

**KENTUCKY RETIREMENT SYSTEMS  
BOARD OF TRUSTEES  
QUARTERLY MEETING  
SEPTEMBER 10, 2020 AT 9:00 A.M., ET  
LIVE VIDEO CONFERENCE/FACEBOOK LIVE**

1. Roll Call
2. Approval of Minutes – May 21, 2020\*
3. Public Comment
4. Approval of the Board Election Policy\* - Kristen Coffey
  - Approval of Terms for the Newly Elected CERS Trustee\*
5. CERS Board of Trustee Candidate Presentations and Nominations\* - Kristen Coffey
6. Retiree Health Plan Committee Report and Recommendations\* - David Rich/Connie Pettyjohn
  - Gain Share and COVID-19 Rebate
  - Humana Retiree Rate Options
7. Investment Committee Report and Recommendations\*- Dave Harris/Rich Robben
8. Audit Committee Report\*- John Chilton/ Kristen Coffey/Rebecca Adkins
  - Hazardous Duty Position Requests
  - Financial Statements
9. Amendments to 105 KAR 1:149 Quasi-Governmental Employer Cessation Window\* - Justin McNeil
10. Bylaw Revision\* - Kathy Rupinen/ Carrie Bass
11. Withdrawal of Board Policies\* - Kathy Rupinen/Carrie Bass
12. Legislative Issues – David Eager
  - Fixed Allocation Funding
  - Housekeeping Bill
  - HB 484 Housekeeping Bill
13. KRS Update- David Eager/Rebecca Adkins
  - Work From Home
  - IT Security
  - KRS Stress Testing
14. New Business
15. Closed Session [Pending Litigation KRS 61.810(1)(c)]\*\*
16. Adjourn

*\*Board Action required*

*\*\*A vote is required to go in to Closed Session. Board Action may be required after returning to Open Session regarding topics discussed in Closed Session.*

**MINUTES OF MEETING #429  
BOARD OF TRUSTEES KENTUCKY RETIREMENT SYSTEMS  
QUARTERLY MEETING MAY 21, 2020 AT 10:00A.M.  
VIA LIVE VIDEO TELECONFERENCE DUE TO SB 150,  
SIGNED INTO LAW BY THE GOVERNOR ON MARCH 30, 2020,  
AND EXECUTIVE ORDER 2020-215 DECLARING A STATE OF EMERGENCY  
EFFECTIVE MARCH 6, 2020 DUE TO COVID-19**

At the Quarterly Meeting of the Board of Trustees held on May 21, 2020 the following members were present: David Harris (Chair), Joe Brothers, John Chilton (arrived at 10:10 a.m.), John Cheshire, Raymond Connell, Kelly Downard, JT Fulkerson, Joseph Grossman, Sherry Kremer, Prewitt Lane, Keith Peercy, Betty Pendergrass, Jerry Powell, David Rich and Sec. Gerina Whethers. Staff members present were David Eager, Rebecca Adkins, Erin Surratt, Kathy Rupinen, Rich Robben, Connie Davis, D’Juan Surratt, Kristen Coffey, Connie Pettyjohn, Ann Case, Elizabeth Smith, Shaun Case, Phillip Cook and Alane Foley.

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Mr. Harris called the meeting to order.

Ms. Alane Foley called roll.

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Mr. Harris introduced agenda item *Swearing in of Secretary Gerina Whethers*. Ms. Alane Foley, as Notary, administered the Oath of Office to Secretary Whethers.

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Being no *Public Comment*, Mr. Harris introduced agenda item *Approval of Minutes- April 16, 2020*. A motion was made by Mr. Brothers and was seconded by Ms. Pendergrass to approve the minutes as presented. The motion passed unanimously.

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Mr. Harris introduced agenda item *Investment Committee Portfolio Report;Blue Torch and Putnam Recommendations*. Mr. Rich Robben provided a performance update as well as details on managers, Blue Torch and Putnam. Mr. Fulkerson moved and was seconded by Mr. Cheshire to approve an allocation of \$200 mil to Blue Torch. The motion passed with a majority vote via a roll call vote.

Ms. Pendergrass moved and was seconded by Mr. Fulkerson to approve the replacement of PIMCO All Asset Fund and Nuveen Real Return investments with Putnam's Dynamic Asset allocation strategy. The motion passed unanimously via a roll call vote.

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Mr. Harris introduced agenda item *Review and Approve Economic Assumptions for All Plans*. Ms. Pendergrass made a motion and was seconded by Mr. Fulkerson to approve the GRS recommendation to continue to use a 2.3% inflation assumption for all retirement plans. The motion passed unanimously via a roll call vote. Mr. Fulkerson made a motion and was seconded by Mr. Grossman to approve the GRS recommendations to continue to use the following investment returns assumptions: 6.25% for CERS, KERS-H and all insurance plans and 5.25% for KERS-NH and SPRS pension funds. The motion passed unanimously via a roll call vote. Ms. Pendergrass made a motion and was seconded by Mr. Downard to approve the GRS recommendation to continue to use the payroll growth assumption of 2% for CERS and KERS-H and 0% for KERS-NH and SPRS pension funds. The motion passed with a majority vote via a roll call vote.

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Mr. Harris introduced agenda item *GRS June 30, 2020 Projections*. Mr. Eager discussed the projections with the Trustees. This was presented for informational purposes only.

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Mr. Harris introduced agenda item *Audit Committee Report*. Ms. Kristen Coffey provided an updated on the CERS Board of Trustees Election Update. Ms. Rebecca Adkins provided the financial statements, cash flow/net position report and budget to actual report. Mr. D'Juan Surratt provided details regarding the hazardous duty position requests. Mr. Rich made a motion to accept the hazardous duty position requests for Elliott County Fiscal Court, Kentucky State University and the City of Winchester. Ms. Pendergrass abstained from the vote in regards to the City of Winchester. The motion passed unanimously.

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Mr. Harris introduced agenda item *Retiree Health Plan Committee Update*. Mr. Rich and Ms. Connie Pettyjohn provided an update to the Trustees. This was provided for informational purposes only.

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Mr. Harris introduced agenda item *Fiduciary Liability Insurance*. Mr. Fulkerson made a motion and was seconded by Mr. Lane to continue to self-insure for fiduciary liability insurance. The motion passed unanimously.

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Mr. Harris introduced agenda item *Committee Assignments*. Ms. Betty Pendergrass will be added to the Investment Committee and Mr. Neil Ramsey will no longer act as Independent Advisor to the Investment Committee. This was provided for informational purposes.

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Mr. David Eager, Ms. Rebecca Adkins and Ms. Erin Surratt provided a *KRS Update* including *Working Through the Pandemic* and *HB 484 Work Plan and Status*.

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A motion was made by Ms. Pendergrass and seconded by Mr. Rich to go in to closed session. The motion passed unanimously.

Ms. Kathy Rupinen read the following statement and the meeting moved into closed session: A motion having been made in open session to move into closed session for a specific purpose, and such motion having carried by majority vote in open, public session, the Board shall now enter closed session to consider the appointment (discipline/dismissal) and member account information of an employee, pursuant to KRS 61.810(1)(f) and KRS 61.810(1)(k). It is necessary to enter closed session because of the sensitive nature of the material to be considered regarding this employee, and the requirement of KRS 61.661(1) that each member's account be administered in a confidential manner.



The meeting was called back into open session.

Mr. Downard made a motion and was seconded by Mr. Rich to extend Mr. David Eager's Executive Director contract as presented effective July 1, 2020 for a period of one year versus the 2 year contract approved at the April 16, 2020 Board Meeting; Cabinet of Finance has agree to waive the right to a RFP assuming the one year contract is approved. The motion passed unanimously.

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There being no further business, a motion was made by Mr. Connell and seconded by Ms. Kremer to adjourn the meeting, to meet again on September 10, 2020 or upon the call of the Executive Director or the Chair of the Board of Trustees. The motion passed unanimously.

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Copies of all documents presented are incorporated as part of the Minutes of the Board of Trustees held May 21, 2020 except documents provided during a closed session conducted pursuant to the open meetings act and exempt under the open records act.

## CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the Directors 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.

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Recording Secretary

We, the Chair of the Board of Directors of the Kentucky Retirement Systems and Executive Director of the Kentucky Retirement Systems, do certify that the Minutes of Meeting Number 429, held on May 21, 2020 were approved on September 10, 2020.

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Chair of the Board of Directors

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Executive Director

I have reviewed the Minutes of the May 21, 2020 Board of Trustees Meeting for content, form, and legality.

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Interim Executive Director  
Office of Legal Services



## KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601  
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



To: Kentucky Retirement Systems Board of Trustees

From: John E. Chilton, CPA, Chair  
Audit Committee of the Board of Trustees

Kristen N. Coffey, CICA *KNC*  
Division Director, Internal Audit Administration

Date: September 10, 2020

Subject: Board Election Policy and CERS Terms

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The Board Election Policy was last updated in 2013. Individuals from the Office of Legal Services, Division of Communications, and Division of Internal Audit Administration have worked together to update the Board Election Policy, including adding policies pertaining to electronic balloting. A “redline” version and a clean copy of the updated policy are attached for your review. At the August 27, 2020 Audit Committee meeting, the Audit Committee approved the policy as presented.

**RECOMMENDATION: The Audit Committee requests the Board of Trustees ratify the actions taken by the Audit Committee.**

In addition, at the August 27, 2020 Audit Committee meeting, the upcoming County Employees Retirement System (CERS) election was discussed. There are currently three elected CERS representatives on the Board. Two of these representatives have a term that expires on March 31, 2021 and one has a term that expires on October 31, 2021. Voting for all three seats will open in January 2021. A decision was needed to determine which winning candidates would begin their term on April 1, 2021 and which candidate would begin on November 1, 2021. The following options was presented to the Audit Committee, which they voted on and approved. This information will be incorporated on the ballot and on the KRS Board Elections website.

When voting concludes in March 2021, the two candidates receiving the highest number of votes will begin their term April 1, 2021, with a term expiration date of March 31, 2025. The candidate with the third highest number of votes will begin his/her term on November 1, 2021, with a term expiration date of March 31, 2025. Since a candidate cannot hold two positions at one time, in the event that one of the two candidates receiving the highest number of votes is the incumbent Trustee whose term ends October 31, 2021, that candidate will continue serving in the current position and then begin the next term when the current term ends. If that situation arises, the candidate with the third highest votes will begin his/her term on April 1, 2021.

**RECOMMENDATION: The Audit Committee requests the Board of Trustees ratify the actions taken by the Audit Committee.**

Attachment

# **KENTUCKY RETIREMENT SYSTEMS**

## **BOARD OF TRUSTEES ELECTION POLICY AND PROCEDURES**

Published: September 10, 2020,

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### **I. INTRODUCTION**

#### Adoption of Board Election Policy

Pursuant to the provisions of Kentucky Revised Statute (KRS) 61.645, the Board of Trustees (Board) of the Kentucky Retirement Systems (Systems) is permitted to adopt procedures necessary to conduct the business of the Systems as needed. State and federal law shall control if any inconsistency exists between the law and this policy.

#### Statement of Board Election Policy

The Board is composed of seventeen trustees: ten nominated by the Governor, three (3) elected from members of the County Employees Retirement System (CERS), two (2) elected from members of the Kentucky Employees Retirement System (KERS), one (1) elected from members of the State Police Retirement System (SPRS), and the Secretary of the Personnel Cabinet. KRS 61.645(3) through (6) provides the basic statutory requirements for the election of the Trustees of the Board. The Systems recognizes the need to establish consistent procedures for the implementation of these statutory provisions requiring the election of certain trustees.

#### Purpose

The purpose of this Board Election Policy (Policy) is to establish procedures to implement KRS 61.645 and 105 KAR 1:445, Electronic ballots in Trustee elections.

### **II. DEFINITIONS**

The following definitions and terms used in this Policy shall be applicable whenever used herein:

1. “Application” means the form adopted by the Board to be used by members seeking to be nominated and placed on the Official Ballot as a candidate.
  
2. “Ballot” or “Official Ballot” means a voting instrument, either electronic or paper, that includes the candidates for election as a Board trustee and the following information for each of the candidates:
  - a. Name;
  - b. Recent photograph;
  - c. City and county of residence;
  - d. Employing agency and position title or the employing agency from which the candidate last worked or retired and the position title of the last position held;
  - e. Education including schools and/or universities attended and degrees earned;

- f. Whether or not the candidate has been convicted of a felony;
- g. Any professional licenses or certifications held by the candidate; and
- h. Any organization of which the candidate is a member that is listed on the candidate's application.

The ballot shall contain the website address where each candidate's application and résumé shall be available for viewing. Candidates' position on the ballot shall be determined by random lottery, performed and certified by the Internal Auditor. Identification information for each eligible voter shall be protected by bar code or other means. The ballot shall include the ability to write-in candidates.

3. "Candidate" means a potential candidate who has been nominated and placed on the Official Ballot by the current Board or by petition from the membership of the system for which the vote is being taken.
4. "Constitutionally eligible individual" means a potential candidate who does not have a conflict of interest on the basis of holding a constitutionally elected or appointed position pursuant to KRS 61.645 and Kentucky Constitution Section 165.
5. "Eligible voter" means any person who was a member of the retirement system for which the vote is being taken on or before December 31 of the year preceding the election year and who has provided the Systems with a valid email or physical address as set forth in KRS 61.645.
6. "Member" shall mean individuals of CERS, KERS, or SPRS, whether that individual is active (i.e. currently employed), inactive (i.e. formerly employed, but not retired and has not taken an account refund), or retired.
7. "Petition" means a document submitted by a prospective candidate requesting to be nominated and placed on the Official Ballot by the members of their respective retirement system. A petition shall meet the following standards or, if it fails to meet the following standards, shall be deemed invalid and the requesting individual shall not be a potential candidate qualified for nomination and placement on the Official Ballot as a candidate:
  - a. The petition shall contain the names, the last four digits of Social Security numbers, and signatures of not less than one-tenth of the number of members voting in the last election for the respective retirement system. Each member may only be counted once on the petition.
  - b. A potential candidate seeking nomination by petition shall submit a fully completed application, résumé, and a release for a criminal background check at the same time the petition is submitted to the Systems.
8. "Plurality of votes" means a majority of votes cast in the election on a Valid Ballot.
9. "Potential candidate" means a member who is seeking nomination as a candidate by the current Board or by valid petition from the membership of the system for which the vote is being taken and who meets the following criteria:
  - a. Is a member of the system for which the vote is being taken;
  - b. Has fully completed and submitted an application, résumé, and a release for a criminal background check by the required deadline;
  - c. Is a constitutionally eligible individual;

- d. Is not statutorily prohibited from being a trustee by virtue of the term limits in KRS 61.645(3); and
  - e. Is not in violation of any provision of KRS 11A.020 or 11A.040 by a court of competent jurisdiction, current or prior employment by the Systems, or any other statute.
10. "Résumé" means a document submitted to the Systems by a member of the system for which an election is to be held, which shall include the member's name, address, phone number, e-mail address, and a written statement regarding the member's background and qualifications.
11. "Term of Office" means the period of membership on the Board, which shall begin on April 1 of the year elected or appointed and shall end on March 31 four years thereafter. One (1) CERS candidate will begin his/her term on November 1, 2021 with the term expiring on March 31, 2025. After which, terms for all candidates shall begin on April 1 of the year elected or appointed and shall end on March 31 four years thereafter.
12. "Valid Ballot" means a current version of the electronic or paper ballot provided to an eligible voter that has been marked to show the voter's choice of at least one (1), but not more than the maximum number of eligible candidates for the number of vacancies being filled. Electronic ballots shall be cast by March 1. Paper ballots shall contain the signature of the voter and be postmarked to the Systems in care of a predetermined post office box number at a United States Post Office located within Kentucky no later than March 1. Any ballot that does not meet these standards shall be deemed an invalid ballot and shall not be counted. In addition, if multiple votes are casts by one (1) individual, only the first counted vote will be considered valid and will be counted; all subsequent votes shall be invalid and will not be counted.
13. "Write-in candidate" means an individual whose full name (first, middle, and last name) was written in the space provided on at least one Valid Ballot. Should a write-in candidate receive a plurality of votes, the Internal Auditor will ensure the write-in candidate meets all of the following criteria. If the criteria is not met, the write-in candidate will not be allowed to serve as trustee:
- a. Is a member of the system for which the vote is being taken;
  - b. Is not statutorily prohibited from being a trustee by virtue of the term limits in KRS 61.645(3);
  - c. Is not in violation of any provision of KRS 11A.020 or 11A.040 by a court of competent jurisdiction, current or prior employment by the Systems, or any other statute; and
  - d. Is a constitutionally eligible individual.

### **III. REQUESTS FOR CANDIDATES PROCEDURES**

1. The Systems shall provide a notice to the membership seeking applications from members to be nominated to be a potential candidate for the position of Trustee. The notice shall include information, or direct the membership on how to find information, regarding the qualifications necessary for candidacy as well as the due dates for applications and other required documents.

2. A member seeking nomination by the Board must submit a completed application, résumé, and a release for a criminal background check to the Executive Director or his designee by July 31 of the year prior to the expiration of a term of office.
3. Personal information for each member requesting nomination by the Board will be forwarded to the Office of the Attorney General of Kentucky to determine whether the member is a constitutionally eligible individual.
  - a. If the member is not a constitutionally eligible individual, the member shall be notified of his or her ineligibility, and that he or she will not be listed as a potential candidate for nomination by the Board, unless the member resigns his or her position causing the constitutional ineligibility.
  - b. The Board also shall be notified if the member seeking to be listed as a potential candidate for nomination by the Board is determined not to be a constitutionally eligible individual.
4. Any information requested by a potential candidate and approved by the Systems to be provided to the potential candidate shall be forwarded to all other potential candidates, providing the information does not violate the confidentiality requirements specified in KRS 61.661 or any other binding law.

#### IV. NOMINATION BY THE BOARD PROCEDURES

1. The Executive Director of the Systems shall provide written notice to the Board of election procedures at the first quarterly meeting in the Board year preceding the expiration of the term of office.
2. At the quarterly Board meeting in September, the Board shall nominate no more than three (3) candidates for each position to be elected.
  - a. In the case of CERS, the ballot shall contain no more than nine (9) names.
  - b. In the case of KERS, the ballot shall contain no more than six (6) names.
  - c. In the case of SPRS, the ballot shall contain no more than three (3) names.
3. At the quarterly Board meeting in September, the current trustees will be given a list of all potential candidates seeking nomination by the Board.
4. From the list provided, each current trustee may vote for up to three (3) potential candidates per open position. The maximum nominations are as follows:
  - a. In the case of CERS, each current trustee may vote for up to nine (9) candidates.
  - b. In the case of KERS, each current trustee may vote for up to six (6) candidates.
  - c. In the case of SPRS, each current trustee may vote for up to three (3) candidates.
5. After voting under Paragraph four (4) of this section is completed, a representative from Internal Audit will review the number of votes received by each of potential candidates ~~that received votes~~. The potential candidates that receive the highest number of votes will be placed on the Official Ballot. No more than the maximum allowed nominated candidates under Paragraph two (2) of this section will be placed on the Official Ballot.
6. If ~~the multiple number of~~ potential candidates receiving the same number of votes under Paragraph four (4) of this section resulting in more than exceeds the maximum allowed nominated candidates under Paragraph two (2) of this section, another vote

~~will be taken only of those potential candidates receiving a tying vote for the last spot(s) on the Official Ballot. all potential candidates receiving no votes will be removed from the list of potential candidates. The revised list of potential candidates will be provided to the current trustees and another vote will be taken. Trustees will vote for up to one (1) potential candidate per remaining spot to be filled on the Official Ballot. After the additional vote is taken, the potential candidate(s) receiving the highest number of votes will be placed on the Official Ballot. again vote for three (3) potential candidates per open position. The voting shall continue in this manner until the ties are broken resulting in no more than the maximum number of allowed nominated candidates under Paragraph two (2) of this section. no more than the maximum number of allowable potential candidates remain and these shall be the candidates placed on the Official Ballot to be distributed to eligible voters.~~

7. If ~~the number of potential candidates receiving vot~~inges under Paragraphs four (4) and/or six (6) of this section ~~results in is~~ fewer than the maximum number of allowed potential candidates being nominated to the Official Ballot under Paragraph two (2), the trustees must take one (1) of the following actions by affirmative majority vote:
  - a. Allow only those ~~remaining~~ potential candidates with the highest number of votes under Paragraphs four (4) and/or six (6) to be placed on the Official Ballot, or
  - b. From the original list of potential candidates, vote in accordance with Paragraph ~~six four (64)~~ six (6) of this section for potential candidates who have not received sufficient votes under Paragraphs four (4) or six (6) to be placed on the ballot who have not yet received any votes until the maximum number of potential candidates under Paragraph two (2) areis nominated to be on ~~on~~ the Official Ballot.
8. The Systems will publish the candidates nominated by the Board on the Systems' website. Deadlines as set out below shall be provided on the website.

## V. NOMINATION BY PETITION PROCEDURES

1. After the Systems announces the candidates nominated by the Board, a member may also seek nomination by petition from the membership of the retirement system for which the election is to be held. The petition nomination process will be published on the Systems' website.
2. To be nominated as a candidate on the Official Ballot, a member seeking nominating by petition from the membership of the retirement system for which the election is to be held must submit a petition complying with the requirements as set out in the definitions above and adhere to the following requirements:
  - a. The petition may only contain the name of one (1) potential candidate.
  - b. The petition shall be delivered to the Executive Director or his designee no later than November 30 of the year prior to the expiration of a term of office.
3. Names and last four digits of Social Security numbers on petitions shall be verified by individuals designated by the Executive Director and the results shall be certified by the Internal Auditor. The certification of additional candidates shall become part of the official minutes of the Board.
4. Personal information for each member submitting a petition will be forwarded to the



Office of the Attorney General of Kentucky to determine whether the member is a constitutionally eligible individual.

- a. If the member is not a constitutionally eligible individual, the member shall be notified of his or her ineligibility, and that he or she does not qualify as a potential candidate for nomination by petition, unless the member resigns his or her position causing the constitutional ineligibility.
  - b. The Board also shall be notified if the member seeking to qualify as a potential candidate for nomination by petition is determined not to be a constitutionally eligible individual.
5. Any information requested by a potential candidate and approved by the Systems to be provided to the potential candidate shall be forwarded to all other potential candidates, providing the information does not violate the confidentiality requirements specified in KRS 61.661 or any other binding law.

## **VI. ELECTION PROCEDURES**

1. An Official Ballot, complying with the requirements as set out in the definitions above, shall be prepared no later than three (3) months prior to the expiration of the term of office in question.
  - a. Electronic ballots shall include instructions on voting for a candidate, including write-in candidates. The deadline by which electronic votes must be cast shall be included on the electronic ballots.
  - b. Paper ballots shall include instructions for voting for a candidate, including write-in candidates, and for marking and returning the ballots. The postmark deadline for the paper ballots shall be printed on the ballots. Paper ballots shall be addressed to the Systems in care of a predetermined post office box number at a United States Post Office located within Kentucky.
2. The Executive Director or designee shall initiate a bid for a contracted auditing firm to serve as the Systems' Election Services Vendor using the procurement procedures then in place. The bid shall outline vendor security requirements, the technical requirements for both electronic and paper ballots (including paper ballot printing specifications), and the required election timeline.
3. The Board's contracted auditing firm shall obtain the post office box for receipt of paper ballots. Access to this post office box shall be limited to the contracted auditing firm. An agreement shall be made between the Systems and the contracted auditing firm concerning the location of the postal box and the Business Reply Permit Number that shall be used.
4. Only one (1) ballot will be provided to an eligible voter. Ballots will be distributed as follows:
  - a. Electronic ballots for the election of trustees shall be distributed via email addresses on file at the Systems.
  - b. Paper ballots for the election of trustees shall be distributed via the United States Postal Service to each voter that does not have a valid email address on file at the Systems or to each eligible voter that requests a paper ballot by

November 30 of the year prior to the expiration of a term of office.

5. Duplicate ballots will not be produced.
  - a. If an eligible voter fails to receive a ballot (paper or electronic) because of an act or omission of the Systems and makes the Systems aware of this before the voting has closed, the Internal Auditor shall provide a replacement ballot. If the Systems is made aware of the situation on or before one (1) week prior to the postmark deadline, the eligible voter may request either a paper or electronic ballot. If the Systems is made aware of the situation with less than a week before for the postmark deadline, only an electronic ballot will be provided to the eligible voter. The Internal Auditor shall notify the contracted auditing firm in writing about the newly provided ballot.
  - b. If a paper ballot is returned to the Systems with an invalid address, but a corrected address is received from the United States Postal Service on or before one (1) week prior to the postmark deadline, the Internal Auditor may mail a subsequent paper ballot to the eligible voter at the corrected address.
6. All eligible voters will be provided with an electronic ballot or mailed a paper ballot on or before January 20.
7. The contracted auditing firm shall count each ballot. In so doing, the contracted auditing firm shall review the validity of the ballot in accordance with the definition above. All votes via valid ballots shall be counted for the candidates marked. During the process of the count, all ballots shall be in the exclusive control of the contracted auditing firm, with proper security to ensure that no one other than the contracted auditing firm has access to the ballots.
8. Official ballots returned to the Systems will be processed in accordance with 105 KAR 1:445 Sections 4, 6.
9. After counting all valid ballots, the contracted auditing firm shall certify in writing the results of the election to the Chair of the Board in care of the Executive Director at the retirement office on or before March 15 of the year in which a term of office expires.
10. The candidate(s) receiving a plurality of the votes for each trustee position to be elected shall be designated as the winner. Winning candidates shall begin their term of office as trustee on April 1 and shall be sworn in at the annual meeting of the Board. One (1) CERS candidate will begin his/her term as trustee on November 1, 2021 and will be sworn in at the November quarterly Board meeting. That term will expire on March 31, 2025. After which, terms for all candidates elected as trustees shall begin on April 1 of the year elected or appointed and shall end on March 31 four years thereafter.
  - a. In the case of CERS, the three (3) persons receiving the largest pluralities of votes shall be the elected trustees.
  - b. In the case of KERS, the two (2) persons receiving the largest pluralities of votes shall be the elected trustees.
  - c. In the case of SPRS, the one (1) person receiving the largest plurality of votes shall be the elected trustee.
11. Once ballots have been counted and the election is deemed final, the contracted auditing firm shall destroy all ballots and provide a certificate to that effect to the

Executive Director or his designee.

## **VII. VACANCY PROCEDURES**

1. Any vacancy that may occur in a trustee position other an elected trustee position, except by the expiration of the term, shall be filled in the same manner that provides for the selection of that non-elected trustee position under KRS 61.645.
2. Any vacancy, which may occur in an elected position, other than by the expiration of the term, shall be filled within ninety (90) days by appointment by a majority vote of the remaining elected trustees.
  - a. The Systems shall provide notice to the membership seeking applications for members to be appointed for the position of Trustee.
  - b. A member seeking appointment by the Board must submit a completed application, résumé, and release for criminal background check to the Executive Director or his designee no later than sixty (60) days after the vacancy occurs. The specific due date will be listed in the provided notice.
  - c. Personal information for each member requesting appointment by the Board will be forwarded to the Office of the Attorney General of Kentucky to determine whether the member is a constitutionally eligible individual.
    - i. If a member is not a constitutionally eligible individual, the member shall be notified of ineligibility and that he or she will not be considered for appointment to the vacant position, unless the member resigns his or her position causing the constitutional ineligibility.
    - ii. The Board shall also be notified if a member seeking appointment is determined not to be a constitutionally eligible individual.
3. Each current trustee may make one (1) nomination for the vacant seat.
4. The individuals nominated by the current trustees shall complete and submit an application, a résumé, and a release for a criminal background check. All individuals nominated by the current trustees shall meet the requirements of a potential candidate as defined above.
5. If more than two (2) candidates are nominated for appointment to fill the vacancy of an elected position, then the Board shall reduce the number to two (2) candidates by use of the voting procedure set forth in Paragraphs 4 and 5, Nomination By the Board Procedures, set forth above.
6. Any such vacancies shall only be filled for the expiration of the unexpired term.

## **VIII. VENDOR PROCUREMENT PROCEDURES**

1. When procuring a contracted auditing firm to serve as the Systems' Election Services Vendor, the request for proposal (RFP) shall indicate that the selected vendor will sign the Systems' Business Associate and Confidentiality Agreements as well as provide a summary of security policies and standard security procedures related to ensuring election integrity. The RFP must include specific security details to which the vendor

must adhere. The security details should include, but not be limited to, the following topics:

- a. Systems, network, and application software used to process sensitive information.
- b. Vendor risk and threat management responsibilities.
- c. Software License Agreements.
- d. Service Level Agreement and Support.

2. The team that drafts the RFP and evaluates the bid proposals should include employees from the Divisions of Internal Audit Administration, Communications, and Enterprise and Technology Services. Staff from the Office of Legal Services should be consulted as needed.

**IX. ETHICS**

Ethics in the election process shall conform to the Executive Branch Code of Ethics as set forth in KRS Chapter 11A.

**X. CERTIFICATION**

We, the Chair of the Board and the Executive Director, do hereby certify that this Board Election Policy and Procedures was amended by the Board on this the 10th day of September, 2020.

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David Harris, Chair of Board of Trustees Date

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David Eager, Executive Director Date

History: Approval Date: June 9, 2005,  
Amended: May 18, 2006; May 17, 2007; August 19, 2010; May 17, 2012;  
August 16, 2012; December 5, 2013; and September 10, 2020

# **KENTUCKY RETIREMENT SYSTEMS**

## **BOARD OF TRUSTEES ELECTION POLICY AND PROCEDURES**

Published: September 10, 2020,

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### **I. INTRODUCTION**

#### Adoption of Board Election Policy

Pursuant to the provisions of Kentucky Revised Statute (KRS) 61.645, the Board of Trustees (Board) of the Kentucky Retirement Systems (Systems) is permitted to adopt procedures necessary to conduct the business of the Systems as needed. State and federal law shall control if any inconsistency exists between the law and this policy.

#### Statement of Board Election Policy

The Board is composed of seventeen trustees: ten nominated by the Governor, three (3) elected from members of the County Employees Retirement System (CERS), two (2) elected from members of the Kentucky Employees Retirement System (KERS), one (1) elected from members of the State Police Retirement System (SPRS), and the Secretary of the Personnel Cabinet. KRS 61.645(3) through (6) provides the basic statutory requirements for the election of the Trustees of the Board. The Systems recognizes the need to establish consistent procedures for the implementation of these statutory provisions requiring the election of certain trustees.

#### Purpose

The purpose of this Board Election Policy (Policy) is to establish procedures to implement KRS 61.645 and 105 KAR 1:445, Electronic ballots in Trustee elections.

### **II. DEFINITIONS**

The following definitions and terms used in this Policy shall be applicable whenever used herein:

1. “Application” means the form adopted by the Board to be used by members seeking to be nominated and placed on the Official Ballot as a candidate.
2. “Ballot” or “Official Ballot” means a voting instrument, either electronic or paper, that includes the candidates for election as a Board trustee and the following information for each of the candidates:
  - a. Name;
  - b. Recent photograph;
  - c. City and county of residence;
  - d. Employing agency and position title or the employing agency from which the candidate last worked or retired and the position title of the last position held;
  - e. Education including schools and/or universities attended and degrees earned;

- f. Whether or not the candidate has been convicted of a felony;
- g. Any professional licenses or certifications held by the candidate; and
- h. Any organization of which the candidate is a member that is listed on the candidate's application.

The ballot shall contain the website address where each candidate's application and résumé shall be available for viewing. Candidates' position on the ballot shall be determined by random lottery, performed and certified by the Internal Auditor. Identification information for each eligible voter shall be protected by bar code or other means. The ballot shall include the ability to write-in candidates.

3. "Candidate" means a potential candidate who has been nominated and placed on the Official Ballot by the current Board or by petition from the membership of the system for which the vote is being taken.
4. "Constitutionally eligible individual" means a potential candidate who does not have a conflict of interest on the basis of holding a constitutionally elected or appointed position pursuant to KRS 61.645 and Kentucky Constitution Section 165.
5. "Eligible voter" means any person who was a member of the retirement system for which the vote is being taken on or before December 31 of the year preceding the election year and who has provided the Systems with a valid email or physical address as set forth in KRS 61.645.
6. "Member" shall mean individuals of CERS, KERS, or SPRS, whether that individual is active (i.e. currently employed), inactive (i.e. formerly employed, but not retired and has not taken an account refund), or retired.
7. "Petition" means a document submitted by a prospective candidate requesting to be nominated and placed on the Official Ballot by the members of their respective retirement system. A petition shall meet the following standards or, if it fails to meet the following standards, shall be deemed invalid and the requesting individual shall not be a potential candidate qualified for nomination and placement on the Official Ballot as a candidate:
  - a. The petition shall contain the names, the last four digits of Social Security numbers, and signatures of not less than one-tenth of the number of members voting in the last election for the respective retirement system. Each member may only be counted once on the petition.
  - b. A potential candidate seeking nomination by petition shall submit a fully completed application, résumé, and a release for a criminal background check at the same time the petition is submitted to the Systems.
8. "Plurality of votes" means a majority of votes cast in the election on a Valid Ballot.
9. "Potential candidate" means a member who is seeking nomination as a candidate by the current Board or by valid petition from the membership of the system for which the vote is being taken and who meets the following criteria:
  - a. Is a member of the system for which the vote is being taken;
  - b. Has fully completed and submitted an application, résumé, and a release for a criminal background check by the required deadline;
  - c. Is a constitutionally eligible individual;

- d. Is not statutorily prohibited from being a trustee by virtue of the term limits in KRS 61.645(3); and
  - e. Is not in violation of any provision of KRS 11A.020 or 11A.040 by a court of competent jurisdiction, current or prior employment by the Systems, or any other statute.
10. "Résumé" means a document submitted to the Systems by a member of the system for which an election is to be held, which shall include the member's name, address, phone number, e-mail address, and a written statement regarding the member's background and qualifications.
11. "Term of Office" means the period of membership on the Board, which shall begin on April 1 of the year elected or appointed and shall end on March 31 four years thereafter. One (1) CERS candidate will begin his/her term on November 1, 2021 with the term expiring on March 31, 2025. After which, terms for all candidates shall begin on April 1 of the year elected or appointed and shall end on March 31 four years thereafter.
12. "Valid Ballot" means a current version of the electronic or paper ballot provided to an eligible voter that has been marked to show the voter's choice of at least one (1), but not more than the maximum number of eligible candidates for the number of vacancies being filled. Electronic ballots shall be cast by March 1. Paper ballots shall contain the signature of the voter and be postmarked to the Systems in care of a predetermined post office box number at a United States Post Office located within Kentucky no later than March 1. Any ballot that does not meet these standards shall be deemed an invalid ballot and shall not be counted. In addition, if multiple votes are casts by one (1) individual, only the first counted vote will be considered valid and will be counted; all subsequent votes shall be invalid and will not be counted.
13. "Write-in candidate" means an individual whose full name (first, middle, and last name) was written in the space provided on at least one Valid Ballot. Should a write-in candidate receive a plurality of votes, the Internal Auditor will ensure the write-in candidate meets all of the following criteria. If the criteria is not met, the write-in candidate will not be allowed to serve as trustee:
- a. Is a member of the system for which the vote is being taken;
  - b. Is not statutorily prohibited from being a trustee by virtue of the term limits in KRS 61.645(3);
  - c. Is not in violation of any provision of KRS 11A.020 or 11A.040 by a court of competent jurisdiction, current or prior employment by the Systems, or any other statute; and
  - d. Is a constitutionally eligible individual.

