

**61.670 Duties of board -- Actuarial tables, valuations, investigations, and analyses -
- Audit -- Actuary for Legislative Research Commission.**

- (1) (a) As soon as practicable after its organization, the board shall adopt the actuarial tables necessary for the administration of the system and for the annual determination of actuarial assets and liabilities of the system.
- (b) The board shall cause an actuarial valuation to be made annually. The valuation shall at a minimum include:
 1. A description of the actuarial assumptions used in the actuarial valuation, which shall be reasonably related to the experience of the system and represent the actuary's best estimate of anticipated experience;
 2. A description of any funding methods utilized or required by state law in the development of the actuarial valuation results;
 3. A description of any changes in actuarial assumptions and methods from the previous year's actuarial valuation;
 4. The actuarially recommended contribution rate for employers for the upcoming budget periods;
 5. A thirty (30) year projection of the funding levels, unfunded liabilities, and actuarially recommended contribution rates for employers based upon the actuarial assumptions, funding methods, and experience of the system as of the valuation date; and
 6. A sensitivity analysis that evaluates the impact of changes in system assumptions, including but not limited to the investment return assumption, payroll growth assumption, and medical inflation rates, on employer contribution rates, funding levels, and unfunded liabilities.
- (c) At least once in each five (5) year period, the board shall cause an actuarial investigation to be made of all the experience under the retirement system relative to the actuarial assumptions and funding methods previously adopted by the board. The actuarial investigation shall include at a minimum a summary of the changes in actuarial assumptions and funding methods recommended in the investigation and the projected impact of the recommended changes on funding levels, unfunded liabilities, and actuarially recommended contribution rates for employers over a thirty (30) year period.
- (d) Pursuant to the actuarial investigation the board shall, from time to time, revise the actuarial tables previously adopted by the board and shall thereupon revise the bases of the rates of contributions required under KRS 61.510 to 61.692 and KRS 16.505 to 16.652.
- (e) For any change in actuarial assumptions, funding methods, retiree health insurance premiums and subsidies, or any other decisions made by the board that impact system liabilities and actuarially recommended contribution rates for employers and that are not made in conjunction with the actuarial investigation required by paragraph (c) of this subsection, an actuarial analysis shall be completed showing the projected impact of the changes on funding

levels, unfunded liabilities, and actuarially recommended contribution rates for employers over a thirty (30) year period.

- (f) All actuarial investigations, analyses, and valuations shall be certified to the board by an actuary who shall be a fellow of the Conference of Consulting Actuaries or a member of the American Academy of Actuaries.
- (2) A copy of each five (5) year actuarial investigation, actuarial analysis, and annual valuation required by subsection (1) of this section shall be forwarded electronically to the Legislative Research Commission no later than ten (10) days after receipt by the board, and the Legislative Research Commission shall distribute the information received to the committee staff and co-chairs of any committee that has jurisdiction over the Kentucky Retirement Systems. The actuarial valuation required by subsection (1)(b) of this section shall be submitted no later than November 15 following the close of the fiscal year.
- (3) The Legislative Research Commission may employ an actuary with the same qualifications as the actuary employed by the board, and the board shall, free of charge, provide the actuary employed by the Commission with the same data provided to its own actuary, and any supplementary data he or she may require. The actuary employed by the Commission shall review the assumptions, determinations and recommendations of the board actuary, and legislative proposals related to the retirement systems, and report his or her findings to the Commission and to the board. The board shall pay fifty percent (50%) of the cost of the Commission's actuary, and the Commission shall pay the other fifty percent (50%).

Effective: June 29, 2021

History: Amended 2021 Ky. Acts ch. 64, sec. 3, effective June 29, 2021. -- Amended 2020 Ky. Acts ch. 79, sec. 26, effective April 1, 2021. -- Amended 2016 Ky. Acts ch. 133, sec. 5, effective July 15, 2016. -- Amended 1994 Ky. Acts ch. 406, sec. 5, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 240, sec. 44, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 489, sec. 12, effective July 13, 1990. -- Amended 1980 Ky. Acts ch. 246, sec. 5, effective July 15, 1980. -- Amended 1976 Ky. Acts ch. 321, sec. 40. -- Amended 1972 Ky. Acts ch. 116, sec. 54. -- Amended 1962 Ky. Acts ch. 58, sec. 22. -- Created 1956 Ky. Acts ch. 110, sec. 33.