

What is the impact of House Bill 1 and House Bill 604 on the KERS NH and SPRS funds?

The impact of additional funding for SPRS is significant: The allocations that were directed to help pay down that pension fund's unfunded liability will allow the SPRS Employer Contribution Rates to drop below 100% (to 99.43%) for the first time since 2018 and the funded status is expected to improve from 31% to approximately 50%. Without this additional money, [the SPRS Employer Contribution Rate would have been 140.51% in fiscal year 2023.](#)

But KPPA isn't the only beneficiary of these allocations: all Kentuckians benefit from a stronger public pension system. In Fiscal Year 2021, KPPA paid over \$2 billion in ongoing pension benefits payments, with more than 93% of those payments going to Kentucky residents in all 120 counties. Benefit payments provide a consistent, regular revenue stream for local economies, with payments per county ranging from \$1.1 million to \$362 million annually.

Receiving the required funding, plus additional allocations, helps ensure the benefit payments issued by KPPA each month continue to provide a stabilizing element for all local economies in the Commonwealth.