### **III. REQUESTS FOR CANDIDATES PROCEDURES**

1. The Systems shall provide a notice to the membership seeking applications from members to be nominated to be a potential candidate for the position of Trustee. The notice shall include information, or direct the membership on how to find information, regarding the qualifications necessary for candidacy as well as the due dates for applications and other required documents.

2. A member seeking nomination by the Board must submit a completed application, résumé, and a release for a criminal background check to the Executive Director or his designee by July 31 of the year prior to the expiration of a term of office.
3. Personal information for each member requesting nomination by the Board will be forwarded to the Office of the Attorney General of Kentucky to determine whether the member is a constitutionally eligible individual.
  - a. If the member is not a constitutionally eligible individual, the member shall be notified of his or her ineligibility, and that he or she will not be listed as a potential candidate for nomination by the Board, unless the member resigns his or her position causing the constitutional ineligibility.
  - b. The Board also shall be notified if the member seeking to be listed as a potential candidate for nomination by the Board is determined not to be a constitutionally eligible individual.
4. Any information requested by a potential candidate and approved by the Systems to be provided to the potential candidate shall be forwarded to all other potential candidates, providing the information does not violate the confidentiality requirements specified in KRS 61.661 or any other binding law.

#### **IV. NOMINATION BY THE BOARD PROCEDURES**

1. The Executive Director of the Systems shall provide written notice to the Board of election procedures at the first quarterly meeting in the Board year preceding the expiration of the term of office.
2. At the quarterly Board meeting in September, the Board shall nominate no more than three (3) candidates for each position to be elected.
  - a. In the case of CERS, the ballot shall contain no more than nine (9) names.
  - b. In the case of KERS, the ballot shall contain no more than six (6) names.
  - c. In the case of SPRS, the ballot shall contain no more than three (3) names.
3. At the quarterly Board meeting in September, the current trustees will be given a list of all potential candidates seeking nomination by the Board.
4. From the list provided, each current trustee may vote for up to three (3) potential candidates per open position. The maximum nominations are as follows:
  - a. In the case of CERS, each current trustee may vote for up to nine (9) candidates.
  - b. In the case of KERS, each current trustee may vote for up to six (6) candidates.
  - c. In the case of SPRS, each current trustee may vote for up to three (3) candidates.
5. After voting under Paragraph four (4) of this section is completed, a representative from Internal Audit will review the number of votes received by each potential candidate. The potential candidates that receive the highest number of votes will be placed on the Official Ballot. No more than the maximum allowed nominated candidates under Paragraph two (2) of this section will be placed on the Official Ballot.
6. If multiple potential candidates receive the same number of votes under Paragraph four (4) of this section resulting in more than the maximum allowed nominated candidates under Paragraph two (2) of this section, another vote will be taken only of those potential candidates receiving a tying vote for the last spot(s) on the Official Ballot.



Trustees will vote for up to one (1) potential candidate per remaining spot to be filled on the Official Ballot. After the additional vote is taken, the potential candidate(s) receiving the highest number of votes will be placed on the Official Ballot. The voting shall continue in this manner until the ties are broken resulting in no more than the maximum number of allowed nominated candidates under Paragraph two (2) of this section.

7. If voting under Paragraphs four (4) and/or six (6) of this section results in fewer than the maximum number of allowed potential candidates being nominated to the Official Ballot under Paragraph two (2), the trustees must take one (1) of the following actions by affirmative majority vote:
  - a. Allow only those potential candidates with the highest number of votes under Paragraphs four (4) and/or six (6) to be placed on the Official Ballot, or
  - b. From the original list of potential candidates, vote in accordance with Paragraph six (6) of this section for potential candidates who have not received sufficient votes under Paragraphs four (4) or six (6) to be placed on the ballot until the maximum number of potential candidates under Paragraph two (2) are nominated to be on the Official Ballot.
8. The Systems will publish the candidates nominated by the Board on the Systems' website. Deadlines as set out below shall be provided on the website.

## **V. NOMINATION BY PETITION PROCEDURES**

1. After the Systems announces the candidates nominated by the Board, a member may also seek nomination by petition from the membership of the retirement system for which the election is to be held. The petition nomination process will be published on the Systems' website.
2. To be nominated as a candidate on the Official Ballot, a member seeking nominating by petition from the membership of the retirement system for which the election is to be held must submit a petition complying with the requirements as set out in the definitions above and adhere to the following requirements:
  - a. The petition may only contain the name of one (1) potential candidate.
  - b. The petition shall be delivered to the Executive Director or his designee no later than November 30 of the year prior to the expiration of a term of office.
3. Names and last four digits of Social Security numbers on petitions shall be verified by individuals designated by the Executive Director and the results shall be certified by the Internal Auditor. The certification of additional candidates shall become part of the official minutes of the Board.
4. Personal information for each member submitting a petition will be forwarded to the Office of the Attorney General of Kentucky to determine whether the member is a constitutionally eligible individual.
  - a. If the member is not a constitutionally eligible individual, the member shall be notified of his or her ineligibility, and that he or she does not qualify as a potential candidate for nomination by petition, unless the member resigns his or her position causing the constitutional ineligibility.
  - b. The Board also shall be notified if the member seeking to qualify as a potential candidate for nomination by petition is determined not to be a constitutionally

eligible individual.

5. Any information requested by a potential candidate and approved by the Systems to be provided to the potential candidate shall be forwarded to all other potential candidates, providing the information does not violate the confidentiality requirements specified in KRS 61.661 or any other binding law.

## **VI. ELECTION PROCEDURES**

1. An Official Ballot, complying with the requirements as set out in the definitions above, shall be prepared no later than three (3) months prior to the expiration of the term of office in question.
  - a. Electronic ballots shall include instructions on voting for a candidate, including write-in candidates. The deadline by which electronic votes must be cast shall be included on the electronic ballots.
  - b. Paper ballots shall include instructions for voting for a candidate, including write-in candidates, and for marking and returning the ballots. The postmark deadline for the paper ballots shall be printed on the ballots. Paper ballots shall be addressed to the Systems in care of a predetermined post office box number at a United States Post Office located within Kentucky.
2. The Executive Director or designee shall initiate a bid for a contracted auditing firm to serve as the Systems' Election Services Vendor using the procurement procedures then in place. The bid shall outline vendor security requirements, the technical requirements for both electronic and paper ballots (including paper ballot printing specifications), and the required election timeline.
3. The Board's contracted auditing firm shall obtain the post office box for receipt of paper ballots. Access to this post office box shall be limited to the contracted auditing firm. An agreement shall be made between the Systems and the contracted auditing firm concerning the location of the postal box and the Business Reply Permit Number that shall be used.
4. Only one (1) ballot will be provided to an eligible voter. Ballots will be distributed as follows:
  - a. Electronic ballots for the election of trustees shall be distributed via email addresses on file at the Systems.
  - b. Paper ballots for the election of trustees shall be distributed via the United States Postal Service to each voter that does not have a valid email address on file at the Systems or to each eligible voter that requests a paper ballot by November 30 of the year prior to the expiration of a term of office.
5. Duplicate ballots will not be produced.
  - a. If an eligible voter fails to receive a ballot (paper or electronic) because of an act or omission of the Systems and makes the Systems aware of this before the voting has closed, the Internal Auditor shall provide a replacement ballot. If the Systems is made aware of the situation on or before one (1) week prior to the postmark deadline, the eligible voter may request either a paper or electronic

ballot. If the Systems is made aware of the situation with less than a week before for the postmark deadline, only an electronic ballot will be provided to the eligible voter. The Internal Auditor shall notify the contracted auditing firm in writing about the newly provided ballot.

- b. If a paper ballot is returned to the Systems with an invalid address, but a corrected address is received from the United States Postal Service on or before one (1) week prior to the postmark deadline, the Internal Auditor may mail a subsequent paper ballot to the eligible voter at the corrected address.
6. All eligible voters will be provided with an electronic ballot or mailed a paper ballot on or before January 20.
  7. The contracted auditing firm shall count each ballot. In so doing, the contracted auditing firm shall review the validity of the ballot in accordance with the definition above. All votes via valid ballots shall be counted for the candidates marked. During the process of the count, all ballots shall be in the exclusive control of the contracted auditing firm, with proper security to ensure that no one other than the contracted auditing firm has access to the ballots.
  8. Official ballots returned to the Systems will be processed in accordance with 105 KAR 1:445 Sections 4, 6.
  9. After counting all valid ballots, the contracted auditing firm shall certify in writing the results of the election to the Chair of the Board in care of the Executive Director at the retirement office on or before March 15 of the year in which a term of office expires.
  10. The candidate(s) receiving a plurality of the votes for each trustee position to be elected shall be designated as the winner. Winning candidates shall begin their term of office as trustee on April 1 and shall be sworn in at the annual meeting of the Board. One (1) CERS candidate will begin his/her term as trustee on November 1, 2021 and will be sworn in at the November quarterly Board meeting. That term will expire on March 31, 2025. After which, terms for all candidates elected as trustees shall begin on April 1 of the year elected or appointed and shall end on March 31 four years thereafter.
    - a. In the case of CERS, the three (3) persons receiving the largest pluralities of votes shall be the elected trustees.
    - b. In the case of KERS, the two (2) persons receiving the largest pluralities of votes shall be the elected trustees.
    - c. In the case of SPRS, the one (1) person receiving the largest plurality of votes shall be the elected trustee.
  11. Once ballots have been counted and the election is deemed final, the contracted auditing firm shall destroy all ballots and provide a certificate to that effect to the Executive Director or his designee.

## **VII. VACANCY PROCEDURES**

1. Any vacancy that may occur in a trustee position other an elected trustee position, except by the expiration of the term, shall be filled in the same manner that provides for the selection of that non-elected trustee position under KRS 61.645.

2. Any vacancy, which may occur in an elected position, other than by the expiration of the term, shall be filled within ninety (90) days by appointment by a majority vote of the remaining elected trustees.
  - a. The Systems shall provide notice to the membership seeking applications for members to be appointed for the position of Trustee.
  - b. A member seeking appointment by the Board must submit a completed application, résumé, and release for criminal background check to the Executive Director or his designee no later than sixty (60) days after the vacancy occurs. The specific due date will be listed in the provided notice.
  - c. Personal information for each member requesting appointment by the Board will be forwarded to the Office of the Attorney General of Kentucky to determine whether the member is a constitutionally eligible individual.
    - i. If a member is not a constitutionally eligible individual, the member shall be notified of ineligibility and that he or she will not be considered for appointment to the vacant position, unless the member resigns his or her position causing the constitutional ineligibility.
    - ii. The Board shall also be notified if a member seeking appointment is determined not to be a constitutionally eligible individual.
3. Each current trustee may make one (1) nomination for the vacant seat.
4. The individuals nominated by the current trustees shall complete and submit an application, a résumé, and a release for a criminal background check. All individuals nominated by the current trustees shall meet the requirements of a potential candidate as defined above.
5. If more than two (2) candidates are nominated for appointment to fill the vacancy of an elected position, then the Board shall reduce the number to two (2) candidates by use of the voting procedure set forth in Paragraphs 4 and 5, Nomination By the Board Procedures, set forth above.
6. Any such vacancies shall only be filled for the expiration of the unexpired term.

## **VIII. VENDOR PROCUREMENT PROCEDURES**

1. When procuring a contracted auditing firm to serve as the Systems' Election Services Vendor, the request for proposal (RFP) shall indicate that the selected vendor will sign the Systems' Business Associate and Confidentiality Agreements as well as provide a summary of security policies and standard security procedures related to ensuring election integrity. The RFP must include specific security details to which the vendor must adhere. The security details should include, but not be limited to, the following topics:
  - a. Systems, network, and application software used to process sensitive information.
  - b. Vendor risk and threat management responsibilities.
  - c. Software License Agreements.
  - d. Service Level Agreement and Support.

- 2. The team that drafts the RFP and evaluates the bid proposals should include employees from the Divisions of Internal Audit Administration, Communications, and Enterprise and Technology Services. Staff from the Office of Legal Services should be consulted as needed.

**IX. ETHICS**

Ethics in the election process shall conform to the Executive Branch Code of Ethics as set forth in KRS Chapter 11A.

**X. CERTIFICATION**

We, the Chair of the Board and the Executive Director, do hereby certify that this Board Election Policy and Procedures was amended by the Board on this the 10th day of September, 2020.

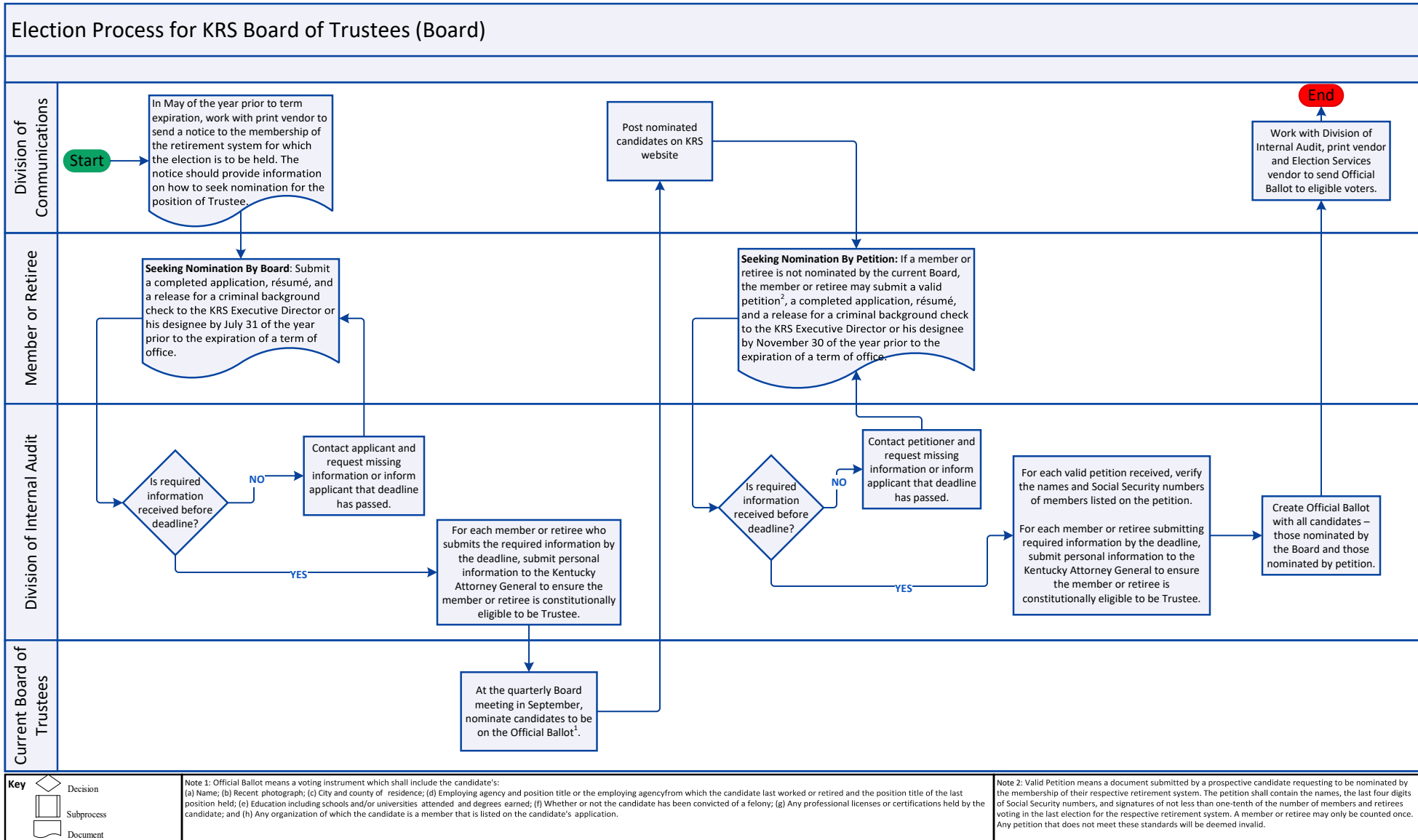
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David Harris, Chair of Board of Trustees	Date
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David Eager, Executive Director	Date
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History:        Approval Date: June 9, 2005,  
                   Amended: May 18, 2006; May 17, 2007; August 19, 2010; May 17, 2012;  
                   August 16, 2012; December 5, 2013; and September 10, 2020





**Kentucky Retirement Systems  
APPLICATION FOR TRUSTEE**

1260 Louisville Rd. • Frankfort KY 40601-6124  
Phone: (502) 696-8800 • Fax: (502) 696-8801 • kyret.ky.gov  
Deaf/Hard of Hearing TTY (502)564-4306

**Application for Trustee**

Information provided on this form will be used in your biography for the ballot if you are selected as a candidate.

**Trustee Information**

Today's Date (mm/dd/yyyy) June 29, 2020

Date of Birth (mm/dd/yyyy)  
For identification purposes only [REDACTED]

Home Phone No. [REDACTED] Work Phone No. [REDACTED]

Pendergrass	Betty	Anne	
Last Name	First Name	Middle Name	Other Name (if any)

[REDACTED]	Bardstown	KY	40004	Nelson
Address (Street, R.F.D. or Box No.)	City	State	Zip Code	County

E-mail Address (if available) [REDACTED]

**Background**

Yes  No Have you ever been convicted of or plead guilty to a felony? If yes, list offense(s), date(s) of offense(s), date(s) of conviction(s) or plea(s), and jurisdiction(s) in which the offense(s) occurred. Conviction is not an automatic rejection of application.

\_\_\_\_\_

\_\_\_\_\_

**Conflict of Interest**

Yes  No Are you a constitutionally eligible individual, which means a prospective candidate who does not have a conflict of interest on the basis of holding a constitutionally elected or appointed position pursuant to KRS 61.645 and Kentucky Constitution Section 165? If no, please list any elected or appointed position you currently hold that you believe may be constitutionally incompatible with serving as a trustee.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family own a controlling interest in an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family serve in a leadership or fiduciary capacity with an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_



Yes  No Do you have any other actual or potential conflicts of interest that may hinder or prevent you from serving as a Trustee? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Name: Betty A Pendergrass

Date June 29, 2020

Licenses or Certificates: Please list any professional licenses or certifications you currently hold.			
License or Certification Title & Number	Original Issue Date	Current Expiration Date	Name, Address & Phone of Licensing Agency
CPA - KY 2013	01/01/1977	12/31/2021	Ky State Board of Accountancy 502-595-3037, 332 ' 
CGFM -AGA 6181	01/01/1994	03/31/2021	Association of Government Accountability, 800-242 

**Membership in Organizations: Indicate current membership in professional organizations, if you wish for the organization to be listed in your biography.**

ORGANIZATION	TITLE	DATE MEMBERSHIP EXPIRES
AICPA & Ky Society of CPAs	Member	06/30/2021
Government Finance Officers Association	Member	03/31/2021

**Please provide any additional information about your qualifications to serve as a trustee that you wish to be considered by the Board of Trustees.**

Additional Certificate -- Certified Fiduciary, 7/3/2019, NCPERS, 202-624-1456, 444 N Capitol St., NW, Suite 630, Washington DC 20001

I currently serve as a CERS elected trustee on the Ky Retirement System Board of Trustees, where I have chaired the Disability Appeals Committee and served on the Audit Committee and Investment Committee.

I have 20+ years in state and local government financial management and another 20+ years in public accounting, consulting to governmental entities, and teaching or writing governmental accounting resources. My experience includes a wide range of responsibilities for investment management, pension administration, financial reporting, and financial administration for governmental entities. In addition, I have developed and presented governmental accounting training for CPAs and governmental staff. My governmental experience also includes 10 years on the LFUCG Police and Fire Pension Board and 2 years as an investment analyst for the Ky Workers Compensation Funding Commission. I have always been active in accounting and governmental professional associations, serving in several officer positions throughout my career.

As Ky Retirement Systems transitions to a new Board structure with a separate CERS Board, I can bring a historical knowledge of how Ky Retirement Systems has evolved over the years. My experience has given me a broad perspective of how KRS policy affects members, employers, and taxpayers. I am dedicated to a prudent investment strategy that protects CERS assets for future benefits of members and their beneficiaries. Since I am also a member of KERS nonhazardous, I am just as concerned about the assets and benefits for all members served by CERS, KERS, and SPRS, nonhazardous and hazardous. I look forward to continuing to serve these active and retired members, as well as working with the staff at Ky Retirement.



Name: Betty A Pendergrass

Date 06/29/2020

**Education/Training: Complete accurately and provide highest grade or year completed at all levels of school below.**

School	Name and Address of School	Dates Attended		Date of Graduation mo/yr	Number of Hours		Fields of Study		Degree, Diploma, or Certificate Earned
		To mo/yr	From mo/yr		Earned	Now Carrying	Major	Minor	
High School									Diploma: <input type="checkbox"/> Yes <input type="checkbox"/> No or GED: <input type="checkbox"/> Yes <input type="checkbox"/> No
Under Graduate College or University					**	**			
Graduate College or University					**	**			
Vocational, Business, Technical					***	***			
Apprenticeship				Journeyman: <input type="checkbox"/> Yes <input type="checkbox"/> No	Length of Program: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5				

\*\*Please indicate if college hours are semester or quarter OR \*\*\* indicate number of vocational / technical school clock hours.

**Employment History**

If you need additional space to list employment, please print additional pages.

<b>A.</b>	Employed From	09/15/2003 (mm/dd/yyyy)	To	06/30/2007 (mm/dd/yyyy)
Title of Position Nelson County Treasurer				
Name of Employer Nelson County Fiscal Court				
City Bardstown			State KY	
Type of Business County government				
<b>B.</b>	Employed From	08/01/2001 (mm/dd/yyyy)	To	08/01/2003 (mm/dd/yyyy)
Title of Position Chief Financial Officer				
Name of Employer City of Bardstown				
City Bardstown			State KY	
Type of Business City Government				
<b>C.</b>	Employed From	1999 (mm/dd/yyyy)	To	07/15/2001 (mm/dd/yyyy)
Title of Position Local Government Advisor Chief				
Name of Employer Ky Department for Local Government				
City Frankfort			State KY	
Type of Business State department				

Name: Betty A Pendergrass

Date 06/29/2020

**Education/Training: Complete accurately and provide highest grade or year completed at all levels of school below.**

School	Name and Address of School	Dates Attended		Date of Graduation mo/yr	Number of Hours		Fields of Study		Degree, Diploma, or Certificate Earned
		To mo/yr	From mo/yr		Earned	Now Carrying	Major	Minor	
High School									Diploma: <input type="checkbox"/> Yes <input type="checkbox"/> No or GED: <input type="checkbox"/> Yes <input type="checkbox"/> No
Under Graduate College or University					**	**			
Graduate College or University					**	**			
Vocational, Business, Technical					***	***			
Apprenticeship				Journeyman: <input type="checkbox"/> Yes <input type="checkbox"/> No	Length of Program: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5				

\*\*Please indicate if college hours are semester or quarter OR \*\*\* indicate number of vocational / technical school clock hours.

**Employment History**

If you need additional space to list employment, please print additional pages.

A.	Employed From	1993 (mm/dd/yyyy)	To	1994 (mm/dd/yyyy)	
	Title of Position	Program Manager			
	Name of Employer	National Association of State Auditors, Comptrollers & Treasurers			
	City	Lexington	State	KY	
	Type of Business	Governmental association			
B.	Employed From	01/1983 (mm/dd/yyyy)	To	12/1993 (mm/dd/yyyy)	
	Title of Position	Commissioner of Finance			
	Name of Employer	Lexington-Fayette Urban County Government			
	City	Lexington	State	KY	
	Type of Business	Merged city-county government			
C.	Employed From	1978 (mm/dd/yyyy)	To	1982 (mm/dd/yyyy)	
	Title of Position	Audit manager			
	Name of Employer	Radwan, Cranfill & Fulmer			
	City	Lexington	State	KY	
	Type of Business	Public accounting firm			

Name: Betty A Pendergrass

Date 06/29/2020

**Ballot Information: Please provide information as you would like it to appear with the printed election ballot.**

**Note: The education section is limited to institutions where a degree was granted and associations must have a relationship to service on the KRS Board. Submit one 5x7 color photo in PDF or JPG format along with your application.**

Name: Betty A Pendergrass

Position: CERS Elected Trustee

**Submit  
5x7 or Larger  
Color Photo  
PDF or JPG Format**

**Education,  
Certifications &  
Associations**

**SPACE IS  
LIMITED TO  
VISIBLE  
AREA**

**EDUCATION**

- Attend/teach at least 40 hours of continuing education each year since 1975.
- Achieved AGA's Certified Government Financial Manager (1994)
- Completed AICPA Government CEA program (1992)
- Certificate to practice Public Accounting (1976)
- Bachelors of Business Administration (1975) "With High Distinction", Eastern Ky Univ

**CERTIFICATIONS**

- CPA
- CGFM
- Accredited Fiduciary

**ASSOCIATIONS**

- AICPA
- GFOA
- Ky Society of CPAs
- Association of Government Accountability

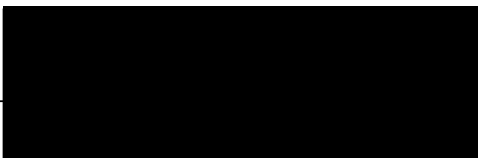
Residence: \_\_\_\_\_

**- IMPORTANT - THIS SECTION MUST BE COMPLETED -**

**Signature - Please read and sign the following statement:**

I certify, under penalty of law, that the information given in this application is correct and complete to the best of my knowledge.

Date 6/29/2020

Signature: 

**BETTY A. PENDERGRASS, CPA, CGFM**

**BARDSTOWN, KY 40004**

**EMPLOYMENT HISTORY**

**2003 TO PRESENT: CONSULTANT, GOVERNMENTAL MANAGEMENT ADVISORY SERVICES**

- ◆ Author governmental accounting CPE self-study courses for Bisk Education
- ◆ Discussion leader for group study courses (CPA firms and professional associations)
- ◆ Speaker/Moderator on quarterly video & webcast CPE productions for Bisk Education
- ◆ Consultant on special projects for local governments

**2013 TO 2014: OMB ACCOUNTING MANAGER, LOUISVILLE METRO GOVERNMENT**

- ◆ Coordinates finance and accounting projects with departments and external agencies
- ◆ Manages preparation of the annual financial reports in accordance with GAAP and GASB standards
- ◆ Oversees general accounting operations including fixed assets, petty cash, and account reconciliations
- ◆ Reviews, analyzes, and approves accounting transactions for accuracy and compliance with GAAP/GASB
- ◆ Represents General Accounting department to provide information to agencies, auditors, and public

**2011 TO 2012: FINANCE DIRECTOR—CITY OF GEORGETOWN, KY**

- ◆ Responsible for all financial management and reporting functions of city government
- ◆ Administer and develop annual city budget and provide supporting economic research for budgetary forecasts
- ◆ Supervise procurement activities for all city departments
- ◆ Develop capital asset policies and procedures and monitor internal controls to safeguard assets
- ◆ Ensure compliance with prudent debt management policies and procedures
- ◆ Establish and monitor internal controls over financial management and reporting
- ◆ Coordinate IT support services among city departments

**2008 TO 2010: DIRECTOR—SPECIAL PROJECTS, KY WORKERS COMPENSATION FUNDING COMMISSION**

- ◆ Developed website enhancements and expanded resources included on site
- ◆ Coordinate staff training schedules and coursework planning
- ◆ Serve as liaison with legislative committees, Governor's Office, and related agencies
- ◆ Provide financial & economic analysis on special projects for Executive Director
- ◆ Maintain internal policies and procedures manuals in compliance with Board directives

**2003 TO 2007: TREASURER, NELSON COUNTY FISCAL COURT, KY**

- ◆ Responsible for all financial management functions of local government
- ◆ Revised budget development to incorporate historical financial analysis
- ◆ Converted manual general ledger system to computerized format
- ◆ Developed accounting policies and procedures manual
- ◆ Provided technical assistance to component units
- ◆ Performed financial analysis and special projects for County Judge Executive and Magistrates

**2001 TO 2003: CHIEF FINANCIAL OFFICER, CITY OF BARDSTOWN, KY**

- ◆ Responsible for all financial management functions of local government
- ◆ Reorganized budget structure to conform with governmental "best practices"
- ◆ Developed indirect cost allocation plan to distribute administrative costs to utility operations
- ◆ Supervised utility billing and collections, business license, tax collection, and accounting functions
- ◆ Organized administrative structure to implement new occupational license fee
- ◆ Provided technical assistance to component units
- ◆ Completed financial analysis and special projects for Mayor, City Administrator & Council

BETTY A. PENDERGRASS, CPA, CGFM  
PAGE 2

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**EMPLOYMENT HISTORY (Continued)**

**1999 TO 2001: LOCAL GOVERNMENT ADVISOR CHIEF, KY DEPARTMENT FOR LOCAL GOVERNMENT**

- ◆ Responsible for financial management training and compliance oversight for Kentucky city officials
- ◆ Developed desk review policies for audits of local governments to expand subrecipient monitoring
- ◆ Organized training seminars for local government officials and staff
- ◆ Researched Ky Revised Statutes and regulatory requirements to respond to technical inquiries
- ◆ Served as liaison with governmental professional organizations
- ◆ Provided technical assistance on financial management systems to local governments
- ◆ Conducted special projects for Commissioner and administrative staff

**1994 TO 2003: PRESIDENT, GOVERNMENTAL TRAINING SOLUTIONS, INC.**

- ◆ Authored governmental accounting & auditing training courses published by Bisk Education, AICPA/PDI, Association of Government Accountants, and Sheshunoff Publishing
- ◆ Discussion leader for governmental accounting & auditing training courses
- ◆ Researched proposed governmental accounting/auditing standards

**1998 TO 1999: DIRECTOR OF FINANCE, CITY OF RICHMOND, KY**

- ◆ Responsible for all financial management functions of local government
- ◆ Assisted City Manager with budget development and administration
- ◆ Supervised tax collection, accounts payable, and parking meter staff
- ◆ Prepared financial reports for federal grant administration
- ◆ Provided technical assistance to component units
- ◆ Completed financial analysis and special projects for Mayor & Commission

**1998: DIRECTOR OF QUALITY ASSURANCE & CONSULTATION, KY Auditor of Public Accounts**

- ◆ Developed quality control manual of policies and procedures
- ◆ Organized internal staff training and development
- ◆ Coordinated peer review with NASACT Peer Review Team
- ◆ Developed local government official training programs
- ◆ Reviewed technical pronouncements and analysis impact on audit programs, goals and objectives
- ◆ Prepared responses to GASB & AICPA for proposed accounting and auditing standards

**1995 TO 1997: TREASURER, CITY OF BERE A, KY**

- ◆ Responsible for all financial management functions of local government
- ◆ Provided staff assistance to legislative Finance Committee
- ◆ Implemented payroll migration from DOS system to AS400
- ◆ Completed general ledger migration from DOS to AS400
- ◆ Coordinated annual audit and prepared annual financial statements
- ◆ Provided technical assistance to component units
- ◆ Completed financial analysis and special projects for Mayor & Council

**1993 TO 1994: PROGRAM MANAGER, National Association of State Auditors, Comptrollers & Treasurers**

- ◆ Responsible for governmental accounting/auditing seminar development & presentation
- ◆ Organized state auditor training seminars
- ◆ Developed curriculum materials for updating state auditor training programs
- ◆ Researched technical issues and coordinated responses from state governments to proposed governmental accounting standards

Betty A. Pendergrass, CPA, CGFM  
Page 3

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**EMPLOYMENT HISTORY (Continued)**

**1983 TO 1993:            COMMISSIONER OF FINANCE  
                                 LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (KY)**

- ◆ Supervisory responsibilities for staff of 73 in Accounting, Tax Collection, Computer Services and Purchasing
- ◆ Established and monitored debt management policies and procedures
- ◆ Supervised IRS regulatory compliance for municipal tax-exempt issues
- ◆ Expanded financial reporting system to provide online access for operating divisions
- ◆ Organized indirect cost allocation plan for federal grants and internal administrative cost allocations
- ◆ Developed financial modeling plans for sewer rate structure, recreation, and Lexington Public Library
- ◆ Designed and implemented the Fixed Assets Management System
- ◆ Served as financial administrator for pension plans with assets totaling over \$100 million
- ◆ Reorganized Division of Tax Collection making improvements in compliance review, collection of property taxes, and designing an audit function

**1974 TO 1983:            PUBLIC ACCOUNTING - LOCAL FIRMS**

- ◆ Audit manager for governmental and commercial clients (1979 - 1983)
- ◆ Developed computer-based forecasting models for equine industry clients
- ◆ Performed management advisory services for nonprofit, governmental and commercial clients, including financial forecasts, budgeting, and systems analysis
- ◆ Prepared income, payroll and sales tax returns for commercial clients

Betty A. Pendergrass, CPA, CGFM  
Page 4

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## PROFESSIONAL DEVELOPMENT

### EDUCATION

- ◆ Attend/teach at least 40 hours of continuing education each year since 1975.
- ◆ Achieved AGA's Certified Government Financial Manager (1994)
- ◆ Completed AICPA Government CEA program (1992)
- ◆ Certificate to practice Public Accounting (1976)
- ◆ Bachelors of Business Administration (1975) "With High Distinction", Eastern Kentucky University

### AFFILIATIONS

#### KENTUCKY RETIREMENT SYSTEMS

- ◆ Elected CERS representative (2013-2014 and 2017-2021)

#### AMERICAN INSTITUTE OF CPA'S

- ◆ EdMax Committee (1999-2000)
- ◆ Author and discussion leader for CPE courses
- ◆ Speaker for governmental conferences and video productions
- ◆ Member government conference planning task forces (1998 – 2004)
- ◆ Governmental Accounting & Auditing Committee (1995 – 1998)
- ◆ Government Technical Standards Subcommittee (1992 –1995)
- ◆ Members in Government Committee (1989-1992)
- ◆ Special task force on changes in code of professional ethics (1990)

#### KENTUCKY SOCIETY OF CPA'S

- ◆ Ky Society Leadership Council (2000 – 2001)
- ◆ Accounting Careers Committee (2000)
- ◆ Professional Ethics Committee (1997, 2007-2010)
- ◆ Governmental Accounting & Auditing Committee (1992 to 1996)
- ◆ Board of Directors (1987-1990)
- ◆ Chairman of KSCPA Educational Foundation (1990)
- ◆ Various Bluegrass Chapter offices, including President

#### OTHER ASSOCIATIONS

- ◆ Emerge KY Class of 2011
- ◆ The Women's Network
- ◆ Government Finance Officers Association (national and Kentucky)
- ◆ President, Ky GFOA (1999 – 2001); Secretary-Treasurer (2003 to 2014)
- ◆ Association of Government Accountants, Central Ky Chapter
  - ◆ Co-authored the review course for Part II, *Governmental Accounting, Financial Reporting, and Budgeting*, of the Certified Government Financial Managers exam
- ◆ Leadership Nelson County (2002)
- ◆ Leadership Madison County (1997)
- ◆ Berea Chamber of Commerce Board of Directors (1997-1998)
- ◆ Professional Women's Forum (Lexington, Ky) Co-Founder in 1979, to provide network of communication among professional women in Fayette County and Central Kentucky



**Kentucky Retirement Systems  
APPLICATION FOR TRUSTEE**

1260 Louisville Rd. • Frankfort KY 40601-6124  
Phone: (502) 696-8800 • Fax: (502) 696-8801 • kyret.ky.gov  
Deaf/Hard of Hearing TTY (502)564-4306

RECEIVED JUL 20 2020

**Application for Trustee**

Information provided on this form will be used in your biography for the ballot if you are selected as a candidate.

