms. Rankin coordinate that

later.

Mr. Goodrich also highlighted a statutory change from the recent legislative session that will affect the post-approval process. House Bill 6 now requires that, in addition to Board approval, the Governor must certify that each regulation meets at least one of six specified criteria. This change was part of a broader effort to rein in regulatory practices across state government, and KPPA was identified as one of the agencies subject to the new requirements. As a result, all KPPA regulations must now be submitted to the Governor's office for certification. However, the Governor is currently challenging the constitutionality of the statute, placing KPPA in a position of navigating requirements from both the legislature and the Executive Branch. Mr. Goodrich affirmed that staff would work with both entities to fulfill statutory obligations.

Ms. Hampton asked Mr. Goodrich to clarify what the legislation aimed to eliminate, questioning whether it was the regulatory process itself. Mr. Goodrich responded that the change narrows the authority to issue regulations, requiring agencies to demonstrate that proposed regulations meet specific criteria—one of which is that the regulation does not have a major economic impact. He explained that this approach mirrors national efforts to limit federal regulatory authority, referencing the U.S. Supreme Court's "Major Questions Doctrine," which holds that major policy decisions should be made by the legislature rather than by agencies. For Kentucky, a major economic impact is defined as exceeding \$500,000, and Mr. Goodrich noted that none of KPPA's regulations meet that threshold.

Ms. Surratt added context to Ms. Hampton's earlier question regarding the creation of KPPA and the continuation of regulations. She noted that House Bill 484 included non-codified language stating that regulations in effect prior to April 1, 2021, would remain in effect and could not be reversed. This provision allowed existing regulations to carry forward following the establishment of KPPA. As Ms. Hale previously explained, staff prioritized regulatory updates based on expiration timelines and business needs. Mr. Peercy remarked that the statute requiring seven-year reviews was enacted around 2017, meaning many regulations are now reaching their first review cycle since being continued under KPPA.

14. There being no further business, Mr. Percy *adjourned* the meeting.

The remainder of this page left blank intentionally.

CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the Kentucky Public Pensions Authority Ad Hoc Regulation Committee on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in conjunction with this meeting.

Recording Secretary

We, the Chair of the Kentucky Public Pensions Authority Ad Hoc Regulation Committee and Executive Director, do certify that the Minutes of Meeting held on September 16, 2025, were approved on November 12, 2025.

KPPA Ad Hoc Regulation Committee Chair

Executive Director

I have reviewed the Minutes of the September 16, 2025, Kentucky Public Pensions Authority Ad Hoc Regulation Committee Meeting for content, form, and legality.

Executive Director, Office of Legal Services