

Section 2:

Provides that any employer of one or more of the individuals listed above shall be reimbursed for the Federal Insurance Contributions Act tax and retirement plan contributions that employers are required to make to defined benefit pension plans.

The fiscal impact of HB 343 HCS 1 on local governments is dependent on the availability of adequate funding, but could be minimal to moderate.

Payments from the KLEFP are currently \$4,000. Per KRS 15.460, and if funds are available, the local government shall receive reimbursement equaling 7.65 percent of the total annual supplement for amounts greater than \$3,100 for each qualifying officer; the total amount distributed not exceeding \$525,000 for each fiscal year. If there are insufficient funds to provide for full reimbursement, the amount shall be distributed equally among the governmental units.

In addition to the above payments, the local government shall also receive any fringe benefit amounts associated with the \$4,000 supplement, but only to the extent of retirement plan contributions and the federal insurance contributions act tax.

The local government may use the moneys received in any manner it deems necessary to partially cover the costs of administering the payment received.

Part III: Differences to Local Government Mandate Statement from Prior Versions

HB 343 HCS 1 retains the provisions of HB 343 as introduced and adds the following:

Provides reimbursement for Federal Insurance Contributions Act (FICA) tax and retirement plan contributions paid by employers.

Part II refers to the bill as introduced.

Data Source(s): LRC Staff

Preparer: Wendell F. Butler **Reviewer:** KHC **Date:** 3/12/20