**Trustee Information**

Today's Date (mm/dd/yyyy) 07/16/2020

Date of Birth (mm/dd/yyyy)  
For identification purposes only [REDACTED]

Home Phone No. [REDACTED] Work Phone No. N/A

Rich	David		
Last Name	First Name	Middle Name	Other Name (if any)

[REDACTED]	Louisville	Ky	40220	USA
Address (Street, R.F.D. or Box No.)	City	State	Zip Code	County

E-mail Address (if available)

**Background**

Yes  No Have you ever been convicted of or plead guilty to a felony? If yes, list offense(s), date(s) of offense(s), date(s) of conviction(s) or plea(s), and jurisdiction(s) in which the offense(s) occurred. Conviction is not an automatic rejection of application.

\_\_\_\_\_

\_\_\_\_\_

**Conflict of Interest**

Yes  No Are you a constitutionally eligible individual, which means a prospective candidate who does not have a conflict of interest on the basis of holding a constitutionally elected or appointed position pursuant to KRS 61.645 and Kentucky Constitution Section 165? If no, please list any elected or appointed position you currently hold that you believe may be constitutionally incompatible with serving as a trustee.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family own a controlling interest in an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family serve in a leadership or fiduciary capacity with an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you have any other actual or potential conflicts of interest that may hinder or prevent you from serving as a Trustee? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_





Corrected application page.

### Kentucky Retirement Systems APPLICATION FOR TRUSTEE

1260 Louisville Rd. • Frankfort KY 40601-6124  
Phone: (502) 696-8800 • Fax: (502) 696-8801 • kyret.ky.gov  
Deaf/Hard of Hearing TTY (502)564-4306

RECEIVED JUL 2

#### Application for Trustee

Information provided on this form will be used in your biography for the ballot if you are selected as a candidate.

#### Personal Information

Application Date (mm/dd/yyyy) 07/16/2020

Date of Birth (mm/dd/yyyy) [Redacted]  
for identification purposes only

Home Phone No. [Redacted] Work Phone No. N/A

h	David		
Last Name	First Name	Middle Name	Other Name (if any)

[Redacted]	Louisville	Ky	40220	USA
Address (Street, R.F.D. or Box No.)	City	State	Zip Code	County

E-mail Address (if available)

#### Background

Yes  No Have you ever been convicted of or plead guilty to a felony? If yes, list offense(s), date(s) of offense(s), date(s) of conviction(s) or plea(s), and jurisdiction(s) in which the offense(s) occurred. Conviction is not an automatic rejection of application.

#### Conflict of Interest

Yes  No Are you a constitutionally eligible individual, which means a prospective candidate who does not have a conflict of interest on the basis of holding a constitutionally elected or appointed position pursuant to KRS 61.645 and Kentucky Constitution Section 165? If no, please list any elected or appointed position you currently hold that you believe may be constitutionally incompatible with serving as a trustee.

Yes  No Do you or any member(s) of your immediate family own a controlling interest in an entity that does business or might seek to do business with KRS? If yes, please list below.

Yes  No Do you or any member(s) of your immediate family serve in a leadership or fiduciary capacity with an entity that does business or might seek to do business with KRS? If yes, please list below.

Yes  No Do you have any other actual or potential conflicts of interest that may hinder or prevent you from serving as a Trustee? If yes, please list below.

RECEIVED JUL 20 2020

Name: David Rich

Date 07/16/2020

**Education/Training: Complete accurately and provide highest grade or year completed at all levels of school below.**

School	Name and Address of School	Dates Attended		Date of Graduation mo/yr	Number of Hours		Fields of Study		Degree, Diploma, or Certificate Earned
		To mo/yr	From mo/yr		Earned	Now Carrying	Major	Minor	
High School	Doss High School Louisville Ky	1968	1972	June 1972					Diploma: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No or GED: <input type="checkbox"/> Yes <input type="checkbox"/> No
Under Graduate College or University					**	**			
Graduate College or University					**	**			
Vocational, Business, Technical	Oxford Buisness College Louisville Ky	1972	1974	1974	***	***			Buisness Degree
Apprenticeship	Ironworkers Louisville Ky	1999	2001	Journeyman: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Length of Program: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 5			

\*\*Please indicate if college hours are semester or quarter OR \*\*\* indicate number of vocational / technical school clock hours.

**Employment History**

If you need additional space to list employment, please print additional pages.

**A.** Employed From (mm/dd/yyyy) To (mm/dd/yyyy)

Title of Position: Sergent Louisville Fire and Rescue

Name of Employer: Louisville Fire

City: Louisville State: KY

Type of Business: Public Service

---

**B.** Employed From (mm/dd/yyyy) To (mm/dd/yyyy)

Title of Position: Project Safety Manager

Name of Employer: Industry Gen. FKI Lojestic

City: Memphis State: TN

Type of Business: Conveyor Systems

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**C.** Employed From (mm/dd/yyyy) To (mm/dd/yyyy)

Title of Position: Safety Director

Name of Employer: Lesco

City: LaGrange State: Ky

Type of Business: conveyor





Name: David Rich

RECEIVED JUL 20 2020

Date 7/16/2020

Ballot Information: Please provide information as you would like it to appear with the printed election ballot.

Note: The education section is limited to institutions where a degree was granted and associations must have a relationship to service on the KRS Board. Submit one 5x7 color photo in PDF or JPG format along with your application.

Name: DAVID RICH

Position: CERS TRUSTEE

Submit  
5x7 or Larger  
Color Photo  
PDF or JPG Format

Education,  
Certifications &  
Associations

SPACE IS  
LIMITED TO  
VISIBLE  
AREA

use Bio From  
KRS Web + Picture  
AS Per K. Coffey

Residence: 4415 Brookhaven AV Lou Ky 40220

- IMPORTANT - THIS SECTION MUST BE COMPLETED -

Signature - Please read and sign the following statement:

I certify, under penalty of law, that the information given in this application is correct and complete to the best of my knowledge.

Date 7/16/2020

Signature: [Redacted Signature]



**Industry General Corporation:** **Project Safety/Security Manager** 2000–2002

Project: United Parcel Hub 2000,

- Participated with Kentucky OSHA in “OSHA Strategic Partnership”
- Reduced citable occurrences (‘Best Record Project-Wide’)
- Largest construction site in United States (International Hub project for UPS)
- Responsible for all Safety and F.A.A. Security duties at job site
- Received “Humanitarian Award for Emergency Medical Services Rendered”

**Louisville Fire Department:** **Company Officer** 1973–2000

- Achieved rating of “Certified Safety Officer”
- Supervised and directed Fire Department personnel
- Company Officer/Safety Officer/Drill Instructor
- Managed Emergency Incidents (Fire-Tornado-Flood-Auto Accidents-Child Birth)
- Distinguished Service Award
- Distinguished Employee Award

**EDUCATION:**

- Business Degree , Oxford Business College, Louisville, KY
- KY Instructor Level II, University of Kentucky, Lexington, KY
- OSHA Outreach Trainer, Eastern Kentucky University, Richmond, KY

**PROFESSIONAL CERTIFICATIONS/ASSOCIATIONS:**

- **Member / Board of Directors/Kentucky Safety and Health Network, Inc.**
- KY Public Retirees Humanitarian Award
- KSHN Safety Businessman Safety Award
- Achieved ‘Liberty Mutual Silver Safety Award’ (over 250 K no LWDI)
- OSHA 500 Construction Outreach Trainer (OSHA 10/30 hour program)
- FEMA Safety and Survival Instructor
- Certified Safety Officer (Louisville Fire Academy)
- Emergency Medical Technician (Kentucky Board of Medical Services)
- ISO 14001 Environmental Management Lead Auditor
- CPR/AED/First Aid Instructor AHA
- Journeyman Ironworker/Certified Welder

**COMMUNITY INVOLVEMENT:**

- Silver Creek Little League Coach and Safety Officer
- YMCA Youth Basketball Coach



**Kentucky Retirement Systems  
APPLICATION FOR TRUSTEE**

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Phone: (502) 696-8800 • Fax: (502) 696-8801 • kyret.ky.gov  
Deaf/Hard of Hearing TTY (502)564-4306

**Application for Trustee**

Information provided on this form will be used in your biography for the ballot if you are selected as a candidate.

**Trustee Information**

Today's Date (mm/dd/yyyy) 07/31/2020

Date of Birth (mm/dd/yyyy) For identification purposes only [REDACTED]

Home Phone No. n/a Work Phone No. [REDACTED]

Wright	Charles	Jackson	Jack
Last Name	First Name	Middle Name	Other Name (if any)

[REDACTED]	Woodburn	KY	42170	Warren
Address (Street, R.F.D. or Box No.)	City	State	Zip Code	County

E-mail Address (if available) [REDACTED]

**Background**

Yes  No Have you ever been convicted of or plead guilty to a felony? If yes, list offense(s), date(s) of offense(s), date(s) of conviction(s) or plea(s), and jurisdiction(s) in which the offense(s) occurred. Conviction is not an automatic rejection of application.

\_\_\_\_\_

\_\_\_\_\_

**Conflict of Interest**

Yes  No Are you a constitutionally eligible individual, which means a prospective candidate who does not have a conflict of interest on the basis of holding a constitutionally elected or appointed position pursuant to KRS 61.645 and Kentucky Constitution Section 165? If no, please list any elected or appointed position you currently hold that you believe may be constitutionally incompatible with serving as a trustee.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family own a controlling interest in an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family serve in a leadership or fiduciary capacity with an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you have any other actual or potential conflicts of interest that may hinder or prevent you from serving as a Trustee? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_



Name: \_\_\_\_\_

Date \_\_\_\_\_

**Education/Training: Complete accurately and provide highest grade or year completed at all levels of school below.**

School	Name and Address of School	Dates Attended		Date of Graduation mo/yr	Number of Hours		Fields of Study		Degree, Diploma, or Certificate Earned
		To mo/yr	From mo/yr		Earned	Now Carrying	Major	Minor	
High School	Park City High School Park City, KY	05/72	08/68	05/72					Diploma: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No or GED: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Under Graduate College or University	Western Kentucky University	05/76	09/72	05/76	** BS CET 128 Semester	** 6 Semester	Eng Tech and Accting		
Graduate College or University					**	**			
Vocational, Business, Technical					***	***			
Apprenticeship				Journeyman: <input type="checkbox"/> Yes <input type="checkbox"/> No	Length of Program: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5				

\*\*Please indicate if college hours are semester or quarter OR \*\*\* indicate number of vocational / technical school clock hours.

**Employment History**

If you need additional space to list employment, please print additional pages.

A.	Employed From	06/01/1972	To	07/31/1979	
		(mm/dd/yyyy)		(mm/dd/yyyy)	
	Title of Position	Engineer and Engineer Assistant			
	Name of Employer	Ky Department of Highways			
	City	Glasgow, Louisville, and Frankfort	State	KY	
	Type of Business	Government			
B.	Employed From	08/01/1979	To	09/30/1981	
		(mm/dd/yyyy)		(mm/dd/yyyy)	
	Title of Position	Project Engineer			
	Name of Employer	West Point Construction			
	City	West Point and Augusta	State	GA	
	Type of Business	Construction			
C.	Employed From	10/01/1981	To	03/31/1985	
		(mm/dd/yyyy)		(mm/dd/yyyy)	
	Title of Position	Project Manager			
	Name of Employer	Jones Nance and Steineman			
	City	Bowling Green	State	Ky	
	Type of Business	General Contracting			



Name: \_\_\_\_\_

Date \_\_\_\_\_

**Education/Training: Complete accurately and provide highest grade or year completed at all levels of school below.**

School	Name and Address of School	Dates Attended		Date of Graduation mo/yr	Number of Hours		Fields of Study		Degree, Diploma, or Certificate Earned
		To mo/yr	From mo/yr		Earned	Now Carrying	Major	Minor	
High School									Diploma: <input type="checkbox"/> Yes <input type="checkbox"/> No or GED: <input type="checkbox"/> Yes <input type="checkbox"/> No
Under Graduate College or University					**	**			
Graduate College or University					**	**			
Vocational, Business, Technical					***	***			
Apprenticeship					Journeyman: <input type="checkbox"/> Yes <input type="checkbox"/> No		Length of Program: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5		

\*\*Please indicate if college hours are semester or quarter OR \*\*\* indicate number of vocational / technical school clock hours.

**Employment History**

If you need additional space to list employment, please print additional pages.

<b>A.</b>	Employed From	04/01/1982 (mm/dd/yyyy)	To	03/30/1993 (mm/dd/yyyy)	
	Title of Position	Co-Owner, Project Manager, and Treasurer			
	Name of Employer	Beacon Construction Inc			
	City	Bowling Green	State	KY	
	Type of Business	General Contracting			
<b>B.</b>	Employed From	04/01/1993 (mm/dd/yyyy)	To	07/31/2019 (mm/dd/yyyy)	
	Title of Position	Manager, Stormwater			
	Name of Employer	Warren County Fiscal Court			
	City	Bowling Green	State	KY	
	Type of Business				
<b>C.</b>	Employed From	(mm/dd/yyyy)	To	(mm/dd/yyyy)	
	Title of Position				
	Name of Employer				
	City		State		
	Type of Business				

Name: Charles J Wright

Date 07/31/2020

Licenses or Certificates: Please list any professional licenses or certifications you currently hold.			
License or Certification Title & Number	Original Issue Date	Current Expiration Date	Name, Address & Phone of Licensing Agency
Professional Engineer * 13072	07/82	06/22	Ky Board of Lisc. 160 Democrat Dr Frankfort KY

Membership in Organizations: Indicate current membership in professional organizations, if you wish for the organization to be listed in your biography.		
ORGANIZATION	TITLE	DATE MEMBERSHIP EXPIRES
Bowling Green Noon Lions Club	Member, Past President, Secr, and Treas	06/30/2021
Mammoth Cave KSPE	Member	06/30/2021

**Please provide any additional information about your qualifications to serve as a trustee that you wish to be considered by the Board of Trustees.**

Currently serving as the Treasurer for the Woodburn Community Fire Department, Inc and the Woodburn Baptist Church, Inc.

Previously served as the Manager of the Warren County Stormwater Management Office which included regular reporting of income and expenses for the Office to the Warren County Fiscal Court

Previously co-owner and Treasurer of Beacon Construction Inc in Warren County Ky

Name: Jack Wright

Date 07/31/2020

**Ballot Information: Please provide information as you would like it to appear with the printed election ballot.**

*Note: The education section is limited to institutions where a degree was granted and associations must have a relationship to service on the KRS Board. Submit one 5x7 color photo in PDF or JPG format along with your application.*

Name: Charles J (Jack) Wright

Position: Treasurer

Submit  
5x7 or Larger  
Color Photo  
PDF or JPG Format

Education,  
Certifications &  
Associations

SPACE IS  
LIMITED TO  
VISIBLE  
AREA

Woodburn Community Fire Department and Woodburn Baptist Church

Residence: 12410 Nashville Road / Woodburn KY 42170

**- IMPORTANT - THIS SECTION MUST BE COMPLETED -**

**Signature - Please read and sign the following statement:**

I certify, under penalty of law, that the information given in this application is correct and complete to the best of my knowledge.

Date 07/31/2020

Signature:





# CHARLES J (JACK) WRIGHT

R E T I R E D

## RESIDENCE

[REDACTED]  
[REDACTED]

## CONTACT

PHONE:

[REDACTED]  
[REDACTED]  
[REDACTED]

## LICENSE

Professional Engineer:  
KY #13072

[REDACTED]

## OTHER ACTIVITIES

[REDACTED] Club, Past  
President, Secretary, and Treasurer

Mammoth Cave KSPE, Member

SKY Football Officials, Secretary

[REDACTED]

[REDACTED] Church, Treasurer

[REDACTED]  
Woodburn Community Fire  
Department, Inc, Treasurer

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

## EDUCATION

### Western Kentucky University

09/72 – 05/76

Bachelor of Science, Civil Engineering Technology

### Western Kentucky University

08/19 – Currently Enrolled

Accounting Major

## WORK EXPERIENCE

### Ky Department of Highways, Engineering Assistant

06/72–07/79

Assisted various Sections for the Department of Highways

### West Point Construction, Project Engineer

08/79–09/81

Assisted various superintendents with site engineering and layout

### Jones Nance and Steinman, Project Manager

10/81–03/85

Managed various construction projects in Kentucky and Texas

### Beacon Construction Inc, Co-Owner, Project Manager, and Treasurer

04/85–03/93

Managed various construction projects in Kentucky as well as responsible for all financials of the company.

### Warren County Fiscal Court, Stormwater Manager

04/93–07/19

Managed federally mandated program including budgeting, project selection, and staffing needed to implement the Stormwater program. Briefly included with this management experience was oversight of the Warren County Road Department.



**Kentucky Retirement Systems  
APPLICATION FOR TRUSTEE**

1260 Louisville Rd. • Frankfort KY 40601-6124  
Phone: (502) 696-8800 • Fax: (502) 696-8801 • kyret.ky.gov  
Deaf/Hard of Hearing TTY (502)564-4306

**Application for Trustee**

Information provided on this form will be used in your biography for the ballot if you are selected as a candidate.

**Trustee Information**

Today's Date (mm/dd/yyyy) 05/26/2020

Date of Birth (mm/dd/yyyy)  
For identification purposes only [REDACTED]

Cell Home Phone No. [REDACTED] Work Phone No. [REDACTED]

<u>MON ROE</u> Last Name	<u>HAROLD</u> First Name	<u>JAY</u> Middle Name	Other Name (if any)	
[REDACTED] Address (Street, R.F.D. or Box No.)	<u>Utica</u> City	<u>KY</u> State	<u>42376</u> Zip Code	<u>DAVIES</u> County

E-mail Address (if available)

**Background**

Yes  No Have you ever been convicted of or plead guilty to a felony? If yes, list offense(s), date(s) of offense(s), date(s) of conviction(s) or plea(s), and jurisdiction(s) in which the offense(s) occurred. Conviction is not an automatic rejection of application.

\_\_\_\_\_

\_\_\_\_\_

**Conflict of Interest**

Yes  No Are you a constitutionally eligible individual, which means a prospective candidate who does not have a conflict of interest on the basis of holding a constitutionally elected or appointed position pursuant to KRS 61.645 and Kentucky Constitution Section 165? If no, please list any elected or appointed position you currently hold that you believe may be constitutionally incompatible with serving as a trustee.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family own a controlling interest in an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family serve in a leadership or fiduciary capacity with an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you have any other actual or potential conflicts of interest that may hinder or prevent you from serving as a Trustee? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_



Name: MONROE, HAROLD JAY

Date 05/26/2020

**Education/Training: Complete accurately and provide highest grade or year completed at all levels of school below.**

School	Name and Address of School	Dates Attended		Date of Graduation mo/yr	Number of Hours		Fields of Study		Degree, Diploma, or Certificate Earned
		To mo/yr	From mo/yr		Earned	Now Carrying	Major	Minor	
High School	LIVINGSTON CENTRAL HIGH BUNN, KY	73	77	05/77					Diploma: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No or GED: <input type="checkbox"/> Yes <input type="checkbox"/> No
Under Graduate College or University	MURRAY STATE UNIVERSITY MURRAY KY	8/77	5/81	5/81	**	**	History		B.S. with Teaching Certificate
Graduate College or University	WESTERN KENTUCKY UNIV. BOWLING GREEN KY	8/81	5/82	5/82	**	**	Organizational Communication		M.A.
Vocational, Business, Technical					***	***			
Apprenticeship				Journeyman: <input type="checkbox"/> Yes <input type="checkbox"/> No	Length of Program: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5				

\*\*Please indicate if college hours are semester or quarter OR \*\*\* indicate number of vocational / technical school clock hours.

**Employment History**

If you need additional space to list employment, please print additional pages.

**A.** Employed From 05/2015 (mm/dd/yyyy) To Present (mm/dd/yyyy) STILL EMPLOYED

Title of Position EXECUTIVE DIRECTOR

Name of Employer Pennyrile Allied Community Services INC

City HOPKINSVILLE State KY

Type of Business Non-Profit - Community Action Agency

**B.** Employed From 02/2011 (mm/dd/yyyy) To 11/2014 (mm/dd/yyyy)

Title of Position Vice President of Investments

Name of Employer Southern Baptist Foundation

City NASHVILLE State TN

Type of Business Non-Profit Religious Foundation

**C.** Employed From 02/2000 (mm/dd/yyyy) To 02/2011 (mm/dd/yyyy)

Title of Position Senior Financial Consultant / HR Consultant

Name of Employer CATERPILLAR

City PEORIA State IL

Type of Business Manufacturing

Name: MONROE, HAROLD JAY

Date 05/26/2020

**Ballot Information: Please provide information as you would like it to appear with the printed election ballot.**

**Note: The education section is limited to institutions where a degree was granted and associations must have a relationship to service on the KRS Board. Submit one 5x7 color photo in PDF or JPG format along with your application.**

Name: HAROLD MONROE

Position: KRS Trustee

**Submit  
5x7 or Larger  
Color Photo  
PDF or JPG Format**

Education,  
Certifications &  
Associations

**SPACE IS  
LIMITED TO  
VISIBLE  
AREA**

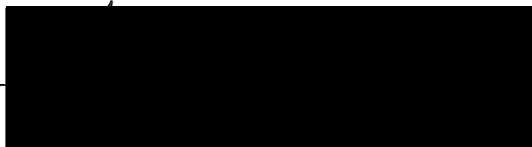
Residence: Utica, Ky

**- IMPORTANT - THIS SECTION MUST BE COMPLETED -**

**Signature - Please read and sign the following statement:**

I certify, under penalty of law, that the information given in this application is correct and complete to the best of my knowledge.

Date 05/26/2020

Signature: 



# HAROLD J. MONROE

██████████  
Utica, KY 42376

## EXECUTIVE MANAGER

Dynamic executive possessing over forty years of extensive experience in project management, human resources, education and training, leadership development, employee benefits, financial planning and financial services. Excellent interpersonal, communication and presentation skills with the proven ability to see the big picture. Proven record of aptitude to influence others and leverage relationships. Ability to perform multiple tasks simultaneously and develop improved methods for sustainable returns on investment. Proven ability to work well in teams and independently. Able to make the tough decisions when necessary.

### AREAS OF EXPERTISE

- Retirement & Benefit Plans
- Employee Relations
- Development of Others
- Project Management
- Problem Solving
- Financial Services
- Strategic Thinking
- Change Management
- Effective Communicator
- Delegation
- Customer Focused
- Results Driven

### KEY SKILLS ASSESSMENT

**EXECUTIVE LEADERSHIP** – Adaptive Senior Manager with ability to deliver results while also developing shared vision and purpose across the enterprise.

**FINANCIAL SERVICES** – Certified Financial Planner possessing in-depth expertise across an array of employee benefits and financial programs.

**HUMAN RESOURCES** – Experienced professional in people management, leadership, benefits and training.

### PROFESSIONAL EXPERIENCE

**PENNYRILE COMMUNITY ALLIED SERVICES, HOPKINSVILLE, KY**  
**EXECUTIVE DIRECTOR**

MARCH 2015 - PRESENT

- Executive leader providing oversight for a \$13 million community action agency serving low income families in 17 counties throughout the state through a comprehensive network of programs and services.
- Revised and adopted new reporting features for our Board of Directors to provide enhanced transparency while also providing all mandated reports.
- Developed strategies for the successful adoption and completion of the new operating standards for community action agencies.
- Instituted a regular call program to our various locations, communities, board members, legislators, funding sources and other community action advocates.
- Demonstrated a strong ability to analyze problems

- Demonstrated success in reducing costs while maintaining high quality
- Providing oversight and leadership to automate and streamline our financial accounting and drive automation to reduced month-end processing time.

**SOUTHERN BAPTIST FOUNDATION, NASHVILLE, TN**  
**VICE PRESIDENT INVESTMENTS**

2011-2014

- Executive leader for investment group with \$200 million dollars under management.
- Created and reported upon, to the Board of Directors, all mandated reports and client reviews to the Board of Directors.
- Collected economic data, conducted trend analysis and provided recommendations to the President of the Board.
- Provided oversight and leadership to complete the implementation of an automated investment account management system, which reduced month-end processing time from 8-10 business days down to 2-3 business days.
- Instituted a reach out program to contact key accounts and service providers.
- Received, evaluated and prepared responses to all Requests for Proposals (RFPs).

**CATERPILLAR, PEORIA, IL**  
**HUMAN RESOURCE CONSULTANT (2006-2011)**

2002-2011

- Provided consulting services across business locations to improve organizational effectiveness and engagement.
- Offered solutions, which successfully affected leadership and employee engagement driving improved productivity.
- Addressed organizational effectiveness and people needs across the enterprise based on feedback from annual employee opinion surveys.
- Conducted personal coaching for organizational leaders from executive management to front line supervisors, focused on improving labor relations and enhancing employee engagement to drive overall improvement in results.
- Project manager and leader for six sigma project enterprise organizational design tools, which were being piloted for effectiveness and scheduled to be introduced across the organization.

**CATERPILLAR, PEORIA, IL**  
**SENIOR FINANCIAL CONSULTANT**

2002 – 2006

- Designed and initiated elementary investment education and financial advice programs for Caterpillar's pension/retirement plan participants and retail investors.
- Coordinated and implemented ERISA benefits training for new hires.
- Provided education on investments and financial planning to employee groups across the United States.
- Conducted over four hundred training sessions with over sixteen thousand employees participating.
- Led program which created a financial planning group that provided telephone support to Caterpillar employees on Pension/401K Plans and other investment inquiries.

**FIRST SECURITY BANK, OWENSBORO, KY**  
**SENIOR VICE PRESIDENT & TRUST OFFICER**

2000-2002

Harold J. Monroe

Resume, Page 3

- Hired at new bank to develop a private wealth department providing traditional trust and investment management services.
- Applied and gained appropriate regulatory approval for trust powers.
- Researched and secured appropriate trust accounting services vendors.

**OLD NATIONAL TRUST COMPANY, OWENSBORO, KY  
VICE PRESIDENT & KENTUCKY REGION MANAGER**

1998-2000

- Provided leadership and supervision for the Kentucky affiliate branches with assets of \$280 million with \$1.6 million of revenue.
- Provided administration of the most complex of the department's trust and estates.
- Sold and serviced Employee Retirement & Benefit Plans
- Grew assets from \$10.7 to \$60 million and exceeded my annual growth goals.

**OLD NATIONAL TRUST COMPANY, MADISONVILLE, KY  
VICE PRESIDENT & TRUST OFFICER**

1993-1998

- Provided administration of the most complex of the department's trust and estates.
- Grew assets from \$7 to \$56 million and exceeded my annual growth goals.
- Sold and serviced Employee Retirement & Benefit Plans

**EDUCATION**

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**Master of Arts**, Organizational Communication, Western Kentucky University, Bowling Green, KY

**Bachelor of Science**, Communication, History, Murray State University, Murray, KY

**PROFESSIONAL DEVELOPMENT**

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Certified Financial Planner (CFP), College of Financial Planning, Denver, CO 09/14/1998  
Certified Trust and Financial Advisor (CTFA), The Institute of Certified Bankers, Washington, DC  
Chartered Financial Consultant (CHFC), The American College, Bryn Mawr, PA  
Chartered Life Underwriter (CLU), The American College, Bryn Mawr, PA  
Global Professional in Human Resources (GPHR), 600768089GPHR, Society for Human Resource Mgt  
National Graduate Trust School, American Bankers Association, Evanston, IL  
Senior Professional in Human Resources (SPHR), 600768089SPHR, Society for Human Resource Mgt  
Six Sigma DMAIC Green Belt, Caterpillar University  
Six Sigma DMEDI Green Belt, Caterpillar University

Monroe, Harold Jay  
Supplemental Information for  
Kentucky Retirement System  
Application for Trustee

**PROFESSIONAL EXPERIENCE**

**PENNYRILE COMMUNITY ALLIED SERVICES (PACS), HOPKINSVILLE, KY**  
MARCH 2015 - PRESENT  
EXECUTIVE DIRECTOR

During my tenure as Executive Director I have worked to see that each program and service we provide in the Pennyrile Region of Kentucky complies fully with the contractual and regulatory requirements from our various funding sources. Additionally, I have required that each separate program within our agency operates within their current level of funding. This required reeducating our staff, board of directors and community leaders on what we can fulfill but also to push back, when appropriate, against "we have always done it this way before" mentality. This has also required an honesty that in many cases is missing from any discussion when limited funding is available.

Refer to my resume for more details on what my actual duties and accomplishments are while at PACS.

**SOUTHERN BAPTIST FOUNDATION (SBF), NASHVILLE, TN**  
FEBRUARY 2011-NOVEMBER 2014  
VICE PRESIDENT INVESTMENTS

During my tenure as Vice President of Investments I worked to improve our reporting capabilities and efficiency as well as looked to both modernize and broaden the SBF investment capabilities. By utilizing technologies that were available with our current accounting system, but never used I was able to reduce the month end processing time from 8-10 days to 2-3 days when I left. Part of this utilization incorporated the regular and routine client distribution or reinvestments to automatically record these transactions instead of our manually inputting each separate transaction.

Another area of improvement and efficiency was to outsource our investment management capabilities. The SBF operates with a very limited staff and after having worked in the investment arena for several years it was glaringly apparent the SBF did not have the staff, talent or resources to have many of the tools and technologies necessary to actually provide day to day investment oversight to approximately \$250 Million. By utilizing outside investment managers, we were able to better position our funds with more robust and diverse talent thereby enhancing our returns. By doing this I was able to set overall investment targets and goals and then monitor and visit the external managers in providing oversight for the SBF.

Refer to my resume for more details on what my actual duties and accomplishments are while at SBF.

CATERPILLAR, PEORIA, IL

FEBRUARY 2002-FEBRUARY 2011

SENIOR FINANCIAL CONSULTANT/HUMAN RESOURCE CONSULTANT (2006-2011)

During my time at Caterpillar I served in two primary functions. I was initially hired by Caterpillar Investment Management Limited (CIML 2002-2006), a wholly owned investment firm for Caterpillar. At the time CIML provided all investment and management oversight for the Caterpillar Pension and 401(k) Plans investments by owning and managing their owned family of mutual funds. I was hired as a Certified Financial Planner to design and provide the employee investment education and financial advice programs for Caterpillar's pension/retirement plan participants and retail investors. In 2006, after a lengthy lawsuit led by the United Auto Workers it was agreed that Caterpillar would sell their family of mutual funds to settle an ERISA case against "self-dealing". In the settlement the presiding Judge ruled that even though the Caterpillar owned funds charged less than any Vanguard Index Fund it was by definition "self-dealing" and therefore ERISA violating. These funds were sold to T Rowe Price and I transferred to the Human Service Division at Caterpillar until I left the company in 2011.

I was very happy at Caterpillar but felt a move closer back to West Kentucky was needed because at the time both my father and my father-in-law were experiencing significant health issues and both my wife and I felt we needed to be closer to help. While I was not looking for a job I had served on a state wide board (Baptist Foundation of Illinois) and in that capacity I met and got to know the President of the Southern Baptist foundation who called me one day asking if I would consider moving to Nashville to oversee the investments for the Southern Baptist Foundation.

Refer to my resume for more details on what my actual duties and accomplishments are while at Caterpillar.

