

**MINUTES OF MEETING
KENTUCKY PUBLIC PENSIONS
AUTHORITY
AD HOC REGULATION COMMITTEE
SPECIAL CALLED MEETING
JUNE 5, 2024 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 June 5, 2024, the following members were present: Keith Peercy (Chair) and George Cheatham. Staff members present were CERS CEO Ed Owens, III, KRS CEO John Chilton, Rebecca Adkins, Erin Surratt, Mike Lamb, Victoria Hale, Jessica Beaubien, Jillian Hall, Addison Burns, Wes Crosthwaite, Ashley Gabbard, Phillip Cook, and Sherry Rankin.

Mr. Peercy called the meeting to order.

Ms. Hale read the Opening Statement.

Ms. Rankin called roll.

There being no *Public Comment* submitted, Mr. Peercy introduced agenda item *Approval of Minutes – March 7, 2024 (Video 00:08:41 to 00:09:33)*. Mr. Cheatham made a motion to approve the minutes as presented. Mr. Peercy seconded the motion and the motion passed unanimously.

Mr. Peercy introduced agenda item *Administrative Regulation 105 KAR 1:140 (Video 00:09:34 to 00:12:06)*. Ms. Jessica Beaubien stated that this administrative regulation sets out the administrative duties and reporting requirements for all participating employers. This amendment updates the language through the regulation to be consistent with the language used in all Kentucky Public Pensions Authority regulations and the definitions found in 104 KAR 1:001. She indicated that details have been added regarding different groups of employers and their respective reporting requirements. This regulation was amended to include the processes and procedures being utilized by KPPA. In addition, several required forms have also been updated.

Ms. Beaubien noted that limitations and exclusions on increases in creditable compensation in the last five (5) years of service for retiring members has been removed from this regulation and placed

into its own separate regulation (105 KAR 1:142).

Mr. Cheatham made a motion to approve administrative regulation 105 KAR 1:140 as presented, and to forward it to the Authority for its approval. Mr. Peercy seconded the motion and the motion passed unanimously.

Mr. Peercy introduced agenda item *Administrative Regulation 105 KAR 1:142 (Video 00:12:07 to 00:14:41)*. Ms. Beaubien presented this new administrative regulation that establishes limitations and exclusions on increases in creditable compensation in the last five (5) years of service for retiring members with a membership date prior to January 1, 2014 in accordance with KRS 61.598 and 78.545. These limitations and exclusions are commonly referred to as “pension spiking”. Previously, this information was contained in 105 KAR 1:140 but is now being filed as its own administrative regulation for ease of access and revision, as well as to keep 105 KAR 1:140 to a manageable size.

Ms. Bass advised that a substantial change was made to the definition of a bona fide promotion or career advancement that incorporates across the board raises. She explained that this was based on recent cases from the Kentucky Court of Appeals regarding the question of whether across the board raises were exempt from the normal “pension spiking” requirements.

Mr. Cheatham made a motion to approve administrative regulation 105 KAR 1:142 as presented, and to forward it to the Authority for its approval. Mr. Peercy seconded the motion and the motion passed unanimously.

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

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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 June 5, 2024, were approved on September 4, 2024.


KPPA Ad Hoc Regulation Committee Chair


Executive Director

I have reviewed the Minutes of the June 5, 2024, Kentucky Public Pensions Authority Ad Hoc Regulation Committee Meeting for content, form, and legality.


Executive Director, Office of Legal Services