



Office of State Budget Director

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John T. Hicks
State Budget Director

Governor's Office for Policy and Management
Governor's Office for Economic Analysis
Governor's Office for Policy Research

April 30, 2025

Dear Cabinet Secretaries and Independent Agency Heads:

This letter communicates the determination of the KERS nonhazardous employer contribution rate for fiscal year 2025-2026 to Executive branch agencies.

The State Budget Director is required to determine the employer contribution rate for employees participating in the KERS nonhazardous plan. This rate must be in conformance with federal OMB Cost principles. This rate combines the Executive Branch's prorated share of the actuarially accrued liability contribution with the normal cost contribution rate. For fiscal year 2026, the nonhazardous employer contribution rate shall be 42.76%, comprising the normal cost contribution of 8.44% and the actuarially accrued liability contribution of 34.32%. This rate will be applied to payroll periods beginning July 1, 2025 through June 30, 2026.

If you have any questions, please contact your Policy and Budget Analyst.

Sincerely,

A handwritten signature in black ink that reads "John T. Hicks".

John T. Hicks
State Budget Director

TEAM
KENTUCKY