FIRST SECURITY BANK, OWENSBORO, KY

2000-2002

SENIOR VICE PRESIDENT & TRUST OFFICER

I was hired at FSB to develop a private wealth department providing traditional trust and investment management services. This allowed us to return to Owensboro after living in Madisonville for several years. During my tenure I was successful in applying and gaining appropriate regulatory approval for trust powers. However, at day 58 of my employment the board made a surprise action in firing the CEO by a split vote. What transpired after that was a long proxy fight for control of the bank with each side (those who supported the fired CEO and those who did not) on about a 50-50 basis. This included employees, customers, and shareholders. After about 18 months the former CEO lost his proxy fight by a 51-40% vote. After this drawn out costly fight for control of the bank it was evident that the bank could not afford to start a new Trust and Investment Department that would be several years before breaking even. I will always be grateful the bank allowed me time to find other employment.

Refer to my resume for more details on what my actual duties and accomplishments are while at SBF.

**OLD NATIONAL TRUST COMPANY (ONT), OWENSBORO, KY**  
1993-2000  
VICE PRESIDENT & KENTUCKY REGION MANAGER

During my time at ONT I served in two locations. I was initially hired to grow the local department in Madisonville at Farmers Bank & Trust which had been purchased by ONT. I spent 5 years doing that and as my resume indicated was very successful at growing the department. In 1998 ONT had decided to go into the Owensboro market and asked that I relocated back to Owensboro to try to grow assets there. This was a bit more difficult as at the time I was working in a standalone trust office as Old National did not have any bank present in the area. I was also promoted to be the Kentucky Regional Manager to see if I would help the other 6 locations in Kentucky to grow. They finally built a branch in town and shortly after hired the local president from Bank One who decided to reorganize and bring with him his entire Trust Department from Bank One. Coupled with the reorganization at the Old National Bank whereby they consolidated the three current regions into one and I found my position being eliminated.

Refer to my resume for more details on what my actual duties and accomplishments are while at ONT.

**PROFESSIONAL DEVELOPMENT**

While employed at various times in my career I have held many securities licenses include the Series 6 & 7 as well as Kentucky, Indiana, Tennessee and Illinois Life and Health Insurance licenses.

I have held or continue to hold many financial services and Human Services certifications:

Certified Financial Planner (CFP), College of Financial Planning, Denver, CO  
No. 61026  
Date of Issue 09/14/1998

Certified Trust and Financial Advisor (CTFA), The Institute of Certified Bankers, Washington, DC

Chartered Financial Consultant (CHFC), The American College, Bryn Mawr, PA

Chartered Life Underwriter (CLU), The American College, Bryn Mawr, PA

Senior Professional in Human Resources (SPHR)  
No. 600768089SPHR 2010  
Society for Human Resource Mgt

Global Professional in Human Resources (GPHR)  
No. 600768089GPHR 2010  
Society for Human Resource Mgt

National Graduate Trust School, American Bankers Association, Evanston, IL

Six Sigma DMAIC Green Belt, Caterpillar University

Six Sigma DMEDI Green Belt, Caterpillar University

National Graduate Trust School, American Bankers Association, Evanston, IL 1998



Kentucky Retirement Systems  
 APPLICATION FOR TRUSTEE  
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 Deaf/Hard of Hearing TTY (502)564-4306

**Application for Trustee**

Information provided on this form will be used in your biography for the ballot if you are selected as a candidate.

**Trustee Information**

Today's Date (mm/dd/yyyy) 06/10/2020

Date of Birth (mm/dd/yyyy)  
 For identification purposes only [REDACTED]

Home Phone No. [REDACTED] Work Phone No. [REDACTED]

Potts	Jason	Clark	
Last Name	First Name	Middle Name	Other Name (if any)

[REDACTED]	Maceo	KY	42355	Davies
Address (Street, R.F.D. or Box No.)	City	State	Zip Code	County

E-mail Address (if available) [REDACTED]

**Background**

Yes  No Have you ever been convicted of or plead guilty to a felony? If yes, list offense(s), date(s) of offense(s), date(s) of conviction(s) or plea(s), and jurisdiction(s) in which the offense(s) occurred. Conviction is not an automatic rejection of application.

\_\_\_\_\_

\_\_\_\_\_

**Conflict of Interest**

Yes  No Are you a constitutionally eligible individual, which means a prospective candidate who does not have a conflict of interest on the basis of holding a constitutionally elected or appointed position pursuant to KRS 61.645 and Kentucky Constitution Section 165? If no, please list any elected or appointed position you currently hold that you believe may be constitutionally incompatible with serving as a trustee.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family own a controlling interest in an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family serve in a leadership or fiduciary capacity with an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you have any other actual or potential conflicts of interest that may hinder or prevent you from serving as a Trustee? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_



Name: Potts, Jason C.

Date 06/10/2020

**Education/Training: Complete accurately and provide highest grade or year completed at all levels of school below.**

School	Name and Address of School	Dates Attended		Date of Graduation mo/yr	Number of Hours		Fields of Study		Degree, Diploma, or Certificate Earned
		To mo/yr	From mo/yr		Earned	Now Carrying	Major	Minor	
High School	Owensboro Catholic High School 1524 W Parrish Avenue Owensboro, KY 42301	08/88	05/92	05/92					Diploma: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No or GED: <input type="checkbox"/> Yes <input type="checkbox"/> No
Under Graduate College or University	Kentucky Wesleyan College 3000 Frederica Street Owensboro, KY 42301	08/92	05/96	05/96	** 129 semester hours	** 0	Accounting and Business Admin.	n/a	Bachelor of Science
Graduate College or University	University of Kentucky 410 Administration Drive Lexington, KY 40506	08/96	08/97	08/97	** 31 semester hours	** 0	Accounting	n/a	Master of Science
Vocational, Business, Technical					***	***			
Apprenticeship				Journeyman: <input type="checkbox"/> Yes <input type="checkbox"/> No	Length of Program: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5				

\*\*Please indicate if college hours are semester or quarter **OR** \*\*\* indicate number of vocational / technical school clock hours.

**Employment History**

**If you need additional space to list employment, please print additional pages.**

<b>A.</b>	Employed From	11/08/1999 (mm/dd/yyyy)	To	PRESENT (mm/dd/yyyy)	
	Title of Position	Manager of Planning (current); previously Senior Production Cost Analyst			
	Name of Employer	Owensboro Municipal Utilities			
	City	Owensboro	State	KY	
	Type of Business	City-owned electric, water, and telecommunications utility			
<b>B.</b>	Employed From	09/01/1997 (mm/dd/yyyy)	To	PRESENT (mm/dd/yyyy)	
	Title of Position	Owner			
	Name of Employer	Jason C. Potts, CPA			
	City	Maceo	State	KY	
	Type of Business	CPA firm (self-employed)			
<b>C.</b>	Employed From	09/01/1997 (mm/dd/yyyy)	To	10/22/1999 (mm/dd/yyyy)	
	Title of Position	Staff Accountant			
	Name of Employer	Trover Health System			
	City	Madisonville	State	KY	
	Type of Business	Hospital and multi-physician clinic			

Name: Potts, Jason C.

Date 06/10/2020

**Licenses or Certificates: Please list any professional licenses or certifications you currently hold.**

License or Certification Title & Number	Original Issue Date	Current Expiration Date	Name, Address & Phone of Licensing Agency
Certified Public Accountant (CPA) License 8014	12/02/1999	08/01/2020	Kentucky State Board of Accountancy 332 West Broadway Street, Suite 310 Louisville KY 40202 (502) 595-4500

**Membership in Organizations: Indicate current membership in professional organizations, if you wish for the organization to be listed in your biography.**

ORGANIZATION	TITLE	DATE MEMBERSHIP EXPIRES
American Institute of Certified Public Accountants	Member	07/31/2020
Kentucky Society of Certified Public Accountants	Member	07/31/2020

**Please provide any additional information about your qualifications to serve as a trustee that you wish to be considered by the Board of Trustees.**

In 2018, Owensboro Municipal Utilities (OMU) made the decision to shut down its power plant in May 2020. I worked at the power plant for my first 16 years at OMU and made many friends there. I made the offer to help those friends figure out their best plan in advance of the May 2020 plant shutdown, and numerous ones of them accepted that offer. For the last several years, I've helped lots of folks make important retirement-related decisions like whether to purchase service credit, whether to retire now or keep working, and which benefit option to choose. It is very likely that few applicants for trustee will have analyzed as many different CERS retirement scenarios as I have. Through my thorough understanding of a CERS retirement and the non-CERS options that I have helped my friends explore, I have developed a deep appreciation of the valuable benefit that a CERS retirement represents. I want to serve as a CERS trustee to help preserve that benefit for future generations of employees and to help ensure that CERS remains solvent in order to provide the retirement promised to past and current employees.

Name: Potts, Jason C.

Date 06/10/2020

**Ballot Information: Please provide information as you would like it to appear with the printed election ballot.**

**Note: The education section is limited to institutions where a degree was granted and associations must have a relationship to service on the KRS Board. Submit one 5x7 color photo in PDF or JPG format along with your application.**

Name: Jason C. Potts, CPA

Position: Owensboro Municipal Utilities, Manager of Planning

**Submit  
5x7 or Larger  
Color Photo  
PDF or JPG Format**

Education,  
Certifications &  
Associations



Certified Public Accountant (CPA), State of Kentucky, since 1999  
University of Kentucky, Master of Science in Accounting, 1997  
Kentucky Wesleyan College, Bachelor of Science in Accounting, 1996  
Member of the American Institute of CPAs, Kentucky Society of CPAs

Residence: Maceo, KY

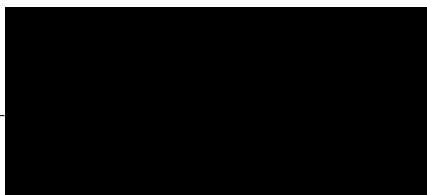
**- IMPORTANT - THIS SECTION MUST BE COMPLETED -**

**Signature - Please read and sign the following statement:**

I certify, under penalty of law, that the information given in this application is correct and complete to the best of my knowledge.

Date June 10, 2020

Signature: \_\_\_\_\_



## JASON C. POTTS, CPA

[REDACTED]  
Maceo, KY 42355  
[REDACTED]  
[REDACTED]  
[REDACTED]

### EXPERIENCE

Owensboro Municipal Utilities, Owensboro, KY

Manager of Planning, January 2016 – present

- Calculate customer electric and water rates.
- Prepare long-term financial forecasts for the entire utility, including projected electric and water rates.
- Participate in monthly financial closing process.
- Develop comprehensive financial models to use in analyses of various future scenarios.
- Prepare financial reports using historical and forecast data.
- Participate in cross functional teams that analyze and advise on business decisions.
- Participate in contract negotiations with wholesale counterparties.
- Provide support for debt financing.
- Supervise the budgeting and financial reporting functions.
- Assist in management functions of the Finance & Accounting department.
- Computer skills used:
  - Microsoft Windows 10
  - Microsoft Word, Microsoft Excel (extensively), PowerPoint
  - Microsoft Visual Basic
  - Microsoft SQL Server
  - Prophix forecasting software

Senior Production Cost Analyst, November 1999 – January 2016

- Perform cost analysis of power and water plant operations and maintenance (O&M).
- Prepare capital and O&M budgets for power and water plants.
- Coordinate Production division monthly closing process.
- Create, refine, and maintain multiple databases to store and report plant operating performance, and financial data.
- Participate in development of power plant optimization software.
- Improve Production division inventory accounting and process.
- Perform statistical analyses to project and forecast energy and water production and sales, plant performance, and financial results.
- Evaluate financial aspects of pollution control alternatives to determine the most viable options.
- Numerous financial analyses to support company-wide and Production division-specific decision making.
- Provide detailed accounting of major construction projects.
- Refine power plant's accounting records to facilitate more meaningful management reports as well as more accurate Federal Energy Regulatory Commission (FERC) reporting.
- Participate in and provide analysis for long-term planning activities.

- Lead team to implement maintenance, inventory, and procurement software for Water Production group.
- Assist in implementation, support, and refinement of computerized maintenance management and cost tracking system.
- Provide guidance and direction to systems analyst/programmer.
- Participate on intra-departmental committees as required.
- Computer skills used:
  - Microsoft Windows 98, Windows 2000, Windows XP, Windows 8, Windows 10
  - Microsoft Word, Microsoft Excel (extensively), Access (extensively), PowerPoint
  - Avantis.Pro enterprise asset management (maintenance, inventory, and procurement management)
  - Microsoft Visual Basic, VB.NET
  - Microsoft SQL Server
  - Oracle
  - Crystal Reports
  - System implementation
  - System integration design and execution

#### Trover Foundation, Madisonville, KY

Staff Accountant, September 1997 – October 1999

- Perform routine accounting activities: bank reconciliation, G/L account reconciliation, month-end closing activities.
- Payroll and accounts payable backup: perform duties in absence of personnel.
- Publish monthly financial reports, other reports as needed.
- Work with internal and external auditors. Improve accounting processes.
- Maintain fixed asset/depreciation system.
- Assist in preparation of operating and capital budgets.
- Extensive use/maintenance of databases and spreadsheets.
- Other accounting duties as needed.
- Computer skills used:
  - Microsoft Windows 3.1, Windows 95
  - Microsoft Word, Excel (extensively), Access
  - Lotus 1-2-3
  - MAS 90 computerized accounting system
  - HBOC computerized accounting system
  - PC-based banking software

## EDUCATION

#### University of Kentucky, Lexington, KY

Master of Science in Accountancy, August 1997

- GPA: Overall 3.786, Accounting 3.800
- Relevant Courses:
  - Accountometrics
  - Advanced Managerial/Cost Accounting
  - Attest Function
  - Research in Accounting Theory
  - Graduate-level statistics

Kentucky Wesleyan College, Owensboro, KY

Bachelor of Science in Accounting, May 1996

- GPA: Overall 3.295, Accounting 3.270
- Dean's List; Oak and Ivy Award nominee; "Who's Who Among American College and University Students"
- Relevant Courses:
  - Principles of Auditing
  - Consolidation and Not-for-Profit Accounting
  - Corporate and Individual Income Tax
  - Cost Accounting
  - Statistics

Computer skills from education:

- DOS
- Microsoft Windows 95, Word, Excel, Access, PowerPoint

Owensboro Catholic High School, Owensboro, KY

College Prep Diploma, May 1992

- Senior Class Rank 23/162

## **PROFESSIONAL CERTIFICATION**

Passed all four parts of November 1998 CPA exam; completed experience requirement September 1999. Have maintained CPA certification through semi-yearly continuing professional education requirements.



**Kentucky Retirement Systems  
APPLICATION FOR TRUSTEE**

1260 Louisville Rd. • Frankfort KY 40601-6124  
Phone: (502) 696-8800 • Fax: (502) 696-8801 • kyret.ky.gov  
Deaf/Hard of Hearing TTY (502)564-4306

**Application for Trustee**

Information provided on this form will be used in your biography for the ballot if you are selected as a candidate.

**Trustee Information**

Today's Date (mm/dd/yyyy) 06/15/2020

Date of Birth (mm/dd/yyyy) [REDACTED]  
For identification purposes only

Home Phone No. [REDACTED] Work Phone No.

Powell	Jerry	Wayne	
Last Name	First Name	Middle Name	Other Name (if any)

[REDACTED]	Georgetown	KY	40324	Scott
Address (Street, R.F.D. or Box No.)	City	State	Zip Code	County

E-mail Address (if available) [REDACTED]

**Background**

Yes  No Have you ever been convicted of or plead guilty to a felony? If yes, list offense(s), date(s) of offense(s), date(s) of conviction(s) or plea(s), and jurisdiction(s) in which the offense(s) occurred. Conviction is not an automatic rejection of application.

\_\_\_\_\_  
\_\_\_\_\_

**Conflict of Interest**

Yes  No Are you a constitutionally eligible individual, which means a prospective candidate who does not have a conflict of interest on the basis of holding a constitutionally elected or appointed position pursuant to KRS 61.645 and Kentucky Constitution Section 165? If no, please list any elected or appointed position you currently hold that you believe may be constitutionally incompatible with serving as a trustee.

\_\_\_\_\_  
\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family own a controlling interest in an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_  
\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family serve in a leadership or fiduciary capacity with an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_  
\_\_\_\_\_

Yes  No Do you have any other actual or potential conflicts of interest that may hinder or prevent you from serving as a Trustee? If yes, please list below.

\_\_\_\_\_  
\_\_\_\_\_



Name: Jerry W. Powell

Date 06/15/2020

**Education/Training: Complete accurately and provide highest grade or year completed at all levels of school below.**

School	Name and Address of School	Dates Attended		Date of Graduation mo/yr	Number of Hours		Fields of Study		Degree, Diploma, or Certificate Earned
		To mo/yr	From mo/yr		Earned	Now Carrying	Major	Minor	
High School	Bryan Station High School	09/72	6/75	6/75					Diploma: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No or GED: <input type="checkbox"/> Yes <input type="checkbox"/> No
Under Graduate College or University	Eastern Kentucky University	8/75	5/84		** 113	**			
Graduate College or University					**	**			
Vocational, Business, Technical	Department of Criminal Justice Training	4/87	6/87		*** 400	***			
Apprenticeship				Journeyman: <input type="checkbox"/> Yes <input type="checkbox"/> No	Length of Program: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5				

\*\*Please indicate if college hours are semester or quarter OR \*\*\* indicate number of vocational / technical school clock hours.

**Employment History**

If you need additional space to list employment, please print additional pages.

<b>A.</b>	Employed From	04/01/2017 (mm/dd/yyyy)	To	03/31/2021 (mm/dd/yyyy)
Title of Position: Trustee				
Name of Employer: Kentucky Retirement System				
City: Frankfort			State: KY	
Type of Business: Pension System				
<b>B.</b>	Employed From	03/08/2011 (mm/dd/yyyy)	To	03/31/2017 (mm/dd/yyyy)
Title of Position: Deputy Sheriff				
Name of Employer: Scott County Sheriff's Office				
City: Georgetown			State: KY	
Type of Business: Law Enforcement				
<b>C.</b>	Employed From	09/07/2004 (mm/dd/yyyy)	To	08/31/2010 (mm/dd/yyyy)
Title of Position: Police Chief				
Name of Employer: City of Sadieville Police Department				
City: Sadieville			State: KY	
Type of Business: Law Enforcement				



Name: Jerry W. Powell

Date 06/15/2020

**Licenses or Certificates: Please list any professional licenses or certifications you currently hold.**

License or Certification Title & Number	Original Issue Date	Current Expiration Date	Name, Address & Phone of Licensing Agency

**Membership in Organizations: Indicate current membership in professional organizations, if you wish for the organization to be listed in your biography.**

ORGANIZATION	TITLE	DATE MEMBERSHIP EXPIRES
Ky. Public Retirees	Bluegrass East President	06/01/2022
Fraternal Order of Police	State Pension Comm. & Member Lodge 4	

**Please provide any additional information about your qualifications to serve as a trustee that you wish to be considered by the Board of Trustees.**

I was elected to serve as one of the three KRS Board of Trustees representatives from the County Employees Retirement System (CERS) since April 1, 2017. He is a member of the KRS Actuarial Subcommittee, the KRS Disability Appeals/Administrative Appeals Committee #1, Retiree Health Plan Committee and the KRS representative to the Kentucky Group Health Insurance Board. I have also served on the KRS Investment Committee. In addition to attending his assigned committees I also attend the other committee(s) that I have not been assigned. Jerry Powell during his tenure has exceeded the minimum education hours every year.

- Member Kentucky Association of Chiefs of Police Life Member
- Concerns of Police Survivors (COPS) KY. Chapter (Benefit Liaison)
- Member and Past Vice President of Fraternal Order of Police Bluegrass Lodge #4
- Kentucky State Lodge Fraternal Order of Police Pension Committee
- Bluegrass East Chapter of Kentucky Public Retirees President.
- Member Kentucky Community Crisis Response Board Crisis Response Team and Kentucky Law Enforcement Assistance Program

Name: Jerry W. Powell

Date 06/15/2020

**Ballot Information: Please provide information as you would like it to appear with the printed election ballot.**

**Note: The education section is limited to institutions where a degree was granted and associations must have a relationship to service on the KRS Board. Submit one 5x7 color photo in PDF or JPG format along with your application.**

Name: Jerry W. Powell

Position: Trustee

Submit  
5x7 or Larger  
Color Photo  
PDF or JPG Format

Education,  
Certifications &  
Associations

SPACE IS  
LIMITED TO  
VISIBLE  
AREA

Jerry W. Powell was originally elected to serve as one of the three KRS Board of Trustees representatives from the County Employees Retirement System (CERS) in March 2017. He is a member of the KRS Actuarial Subcommittee, the KRS Disability Appeals/Administrative Appeals Committee #1, Retiree Health Plan Committee and the KRS representative to the Kentucky Group Health Insurance Board. He has also served on the KRS Investment Committee. He also regularly attends the other committees he is assigned, including legislative committee meetings.

I has over 37 years of law enforcement experience with more than 15 years in various supervisory roles. I attended Eastern Kentucky University. He held multiple law enforcement certifications and has received numerous commendations and recognitions of service and professionalism throughout his career.

As part of my service to community and profession I serve as a member of Kentucky Community Crisis Response Team as Peer Support and Kentucky Law Enforcement Assistance Programs, Kentucky Chapter of Concerns Of Police Survivors (KY. C.O.P.S.). Where he held the positions of trustee, a treasurer and Benefit Coordinator. I am active in the Fraternal Order of Police where I am a member Bluegrass Lodge #4 and once held the position as Vice-President. Member Kentucky Public Retirees (K.P.R.) and serves Bluegrass East Chapter as President. He is a Life Member of Kentucky Association of Chiefs of Police.

Residence: Georgetown/Scott County Kentucky

**- IMPORTANT - THIS SECTION MUST BE COMPLETED -**

**Signature - Please read and sign the following statement:**

I certify, under penalty of law, that the information given in this application is correct and complete to the best of my knowledge.

Date 06/15/2020

Signature:

## **JERRY W. POWELL**

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### **EXPERIENCE**

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KENTUCKY RETIREMENT SYSTEM  
BOARD OF TRUSTEES-C.E.R.S. ELECTED TRUSTEE  
1260 LOUISVILLE RD.  
FRANKFORT, KY 40601  
DATES OF EMPLOYMENT: 04/01/2017-PRESENT

A trustee of the Kentucky Retirement System oversees three separate retirement plans: county employees, state employees and state police. The board oversees the combined systems in a fiduciary capacity. The duties of a board member include the appointment of an Executive Director and fix the Executive Director's salary. Board members shall act on contracts for rental of office space, and professional service including but not limited to the auditor, actuary, legal counsel, medical examiners and hearing officers. The board shall act on legislative and regulatory changes proposed by the staff of the retirement systems. Other duties include ratification of audited financial statements, ratify the actions of committees of the board. A board member shall act on the recommendation of the actuary and shall adopt actuarial assumptions and contribution rates and contribution rates toward medical insurance premiums. Additionally, members of the board shall provide oversight concerning programs and services for members, retirees, beneficiaries and participating employers.

SCOTT COUNTY SHERIFF'S OFFICE  
120 N. HAMILTON ST.  
GEORGETOWN, KY  
DEPUTY SHERIFF  
DATES OF EMPLOYMENT: 03/08/2011 TO 03/31/2017  
TELEPHONE: (502) 863-7855

General duties and responsibilities:

As a deputy sheriff, I patrolled both urban and rural areas of Scott County, serving civil and criminal legal process. In addition, as a deputy sheriff I was charged with the issuance of uniform citations and making arrests for violations of Kentucky Revised Statutes that occurred in my presence or based on probable cause that the person being arrested had committed a felony. I also served court duty as a bailiff and assigned high risk/high profile trials requiring additional planning and security measures. Interviewed witnesses and suspects in both misdemeanor and felony cases, and testified in both District and Circuit Courts. Extradited persons wanted for felony charges in Kentucky and then returned those individuals to their respective states, if required.

Division of Police  
City of Sadieville  
131 Johnson Alley or P.O. Box 183  
Sadieville, Ky. 40370  
Chief of Police from February 2005 to August 31, 2010

*Class characteristics:*

*Under general administrative direction, the Police Chief shall plan, organize, direct, coordinate, and evaluate the activities of the Police Department and perform related work as required.*

General duties and responsibilities:

*The Police Chief shall plan, organize, direct, coordinate, and evaluate all activities and programs of the Police Department to provide continuous security for the city; formulate and implement departmental policies and procedures, rules, and regulations after consultation with higher authority; insure that criminal and traffic reports are accurately prepared and maintained on all police activities; insure the proper use of police cruisers and other departmental equipment; prepare and authorize work schedules; receive complaints from the general public; patrol the city on foot and in cruiser on regularly scheduled shifts; maintain a proper record system pertaining to citations, arrests, and investigations; investigate and prepare reports on all calls received during shift; issue parking meter violations; collect money from parking meters; participate in recertification courses and schedule subordinates for training; assist county and state police in serving warrants; serve summons for agencies as required; and perform additional duties as required.*

Division of Police  
City of Sadieville  
131 Johnson Alley or P.O. Box 183  
Sadieville, Ky. 40370  
Interim Chief of Police from September 2004 to February 2005

*Class characteristics:*

*Under general administrative direction, the Police Chief shall plan, organize, direct, coordinate, and evaluate the activities of the Police Department and perform related work as required.*

*General duties and responsibilities:*

*The Police Chief shall plan, organize, direct, coordinate, and evaluate all activities and programs of the Police Department to provide continuous security for the city; formulate and implement departmental policies and procedures, rules, and regulations after consultation with higher authority; insure that criminal and traffic reports are accurately prepared and maintained on all police activities; insure the proper use of police cruisers and other departmental equipment; prepare and authorize work schedules; receive complaints from the general public; patrol the city on foot and in cruiser on regularly scheduled shifts; maintain a proper record system pertaining to citations, arrests, and investigations; investigate and prepare reports on all calls received during shift; issue parking meter violations; collect money from parking meters; participate in recertification courses and schedule subordinates for training; assist county and state police in serving warrants; serve summons for agencies as required; and perform additional duties as required.*

Division of Police  
City of Sadieville  
131 Johnson Alley or P.O. Box 183  
Sadieville, Ky. 40370  
Patrol Officer from June 1, 2000 to September 2004

*Class characteristics:*

*Under the general supervision of the Police Chief, a police officer shall perform police duties in enforcing federal, state, and local laws and ordinances on an assigned shift and perform related work as required. General duties and responsibilities: A police officer shall patrol the city on foot and in cruiser on regularly assigned shifts. Respond to all calls received during a shift, take proper action, and prepare accurate reports. Issue traffic warning forms and traffic court citations and appear in court when necessary, control traffic at school crossings, fires, accidents, parades, and the like. Secure the scene of crimes and accidents, conduct preliminary investigations, gather evidence, interview witnesses, prepare reports, and make arrests. Perform investigative duties when necessary; assist in emergency; issue parking meter violations. Participate in approved law enforcement training courses every year in Richmond, and perform all other duties as required by law and such additional duties as*

*required.*

KENTUCKY VEHICLE ENFORCEMENT  
Kentucky Transportation Cabinet  
Assigned Post #Nine, Boone County

*When assigned, attends, and successfully completes formal training on the North American Standard Driver/Vehicles Inspection Program, and Hazardous Materials Compliance and Enforcement. Learn policies and procedures with respect to chain of command, standards of conduct, work condition and expectations, maintenance standards for uniforms and equipment and disaster scene security. Learns usage of communications equipment, inspection of carriers including those carrying hazardous materials; and standards for completing inspection reports. As a trainee, performs the following task subject to close supervision and monitoring: inspects driver/vehicle records for compliance with licensing, permits, vehicle/driver operation laws and regulations; walks, climbs, stoops, and crawls around, on, and under vehicles physically inspect vehicles for safety defects; checks cargo manifest to determine if hazardous materials are being carried, and if so, inspects for compliance with hazardous materials transportation regulations. Determines vehicles and/or drivers to be placed out of service for major violations; completes various forms and reports required by Kentucky Vehicle Enforcement in accordance with the operations manual. Maintains uniform and equipment in accordance with division policy; communicates problems and inquiries through the chain-of-command and makes court appearances when required.*

KENTUCKY HORSE PARK MOUNTED POLICE  
4089 Iron Works Pike, Lexington, KY  
Mounted Patrol Sergeant  
From April 1992 to September 30, 1997

*Performs all duties and has all the responsibilities as an officer. Aids in the supervision of the Kentucky Horse Park Mounted Police Staff of seven officers. Provides assistance to the Captain by developing work schedules for the Mounted Police staff, maintaining time sheets and preparing payroll, making daily work assignments, and issuing equipment and materials. Employees in this class are subject to call twenty-four hours per day particularly in the absence of the Captain. The Sergeant provides to the Captain, information used in evaluating the police staff. Reviews all cases investigated by the Mounted Police Troopers and assists the Troopers in preparation of the cases for court. In addition, provides firearms and patrol tactics training for the members of the police staff. During my tenure as a sergeant for the Kentucky Horse Park, I have initiated, assisted with, and implemented various changes in the operations of the Mounted Police unit. An example of this would be changes in the Kentucky Revised Statutes Domestic Violence laws, which now allows sworn officers for the Kentucky Horse Park to make probable cause arrests in cases of domestic violence.*

KENTUCKY HORSE PARK MOUNTED POLICE  
4089 Iron Works Pike, Lexington, KY  
Mounted Patrol Corporal,

*Regularly patrols the Kentucky Horse Park grounds in vehicles, on horseback and on foot to provide positive guest relations, law enforcement services, crowd control, and investigation of possible criminal and misdemeanor actions relating to agency facilities, guests, and/or animals under agency control. Regularly rides horse as part of mounted patrol officer's duties at the Kentucky Horse Park and in other activities as assigned. Interviews witnesses, takes statements,*

*prepares records and reports, and testifies in court if needed. Makes arrests, and transports violators as needed. Contacts other law enforcement agencies when situations warrant and cooperates fully therewith. Renders first aid and summons emergency medical personnel as needed. Employees in this class maintain awareness of and enforce current statutes, regulations, and policy with reference to assigned area of operations. Participates in training as directed. Employees in this class are required to ride horses in all types of weather and conditions and are in situations where bruises, cuts and broken bones may be encountered despite safety precautions. Employees in this class are required to maintain and make minor repairs to issued equipment such as uniforms, weapons, tack, and vehicles; and general care and feeding of assigned animals, Employees in this class deal extensively with the public, responding to routine questions concerning operations of the park. Acted as supervisor if the Captain and Sergeant were unavailable, supervised the mounted patrol field operations, and supervised the care and health management of the horses assigned to this division.*

KENTUCKY HORSE PARK MOUNTED POLICE  
4089 Iron Works Pike, Lexington, KY  
Mounted Patrol Officer  
From January 1990 to April 1991

*Regularly patrols the Kentucky Horse Park grounds in vehicles, on horseback and on foot to provide positive guest relations, law enforcement services, crowd control, and investigation of possible criminal and misdemeanor actions relating to agency facilities, guests, and/or animals under agency control. Regularly rides horse as part of mounted patrol officer's duties at the Kentucky Horse Park and in other activities as assigned. Interviews witnesses, takes statements, prepares records and reports, and testifies in court if needed. Makes arrests, and transports violators as needed. Contacts other law enforcement agencies when situations warrant and cooperates fully therewith. Renders first aid and summons emergency medical personnel as needed. Employees in this class maintain awareness of and enforce current statutes, regulations, and policy with reference to assigned area of operations. Participates in training as directed. Employees in this class are required to ride horses in all types of weather and conditions and are in situations where bruises, cuts and broken bones may be encountered despite safety precautions. Employees in this class are required to maintain and make minor repairs to issued equipment such as uniforms, weapons, tack, and vehicles; and general care and feeding of assigned animals, Employees in this class deal extensively with the public, responding to routine questions concerning operations of the park.*

FAYETTE COUNTY SHERIFF'S DEPARTMENT  
136 NORTH MARTIN LUTHER KING BLVD., LEXINGTON, KY  
DEPUTY SHERIFF  
FROM JANUARY 1979 TO JANUARY 1990

*As a deputy sheriff, I patrolled both urban and rural areas of Fayette County, serving civil and criminal legal process. In addition, as a deputy sheriff I was charged with the issuance of uniform citations and making arrests for violations of Kentucky Revised Statutes that occurred in my presence or based on probable cause that the person being arrested had committed a felony. I also served court duty as a bailiff and assigned high risk/high profile trials requiring additional planning and security measures. Conducted inspections and investigations of establishments that served alcoholic beverages for violation of state and local violations. Interviewed witnesses and suspects in both misdemeanor and felony cases, and testified in both District and Circuit Courts. Extradited persons wanted for felony charges in Kentucky and then returned those individuals to their respective states, if required. Conducted firearms and patrol tactics training*

*to members of the department as needed.*

**Education**

---

Bryan Station Senior High School  
Lexington, KY.  
Graduated June 1975

Eastern Kentucky University  
Richmond, KY.  
Major of Police Administration with Minor in Traffic Safety, 113 Cumulative Semester hours

**Affiliations**

---

Member Kentucky Community Crisis Response Board Crisis Response Team  
Member Kentucky Association of Chiefs of Police Life Member  
Concerns of Police Survivors (COPS) KY. Chapter (Benefit Liaison)  
International Critical Incident Stress Foundation  
Member and Past Vice President of Fraternal Order of Police Bluegrass Lodge #4  
Kentucky State Lodge Fraternal Order of Police Pension Committee  
Bluegrass East Chapter of Kentucky Public Retirees President.





**Kentucky Retirement Systems  
APPLICATION FOR TRUSTEE**

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Deaf/Hard of Hearing TTY (502)564-4306

**Application for Trustee**

**Information provided on this form will be used in your biography for the ballot if you are selected as a candidate.**

**Trustee Information**

Today's Date (mm/dd/yyyy) 07/14/2020

Date of Birth (mm/dd/yyyy) [REDACTED]  
For identification purposes only

Home Phone No. [REDACTED] Work Phone No. n/a

Lilly	Melanie	S	
Last Name	First Name	Middle Name	Other Name (if any)

<span style="background-color: black; color: black;">[REDACTED]</span>	Louisville	KY	40241	Jefferson
Address (Street, R.F.D. or Box No.)	City	State	Zip Code	County

E-mail Address (if available) [REDACTED]

**Background**

Yes  No Have you ever been convicted of or plead guilty to a felony? If yes, list offense(s), date(s) of offense(s), date(s) of conviction(s) or plea(s), and jurisdiction(s) in which the offense(s) occurred. Conviction is not an automatic rejection of application.

