

2025 Regular Session Legislative Summary

The 2025 Regular Session of the Kentucky General Assembly adjourned on Friday, March 28, 2025. KPPA staff tracked a total of 64 bills that might have directly affected the systems and submitted more than 60 Actuarial Analysis letters at the request of the Legislative Research Commission. A total of four retirement related bills passed: two impact specific members and two impact administrative processes.

BILLS PASSED AFFECTING KPPA

Law changes affecting members are typically based on specific membership details, such as participation date, benefit tier, and hazardous or nonhazardous service credit. To see your retirement account summary, log in or register at MyRetirement.ky.gov

HOUSE BILL 30 PUBLIC EMPLOYEE BENEFITS/PENSION SPIKING



Participation
Date Prior to
9/1/2008



Participation Date
9/1/2008
- 12/31/2013

Pension spiking applies to Tier 1 and Tier 2 members. Current law dictates how KPPA administers pension spiking (salary increases above a set threshold) for salary that is used to calculate a member's retirement benefit. This bill amends the definition of *bona fide promotion or career advancement* to include increases in the rate of pay given to all employees of a specified class, commonly referred to as across-the-board raises, which will be exempt from pension spiking per Kentucky Revised Statute 61.598(4)(a).

* In order to comply with a Kentucky Court of Appeals decision from 2023, this is effective with retirement dates on or after July 1, 2024 per 105 Kentucky Administrative Regulation 1:142.

SENATE BILL 10 CERS RETIREE INSURANCE



Participation Date 7/1/2003 and after

Senate Bill 10 only applies to CERS members hired July 1, 2003 and after who are eligible for a dollar contribution toward insurance. All Tier 2 and Tier 3 members are impacted as well as Tier 1 members hired on or after July 1, 2003.

This bill makes two important changes:

1. Increases the non-Medicare eligible retiree insurance dollar contribution for members who meet the career threshold service requirement:

- Tier 1 Hazardous: Members with at least 20 years of service credit at retirement will receive \$50 per month for every year of hazardous service.
- Tier 2 and Tier 3 Hazardous: Members with at least 25 years of service credit at retirement will receive \$50 per month for every year of hazardous service.
- All Tiers Nonhazardous: Members with at least 27 years of service credit at retirement will receive \$40 per month for each year of nonhazardous service.

* The higher contribution amounts payable to impacted CERS retirees will begin on or after January 1, 2026, to coincide with the next health plan year.

2. Extends and adjusts the employee health insurance contribution, which is deposited in a non-refundable trust to fund insurance benefits:

- Tier 1 members with a participation date of July 1, 2003 - August 31, 2008 will now pay a health insurance contribution.
- Increases the hazardous health insurance contribution rate from one percent (1%) to two percent (2%) of creditable compensation; the nonhazardous rate remains at one percent (1%).

* These changes in CERS employee contributions are effective July 1, 2026.

SENATE BILL 176 STATUTORY COMMITTEE MEMBERSHIP APPOINTMENTS

This bill modifies the process for appointments to statutory committees, such as the [Public Pension Oversight Board \(PPOB\)](#). Senate Bill 176 provides that legislator appointments will be made in January of each odd-numbered year for a two-year term, vacancies will be filled within 30 days, and requires the Senate President and Speaker of the House to appoint co-chairs. These changes are effective June 27, 2025.



The PPOB assists the General Assembly with its review, analysis, and oversight of the administration, benefits, investments, funding, laws and administrative regulations, and legislation pertaining to KPPA.

SENATE BILL 183 FIDUCIARY DUTIES AND PROXY ADVISORS

This bill requires state-administered retirement systems to take certain steps when utilizing proxy advisors related to shareholder-sponsored proposals and economic analysis.



Most requirements in this legislation are currently in [existing proxy voting policies](#). These will be reviewed to ensure compliance with Senate Bill 183. These changes are effective June 27, 2025.

IMPLEMENTING NEW LAWS

New legislation requires KPPA to evaluate each bill to determine necessary process and system changes to administer benefits in accordance with law. Currently, our staff is unable to provide specific details on any changes until bills are fully reviewed. We encourage you to check our website and your email for updates about legislative changes.



To stay current with legislation, or to read more information about the legislative process, please visit the [Kentucky Legislative Research Commission website](#).

Please take a minute to verify your contact details online at [MyRetirement.ky.gov](#) and provide your email address so that you receive our informational emails.