\_\_\_\_\_

\_\_\_\_\_

**Conflict of Interest**

Yes  No Are you a constitutionally eligible individual, which means a prospective candidate who does not have a conflict of interest on the basis of holding a constitutionally elected or appointed position pursuant to KRS 61.645 and Kentucky Constitution Section 165? If no, please list any elected or appointed position you currently hold that you believe may be constitutionally incompatible with serving as a trustee.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family own a controlling interest in an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family serve in a leadership or fiduciary capacity with an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you have any other actual or potential conflicts of interest that may hinder or prevent you from serving as a Trustee? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_



Name: Melanie S Lilly

Date 07/14/2020

**Education/Training: Complete accurately and provide highest grade or year completed at all levels of school below.**

School	Name and Address of School	Dates Attended		Date of Graduation mo/yr	Number of Hours		Fields of Study		Degree, Diploma, or Certificate Earned
		To mo/yr	From mo/yr		Earned	Now Carrying	Major	Minor	
High School	Ballard High School	1968	1972	May, 1972					Diploma: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No or GED: <input type="checkbox"/> Yes <input type="checkbox"/> No
Under Graduate College or University	Indiana University Bloomington, IN	1972	1975	Aug, 1975	** 126	**	Commu nication s	Busines s	Bachelor of Arts
Graduate College or University					**	**			
Vocational, Business, Technical					***	***			
Apprenticeship				Journeyman: <input type="checkbox"/> Yes <input type="checkbox"/> No	Length of Program: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5				

\*\*Please indicate if college hours are semester or quarter OR \*\*\* indicate number of vocational / technical school clock hours.

**Employment History**

**If you need additional space to list employment, please print additional pages.**

**A.** Employed From 01/06/1992 (mm/dd/yyyy) To 07/31/2013 (mm/dd/yyyy)

Title of Position Executive Administrator

Name of Employer Louisville Jefferson County Metro Government

City Louisville State KY

Type of Business Government

**B.** Employed From 1987 (mm/dd/yyyy) To 12/31/1991 (mm/dd/yyyy)

Title of Position General Manager

Name of Employer Edwards Photo

City Louisville State KY

Type of Business Retail photo processing store

**C.** Employed From 1975 (mm/dd/yyyy) To 1987 (mm/dd/yyyy)

Title of Position Various

Name of Employer See attached resume

City State

Type of Business



Name: Melanie S Lilly

Date 07/14/2020

**Ballot Information: Please provide information as you would like it to appear with the printed election ballot.**

**Note: The education section is limited to institutions where a degree was granted and associations must have a relationship to service on the KRS Board. Submit one 5x7 color photo in PDF or JPG format along with your application.**

Name: Melanie S Lilly

Position: CERS Trustee

Education,  
Certifications &  
Associations

**Submit  
5x7 or Larger  
Color Photo  
PDF or JPG Format**

**SPACE IS  
LIMITED TO  
VISIBLE  
AREA**

Residence: Louisville, Jefferson County, KY

**- IMPORTANT - THIS SECTION MUST BE COMPLETED -**

**Signature - Please read and sign the following statement:**

I certify, under penalty of law, that the information given in this application is correct and complete to the best of my knowledge.

Date 07/14/2020

Signature 

## **Melanie S Lilly**

### **Experience**

**EXECUTIVE ADMINISTRATOR | LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT | JAN 1992-JULY 2013**

- Retired
- Management level government financial management in Departments of: Finance, Metro Parks and Louisville Free Public Library. General responsibilities included complex problem solving and reporting and communicating to Mayor and Council members.

### **Career Highlights**

#### **Louisville Free Public Library**

- Managed Library budget through major cuts of 2008 recession. Reassigned personnel as needed to best serve patrons at branches after staff cuts.
- Managed budget and project for Library rebuild after the Main branch was severely damaged by flooding in August 2009. Prepared bids and reviewed contracts to assure procurement policies were followed in contracting rebuild. Reviewed and approved change orders. Prepared and maintained all FEMA reports and filings pertaining to flood recovery. Responsible for keeping project on budget.
- Supervised Technology Department. Revamped technology policies and procedures to improve availability of technology to patrons.
- Managed supervisory staff, including hiring, coaching, evaluations and dismissals. Successfully negotiated new union contract. Negotiated grievance resolutions.

#### **Merger of Louisville/Jefferson County governments**

Team Leader for new financial system following merger of Louisville City and Jefferson County Governments in 2003. Team responsibilities included:

- Ensured project was complete and functioning per financial management specifications by January 2003 deadline.
- Wrote bid specifications for new financial management software.
- Evaluation of bids and selection of software vendor.
- Review of City and Jefferson County financial systems, policies and procedures for software development specifications.
- Configuration of the new financial software inputs and outputs to meet requirements for accounting, budgeting and reporting.
- Developed financial reports to meet the needs of government officials, department leaders and staff.
- Developed and wrote training procedures and manuals for new financial system.
- Trained employees to use the new financial system.
- Development and implementation of Metro's financial system was completed on time and on budget.

Page 2

**Melanie S Lilly**

**Metro Parks**

- Revamped Metro Parks budget after failed audit. Implemented new financial policies and procedures which resulted in a clean audit.
- Budget preparation and management.
- Supervised business office and human resources staff including hiring, coaching, evaluations and dismissals.
- Project management (accounting and construction).

**City of Louisville Department of Finance**

- Assisted with implementation of new City financial software in 1992.
- Completed management rotation through divisions of Accounts Payable, General Accounting, Payroll and Cash Management.
- Maintained financial policies and procedures for City including updates, interpretation and training.

**Other Skills**

- Public Relations, comfortable working with news media.
- Training and train-the-trainer.
- Proficient in Excel, Word, Outlook.

**Freelance Voice-Over Artist**

- Various projects including radio/television commercials, business and web narrations, training video narrations.

**PRIOR to Metro Government:**

- Edwards Photo: General Manager, retail photo processing store.
- Kleier Communications: Traveled nationwide selling marketing programs.
- Striegel Communications: Account Executive for advertising firm.
- Energy Auditing Services: Marketing director for oil lease auditing firm.
- Broadcast Journalist: Radio and television news producer, anchor, writer.

**Education**

**INDIANA UNIVERSITY, BLOOMINGTON, IN**

• Bachelor of Arts: Communications

• Minor: Business

**UNIVERSITY OF LOUISVILLE, LOUISVILLE, KY**

• Major: Accounting, 24 hours continuing education



**Kentucky Retirement Systems  
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**Application for Trustee**

**Information provided on this form will be used in your biography for the ballot if you are selected as a candidate.**

**Trustee Information**

Today's Date (mm/dd/yyyy) 07/16/2020

Date of Birth (mm/dd/yyyy) [REDACTED]  
*For identification purposes only*

Home Phone No. [REDACTED] Work Phone No.

Pridgen Jr.	Roy	Leon	
Last Name	First Name	Middle Name	Other Name (if any)

<span style="background-color: black; color: black;">[REDACTED]</span>	Louisville	KY	40272	Jefferson
Address (Street, R.F.D. or Box No.)	City	State	Zip Code	County

E-mail Address (if available) [REDACTED]

**Background**

Yes  No Have you ever been convicted of or plead guilty to a felony? If yes, list offense(s), date(s) of offense(s), date(s) of conviction(s) or plea(s), and jurisdiction(s) in which the offense(s) occurred. Conviction is not an automatic rejection of application.

\_\_\_\_\_

\_\_\_\_\_

**Conflict of Interest**

Yes  No Are you a constitutionally eligible individual, which means a prospective candidate who does not have a conflict of interest on the basis of holding a constitutionally elected or appointed position pursuant to KRS 61.645 and Kentucky Constitution Section 165? If no, please list any elected or appointed position you currently hold that you believe may be constitutionally incompatible with serving as a trustee.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family own a controlling interest in an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family serve in a leadership or fiduciary capacity with an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you have any other actual or potential conflicts of interest that may hinder or prevent you from serving as a Trustee? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Name: Roy Pridgen Jr.

Date 07/16/2020

**Education/Training: Complete accurately and provide highest grade or year completed at all levels of school below.**

School	Name and Address of School	Dates Attended		Date of Graduation mo/yr	Number of Hours		Fields of Study		Degree, Diploma, or Certificate Earned
		To mo/yr	From mo/yr		Earned	Now Carrying	Major	Minor	
High School	Valley High School 10200 Dixie Hwy Louisville, KY 40272	1982	1986						Diploma: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No or GED: <input type="checkbox"/> Yes <input type="checkbox"/> No
Under Graduate College or University	University of Louisville Louisville, KY 40292	2014	2017		**	**	Bachelor of Science in Justice Administration		Bachelor of Science in Justice Administration
Graduate College or University	Eastern Kentucky University 521 Lancaster Ave Richmond, KY 40475				**	**	Post-Bachelor		Paralegal Study
Vocational, Business, Technical					***	***			
Apprenticeship				Journeyman: <input type="checkbox"/> Yes <input type="checkbox"/> No	Length of Program: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5				

\*\*Please indicate if college hours are semester or quarter OR \*\*\* indicate number of vocational / technical school clock hours.

**Employment History**

If you need additional space to list employment, please print additional pages.

A.	Employed From	11/01/2000 (mm/dd/yyyy)	To	06/01/2019 (mm/dd/yyyy)
	Title of Position	Correction Officer		
	Name of Employer	Louisville Metro Correction		
	City	Louisville	State	KY
	Type of Business			
B.	Employed From	01/01/2001 (mm/dd/yyyy)	To	01/01/2017 (mm/dd/yyyy)
	Title of Position	Off Duty Officer		
	Name of Employer	Kroger Shopping Center-Tylor center, Charity Bingo, Commonwealth Convention Center and River Front		
	City	Louisville	State	KY
	Type of Business	Off Duty		
C.	Employed From	01/01/1997 (mm/dd/yyyy)	To	01/01/2000 (mm/dd/yyyy)
	Title of Position	Computerized Press Operator		
	Name of Employer	Lincoln Industrial Corporation		
	City	Louisville	State	KY
	Type of Business			

Name: Roy Pridgen Jr.

Date 07/16/2020

**Licenses or Certificates: Please list any professional licenses or certifications you currently hold.**

License or Certification Title & Number	Original Issue Date	Current Expiration Date	Name, Address & Phone of Licensing Agency
BLS/CPR/AED	2020	01/01/2022	American Heart Association
Academy #72, Corrections Officer			Achievement in Jefferson County Corrections Department

**Membership in Organizations: Indicate current membership in professional organizations, if you wish for the organization to be listed in your biography.**

ORGANIZATION	TITLE	DATE MEMBERSHIP EXPIRES
Sigma Alpha Lambda - national Leadership & Honors organization	member	present
Alpha Phi Sigma - National Criminal Justice Honor Society	member	present

**Please provide any additional information about your qualifications to serve as a trustee that you wish to be considered by the Board of Trustees.**

After receiving my BA in criminal justice, I continued to do a post bachelor degree in para legal studies. this makes me look at things from a different perspective. this allows me to look at the legality of retirement, helps make objective thinking when it comes to political aspects, being a retired Corrections officer from Louisville Metro Government, I have seen first hand what all peace officers go through and have fresh knowledge of the career that we all took, and swore an oath to. I feel that this knowledge and other training that I have would benefit the Board of Trustees to be able to endorse as well as make decisions of moral aptitude when dealing with the future of all aspects of retirements for several generations of law enforcement to come. I feel that a slight younger generation that I am could also benefit the board by understanding and helping to fix and or improve any problems with retirement for all employees that benefit from the Kentucky retirement system. No matter if its law enforcement or civilian employees. As we all know there are civilians used in all aspects of the great state of Kentucky as well as Law Enforcement retirements. I'd like to add my investigative and research skills are wonderful asset that I can offer the K.R.S. retirement as being on the board of trustees.

My assets would benefit on determining disabilities, appeals, audits as well as other things to help guide and ensure the help needed to continue funding, as well as helping meet all of our obligations to Kentucky, I feel my assets would help in trying to appropriate funds for all retirees, try enhance every aspect or K.R.S. for the best solution for all of our members.



Name: Roy Pridgen Jr.

Date 07/16/2020

**Ballot Information: Please provide information as you would like it to appear with the printed election ballot.**

**Note: The education section is limited to institutions where a degree was granted and associations must have a relationship to service on the KRS Board. Submit one 5x7 color photo in PDF or JPG format along with your application.**

Name: Roy Pridgen Jr.

Position: CERS Board of Trustees

Education,  
Certifications &  
Associations

*Education: = post-baccalaureate of science certificate program  
in Paralegal study; Bachelor of Science in Justice  
Administration; Associate in arts - criminal Justice  
Certifications = BLS / CPR / AED from American Heart  
Association; achievement in Jefferson County  
Corrections Department, Academy #7 +  
Associations = Sigma Alpha Lambda - National  
Leadership & Honors organization; Alpha Phi Sigma -  
National Criminal Justice Honor Society; Phi  
Theta Kappa - the national honor society;  
Psi-Beta - the national honor society in psychology;  
National Fraternal order of Police (F.O.P.)*

Submit  
5x7 or Larger  
Color Photo  
PDF or JPG Format

SPACE IS  
LIMITED TO  
VISIBLE  
AREA

Residence: Louisville KY

**- IMPORTANT - THIS SECTION MUST BE COMPLETED -**

**Signature - Please read and sign the following statement:**

I certify, under penalty of law, that the information given in this application is correct and complete to the best of my knowledge.

Date 07/16/2020

Signature:



**Roy L. Pridgen, Jr.**

[REDACTED]  
Louisville, KY 40272  
[REDACTED]  
[REDACTED]

## **EDUCATION**

### **Post-Baccalaureate of Science Certificate Program in Paralegal Study**

*Eastern Kentucky University*

521 Lancaster Avenue, Richmond, KY 40475

August 2017~Present

### **Bachelor of Science in Justice Administration**

*University of Louisville*

University of Louisville, Louisville, KY 40292

2014~2017

### **Associate in Arts (AA)-Criminal Justice**

*Jefferson Community and Technical College*

109 East Broadway, Louisville, KY 40202

2000~2014

### **Diploma-High School Graduated**

*Valley High School*

10200 Dixie Highway, Louisville, KY 40272

1982~1986

## **PROFESSIONAL EXPERIENCE**

### **Correction Officer (Full-time)**

*Louisville Metro Correction*

400 South Sixth Street, Louisville, KY 40202

November, 2000~ June, 2019

Responsibilities: Instruct inmates inside of the jail premises. In addition, monitoring and securing inmates inside the jail. I'm responsible for main control which I've been in for over seven years; main functions are monitoring cameras, running elevators and operating all access doors within and entrance to the facility. Also I'm responsible for watching the cameras and inmate/staff movement to insure safety and security of the facility, allowing access to the sally port to police officers/other agencies and keeping track of keys and equipment. Also transported inmates from one facility to another, court, home incarceration, and other aspects were to observe inmates and know when a problem may occur, defuse situations that could turn into violence. Running x-ray machines, doing physical searches, looking for weapons, drugs or any other contraband that could be brought in the jails.

**Off Duty Officer (As-need)**

*Kroger Shopping Center-Tylor center*

Taylorville Rd, Louisville, KY 40258

Date: October 30, 2011, after 5:30 pm to finish

Responsibilities: Direct traffic and safety watching in Parking lot at Mall Shopping Center for Children's Halloween events.

*Charity Bingo*

5101 Stephen Drive, Louisville, KY 40258

Date: Started December 22, 2003 - 2006, 2017, Tuesdays and Wednesdays, 1200p.m to 0430 a.m.

Responsibilities: Provide security in the bingo hall and outside and have a visible walk through for security and safety, also to defuse any present problems.

*Commonwealth Convention Center and River Front*

4160 Fifth Street, Louisville, KY 40202

Date: December 22, 2003-December 28, 2003, various hours

Responsibilities: Provide safety and to give a professional appearance and provide security during the holiday, activities and events.

*Dixie dozen movie theaters*

6801 Dixie Hwy, Louisville, KY 40258

2001 ~ 2004

Responsibilities: Work as a trained provider of off duty law enforcement officer in a local movie theater. I excel in corporate, private, and governmental security venues. Law enforcement training and experience that distinguishes us from typical security providers, we utilize our specialty to provide a safe and secure environment for all.

**Computerized Press Operator (Full time)**

*Lincoln Industrial Corporation*

8021 National Tpke, Louisville, KY 40214

1997 ~ 2000

Responsibilities: Ran a computerized stamping machine which punched holes and made dimension cuts in various types of metal, duties included cutting different metals at different lengths to be placed into the machine, the dynamics of the program had to be downloaded to the computer so the machine would make precision stamps into the metal to be bent and welded to a certain parameter. I did various jobs included which included welding, polishing, using grinding wheels to take sharp edges off of the stamped product, helped the precision bender to make the design intended for the final product, I helped in shipping and painting of the final product when needed, operated a toll motor to move products and metals to specified places.

**LICENSURE AND CERTIFICATIONS**

- 2020 – Certificate of Completion in BLS/CPR/AED from American Heart Association
- 2018 – Certificate of Completion in Adult CPR/AED from American Heart Association
- 2013 – Certificate of Completion in Adult CPR/AED from American Red Cross
- 2003 – Certificate of Credentials of Ministry in Universal Life Church, Modesto, California
- 2001 – Certificate of Achievement in Jefferson County Corrections Department, Academy #72
- 1995 – Certificate of Emergency Medical Technician from Commonwealth of Kentucky
- 1994 – Certified Hazardous Exposure Training for Fire Department, Louisville, Kentucky
- 1988 – Certified Kubotan Instructor

## **AWARD**

- 2015 – Certificate of Induction into Alpha Phi Sigma Award for Criminal Justice Program at University of Louisville
- 2015 – Certificate of Distinction in Academic Achievement at Jefferson Community and Technical College
- 2002 – Certificate of Appreciation from USPS for the Household Diary Study
- 1995 – Purple belt in kempo karate
- 1991 – Rank of First place kyu aikido
- 1991 – PKA runner up professional kickboxing
- 1988 – Tae Kwon Do Third Dan Black Belt
- 1986 – Foot ball excellence in high school
- 1986 – Fourth place in state wrestling

## **TEACHING EXPERIENCE**

### **Marital Art Instructor**

- Rex’s Tae Kwon Do
- A-1 Martial Arts
- Beech Mont Community Center

## **PROFESSIONAL MEMBERSHIPS**

Sigma Alpha Lambda-National Leadership & Honors Organization  
University of Louisville Chapter-Louisville, KY  
Member, June 2015-Present

Alpha Phi Sigma-National Criminal Justice Honor Society  
Louisville, KY  
Member, November 2014-Present

Phi Theta Kappa -the National Honor Society  
Louisville, KY  
Member, January 2014 – Present

Psi-Beta-the National Honor Society in Psychology  
Louisville, KY  
Member, April 2013 – Present

National Fraternal Order of Police (F.O.P.)  
Louisville, KY  
Active Member, 2003 – Present

## **PROFESSIONAL TRAINING**

*Certificate of Completion by the National Institute of Corrections, Total 35 Training Hours*

September 2013–Essential Mentoring Techniques: Building and Maintaining Mentoring

Relationships

– Optimizing Your Work/Life Balance: Taking Control of Your Stress

August 2013 – Essential Mentoring Techniques: Mentoring Fundamentals

– Working with Difficult People: How to Work with Aggressive People

– Working with Difficult People: Dealing with Micromanagers

– Giving Feedback

July 2013 – Critical Thinking Essentials: What Is Critical Thinking?

– Critical Thinking Essentials: Applying Critical Thinking Skills

– Conflicts of Interest in the Workplace

– Being and Effective Team Member

May 2013 – What is Emotional Intelligence

– Measurement: Assessment and Metrics

– Problem Solving: The Fundamentals

– Problem Solving: Determining and Building Your Strengths

- Problem Solving: Digging Deeper
- The Essentials of Budgeting for Non-financial Professionals
- Planning and Preparing an Operating Budget
- Career Development Theory and Its Application
- Emergency Preparedness and Response
- Collaboration: A Survival Strategy for Turbulent Times
- Assigning Inmates to Housing
- Power to Lead
- Influence with Confidence
- Addressing and Redistributing E-mail
- Working with Text and Paragraphs in Word 2007
- Personal Productivity Improvement: Managing Tasks and Maximizing Productivity
- Personal Productivity Improvement: Managing Your Workspace
- Personal Productivity: Self-organization and Overcoming Procrastination
- Preparing for Organizational Change
- Rebuilding Trust
- Time Management: Analyzing Your Use of Time
- Time Management: Avoiding Time Stealers
- Time Management: Planning and Prioritizing Your Time
- Understanding Organizational Change
- Using Emotional Intelligence on the Job

***Certificate of Completion by the Florida National Guard and St. Petersburg College, Training held September 1, 2005 through September 30, 2005.***

September 2005-Multijurisdictional Counterdrug Task Force Training: Cd Risk Management

September 2005–Multijurisdictional Counterdrug Task Force Training: Cd Analytical

Investigative Tools

September 2005–Multijurisdictional Counterdrug Task Force Training: Cd Explosives, Booby

Traps, Bomb Threat



**Kentucky Retirement Systems  
APPLICATION FOR TRUSTEE**

1260 Louisville Rd. • Frankfort KY 40601-6124  
Phone: (502) 696-8800 • Fax: (502) 696-8801 • kyret.ky.gov  
Deaf/Hard of Hearing TTY (502)564-4306

**Application for Trustee**

**Information provided on this form will be used in your biography for the ballot if you are selected as a candidate.**

**Trustee Information**

Today's Date (mm/dd/yyyy) 07/20/2020

Date of Birth (mm/dd/yyyy)  
For identification purposes only [REDACTED]

Home Phone No. [REDACTED] Work Phone No. [REDACTED]

Scott	Ronald	Durkson	None ("Ron")
Last Name	First Name	Middle Name	Other Name (if any)

[REDACTED]	Danville	KY	40422	Boyle
Address (Street, R.F.D. or Box No.)	City	State	Zip Code	County

E-mail Address (if available)

**Background**

Yes  No Have you ever been convicted of or plead guilty to a felony? If yes, list offense(s), date(s) of offense(s), date(s) of conviction(s) or plea(s), and jurisdiction(s) in which the offense(s) occurred. Conviction is not an automatic rejection of application.

\_\_\_\_\_

\_\_\_\_\_

**Conflict of Interest**

Yes  No Are you a constitutionally eligible individual, which means a prospective candidate who does not have a conflict of interest on the basis of holding a constitutionally elected or appointed position pursuant to KRS 61.645 and Kentucky Constitution Section 165? If no, please list any elected or appointed position you currently hold that you believe may be constitutionally incompatible with serving as a trustee.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family own a controlling interest in an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you or any member(s) of your immediate family serve in a leadership or fiduciary capacity with an entity that does business or might seek to do business with KRS? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_

Yes  No Do you have any other actual or potential conflicts of interest that may hinder or prevent you from serving as a Trustee? If yes, please list below.

\_\_\_\_\_

\_\_\_\_\_



Name: Ronald D Scott

Date 07/20/2020

**Education/Training: Complete accurately and provide highest grade or year completed at all levels of school below.**

School	Name and Address of School	Dates Attended		Date of Graduation mo/yr	Number of Hours		Fields of Study		Degree, Diploma, or Certificate Earned
		To mo/yr	From mo/yr		Earned	Now Carrying	Major	Minor	
High School	Hart Memorial	06/68	01/66	06/68					Diploma: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No or GED: <input type="checkbox"/> Yes <input type="checkbox"/> No
Under Graduate College or University	Western Kentucky University	08/68	06/72	06/72	**	**	Government & Sociolog		BA- Double Major in Gov't & Sociology
Graduate College or University	Western Kentucky Univeristy	06/75	08/74	06/1975	**	**	Public Administration		MA - Public Service Degree
Vocational, Business, Technical					***	***			
Apprenticeship					Journeyman: <input type="checkbox"/> Yes <input type="checkbox"/> No		Length of Program: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5		

\*\*Please indicate if college hours are semester or quarter **OR** \*\*\* indicate number of vocational / technical school clock hours.

**Employment History**

If you need additional space to list employment, please print additional pages.

**A.** Employed From 08/22/2011 (mm/dd/yyyy) To 01/31/2020 (mm/dd/yyyy)

Title of Position Acting City Manager (08/2011) and appointed City Manager (May, 2012)

Name of Employer City of Danville

City Danville State Kentucky

Type of Business City Government. (Note: Had to pass background check to be appointed City Manager.)

**B.** Employed From 11/15/1975 (mm/dd/yyyy) To 08/30/2001 (mm/dd/yyyy)

Title of Position Associate Executive Director (and Director of Insurance and Risk Management, latter part of career)

Name of Employer Kentucky League of Cities

City Lexington State Kentucky

Type of Business Statewide Association of Citeis

**C.** Employed From (mm/dd/yyyy) To (mm/dd/yyyy)

Title of Position

Name of Employer

City State

Type of Business

Name: Ronald D. Scott

Date 07-20-2020

**Licenses or Certificates: Please list any professional licenses or certifications you currently hold.**

License or Certification Title & Number	Original Issue Date	Current Expiration Date	Name, Address & Phone of Licensing Agency

**Membership in Organizations: Indicate current membership in professional organizations, if you wish for the organization to be listed in your biography.**

ORGANIZATION	TITLE	DATE MEMBERSHIP EXPIRES
KY City/County Management Assoc.	Lifetime Member	NA - Awarded 2001
ICMA (National City Mgt. Assoc.)	Full Member, Retired	June 30, 2021

**Please provide any additional information about your qualifications to serve as a trustee that you wish to be considered by the Board of Trustees.**

1978 - Work lead to formation of KY's first approved Self-Funded Workers Compensation Fund (KACo-KLC Workers Compensation).

- Monitored financial and service performance. Recommended in 1990 that fund be reconstituted as separate city and county workers compensation funds, which was accomplished in 1991. Utilized accounting and actuarial information.

1987- Worked to establish self-funded liability program for KY cities which started in 1987. Managed program (utilizing accounting,

- actuarial firms). Worked with other state leagues to create captive reinsurance company (domiciled in Vermont), which became an A-Rated Company during my 12 year tenure on the NLC Mutual Reinsurance Company Board (9 years on company's executive committee monitoring performance of staff and contracted service providers).

2011-2020 - Service as Danville, KY City Manager and by virtue of position served as voting member on Danville's local (closed)

- police/fire pension Board. Utilized accountants/actuaries to fund and address unfunded liability.

Name: Ronald D. Scott

Date July 20, 2020

**Ballot Information:** Please provide information as you would like it to appear with the printed election ballot.  
**Note:** The education section is limited to institutions where a degree was granted and associations must have a relationship to service on the KRS Board. Submit one 5x7 color photo in PDF or JPG format along with your application.

Name: Ronald "Ron" D. Scott

Position: Trustee (Non-Hazardous)

**Submit  
5x7 or Larger  
Color Photo  
PDF or JPG Format**

Education,  
Certifications &  
Associations

**SPACE IS  
LIMITED TO  
VISIBLE  
AREA**

Please utilize information from Resume' Summary -

Residence: 3245 Harrodsburg Road, Danville, Kentucky 40422

**- IMPORTANT - THIS SECTION MUST BE COMPLETED -**

**Signature - Please read and sign the following statement:**

I certify, under penalty of law, that the information given in this application is correct and complete to the best of my knowledge.

Date July 20, 2020

Signature: 

## RONALD D. SCOTT – RESUME’ SUMMARY

February 1, 2020 to Present – Active volunteer in Danville (no paid work). Serving three-year term on the Vestry of Trinity Episcopal Church, Danville. Serving on other local Boards (Danville Rotary, Boyle Landmark Trust, and Danville Regional Arts Center).

City Manager, Danville, KY - 2011 to 2020. Retired January 31, 2020 after almost 9 years of service to City of Danville (\$50 Annual Budget, 150 employees). Served as voting member on local police/fire (closed) pension board during these nine years.

Preservation Kentucky – 2002 and 2004-05. Contract lobbyist. Achieved passage of legislation providing a KY income tax credit for investments in historic property.

Volunteer Service on Various Community Boards, 2001-2009, Danville and Lexington area, KY. These include two years of service with the Kentucky Wildlife Refuge Center and three years with the Cedar Hill Retreat Center (Episcopal faith-based).

Kentucky League of Cities (KLC) – 1975-2001. Twenty-six years of senior level management experience with the KLC in managing its’ programs, serving as Associate Executive Director and also Director of Insurance and Risk Management. Worked with state and local officials from throughout the Commonwealth to resolve numerous city issues. A seasoned veteran of the Kentucky legislative process, beginning in college as an intern with the legislature, working for 20 years as a KLC registered lobbyist. Principal and key director in the formation, management, and development of all KLC insurance programs. During this period also served for twelve (12) years on the board of directors and as an officer of an A-rated, USA-domiciled captive reinsurance company providing coverage to twenty (28) state league insurance programs. During employment with the City of Bowling Green, Ky. (while in graduate school at WKU and later full-time, prior to starting work with KLC) and throughout my tenure with KLC served as secretariat for the Kentucky City Management Association and worked to improve the professionalism of both the Association and its members.

Education – In 1972 awarded a Bachelor of Arts degree (double-major in Government and Sociology); in 1975 received a Master of Public Service Degree, Public Administration Option, both from Western Kentucky University (WKU). In 1991 received the professional designation of Associate in Risk Management (ARM) by the Risk and Insurance Management Society (RIMS) following completion of various risk management studies (including University of Arizona). Graduate Leadership Kentucky, 1998. Certified Grant Writer (2001) by The Grantsmanship Center, Los Angeles. Lifetime Member of the Kentucky City Management Association (2001). In 2019 received the designation of a Master of City Government by the Kentucky League of Cities.

Personal – 

**RESUME'**

**Ronald D. Scott**

**Page 1 of 4**

**Experience with KLC (1975-2001)**

**Twenty-six years of senior level association management experience with Kentucky League of Cities (KLC).** Associate Executive Director of KLC from 1975-1989 and Director, Insurance and Risk Management from 1989-2001. A regularly-scheduled insurance department regulatory audit and a year-end financial audit were conducted June 30, 2001 with no significant findings to report (i.e., both were "clean" audits).

**In the capacity of Associate Executive Director from 1975-1989,** I assisted the Executive Director in the management of KLC and in working with the Board to develop goals/objectives, served as a registered lobbyist for KLC (1975-1989) on a wide range of major issues affecting cities, served on various committees at the state and KLC/city level, monitored and developed testimony regarding administrative regulations, responded to member questions on local governance issues, conducted surveys, developed information and/or testimony for legislative use, traveled the state to visit city officials on various issues, and other related duties. I worked with then KLC Executive Director Mike Amyx and city officials to create the first city-county workers compensation group in Ky. (1978)...later working to establish KLC's unemployment insurance program (1979). I assisted with forming our group health insurance program (1980). Prior to 1987, I also was the principal manager of insurance while retaining the title and functions of Associate Executive Director, being involved in such activities as planning the annual convention and serving as managing editor of The Kentucky City.

**As the Director on Insurance and Risk Management (1989-2001),** I worked primarily to create, manage, and plan for the growth of a liability and property program (1987-2001). I served as a key principal and appointed member of that Board in closing the KACo-KLC Workers Compensation Fund and in the transfer of assets/liabilities to the newly-created KLC workers compensation fund (1993). I served as a team member to create and manage our in-house insurance agency (1995-2001). During this time, I supervised both contracted service providers and later mostly a dedicated insurance staff of 20 providing services with a FY 1999-2000 budget of \$32.5 million. I was responsible for reinsurance, regulatory relations and other duties that required skill in working with staff to meet competing program deadlines. As insurance services became more integrated within KLC in about FY 2000, I served as a member of the management team utilizing the team approach and the "coaching" style of management used today at KLC.

I worked for over two years as a member of a team comprised of staff from several state municipal leagues to create the NLC-Mutual Insurance Company (1986), later serving on its Board of Directors, chaired by New Mexico League Director Bill Fulginiti, for twelve years (1987-1999). I served as a member of its executive committee and chair of its underwriting committee for nine years (1991-1999). At this time the company insured 24 state league programs, achieved an "A" rating with an annual budget in excess of \$100 million and had achieved a \$32.7 million statutory surplus.

**RESUME'**

**Ronald D. Scott**

**Page 2 of 4**

**Experience After KLC (2001-2010)**

**Contract lobbyist for Preservation Kentucky (PK) 2002 and 2004-05.** In 2005, under PK Executive Director Joanna Hinton, we were successful in having legislation passed that provided an income tax credit for individuals investing in historic property.

**From 2001-2009,** I served on the board of directors of various local organizations, including two years on the Board of the Central Kentucky Wildlife Refuge Center and three years with the Cedar Hill Retreat Center (2005-2008), led by The Revered Sandy Stone. I was co-founder of a citizens group that worked over two years to develop goals and objectives to update Boyle-County Comprehensive Planning Document. I have also served as Election Judge in numerous Boyle County primary and general elections.

**Experience Before KLC (1972-1975)**

While in college as an undergraduate, following statewide selection process of students from other colleges, served in the **Frankfort Intern Program** (1972) led by Dr. Robert Sexton (later known as an innovator in state education reform), an 8 month work-study program placing students with state top state government and other prominent leaders teaching management, budgeting (example: classes by state budget director), and related topics and learning about the Commonwealth's public and private resources. In this program I worked as an intern to Representative Bill Kenton (before he was elected Speaker of the House) under supervision of Vic Hellard, Director of the Legislative Research Commission and later under supervision by Ms. Ann Hunsaker, an attorney advocating the (now) Department of Human Resources (DHR) legislative proposals before the 1972 Kentucky General Assembly. In 1972-73, I was employed by the DHR before entering graduate school in 1973 on a partial scholarship at Western Kentucky University. In 1974, I resigned the scholarship to work as a part-time assistant to the city manager of Bowling Green, KY (1974), later working full-time (1975) for the city of Bowling Green as a management and budget analyst to the city manager. I also worked part-time 18 months while in graduate school as a crisis counselor at Warren County Comprehensive Care Center (1973-74).

**EDUCATION & PROFESSIONAL**

**Bachelor of Arts** (Political Science/Sociology, double major), Western Kentucky University (WKU), 1972 and **Master's of Public Service, Public Administration Option**, (WKU), 1975. **Frankfort Intern Program**, 1972. **Associate in Risk Management (ARM)** designation, Insurance Institute of America, 1991. Chair Bluegrass Risk and Insurance Management Society (RIMS), 1998. **Leadership Kentucky Graduate**, 1998. John G. Stutz (Founder of National League of Cities) 25 Year Service Award, 2001. Lifetime Membership Award, KY City-County Management Association, 2001.



**Kentucky Retirement Systems  
APPLICATION FOR TRUSTEE**

1260 Louisville Rd. • Frankfort KY 40601-6124  
Phone: (502) 696-8800 • Fax: (502) 696-8801 • kyret.ky.gov  
Deaf/Hard of Hearing TTY (502)564-4306

RECEIVED JUL 31 2020

**Application for Trustee**

Information provided on this form will be used in your biography for the ballot if you are selected as a candidate.

**Trustee Information**

Today's Date (mm/dd/yyyy) 07-30-2020

Date of Birth (mm/dd/yyyy)  
For identification purposes only [REDACTED]

Home Phone No. [REDACTED] Work Phone No. —

<u>Routon</u> Last Name	<u>Paul</u> First Name	<u>A</u> Middle Name	
----------------------------	---------------------------	-------------------------	--

<span style="background-color: black; color: black;">[REDACTED]</span> Address (Street, R.F.D. or Box No.)	<u>Louisville</u> City	<u>KY</u> State	<u>40215</u> Zip Code	<u>Jefferson</u> County
---	---------------------------	--------------------	--------------------------	----------------------------

E-mail Address (if available)

**Background**

Yes  No Have you ever been convicted of or plead guilty to a felony? If yes, list offense(s), date(s) of offense(s), date(s) of conviction(s) or plea(s), and jurisdiction(s) in which the offense(s) occurred. Conviction is not an automatic rejection of application.

**Conflict of Interest**

Yes  No Are you a constitutionally eligible individual, which means a prospective candidate who does not have a conflict of interest on the basis of holding a constitutionally elected or appointed position pursuant to KRS 61.645 and Kentucky Constitution Section 165? If no, please list any elected or appointed position you currently hold that you believe may be constitutionally incompatible with serving as a trustee.

Yes  No Do you or any member(s) of your immediate family own a controlling interest in an entity that does business or might seek to do business with KRS? If yes, please list below.

Yes  No Do you or any member(s) of your immediate family serve in a leadership or fiduciary capacity with an entity that does business or might seek to do business with KRS? If yes, please list below.

Yes  No Do you have any other actual or potential conflicts of interest that may hinder or prevent you from serving as a Trustee? If yes, please list below.



RECEIVED JUL 31 2020

Date 7-30-2020

Name: Routon, Paul A.

**Education/Training: Complete accurately and provide highest grade or year completed at all levels of school below.**

School	Name and Address of School	Dates Attended		Date of Graduation mo/yr	Number of Hours		Fields of Study		Degree, Diploma, or Certificate Earned
		To mo/yr	From mo/yr		Earned	Now Carrying	Major	Minor	
High School	Iroquois High School			06-72					Diploma: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No or GED: <input type="checkbox"/> Yes <input type="checkbox"/> No
Under Graduate College or University					**	**			
Graduate College or University					**	**			
Vocational, Business, Technical					***	***			
Apprenticeship					Journeyman: <input type="checkbox"/> Yes <input type="checkbox"/> No		Length of Program: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5		

\*\*Please indicate if college hours are semester or quarter OR \*\*\* indicate number of vocational / technical school clock hours.

**Employment History**

If you need additional space to list employment, please print additional pages.

A. Employed From 07-16-1973 (mm/dd/yyyy) To 08-1-2013 (mm/dd/yyyy)

Title of Position Fire Fighter

Name of Employer City of Louisville

City Louisville State KY

Type of Business

B. Employed From (mm/dd/yyyy) To (mm/dd/yyyy)

Title of Position

Name of Employer

City State

Type of Business

C. Employed From (mm/dd/yyyy) To (mm/dd/yyyy)

Title of Position

Name of Employer

City State

Type of Business





Name: Routon, Paul A. RECEIVED JUL 31 2020 Date 07-30-2020

**Ballot Information: Please provide information as you would like it to appear with the printed election ballot.**

**Note: The education section is limited to institutions where a degree was granted and associations must have a relationship to service on the KRS Board. Submit one 5x7 color photo in PDF or JPG format along with your application.**

Name: Paul A. Routon

Position: \_\_\_\_\_

Education  
Certificati


**Submit  
5x7 or Larger  
Color Photo  
PDF or JPG Format**

**- IMPORTANT - THIS SECTION MUST BE COMPLETED -**

Signature - Please read and sign the following statement: \_\_\_\_\_

I certify, under penalty of law, that the information given in this application is correct and complete to the best of my knowledge.

Date 07-30-2020

Signature: 

RECEIVED JUL 31 2020

Paul A. Routon, Sr

[Redacted]  
Louisville Kentucky, 40215

[Redacted]

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**OBJECTIVE**

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To serve as a trustee for the KRS Board of Trustees

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**PROFILE**

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A solid background in the fire service, with a strong emphasis in supervisory, in leadership, and in governmental affairs

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**PROFESSIONAL EXPERIENCE**

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**Louisville Fire and Rescue** **July 1973 to 2013**  
1135 West Jefferson Street  
Louisville Kentucky, 40203

**Battalion Chief** **2011 to 2013**

Assigned to the Fourth Battalion of The Louisville Fire and Rescue  
Responsible for the operations of six different fire companies  
Commander of fire ground operations and other emergency situations

**Chief Training Officer with the rank of Major** **October 2009 to 2011**

Chief Training Officer of the Louisville Fire and Rescue with the rank of Major  
Tasked with the development and implementation of training for the members of the Louisville Fire and Rescue  
Responsible for the records of the national and state training requirements  
Develop a budget for the training bureau  
Supervise the personnel assigned to the training bureau  
Command and manage emergency operations  
Safety Officer

**Company Commander** **May 1990 to October 2009**

Captain of an Aerial Ladder Company  
Supervised the members of my company, setting the goals and objectives for my company based on the fire department's mission statement  
Developed and prioritized the budgets for the facilities, the apparatus and the equipment to which I was assigned  
Managed fire ground operations  
Directed building inspections  
Supervised the training of personnel  
Moved up to fill in the Battalion Chief position

RECEIVED JUL 31 2020

**Apparatus Operator**

**September 1986 to May 1990**

Responded to incidents and operated the apparatus to which I was assigned  
Responsible for the care and maintenance of the apparatus Assisted with the training of the personnel

**Fire Fighter**

**July 1973 to September 1986**

Carried out tasks assigned to me  
Certified as a driver for all of the fire department apparatus

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**EDUCATION AND TRAINING**

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Courses in fire science  
Certified Emergency Medical Technician  
Certified Hazardous Materials Technician  
SEAD training  
Conducting applicant interviews

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**PROFESSIONAL MEMBERSHIPS AND AFFILIATIONS**

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20 years in leadership of Louisville Fire Fighters Local 345  
Served as a representative for Fire Fighters in Kentucky and in Washington D. C.  
National Fire Protection Association  
Greater Louisville Central Labor Council  
Louisville Fire Fighters Pension Fund from 1980 until moving into the state system

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**COMMUNITY SERVICE**

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Leadership Louisville class 2004  
Focus Louisville class of 2000  
Louisville/Jefferson County Governance Task Force  
President of the Board of Directors for The Hillebrand House Senior Facility, current  
Secretary of the Board of Directors for The Puritan Apartments Senior Facility, current  
Labor Chairman for the Metro United Way  
Kentucky Labor Relations Board

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**HONORS AND AWARDS**

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RECEIVED JUL 31 2020

Distinguished Citizen Award 1976  
Distinguished Employee Award  
Unit Citation Award 1991  
Unit Citation Award 2003  
Unit Citation Award 2005  
Nine letters of Commendations



Paul A. Routon, Sr



**Kentucky Retirement Systems  
APPLICATION FOR TRUSTEE**

1260 Louisville Rd. • Frankfort KY 40601-6124  
Phone: (502) 696-8800 • Fax: (502) 696-8801 • kyret.ky.gov  
Deaf/Hard of Hearing TTY (502)564-4306

**Application for Trustee**

Information provided on this form will be used in your biography for the ballot if you are selected as a candidate.

**Trustee Information**

Today's Date (mm/dd/yyyy) May 14, 2020

Date of Birth (mm/dd/yyyy) For identification purposes only [Redacted]

Home Phone No. [Redacted] Work Phone No. [Redacted]

Carver	Patricia	P.	
Last Name	First Name	Middle Name	Other Name (if any)

[Redacted]	Prospect	KY	40059	Oldham
Address (Street, R.F.D. or Box No.)	City	State	Zip Code	County

E-mail Address (if available) ppcarver@bellsouth.net

**Background**

Yes  No Have you ever been convicted of or plead guilty to a felony? If yes, list offense(s), date(s) of offense(s), date(s) of conviction(s) or plea(s), and jurisdiction(s) in which the offense(s) occurred. Conviction is not an automatic rejection of application.

**Conflict of Interest**

Yes  No Are you a constitutionally eligible individual, which means a prospective candidate who does not have a conflict of interest on the basis of holding a constitutionally elected or appointed position pursuant to KRS 61.645 and Kentucky Constitution Section 165? If no, please list any elected or appointed position you currently hold that you believe may be constitutionally incompatible with serving as a trustee.

Yes  No Do you or any member(s) of your immediate family own a controlling interest in an entity that does business or might seek to do business with KRS? If yes, please list below.

Yes  No Do you or any member(s) of your immediate family serve in a leadership or fiduciary capacity with an entity that does business or might seek to do business with KRS? If yes, please list below.

Yes  No Do you have any other actual or potential conflicts of interest that may hinder or prevent you from serving as a Trustee? If yes, please list below.

Name: Patricia P. Carver

Date 05/01/2020

**Education/Training: Complete accurately and provide highest grade or year completed at all levels of school below.**

School	Name and Address of School	Dates Attended		Date of Graduation mo/yr	Number of Hours		Fields of Study		Degree, Diploma, or Certificate Earned
		To mo/yr	From mo/yr		Earned	Now Carrying	Major	Minor	
High School	Louisville Male High School Louisville, KY	09/68	05/72	05/72					Diploma: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No or GED: <input type="checkbox"/> Yes <input type="checkbox"/> No
Under Graduate College or University	University of Louisville	08/74	05/82	05/82	** 120	**	Accounting		
Graduate College or University	MBA (1998-2000) PHD In Higher Educ. (2015-2019)			5/2000	** 120	**	Higher		
Vocational, Business, Technical					***	***			
Apprenticeship					Journeyman: <input type="checkbox"/> Yes <input type="checkbox"/> No		Length of Program: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5		

\*\*Please indicate if college hours are semester or quarter OR \*\*\* indicate number of vocational / technical school clock hours.

**Employment History**

If you need additional space to list employment, please print additional pages.

**A.** Employed From 08/15/2002 (mm/dd/yyyy) To present (mm/dd/yyyy)

Title of Position Assistant Professor

Name of Employer Bellarmine University

City Louisville State KY

Type of Business University

**B.** Employed From 3/30/1987 (mm/dd/yyyy) To 12/31/1999 (mm/dd/yyyy)

Title of Position Various but final position was chief internal auditor

Name of Employer Louisville and Jefferson Metropolitan Sewer District

City Louisville State KY

Type of Business Sewer District

**C.** Employed From 06/01/1982 (mm/dd/yyyy) To 03/29/1987 (mm/dd/yyyy)

Title of Position Field Auditor

Name of Employer KY Revenue Cabinet

City Louisville State KY

Type of Business State government revenue agency





Name: Patricia P. Carver

Date 05/14/2020

**Ballot Information: Please provide information as you would like it to appear with the printed election ballot.**

**Note: The education section is limited to institutions where a degree was granted and associations must have a relationship to service on the KRS Board. Submit one 5x7 color photo in PDF or JPG format along with your application.**

Name: Patricia P. Carver

Position: Assistant Professor of Business Administration

Education,  
Certifications &  
Associations

**Submit  
5x7 or Larger  
Color Photo  
PDF or JPG Format**



CPA, MBA, PhD

Residence: 6002 Waterfall Way, Prospect, KY 40059

**- IMPORTANT - THIS SECTION MUST BE COMPLETED -**

**Signature - Please read and sign the following statement:**

I certify, under penalty of law, that the information given in this application is correct and complete to the best of my knowledge.

Date 05/14/2020

Signature:



**CURRICULUM VITAE**  
**Patricia P. Carver**

Contact Information:

Fielding Rubel School of Business  
Bellarmine University  
2001 Newburg Road  
Louisville, KY 40205



EDUCATION

Doctor of Philosophy, Leadership in Higher Education, Bellarmine University – 2019

Master of Business Administration, Bellarmine University - 2000

Bachelor of Science in Commerce, Accounting, University of Louisville -1982

TEACHING EXPERIENCE:

2002 – Present                      Bellarmine University      Assistant Professor of Business Administration

Areas of responsibilities include teaching, advising, service, and research. Areas of interest include accounting, business administration, education and social justice.

PROFESSIONAL EXPERIENCE:

Certified Public Accountant – Licensed in the State of KY 1986 - present

Louisville and Jefferson County Metropolitan Sewer District (MSD) 1987 – 2000

During tenure at MSD, a wide range of experience was obtained, especially in the areas of financial and operational management. As Chief Internal Auditor, managing the internal audit department as well as identifying control weaknesses and making recommendations for improvement in efficiencies were the main responsibilities. Other experience included managing the budget process, compiling cost control reports, negotiating contracts, as well as reviewing and authorizing billings and customer relations.

- o Chief Internal Auditor                      1991 – 1999
- o Financial Analyst                              1990 – 1991
- o Revenue Manager                              1988 – 1990
- o Staff Accountant                              1987 – 1988

Kentucky Revenue Cabinet – 1982 - 1987

Responsible for auditing tax returns of corporations to determine compliance with associated laws and regulations.

## INTELLECTUAL CONTRIBUTIONS

### Dissertation

- Twenty Shades of Black: A Phenomenological Study of the Dating, Hooking Up, Belonging, And Thriving Experiences of Black Women Students at Private, Predominantly White Institutions

### Journal Article

- Carver, P. P. (2020). Mission statements - Adopting intersectionality as a framework in higher education, *Journal of Business Diversity*. 20(1).
- Byrd, J. T.; Carver, P. P. (2008). Marketing a European experience. *Journal of American Academy of Business Cambridge*.

### Proceedings

- (2018) Marcis, J.G.; Carver P.P. (2018) An exploratory study of ‘political leanings’ influencing - Views on entrepreneurship and profitability. Paper presented at Boston Conference Proceedings. Peabody, MA. Academy of Business Research.
- (2004) “Accounting Firms in Cyberspace: A Critique of the Big 4,” accepted by the *Allied Academies 2004 International Conference Proceedings*, 9(1), 21-26, (with M. Luthy)
- (2004) “Accounting in The Third Millennium: An Examination of Principles Texts,” accepted by the *Allied Academies 2004 International Conference*, Proceedings, 9(1), 53-60, (with M. Luthy)

### Presentations

- (2017) Ph.D. in Leadership in Higher Education Brown Bag Lunch Poster Presentation “The Intersecting Worlds of Community Colleges and Four-Year Institutions – The Effect on Transfer Students.”
- (2016) Student Perceptions of Entrepreneurship, Profitability, and Business Size, accepted by The Academy of Business Education 2016 (with J. Marcis and D. Bauer)
- (2012) *An Exploratory Study of Students’ Views Regarding Distributing Scarce Goods* accepted by the Academy of Business Education 2012 (with A. Deck and J. Marcis)
- (2010) *Personal Brand Marketing* MMA Fall 2010 Educators Conference in Indianapolis (with M. Luthy)
- (2010) *Fostering Team Building Through Creative Branding* accepted by MMA Fall 2010 Educators Conference in Indianapolis (with M. Luthy)
- (2005) *Using the Veteran’s History Project to Study Women’s Lives* accepted by the International Association for Feminist Economics Conference (with J. Combs-Durso)
- (2004) *Teaching Social Justice in The Business Curriculum*, accepted by the *American Society of Business & Behavioral Sciences*, (with A. Deck)

### Book Chapter

- Carver, P. P; Cornelius, T.; Johnson, K. (2018) (under consideration). *Sister Circles. Intersectionality & Higher Education: Theory, Research, & Praxis*, Second Edition. Peter Lang. NY.

### Book Reviews

- *Accounting Theory – Conceptual Issues in a Political and Economic Environment*, 7e by Wolk, Dodd, and Rozycki
- *Business*, 11e by Pride, Hughes, and Kapoor
- *Foundations of Business*, 3E by Pride, Hughes, and Kapoor

- *BUSN 5*, 5th Edition by Kelly and McGowan

#### Editorial

- Carver, P. P. (2017). Women of color Ph.D. candidates thrive in sister circles. *Diverse: Issues In Higher Education*.

#### CONTINUING PROFESSIONAL HOURS

- Maintains status as a “Certified Public Accountant” in Kentucky. This certification requires **40 hours of continuing professional education hours** (CPEs) annually.

#### PROFESSIONAL AND COMMUNITY SERVICE ACTIVITIES

- Conducted bias training for faculty and staff and Kenwood Elementary School - 2020
- Served on Dissertation Committee for Therron Rogers (PhD Candidate in the School of Education) - 2020
- Featured in *Louisville Business First* Twenty People to Know in Accounting - 2019
- Committee Member Financial Committee for the Metro United Way 2013 - present
- Member, National Association of Black Accountants – Charter Member in Kentucky – 1998 – present
- Past Chair, Accounting Careers Awareness Program 2006 – 2007, member 2000 – present – Sponsored by The National Association of Black Accountants
- Member, Bellarmine University Alumni Board 2011 - present
- Consulting Service with Archdiocese of Louisville Multicultural Ministries (ongoing)
- Past Chair, Archdiocese of Louisville Multicultural Ministries Board 2002 – 2006; member 1990 – present
- Conducted workshop, “Caring for Diverse Communities Workshop,” for the volunteers of Hosparus of Louisville. Fall 2016
- Taught excel classes at Nia Center – Archdiocese of Louisville 2010 – 2018
- Judge: UPS X-Port Challenge, tasked with determining which companies would receive \$10,000, \$2,500 and \$1,000 in UPS shipping credit based on a five-minute pitch and five-minute answer period. 2017
- Board Member and Treasurer for the St. Jude Foundation 2009- 2012
- Member, BASE Camp Committee, sponsored by KYCPA, 2000 – 2012
- Taught excel classes at Presbyterian Church USA 2010 – 2012
- Volunteer, YMCA Safe Place Services 1994 – present, past board member 1994 – 2000
- Chair of National Safe Place Services Committee 1998-1999
- Board Member, Metro United Way, Daycare Allocation Committee – 1996 – 2000
- Kentucky Education All at Risk Children Caucus; sponsored by Senator Gerald Neal, Pro Bono Financial Advisor 1998 – 2000
- Member, Site Based Decision Member, Male High School September, 2000-June, 2003
- Member, Site Based Decision Member, Iroquois High School, 2003
- Board Member, Greater Louisville Counseling Services, 2000-2005
- Consulting Service with C.W. Johnson Express (2006)
- 1988 Nominee Finalist: Woman of Achievement Award sponsored by the River City Business and Professional Women

## HONORS, AWARDS & RECOGNITION

- 2020 National Association of Diversity Officers in Higher Education Dissertation Award – Honorable Mention
- 2020 Honorable mention for the American Association of Blacks in Higher Education Dissertation Award
- 2019 School of Education, Bellarmine University Dissertation of the Year Award
- 2018 Graduate Student Research Grant Recipient
- 2017, 2012 Who's Who's in Black Louisville Recognition
- 2014 Dorothy Day Engage Scholar Recipient
- 2012 William T. Miles Award for Outstanding Service to the University and Region Recipient
- 2001 African American Catholic Leadership Award Recipient
- 1997 Leadership Louisville Alumni
- 1990 YMCA Black Achiever Award Recipient

## OTHER

- Mistress of Ceremony for the 31<sup>st</sup> and 32<sup>nd</sup> Annual African American Catholic Leadership Awards Banquet
- Consulting services with the Multicultural Ministries through the Catholic Archdiocese of Louisville.

## KENTUCKY RETIREMENT SYSTEMS

**TO:** Members of the of the Kentucky Retirement Systems Board of Trustees  
**FROM:** Retiree Health Plan Committee  
**DATE:** September 10, 2020  
**SUBJECT:** Retiree Health Plan Committee Report

The Retiree Health Plan Committee met on Thursday, September 03, 2020 to discuss and make recommendations regarding the non-Medicare and Medicare eligible health plans for KRS retirees for the 2021 plan year. The recommendations of the Committee are documented below in the bolded red font.

### Non Medicare-Eligible Retirees (KEHP Plan)

**NOTE:** See Kentucky Retirement Systems KEHP 2021 Presentation in Retire Health BoardBooks, this contains the information for Board Decision Points:

1. Recommendation as to what the monthly maximum contribution amount for the Non-Medicare Eligible plan. Including the contribution for the hazardous Duty Spouse/Dependents
  - Tobacco Use fee
  - Access to the Consumer Directed Health Plans with embedded HRA
  - Proposed LivingWell Promise discount
  - 2021 KEHP plan premiums will increase approximately 3% for all plans and levels.
  - **Retiree Health Plan Committee recommends that the KRS Board select the KEHP LivingWell PPO plan option as the contribution plan and set the contribution rate (at the single level) as the 100% contribution the Trust will pay for a retiree with a service credit of 240 months of service or greater and a participation date prior to July 1, 2003.**
  - **Because the Committee recommends the selection of the LivingWell PPO as the contribution plan, the hazardous rates would be tied to the rates for the LivingWell PPO Couple, Parent Plus and Family plans.**
  - **The Committee recommends the Tobacco Use Fee remains unchanged for 2021 Retirees (including spouses and dependents) who are tobacco users will be responsible for paying the Tobacco Use Fee as it is in 2020.**
  - **The Committee recommends Retirees or Planholders that failed to complete the LivingWell promise for plan year 2020 will not be entitled to the discount for 2021. The fee/discount remains unchanged for 2021.**

- **The Committee recommends allowing access to the Consumer Directed Health Plans with embedded HRA.**

2. Recommendation as to whether KRS should default retirees/beneficiaries and their dependents into a plan for 2021.

Each year there are retirees who, due to unforeseen circumstances, failed to submit an application during open enrollment. KRS is without the statutory authority to permit those persons to enroll without a qualifying event. As a result, KRS' Board promulgated an administrative regulation, 105 KAR 1:410, which was effective 2/6/2015, to allow KRS to default retirees and their dependents into a health plan so that these individuals will not be without coverage for the year simply because they forgot to enroll during open enrollment or as a new retiree. Each year several decisions must be made by the Board to facilitate the administration of the default process:

- a. Recommendation as to which plan should be the default plan.
- b. Recommendation as to the circumstances under which retirees and their dependents should be defaulted into a plan for 2021.
  - i. KRS Management recommends new retirees be defaulted into a single level of coverage.
  - ii. KRS Management recommends retirees and beneficiaries not currently enrolled in a plan will not be defaulted into a plan.
  - iii. KRS Management recommends that retirees and beneficiaries currently enrolled in a plan for 2020 be rolled over/defaulted into the same plan at the same level of coverage for the 2021 plan year if they fail to submit a health insurance application during open enrollment.

- **Retiree Health Plan Committee recommends that the KRS Board default retirees that fail to complete a health insurance application during a mandatory open enrollment be rolled over to the same plan they were enrolled in for 2020 at the same level of coverage.**
- **A new retiree shall be defaulted into the LivingWell Limited High Deductible plan as described above in 2b (i), (ii), and (iii).**

3. Cross Reference Retirees with Active Employee Spouse: KRS 61.702(3)(a)5 provides the employer's contribution for the working member or spouse to be applied toward the premium, and the KRS insurance trust fund shall pay the balance not to exceed the monthly contribution. The Cross Reference plan is a Family plan. Unless, amended by the Board, the Cross Reference contribution will equal the monthly maximum contribution determined above.

- **Retiree Health Plan Committee recommends that the KRS Board allow retirees described in 3 above the option to select the Cross Reference plans.**
4. Hazardous Duty Spouse and Eligible Dependent Verification. KRS hazardous duty members are required to remit the Form 6256 (Designation of Spouse and/or Dependent Child for Health Insurance Contribution) each year during Open Enrollment for the next plan year if they are covering an eligible spouse or dependent. Unless advised by the Board to change the process, KRS will continue the process decided upon during the February 18, 2016 Board Meeting. If the retiree fails to submit the form, the health insurance contribution will not be funded for the spouse/dependent until the form is submitted. When the form is submitted KRS will reimburse any premium contribution owed to the retiree. If a retiree fails to submit the form during the plan year KRS will not reimburse the premium if the request is received after December 31<sup>st</sup> of the plan year.
- **Retiree Health Plan Committee recommends that the KRS Board continue the process described in 4 above. Retirees will be eligible for reimbursement of premiums for the 90 days prior to the receipt of the Form 6256. For example if the form is submitted June 3, 2021, the reimbursement will be for March – May 2021 (KRS is unable to process partial months of premium).**

### Medicare-Eligible Retirees

**NOTE:** See PowerPoint Presentation in Retiree Health BoardBooks, with information from Humana and Gabriel, Roeder, Smith Consulting (GRS).

1. Recommendation as to what the contribution rate should be for the Medicare-Eligible plan for 2021.
  - **Retiree Health Plan Committee recommends the contribution rate for the KRS Premium Plan remain at the 2020 rate of \$252.51 as the 100% contribution the Trust will pay for a retiree with a service credit of 240 months of service or greater (the premium paid to Humana will be \$233.29).**
  - **The Committee recommends setting the contribution rate for the KRS Premium Plan as the 100% contribution the Trust will pay for a hazardous duty spouse and/or an eligible dependent.**
  - **The Committee recommends the premiums for the KRS Essential Plan at \$75.56 (the amount paid to Humana will be \$56.71).**
  - **The Committee recommends the Medical Only Plan premium at \$184.30, the Medicare Advantage Mirror Premium Plan at \$310.04, and the Medicare Advantage Mirror Essential Plan at \$215.41.**



- **The Committee recommends approval of an added dental plan component to the Premium and Essential plans which is a benefit enhancement that costs an additional \$10.55 per member per month and is included in the rates above. Total cost to the trust for 1 year will be \$7.3M.\***
- **The Committee recommends approval of freezing the MA Essential Plan prescription drug deductible at \$435.00. Total cost to the trust for 1 year will be \$10K.\***
- **The Committee recommends approval of removing the Copayment from the Physical Therapy and associated therapies, adding it back under the requirement to meet the yearly Medical Deductible, then the plan would pay 96% and the member 4%. Total cost to the trust is a reduction, 1 year is \$(343K).\***

**\*See 2021 Medicare Advantage Plan Financial Impact**

2. Recommendation as to whether KRS should continue to pay for the additional administrative fees for retirees who are required to enroll in one of the Mirror plans and who fall under certain exceptions. Recommendation that individuals without Medicare Part B be allowed to enroll in the Mirror Plans and the individual would be responsible for the additional cost above the contribution amount. When the individual obtains Part B, KRS will transition them to the Medicare Advantage Plan they choose on the Insurance Application.

On September 15, 2016, the Board approved payment for administrative fees (estimated \$76.75 per month for 2021) for individuals who need to be enrolled in one of the Mirror Plans for several enumerated reasons (administrative exceptions):

- Individual is scheduled for a transplant or surgery at a hospital that Humana confirms will not accept Humana Medicare Advantage for said procedure for said individual.
- Individual is undergoing treatment by a specialist that Humana confirms will not accept Humana Medicare Advantage for said treatment for said individual.
- Individual resides outside Humana's Filed and Approved MA-PPO network service area where Humana affirms there are provider access issues (e.g., non-acceptance of Humana Medicare Advantage)

Note: KRS has 1 retiree that meets this criteria.

- **Retiree Health Plan Committee recommends that KRS continue to pay the administrative fee for administrative exceptions in 2021, under the circumstances set forth in the three bullet points above.**
- **The Committee recommends that an individual without Medicare Part B be allowed to enroll in the Medicare Advantage Mirror Plans and they will be responsible for paying the additional cost above the contribution amount.**

3. Recommendation as to whether KRS should default retirees and their dependents into a plan for 2021.

- a. If the Committee recommends that KRS default retirees and their dependents into a plan, recommendation as to which plan should be the default plan.

Due to federal law/regulations, the Medical Only or Mirror Plan without Prescription Drug coverage would be the only option available as a default plan for the Medicare-eligible population.

- b. If the Committee recommends that KRS default retirees and their dependents into a plan, recommendation as to the circumstances under which retirees and their dependents should be defaulted into a plan for 2021.

- i. KRS Management would recommend that current enrollees and new retirees be defaulted into a plan. Retirees and beneficiaries not currently enrolled would not be defaulted into a plan.

- ii. Current enrollee would be defaulted at the same level of coverage as the previous/current plan year (single).

- iii. New retirees would be defaulted into a single level of coverage.

- **Retiree Health Plan Committee recommends that Medicare eligible retirees (and their dependents) who fail to enroll in a plan during a mandatory open enrollment, as a new retiree, or becoming Medicare eligible be defaulted into the KRS Medical Only Plan as set forth in 3b (i), (ii), and (iii) above.**
- **The Committee recommends that the spouse and dependents that are not Medicare eligible be defaulted into the same Kentucky Employees Health Plan at the same Level/Option as the previous/current plan year (Single, Parent Plus, Couple, and Family).**

4. Hazardous Duty Spouse and Eligible Dependent Verification. KRS hazardous duty members are required to remit the Form 6256 (Designation of Spouse and/or Dependent Child for Health Insurance Contribution) each year during Open Enrollment for the next plan year. Unless advised by the Board to change the process, KRS will continue the process decided upon during the February 18, 2016 Board meeting. If the retiree fails to submit the form, the health insurance contribution will not be funded for these dependents until the form is submitted. When the form is submitted KRS will reimburse any premium owed to the retiree. If a retiree fails to submit the form during the plan year KRS will not reimburse the premium if the request is received after December 31st of the plan year.

- **Retiree Health Plan Committee recommends that the KRS Board continue the process described in 4 above. Retirees will be eligible for reimbursement of premiums for the 90 days prior to the receipt of the Form 6256. For example if the form is submitted June 3, 2021, the reimbursement will be for March –May 2021 (KRS is unable to process partial months of premium).**

### **COVID-19 Rebate & Gain Share Agreement**

Due to an unexpected decrease in medical claims cost in 2020, Humana will be issuing a COVID-19 premium reimbursement to the Health Insurance Trust in the amount of \$28M for the Premium plan and \$2.3M for the Essential plan. Additionally, the Health Insurance Trust will be receiving \$11.5M for the Premium Plan and \$1.1M for the Essential Plan as a result of the 2019 plan performance as stated in the Gain Share Agreement in the Humana contract. The Gain Share Agreement is an arrangement in which a percentage of overages are shared between Humana and KRS when actual Medical Expense Ratio (revenue/claims) results are more favorable than projected.

Humana presented four scenarios in which KRS can receive the COVID-19 and Gain Share payments:

1. Humana provides immediate payment for the full value of both the COVID and Gain Share.
  2. Humana spreads the full value of both the COVID and Gain Share over two (2) years and applies it to the premiums.
  3. Humana provides a check for the Gain Share amount and spreads the full value of the COVID over two (2) years and applies it to the premiums.
  4. Humana provides a check for the full amount of the Gain Share and \$15M of the COVID and spreads the remaining value of the COVID over two (2) years and applies it to the premiums.
- **The Retiree Health Plan Committee reviewed the four scenarios and recommends the full amount of both the COVID and Gain Share be paid to the KRS Health Insurance trust in a lump sum (scenario 1).**

### **Informational:**

- The KRS Medicare Advantage Request for Proposal will be postponed until the spring of 2022 so that the current COVID pandemic impact can be adequately assessed in the data as recommended by GRS and to allow input by the new Boards created by House Bill 484.

**RECOMMENDATION:** The Retiree Health Plan Committee recommends approval of the above decisions by the Kentucky Retirement Systems Board of Trustees.

## 2021 Medicare Advantage Plan Financials

<b>2021 Medicare Advantage Premium + Enhanced Benefits</b>		
	MA Premium Plan	Yearly Cost
Projected Membership*	52,784	
Original Premium	\$ 223.24	
Dental Enhancement**	\$ 10.55	\$ 6,682,454.40
Remove PT Copay	\$ (0.50)	\$ (316,704.00)
Total Premium Paid Humana	\$ 233.29	
Total Premium Trust Stabilization***	\$ 252.51	
Total Pay Humana for 2021	\$ 147,767,752.00	\$ 6,365,750.40

	MA Essential Plan	Yearly Cost
Projected Membership*	5,261	
Original Premium	\$ 46.41	
Dental Enhancement**	\$ 10.55	\$ 666,042.60
Remove PT Copay	\$ (0.41)	\$ (25,884.12)
Freeze RX Deductible	\$ 0.16	\$ 10,101.12
Total Premium Paid Humana	\$ 56.71	
Total Premium Trust Stabilization***	\$ 75.56	
Total Pay Humana for 2021	\$ 3,580,216.00	\$ 650,259.60

\*Humana reported at the Sept. 3, 2020 RHP Committee Meeting that 3,942 or 7% of the membership have accessed one of the dental benefits available to them in 2020.

\*\*See Humana 2021-2022 Renewal Summary for details on enhanced dental coverage.

2020 dental coverage includes:

Annual Maximum \$1,000

1 cleaning per year

1 set of X-rays per year

1 filling per year

\*\*\*Contribution rate set for members. Member rate has remained stabilized for the past 4 years.

**KRS Retiree Health Plan Committee Recommendations**

**Humana 2021-2022 Renewal Summary**

**9/3/2020**

**Premium Plan**

	2019	2020	2021	2022**
Assumed Membership	50,206	51,497	52,784	54,104
Premium Rate	\$220.11	\$250.75	\$223.24	\$229.20
RHPC Benefit Enhancements				
Add Dental Plan KRSOp1****	N/A	N/A	\$10.55	\$10.55
All in office therapy applied to deductible/coins***	N/A	N/A	-\$0.50	-\$0.50
Value of COVID	N/A	-\$45.28	\$0.00	\$0.00
Value of 2019 GS	-\$19.51	\$0.00	\$0.00	\$0.00
<b>Billed Rate</b>	<b>\$220.11</b>	<b>\$250.75</b>	<b>\$233.29</b>	<b>\$239.25</b>
Cash Payment	\$19.51	\$45.28	\$0.00	\$0.00

Total Value of COVID \$27,978,358  
 2019 Estimated Gain Share\* \$11,468,960

\*Gain Share has been adjusted for weighted average between Premium and Essential.

\*\*Rate not to exceed

\*\*\*Physical, Occupational, Speech, Audiology, Pulmonary, Cardiac, Supervised Exercise Therapy

\*\*\*\*KRSOp1 Dental Benefit

Enhancement

Annual Maximum \$2000

2 cleanings per year

1 set of X-rays per year

2 fillings per year

2 extractions per year

Limited coverage for Periodontics

**Essential Plan**

	2019	2020	2021	2022**
Assumed Membership	5,024	5,133	5,261	5,393
Premium Rate	\$53.73	\$63.15	\$46.41	\$49.86
RHPC Benefit Enhancements				
Add Dental Plan KRSOp1****	N/A	N/A	\$10.55	\$10.55
All in office therapy applied to deductible/coins***	N/A	N/A	-\$0.41	-\$0.41
Hold Current Pharmacy Deductible at 2020 level of \$435 annually	N/A	N/A	\$0.16	\$0.16
Value of COVID	N/A	-\$37.20	\$0.00	\$0.00
Estimated Value of 2019 GS	-\$4.06	\$0.00	\$0.00	\$0.00
<b>Billed Rate</b>	<b>\$53.73</b>	<b>\$63.15</b>	<b>\$56.71</b>	<b>\$60.16</b>
Cash Payment	\$4.06	\$37.20	\$0.00	\$0.00

Total Value of COVID \$2,291,371  
 2019 Estimated Gain Share\* \$1,147,673

\*Gain Share has been adjusted for weighted average between Premium and Essential.

\*\*Rate not to exceed

\*\*\*Physical, Occupational, Speech, Audiology, Pulmonary, Cardiac, Supervised Exercise Therapy

\*\*\*\*KRSOp1 Dental Benefit

Enhancement

Annual Maximum \$2000

2 cleanings per year

1 set of X-rays per year

2 fillings per year

2 extractions per year

Limited coverage for Periodontics

**Medical Only / Mirror Plan**

Medical Only/Mirror Plan	2019	2020	2021	2022
ASO Fee PMPM	\$32.89	\$32.08	\$33.43	\$35.05
PDP Essential	2019	2020	2021	2022
Rate PMPM	\$39.70	\$38.74	\$31.11	\$36.45
PDP Premium	2019	2020	2021	2022
Rate PMPM	\$140.07	\$138.50	\$125.74	\$136.30



September 3, 2020

Ms. Connie Pettyjohn R.N.  
Director of Retiree Health Care  
Kentucky Retirement Systems  
Perimeter Park West  
1260 Louisville Road  
Frankfort, KY 40601-6124

**Re: Kentucky Retirement System Medical Only Plan**

Dear Ms. Pettyjohn:

This report has been prepared for use by the Kentucky Retirement Systems (KRS) to assist in setting the Plan Year 2021 (PY2021) premium rates for the Medical Only, and Mirror Plans and should not be used for any other purpose. It should not be distributed to any other third party without the prior written consent of Gabriel Roeder Smith & Company (GRS). Any distribution of this report must be in its entirety, including all exhibits. To the best of our knowledge and belief, there are no subsequent events that would affect this analysis and results as of the date of this report.

GRS has prepared this report based on covered plan participants for the Medical Only Plan, Mirror Premium Plan and Mirror Essentials Plan. GRS has relied on information from prior renewal reports as well as claims and eligibility data provided by Humana, the current provider of medical benefits, and KRS.

In summary, our projections indicate that an increase in current medical only rates of 4.6% will be needed to fund projected calendar year 2021 (PY2021) claim expenses.

**DATA**

For the purposes of projecting expected PMPM costs, GRS received medical claims and eligibility history for January 1, 2015 through June 30, 2020 from Humana. Medical claim data was provided in detail format and was reviewed for reasonableness. Enrollment data was provided in a summary outline based on month and plan eligibility. The data was checked for internal consistency but was not otherwise audited.

**METHODOLOGY**

Standard actuarial and underwriting methods were used to project PY2021 costs. PMPM rates were developed using a blend of two years of experience. These rates were then adjusted to reflect a 5.0% annual trend.

Claims starting in March 2020 were lower due to the COVID-19 pandemic suppressing utilization. In order to avoid under projection, claims starting in March 2020 were not included in the experience

Ms. Connie Pettyjohn  
 September 3, 2020  
 Page 2

projection. No additional load was added to account for COVID-19, as it is believed services deferred between March and June will be caught up by the end of 2020 and there is no certainty of a second wave impacting future claims. Additionally, Kentucky did not have as many cases of COVID-19 as other parts of the country.

GRS assumed no medical plan design changes for the KRS plans in PY2021.

Neither prescription drug benefits nor administrative costs are reflected in the claims cost. Humana has provided KRS with a cost proposal for prescription drug benefits. In addition, Humana has quoted an ASO fee of \$33.43 PMPM for PY2021.

**CONCLUSION**

The GRS analysis of the medical claims resulted in an estimated PY2021 medical claims of \$150.87. When combined with the ASO Fee, the total cost for the Medical Only plan is \$184.30. The following table provides the PY2021 premiums developed for each plan assuming Humana’s quotes for administrative fees and prescription drug benefit costs for PY2021.

Plan	Medical Claim Cost	Prescription Drug Plan (PDP) Cost	Administrative Fee	Total Premium
Medical Only	\$150.87	N/A	\$33.43	\$184.30
Essential Mirror Plan	\$150.87	\$31.11	\$33.43	\$215.41
Premium Mirror Plan	\$150.87	\$125.74	\$33.43	\$310.04

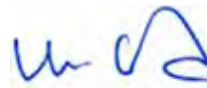
Jim Pranschke and Umair Cheema are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

This communication shall not be construed to provide tax advice, legal advice or investment advice.

Sincerely,



Jim Pranschke, FSA, MAAA, FCA  
 Senior Health Care Consultant and Actuary



Umair Cheema, ASA, MAAA  
 Senior Health Care Analyst and Actuary



Michael Reed  
 Senior Health Care Analyst





## KENTUCKY RETIREMENT SYSTEMS INVESTMENTS



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To: KRS Board of Trustees  
From: Richard Robben, Executive Director – Office of Investments  
Date: September 10th, 2020  
Subject: Report on Recent Investment Committee Activities

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### *Investment Activity*

Liquidated the remaining four hedge funds, a total of \$105.7mm in July.

- H2O Alpha 10 (from Prisma) – \$19.4MM – **All received in July.**
- Gotham Neutral (from Prisma) - \$17.2MM as of 7/31/20 - **redemption effective 8/31/2020 – most of balance will be repaid in September 2020**
- Myriad (from Prisma) - \$58.0MM as of 7/31/20 - **redemption effective 9/30/2020 – will have varying monthly payments through Sep 2021**
- SRS (from Blackstone) - \$11.1MM as of 7/31/2020 - **redemption effective 9/30/2020 – half to pay out Oct 2020, rest in Oct 2021**

These redemptions represent the end of the KRS hedge fund portfolio, and any remaining amounts are either tied up in litigation or awaiting redemption gates.

### *Asset Liability Study*

At the August 25<sup>th</sup> meeting of the Investment Committee, Wilshire Associates presented their Asset Liability study for all of our plans. The IC heard a presentation from Wilshire Associates detailing the new risk and return assumptions for each of our plans based on Wilshire's latest (6/30/2020) Capital Market Assumptions. The study suggests that our current asset allocations may produce returns slightly below our assumed rates over the next 10 years. After much debate among the committee members about whether we should make changes to our allocations in order to produce a portfolio that would meet the assumed rates, the decision was made to wait until the November meeting to make a decision in order to give committee members more time to study the report.

### *Allocations and Performance*

Fiscal Year 2020 performance by pension plan ranged from a high of 2.36% for the KERS plan to .71% for the CERS Hazardous plan. While performance for all plans was below their assumed rates of return, 9 of the 10 plans beat their benchmarks. Notably, the KERS plan's performance was 1.29% over its



benchmark (2.36% for the plan, 1.07% for the plan’s benchmark), which represents a value-add in dollar terms of over \$29,000,000.00.



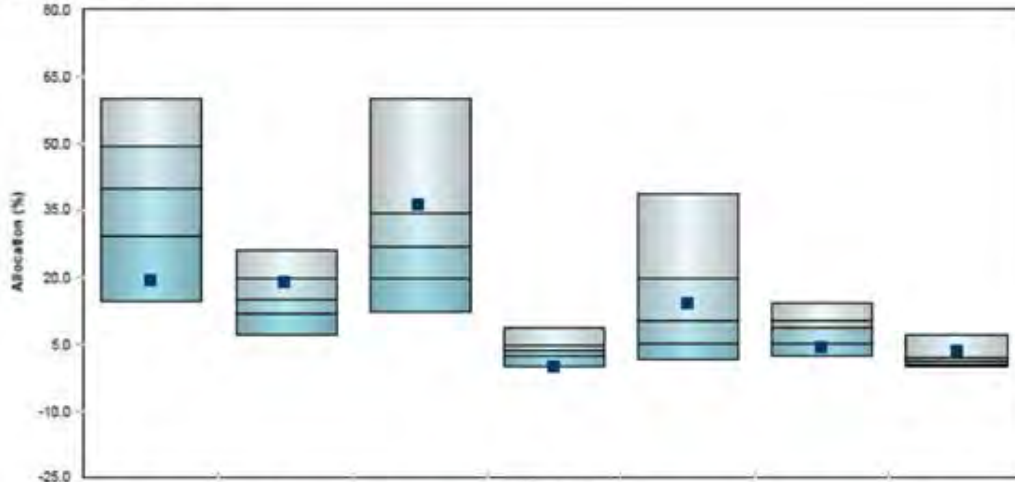
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### Plan Sponsor TF Asset Allocation

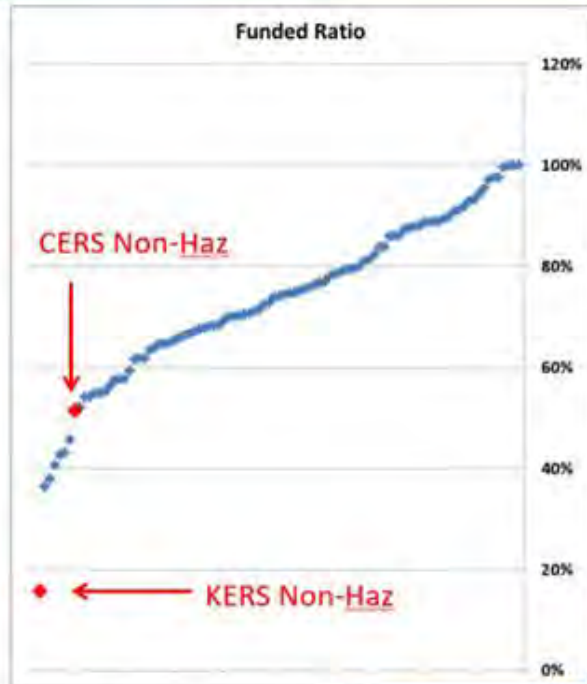
KRS Pension Plan vs All Public Plans-Total Fund  
 Periods Ended June 30, 2020



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
■ KRS Pension Plan	19.10	18.95	36.13	0.00	14.10	4.51	3.22
5th Percentile	60.14	25.97	60.05	8.96	36.71	14.02	6.99
1st Quartile	49.18	19.86	34.41	4.64	19.86	10.21	2.06
Median	39.73	14.98	26.68	3.74	10.46	8.57	1.13
3rd Quartile	29.44	11.95	20.01	2.23	5.15	5.22	0.56
95th Percentile	14.56	7.05	12.37	0.17	1.65	2.46	0.07

## Comparison of Funded Ratio

- Comparison of funded ratio to other statewide retirement systems (excluding public safety and firefighter systems).
- Funded ratio percentiles
  - 25<sup>th</sup> Percentile: 65%
  - 50<sup>th</sup> Percentile: 74%
  - 75<sup>th</sup> Percentile: 86%



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iting

Source: GRS prepared information from Public Plan Database downloaded in August 2019. N = 97.

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Asset Allocation & Performance

KRS Pension Plan  
Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees								Inception Date
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	Since Inception	
<b>KRS Pension Plan</b>	<b>12,719,461,807</b>	<b>100.00</b>	<b>0.95</b>	<b>8.92</b>	<b>-4.12</b>	<b>1.21</b>	<b>1.21</b>	<b>5.16</b>	<b>5.59</b>	<b>8.82</b>	<b>4/1/1984</b>
KRS Allocation Index			0.71	9.54	-4.45	0.51	0.51	4.82	5.54	8.93	
Value Added			0.24	-0.62	0.33	0.70	0.70	0.34	0.05	-0.11	
KRS IPS Index			0.67	9.64	-4.30	0.74	0.74	4.65			
Value Added			0.28	-0.72	0.16	0.47	0.47	0.51			
<b>KERS Pension Plan</b>	<b>2,316,004,697</b>	<b>18.21</b>	<b>1.33</b>	<b>8.65</b>	<b>-2.49</b>	<b>2.37</b>	<b>2.37</b>	<b>5.18</b>	<b>5.31</b>	<b>8.79</b>	<b>4/1/1984</b>
KERS Allocation Index			0.98	9.51	-3.26	1.42	1.42	4.89	5.21	8.88	
Value Added			0.35	-0.86	0.79	0.99	0.95	0.29	0.10	-0.09	
KERS IPS Index			0.97	9.76	-3.48	1.25	1.25	4.70			
Value Added			0.36	-1.11	0.99	1.12	1.12	0.48			
Assumed Rate 5.25%			0.43	1.29	2.59	5.25	5.25	5.25			
Value Added			0.90	7.36	-5.08	-2.66	-2.69	-0.07			
<b>KERS (H) Pension Plan</b>	<b>693,794,374</b>	<b>5.45</b>	<b>0.99</b>	<b>9.35</b>	<b>-4.36</b>	<b>0.94</b>	<b>0.94</b>	<b>5.04</b>	<b>5.58</b>	<b>8.82</b>	<b>4/1/1984</b>
KERS (H) Allocation Index			0.64	9.64	-4.59	0.48	0.48	5.04	5.59	8.94	
Value Added			0.35	-0.29	0.23	0.46	0.46	0.00	-0.01	-0.12	
KERS (H) IPS Index			0.61	9.63	-4.43	0.67	0.67	4.80			
Value Added			0.38	-0.28	0.07	0.27	0.27	0.24			
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25			
Value Added			0.48	7.82	-7.44	-5.31	-5.31	-1.21			
<b>CERS Pension Plan</b>	<b>7,045,846,328</b>	<b>55.39</b>	<b>0.85</b>	<b>8.96</b>	<b>-4.56</b>	<b>0.82</b>	<b>0.82</b>	<b>5.06</b>	<b>5.60</b>	<b>8.82</b>	<b>4/1/1984</b>
CERS Allocation Index			0.60	9.58	-4.54	0.41	0.41	5.03	5.59	8.94	
Value Added			0.25	-0.62	0.08	0.41	0.41	0.03	0.01	-0.12	
CERS IPS Index			0.58	9.58	-4.48	0.60	0.60	4.79			
Value Added			0.27	-0.62	-0.08	0.22	0.22	0.27			
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25			
Value Added			0.34	7.43	-7.54	-5.43	-5.43	-1.49			

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Asset Allocation & Performance

KRS Pension Plan  
Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees								Inception Date
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	Since Inception	
<b>CERS (H) Pension Plan</b>	<b>2,377,165,026</b>	<b>18.63</b>	<b>0.82</b>	<b>8.92</b>	<b>-4.60</b>	<b>0.70</b>	<b>0.70</b>	<b>5.04</b>	<b>5.60</b>	<b>8.82</b>	<b>4/1/1984</b>
CERS (H) Allocation Index			0.59	9.58	-4.74	0.27	0.27	5.02	5.58	8.93	
Value Added			0.23	-0.66	0.14	0.43	0.43	0.02	0.02	-0.11	
CERS (H) IPS Index			0.56	9.57	-4.58	0.46	0.46	4.78			
Value Added			0.26	-0.65	-0.02	0.24	0.24	0.26			
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25			
Value Added			0.31	7.39	-7.68	-5.55	-5.55	-1.21			
<b>SPRS Pension Plan</b>	<b>286,651,184</b>	<b>2.25</b>	<b>1.33</b>	<b>8.02</b>	<b>-2.72</b>	<b>2.22</b>	<b>2.22</b>	<b>5.17</b>	<b>5.21</b>	<b>8.76</b>	<b>4/1/1984</b>
SPRS Allocation Index			0.91	9.13	-3.17	1.64	1.64	5.32	5.64	8.94	
Value Added			0.42	-0.11	0.45	0.58	0.58	-0.15	-0.43	-0.18	
SPRS IPS Index			0.90	9.38	-3.37	1.47	1.47	4.84			
Value Added			0.43	-0.36	0.65	0.75	0.75	0.33			
Assumed Rate 5.25%			0.43	1.29	2.59	5.25	5.25	5.25			
Value Added			0.90	7.73	-6.31	-3.03	-3.03	-0.08			

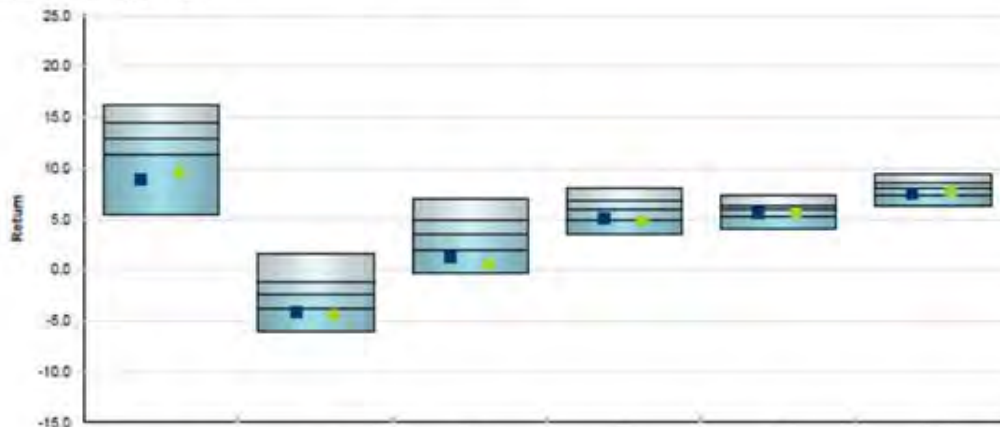
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### Plan Sponsor Peer Group Analysis

KRS Pension Plan vs All Public Plans-Total Fund

Periods Ended June 30, 2020



	QTD	YTD	1 Year	3 Years	5 Years	10 Years
■ KRS Pension Plan	8.92 (91)	-4.12 (82)	1.21 (85)	5.16 (70)	5.59 (64)	7.37 (77)
■ KRS Allocation Index	9.54 (89)	-4.45 (86)	0.51 (90)	4.82 (79)	5.54 (67)	7.65 (66)
5th Percentile	10.24	1.63	7.07	7.96	7.38	9.41
1st Quartile	14.51	-1.18	5.04	6.85	6.42	8.63
Median	12.93	-2.40	3.59	5.92	5.90	8.06
3rd Quartile	11.34	-3.78	2.05	4.94	5.22	7.41
95th Percentile	5.49	-6.01	-0.36	3.51	4.08	6.25
Population	674	673	665	632	562	478

Percentiles contain percentile rankings. Calculation based on monthly activity.

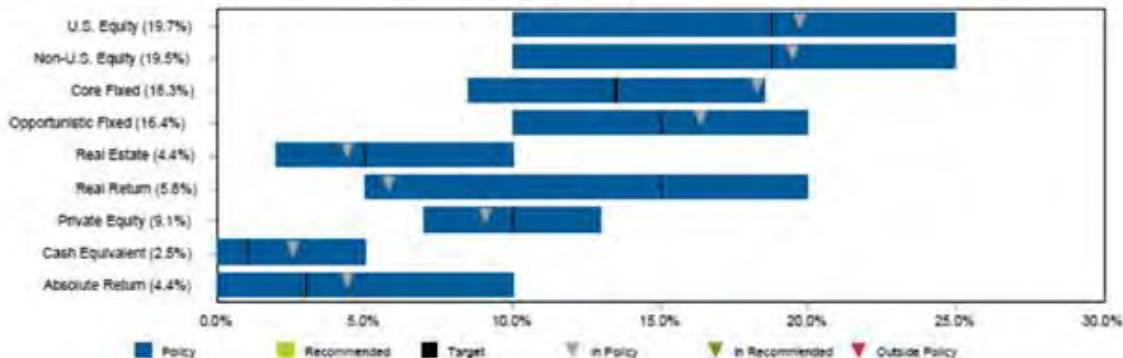
Insurance

# Asset Allocation Compliance

KRS Insurance Plan

Periods Ended As of June 30, 2020

## Executive Summary



	Asset Allocation \$	Asset Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Target Rebalance \$
U.S. Equity	1,061,016,410	19.7	10.0	25.0	18.8	-52,569,698
Non-U.S. Equity	1,068,579,380	19.5	10.0	25.0	18.8	-40,132,668
Core Fixed	1,002,450,369	18.3	8.5	18.5	13.5	-261,968,736
Opportunistic Fixed	897,045,160	16.4	10.0	20.0	15.0	-74,287,790
Real Estate	240,535,890	4.4	2.0	10.0	5.0	33,716,567
Real Return	318,295,794	5.8	5.0	20.0	15.0	504,461,576
Private Equity	497,235,387	9.1	7.0	13.0	10.0	51,269,526
Cash Equivalent	139,593,282	2.5	0.0	5.0	1.0	-64,742,700
Absolute Return	240,297,459	4.4	0.0	10.0	3.0	-75,745,985
<b>Total Fund</b>	<b>5,485,049,132</b>	<b>100.0</b>			<b>100.0</b>	





## Asset Allocation & Performance

KRS Insurance Plan

Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees									Inception Date
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception	
KRS Insurance Plan	5,485,049,132	100.00	0.64	8.52	-4.77	0.50	0.50	5.01	5.64	7.47	7.20	4/1/1987
KRS Allocation Index			0.49	9.24	-4.71	0.24	0.24	4.87	5.72	8.24	7.58	
Value Added			0.15	-0.72	-0.00	0.26	0.26	0.14	-0.08	-0.87	-0.35	
KRS IPS Index			0.47	9.29	-4.62	0.35	0.35	4.61				
Value Added			0.17	-0.77	-0.15	0.15	0.15	0.40				
KERS Insurance Plan	990,148,416	18.05	1.21	9.97	-4.14	0.98	0.98	4.59	5.31	7.20	7.12	4/1/1987
KERS Allocation Index			0.54	9.33	-4.45	0.25	0.25	4.62	5.50	8.21	7.54	
Value Added			0.67	0.64	0.31	0.73	0.73	-0.03	-0.19	-1.01	-0.42	
KERS IPS Index			0.52	9.38	-4.37	0.36	0.36	4.38				
Value Added			0.69	0.59	0.23	0.62	0.62	0.21				
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25				
Value Added			0.70	8.44	-7.22	-5.27	-5.27	-1.66				
KERS (H) Insurance Plan	513,884,382	9.37	0.58	8.19	-4.99	0.19	0.19	4.83	5.51	7.42	7.18	4/1/1987
KERS (H) Allocation Index			0.44	9.15	-4.74	0.15	0.15	4.82	5.62	8.27	7.56	
Value Added			0.14	-0.96	-0.25	0.04	0.04	0.01	-0.11	-0.85	-0.35	
KERS (H) IPS Index			0.42	9.20	-4.66	0.26	0.26	4.55				
Value Added			0.16	-1.01	-0.33	-0.07	-0.07	0.28				
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25				
Value Added			0.07	6.68	-8.07	-6.06	-6.06	-1.42				

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### Asset Allocation & Performance

KRS Insurance Plan

Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees										
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
CERS Insurance Plan	2,481,793,862	45.25	0.57	8.34	-4.89	0.33	0.33	5.03	5.65	7.50	7.20	4/1/1987	
CERS Allocation Index			1.28	10.94	-4.82	-0.08	-0.08	4.76	5.58	8.25	7.55		
Value Added			-0.71	-3.60	-0.07	0.41	0.41	0.27	0.07	-0.75	-0.35		
CERS IPS Index			0.49	9.30	-4.63	0.40	0.40	4.66					
Value Added			0.08	-0.90	-0.29	-0.07	-0.07	0.37					
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25					
Value Added			0.06	6.81	-7.97	-5.92	-5.92	-1.22					
CERS (H) Insurance Plan	1,300,187,820	23.70	0.40	7.95	-5.00	0.23	0.23	5.05	5.70	7.52	7.21	4/1/1987	
CERS (H) Allocation Index			0.45	9.17	-4.78	0.19	0.19	4.90	5.67	8.30	7.50		
Value Added			-0.05	-1.22	-0.22	0.04	0.04	0.15	0.03	-0.78	-0.35		
CERS (H) IPS Index			0.43	9.22	-4.70	0.30	0.30	4.63					
Value Added			-0.03	-1.27	-0.30	-0.07	-0.07	0.42					
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25					
Value Added			-0.11	6.42	-8.08	-6.02	-6.02	-1.20					
SPRS Insurance Plan	199,037,839	3.63	0.41	8.05	-4.60	0.63	0.63	5.17	5.76	7.55	7.22	4/1/1987	
SPRS Allocation Index			0.39	9.07	-4.73	0.24	0.24	4.89	5.66	8.29	7.50		
Value Added			0.02	-1.02	0.13	0.39	0.39	0.28	0.10	-0.74	-0.34		
SPRS IPS Index			0.37	9.12	-4.65	0.35	0.35	4.61					
Value Added			0.04	-1.07	0.05	0.28	0.28	0.56					
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25					
Value Added			-0.10	6.52	-7.68	-5.62	-5.62	-1.08					

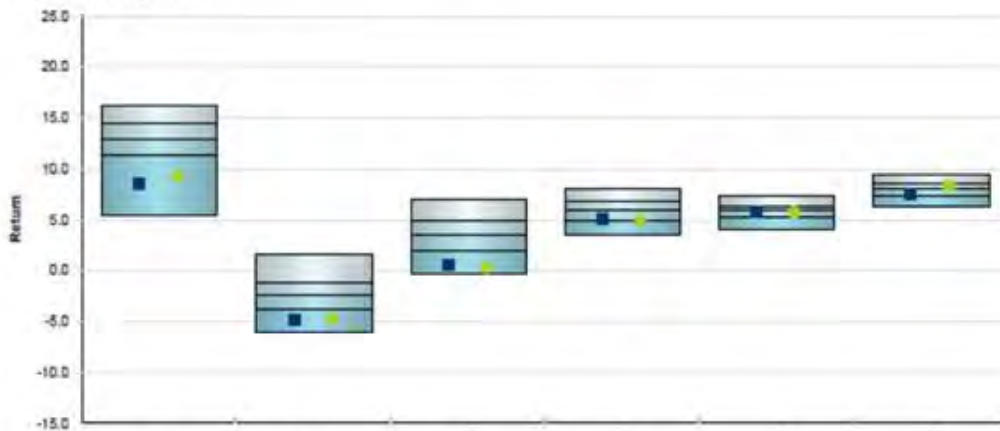


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### Plan Sponsor Peer Group Analysis

KRS Insurance Plan vs All Public Plans-Total Fund  
 Periods Ended June 30, 2020



	QTD	YTD	1 Year	3 Years	5 Years	10 Years
■ KRS Insurance Plan	8.52 (91)	-4.77 (89)	0.50 (90)	5.01 (74)	5.64 (62)	7.47 (74)
● KRS Allocation Index	9.24 (90)	-4.71 (88)	0.24 (92)	4.87 (78)	5.72 (59)	8.34 (39)
5th Percentile	16.24	1.63	7.07	7.96	7.38	9.41
1st Quartile	14.51	-1.18	5.04	6.85	6.42	8.63
Median	12.93	-2.40	3.59	5.92	5.90	8.05
3rd Quartile	11.34	-3.78	2.05	4.94	5.22	7.41
95th Percentile	5.49	-6.01	-0.36	3.51	4.08	6.25
Population	674	673	665	632	582	478

Peer groups contain percentile rankings.  
 Calculation based on monthly periodicity.



# WILSHIRE ASSOCIATES

Wilshire Consulting



## Kentucky Retirement Systems Pension

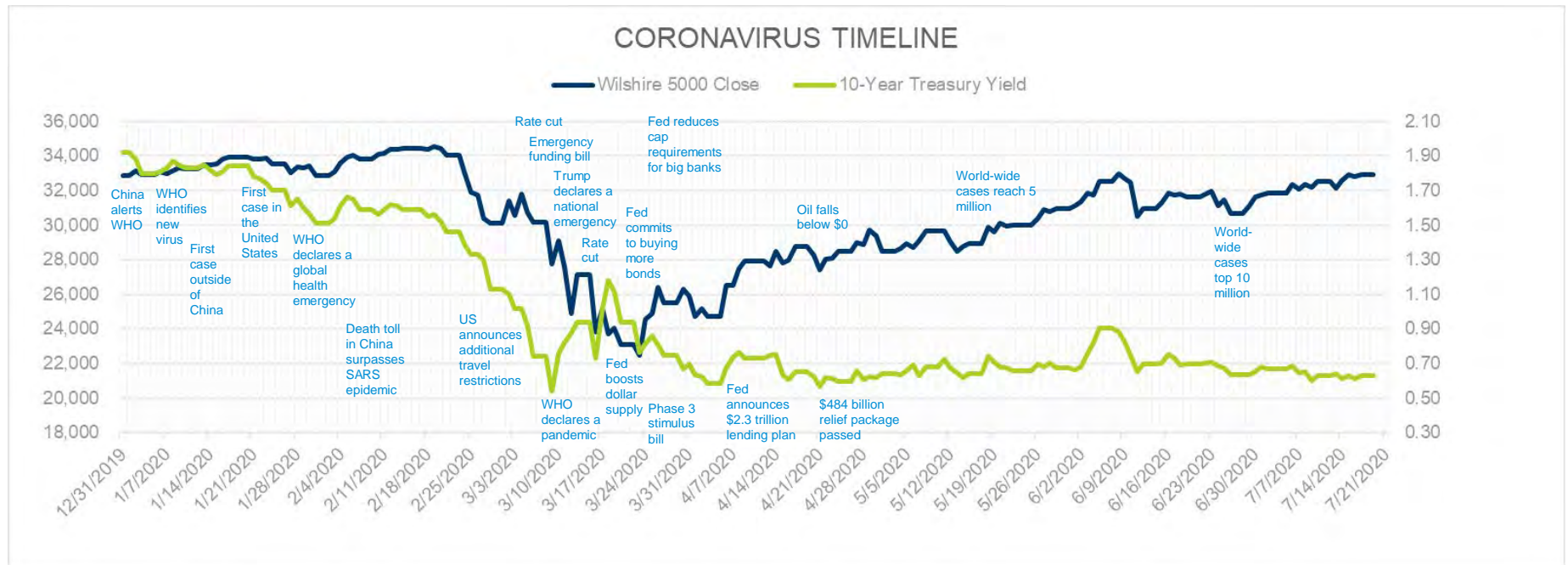
Quarterly Board Summary

*June 30, 2020*



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# CORONAVIRUS TIMELINE





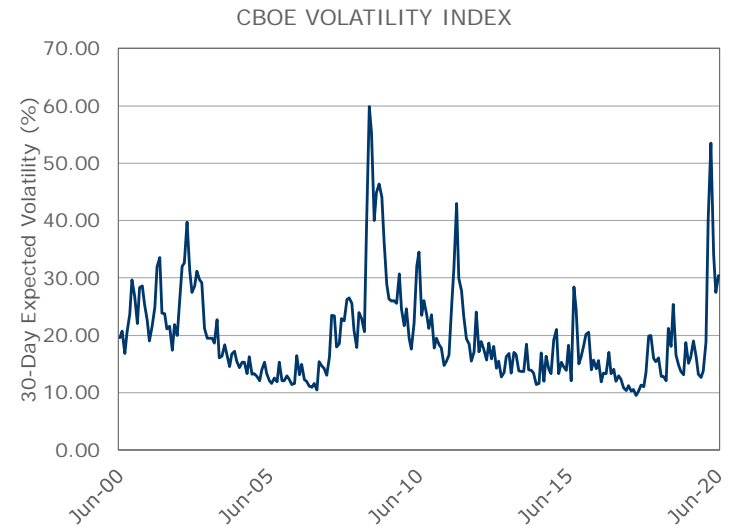
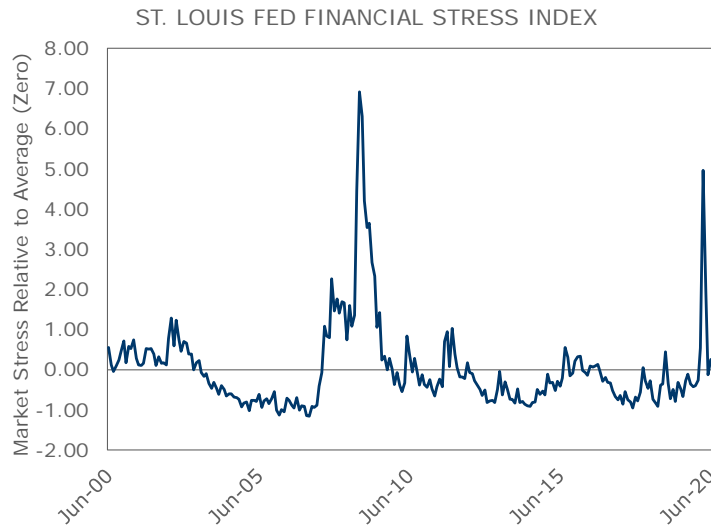
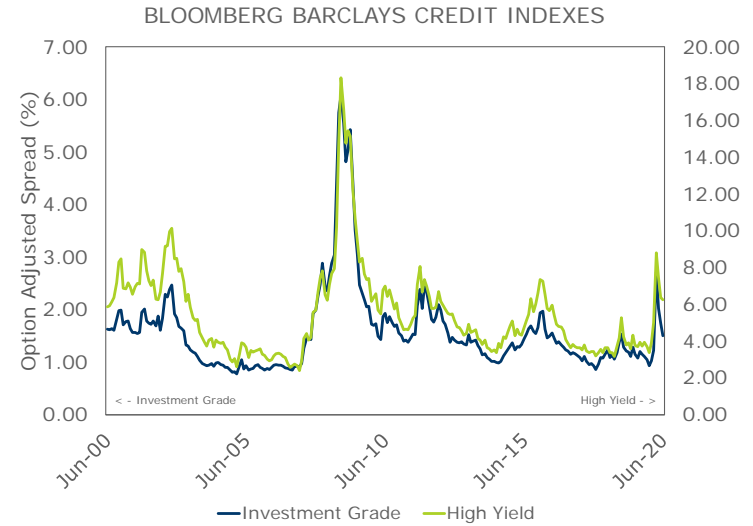
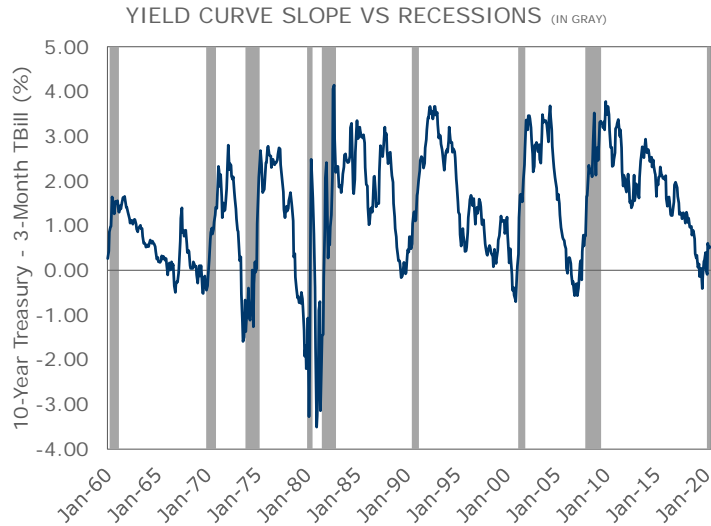
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## JUNE 2020 ASSET CLASS ASSUMPTIONS

	EQUITY						FIXED INCOME						REAL ASSETS						
	US Stock	Dev	Emg Stock	Global	Global Stock	Private Equity	Cash	Core Bond	LT	Core Bond	TIPS	High Yield	Dev ex-	Real Estate			Comdty	Real Assets	US CPI
		ex-US Stock		ex-US Stock					US Bond (Hdg)				US RES	Global RES	Private RE				
COMPOUND RETURN (%)	6.00	6.50	6.50	6.75	6.45	8.15	0.75	1.25	2.10	0.30	4.00	0.40	5.10	5.30	6.80	2.25	5.45	1.50	
ARITHMETIC RETURN (%)	7.30	7.95	9.45	8.35	7.80	11.50	0.75	1.40	2.55	0.50	4.50	0.45	6.45	6.45	7.70	3.30	5.80	1.50	
EXPECTED RISK (%)	17.00	18.00	26.00	18.95	17.10	28.00	1.25	5.15	9.85	6.00	10.00	3.50	17.00	15.80	14.00	15.00	8.75	1.75	
CASH YIELD (%)	2.00	3.00	2.50	2.85	2.40	0.00	0.75	1.85	2.65	1.15	7.00	1.10	4.00	4.00	2.60	0.75	2.25	0.00	
GROWTH EXPOSURE	8.00	9.00	7.50	8.60	8.25	14.00	0.00	-0.90	-2.30	-3.00	4.00	-1.00	8.00	8.00	5.50	0.00	1.90	0.00	
INFLATION EXPOSURE	0.00	3.00	12.00	5.45	2.40	1.00	0.00	-2.50	-6.70	2.50	1.00	-3.00	0.00	1.35	0.00	12.00	4.40	1.00	
<b>CORRELATIONS</b>																			
US Stock	1.00																		
Dev ex-US Stock (USD)	0.81	1.00																	
Emerging Mkt Stock	0.74	0.74	1.00																
Global ex-US Stock	0.83	0.96	0.87	1.00															
Global Stock	0.95	0.92	0.83	0.94	1.00														
Private Equity	0.74	0.64	0.62	0.67	0.74	1.00													
Cash Equivalents	-0.05	-0.09	-0.05	-0.08	-0.07	0.00	1.00												
Core Bond	0.28	0.13	0.00	0.09	0.20	0.31	0.19	1.00											
LT Core Bond	0.31	0.16	0.01	0.12	0.23	0.32	0.11	0.93	1.00										
TIPS	-0.05	0.00	0.15	0.05	0.00	-0.03	0.20	0.60	0.47	1.00									
High Yield Bond	0.54	0.39	0.49	0.45	0.51	0.34	-0.10	0.25	0.32	0.05	1.00								
Dev ex-US Bond (Hdg)	0.16	0.25	-0.01	0.18	0.18	0.26	0.10	0.67	0.66	0.39	0.26	1.00							
US RE Securities	0.59	0.47	0.44	0.49	0.56	0.50	-0.05	0.17	0.23	0.10	0.56	0.05	1.00						
Global RE Securities	0.65	0.59	0.56	0.62	0.66	0.58	-0.05	0.17	0.22	0.11	0.62	0.03	0.94	1.00					
Private Real Estate	0.54	0.44	0.44	0.47	0.52	0.51	-0.05	0.19	0.25	0.09	0.57	0.05	0.78	0.76	1.00				
Commodities	0.25	0.34	0.39	0.38	0.32	0.27	0.00	-0.02	-0.02	0.25	0.29	-0.10	0.25	0.28	0.25	1.00			
Real Assets	0.42	0.43	0.50	0.48	0.47	0.43	0.01	0.24	0.25	0.41	0.53	0.06	0.65	0.69	0.69	0.59	1.00		
Inflation (CPI)	-0.10	-0.15	-0.13	-0.15	-0.13	-0.10	0.10	-0.12	-0.12	0.15	-0.08	-0.08	0.05	0.03	0.05	0.44	0.26	1.00	



# Wilshire Consulting RISK MONITOR



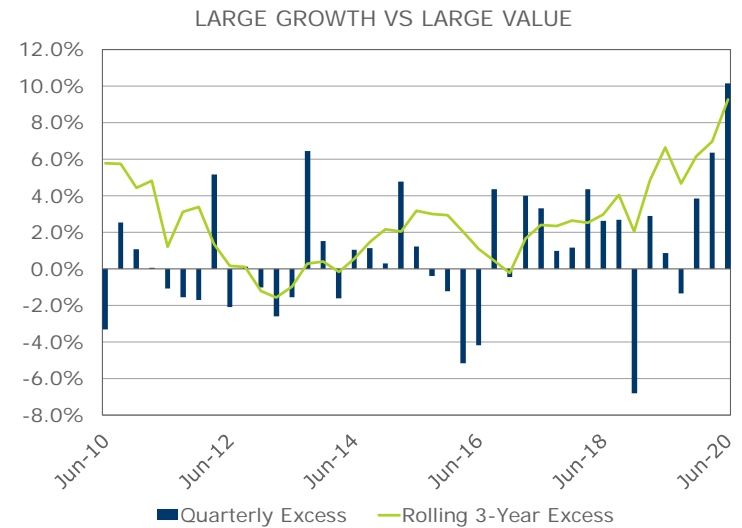
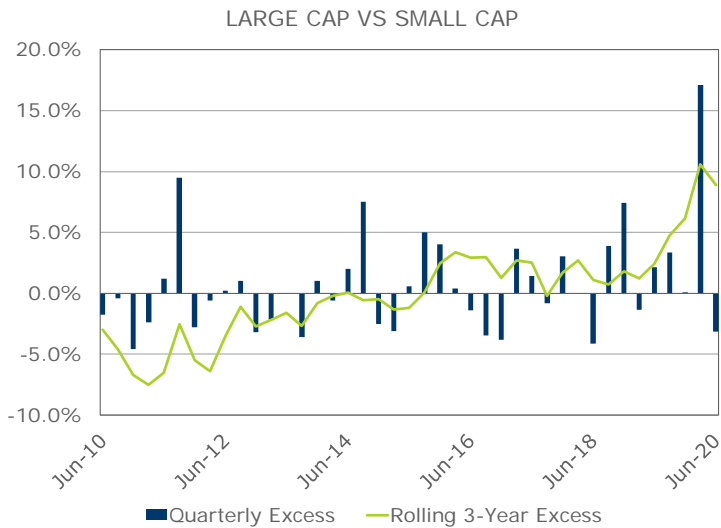
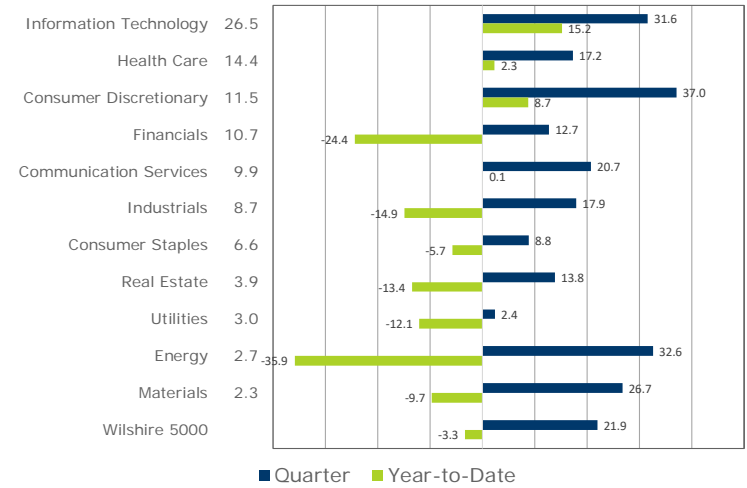
Data sources: Bloomberg  
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# Wilshire Consulting U.S. EQUITY MARKET

AS OF 6/30/2020	QTR	YTD	1 YR	3 YR	5 YR	10 YR
WILSHIRE 5000 INDEX	21.9	-3.3	6.8	10.1	10.3	13.7
WILSHIRE U.S. LARGE CAP	21.6	-2.3	8.2	11.0	10.9	14.0
WILSHIRE U.S. SMALL CAP	25.6	-13.8	-7.7	1.9	4.3	11.0
WILSHIRE U.S. LARGE GROWTH	27.3	5.5	18.3	15.9	13.7	16.2
WILSHIRE U.S. LARGE VALUE	15.6	-10.0	-1.5	6.1	7.9	11.8
WILSHIRE U.S. SMALL GROWTH	29.9	-6.7	0.0	6.6	6.2	12.6
WILSHIRE U.S. SMALL VALUE	21.3	-20.5	-14.9	-2.7	2.1	9.3
WILSHIRE REIT INDEX	10.6	-17.8	-12.3	0.2	4.0	9.2
MSCI USA MIN. VOL. INDEX	12.9	-6.5	0.5	9.8	11.0	14.0
FTSE RAFI U.S. 1000 INDEX	18.1	-13.1	-4.3	4.3	6.3	11.7

U.S. SECTOR WEIGHT AND RETURN (%)



Data sources: Bloomberg, Wilshire Atlas

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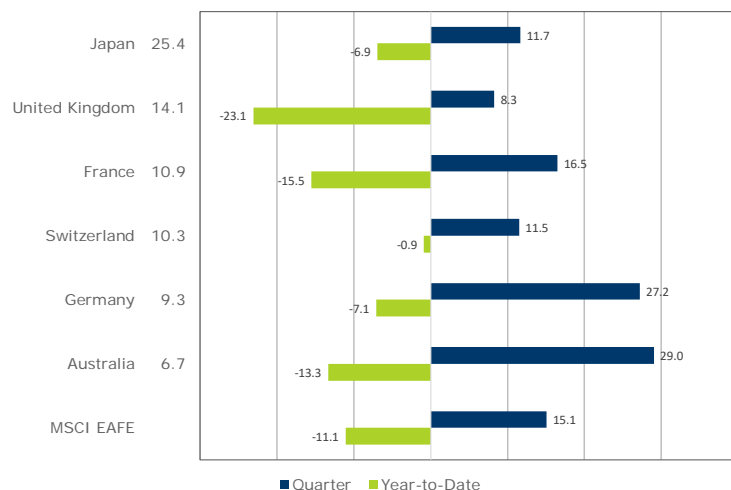


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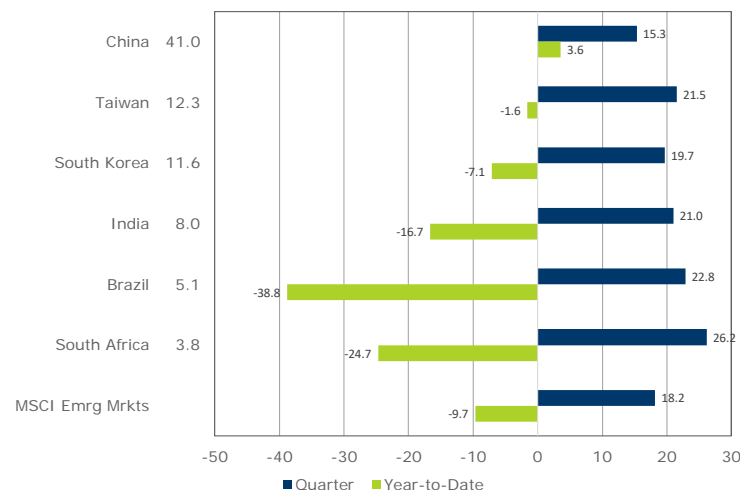
# NON-U.S. EQUITY MARKET

AS OF 6/30/2020	QTR	YTD	1 YR	3 YR	5 YR	10 YR
MSCI ACWI EX-US (\$G)	16.3	-10.8	-4.4	1.6	2.7	5.5
MSCI EAFE (\$G)	15.1	-11.1	-4.7	1.3	2.5	6.2
MSCI EMERGING MARKETS (\$G)	18.2	-9.7	-3.0	2.3	3.2	3.6
MSCI FRONTIER MARKETS (\$G)	16.2	-20.4	-20.7	-4.5	-2.4	1.9
MSCI ACWI EX-US GROWTH (\$G)	19.2	-2.4	6.1	6.4	6.0	7.4
MSCI ACWI EX-US VALUE (\$G)	13.7	-19.2	-14.4	-3.4	-0.4	3.6
MSCI ACWI EX-US SMALL (\$G)	23.0	-12.6	-4.0	0.2	2.9	6.4
MSCI ACWI MINIMUM VOLATILITY	9.9	-7.5	-1.9	6.4	7.6	10.4
MSCI EAFE MINIMUM VOLATILITY	7.5	-10.0	-5.1	2.2	4.0	7.6
FTSE RAFI DEVELOPED EX-US	13.8	-17.6	-12.1	-2.7	0.1	4.2
MSCI EAFE LC (G)	12.8	-10.3	-3.8	1.7	3.1	7.4
MSCI EMERGING MARKETS LC (G)	16.8	-5.4	1.7	4.9	5.5	6.4

DEVELOPED MARKETS WEIGHT AND RETURN (%)



EMERGING MARKETS WEIGHT AND RETURN (%)



Data sources: Bloomberg

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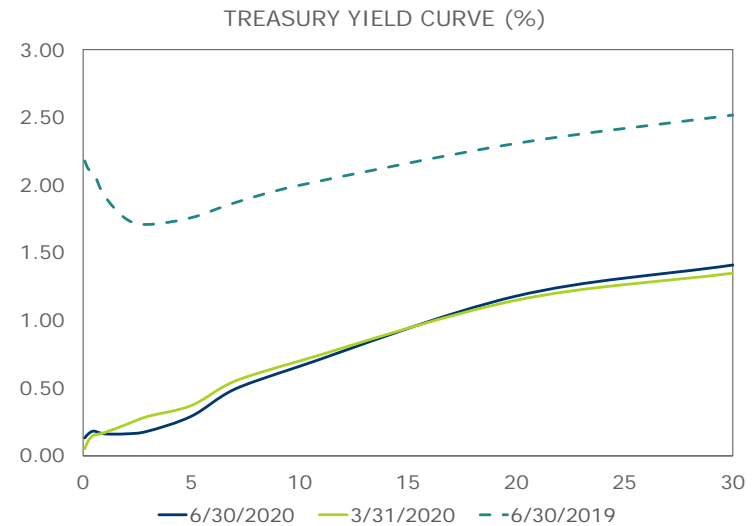
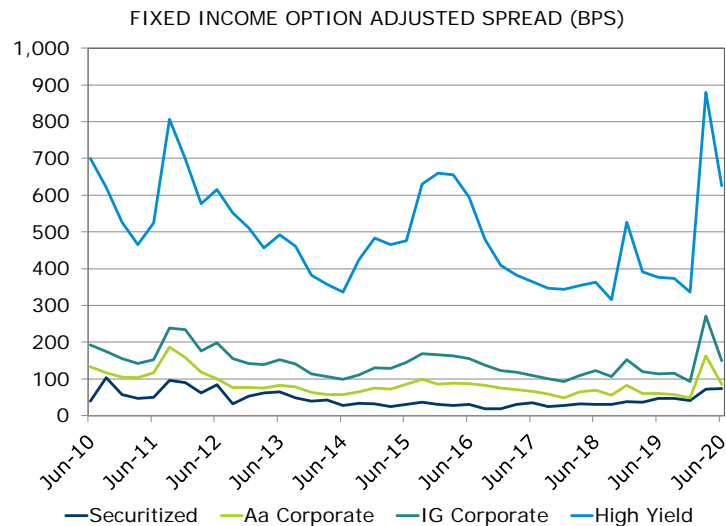


# Wilshire Consulting

## U.S. FIXED INCOME

AS OF 6/30/2020	YTW	DUR.	QTR	YTD	1 YR	3 YR	5 YR	10 YR
BLOOMBERG BARCLAYS AGGREGATE	1.3	6.0	2.9	6.1	8.7	5.3	4.3	3.8
BLOOMBERG BARCLAYS TREASURY	0.5	7.2	0.5	8.7	10.4	5.6	4.1	3.4
BLOOMBERG BARCLAYS GOV'T-REL.	1.3	6.0	3.4	3.9	6.6	4.8	3.9	3.5
BLOOMBERG BARCLAYS SECURITIZED	1.4	2.3	0.9	3.6	5.7	4.0	3.3	3.2
BLOOMBERG BARCLAYS CORPORATE	2.1	8.5	9.0	5.0	9.5	6.3	5.8	5.5
BLOOMBERG BARCLAYS LT G/C	2.4	16.8	6.2	12.8	18.9	10.3	9.0	7.8
BLOOMBERG BARCLAYS LT TREASURY	1.3	19.4	0.2	21.2	25.4	12.0	9.3	7.7
BLOOMBERG BARCLAYS LT GOV't-REL.	2.9	13.5	8.2	4.3	10.0	8.0	7.1	7.2
BLOOMBERG BARCLAYS LT CORP.	3.2	15.2	11.4	6.3	13.8	8.8	8.8	7.8
BLOOMBERG BARCLAYS U.S. TIPS *	0.6	7.8	4.2	6.0	8.3	5.0	3.7	3.5
BLOOMBERG BARCLAYS HIGH YIELD	6.9	3.9	10.2	-3.8	0.0	3.3	4.8	6.7
TREASURY BILLS	0.1	0.3	0.0	0.7	1.7	1.8	1.2	0.7

\* Yield and Duration statistics are for a proxy index based on similar maturity, the Bloomberg Barclays U.S. Treasury 7-10 Year Index



Data sources: Bloomberg

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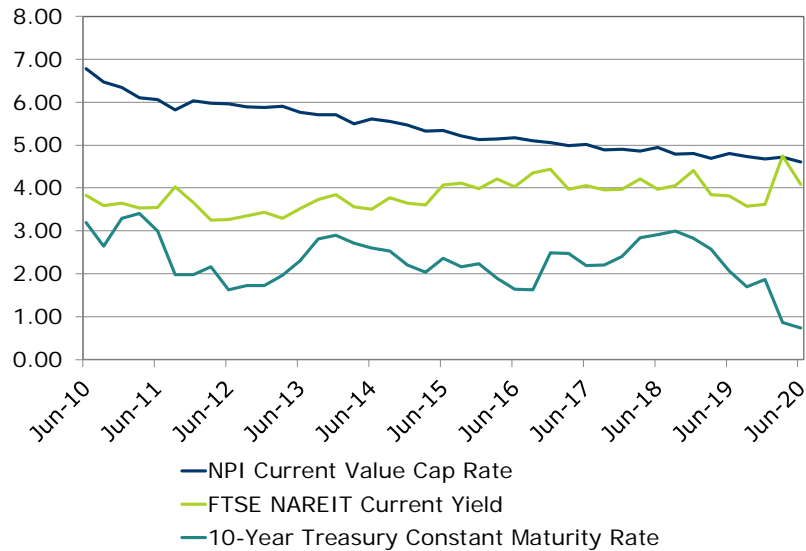




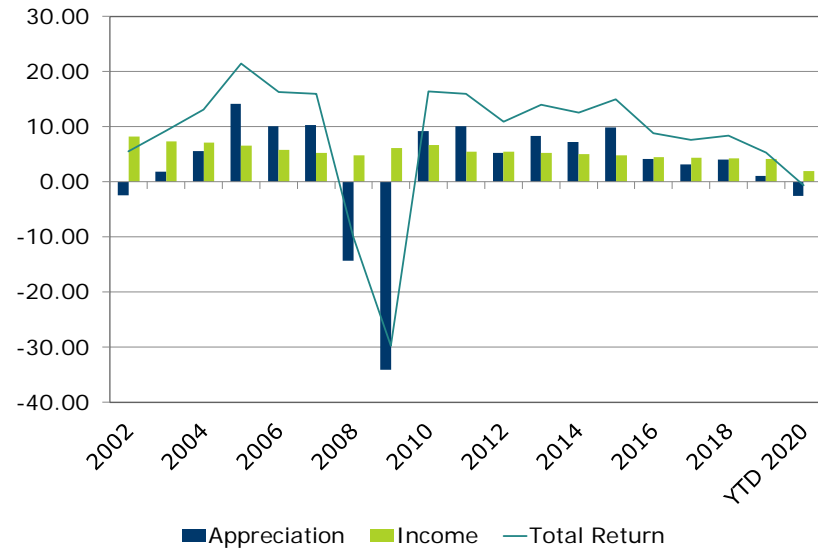
# Wilshire Consulting REAL ASSETS

AS OF 6/30/2020	QTR	YTD	1 YR	3 YR	5 YR	10 YR
BLOOMBERG BARCLAYS U.S. TIPS	4.2	6.0	8.3	5.0	3.7	3.5
BLOOMBERG COMMODITY INDEX	5.1	-19.4	-17.4	-6.1	-7.7	-5.8
WILSHIRE GLOBAL RESI INDEX	9.5	-20.3	-15.2	-0.7	2.6	8.3
NCREIF ODCE FUND INDEX	-1.6	-0.6	2.2	5.7	7.3	10.8
NCREIF TIMBERLAND INDEX	0.1	0.2	0.3	2.3	2.8	4.4
ALERIAN MIDSTREAM ENERGY	32.6	-29.6	-29.4	-8.9	-8.0	n.a.

REAL ESTATE VALUATION (%)



NCREIF ODCE FUND INDEX RETURN (%)



Data sources: Bloomberg, National Council of Real Estate Investment Fiduciaries



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## ASSET CLASS PERFORMANCE

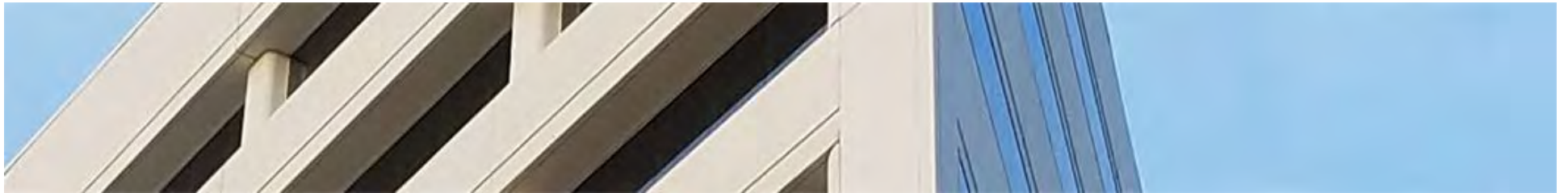
ASSET CLASS RETURNS - BEST TO WORST						ANNUALIZED 5-YEAR AS OF 6/20
2015	2016	2017	2018	2019	2020 YTD	
REITs 4.2%	MLPs 18.3%	Emrg Mrkts 37.7%	T-Bills 1.9%	U.S. Equity 31.0%	Core Bond 6.1%	U.S. Equity 10.3%
U.S. Equity 0.7%	High Yield 17.1%	Developed 25.6%	Core Bond 0.0%	REITs 25.8%	U.S. TIPS 6.0%	High Yield 4.8%
Core Bond 0.6%	U.S. Equity 13.4%	U.S. Equity 21.0%	U.S. TIPS -1.3%	Developed 22.7%	T-Bills 0.7%	Core Bond 4.3%
T-Bills 0.1%	Commodities 11.8%	High Yield 7.5%	High Yield -2.1%	Emrg Mrkts 18.9%	U.S. Equity -3.3%	REITs 4.0%
Developed -0.4%	Emrg Mrkts 11.6%	REITs 4.2%	REITs -4.8%	High Yield 14.3%	High Yield -3.8%	U.S. TIPS 3.7%
U.S. TIPS -1.4%	REITs 7.2%	Core Bond 3.6%	U.S. Equity -5.3%	Core Bond 8.7%	Emrg Mrkts -9.7%	Emrg Mrkts 3.2%
High Yield -4.5%	U.S. TIPS 4.7%	U.S. TIPS 3.0%	Commodities -11.2%	U.S. TIPS 8.4%	Developed -11.1%	Developed 2.5%
Emrg Mrkts -14.6%	Core Bond 2.6%	Commodities 1.7%	MLPs -12.4%	Commodities 7.7%	REITs -17.8%	T-Bills 1.2%
Commodities -24.7%	Developed 1.5%	T-Bills 0.8%	Developed -13.4%	MLPs 6.6%	Commodities -19.4%	Commodities -7.7%
MLPs -32.6%	T-Bills 0.3%	MLPs -6.5%	Emrg Mrkts -14.2%	T-Bills 2.3%	Midstream -29.6%	MLPs -12.9%

Data sources: Bloomberg

Note: Developed asset class is developed equity markets ex-U.S., ex-Canada

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9



# KRS Pension Plan



Wilshire Consulting

# Asset Allocation Bucketing

KRS Pension Plan

Periods Ended As of June 30, 2020

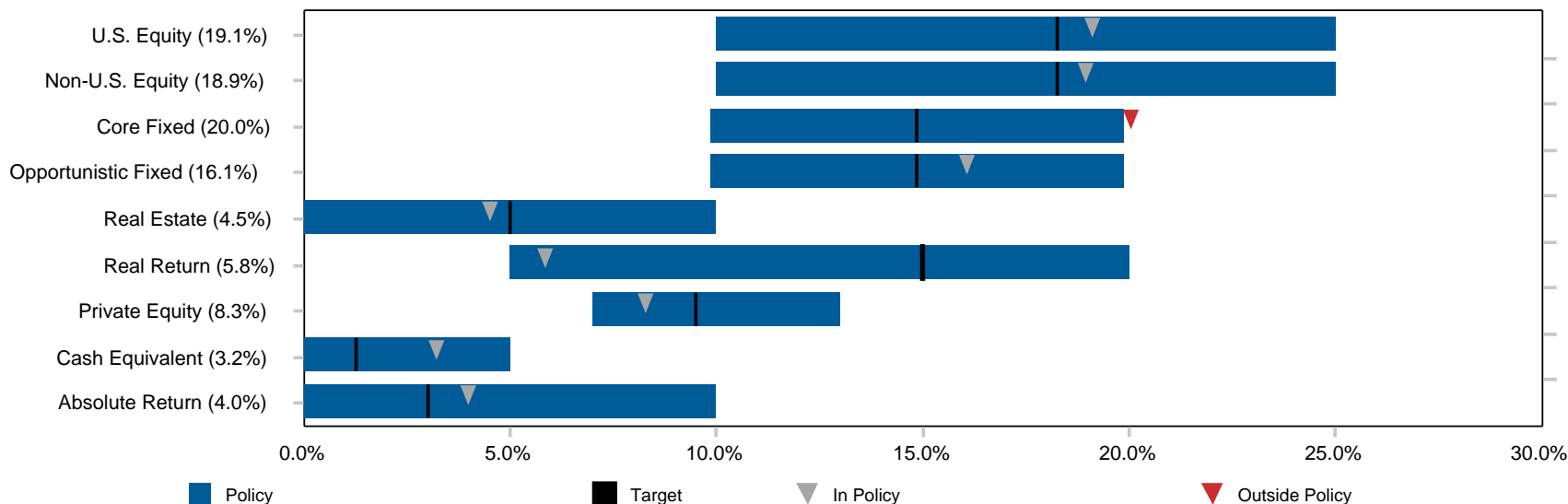
	Actual		Target	Difference	
	\$	%		\$	%
<b>Growth</b>	<b>\$7,938,174,710</b>	<b>62.4%</b>	<b>60.7%</b>	<b>\$217,461,393</b>	<b>1.7%</b>
U.S. Equity	\$2,429,890,418	19.1%	18.2%	\$114,948,369	0.9%
Non-U.S. Equity	\$2,409,875,254	18.9%	18.2%	\$94,933,205	0.7%
Private Equity	\$1,051,883,339	8.3%	9.4%	-\$143,746,071	-1.1%
High Yield/Specialty Credit	\$2,046,525,699	16.1%	15.0%	\$138,606,428	1.1%
<b>Liquidity</b>	<b>\$2,959,415,143</b>	<b>23.3%</b>	<b>16.3%</b>	<b>\$886,142,868</b>	<b>7.0%</b>
Core Fixed Income	\$2,549,639,085	20.0%	15.9%	\$527,244,658	4.1%
Cash	\$409,776,058	3.2%	1.4%	\$231,703,593	1.8%
<b>Diversifying</b>	<b>\$1,821,871,955</b>	<b>14.3%</b>	<b>23.0%</b>	<b>-\$1,103,604,261</b>	<b>-8.7%</b>
Real Estate	\$573,313,474	4.5%	5.0%	-\$62,659,616	-0.5%
Real Return	\$741,686,907	5.8%	15.0%	-\$1,166,232,364	-9.2%
Absolute Return	\$506,871,574	4.0%	3.0%	\$125,287,720	1.0%

# Asset Allocation Compliance

KRS Pension Plan

Periods Ended As of June 30, 2020

## Executive Summary



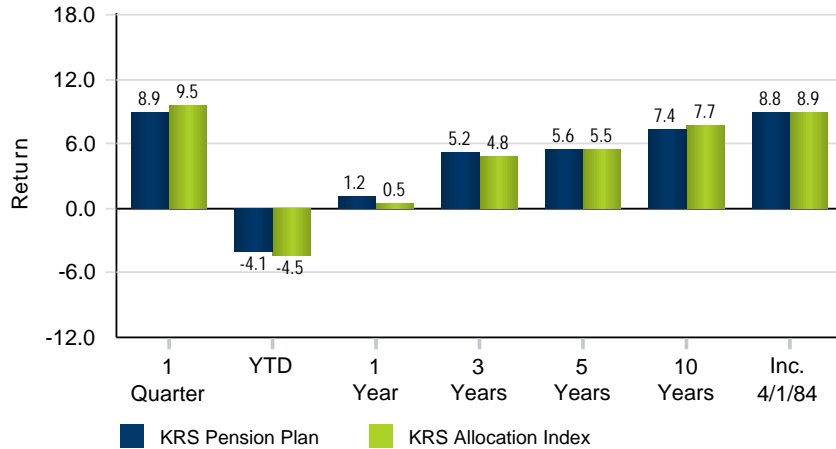
	Asset Allocation \$	Asset Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Target Rebalance \$
U.S. Equity	2,429,890,418	19.1	10.0	25.0	18.3	-108,588,638
Non-U.S. Equity	2,409,875,254	18.9	10.0	25.0	18.3	-88,573,474
Core Fixed	2,549,639,085	20.0	9.9	19.9	14.9	-657,619,141
Opportunistic Fixed	2,046,525,699	16.1	9.9	19.9	14.9	-154,505,755
Real Estate	573,313,474	4.5	0.0	10.0	5.0	62,659,616
Real Return	741,686,907	5.8	5.0	20.0	15.0	1,166,232,364
Private Equity	1,051,883,339	8.3	7.0	13.0	9.5	156,465,533
Cash Equivalent	409,776,058	3.2	0.0	5.0	1.3	-250,782,786
Absolute Return	506,871,574	4.0	0.0	10.0	3.0	-125,287,720
<b>Total Fund</b>	<b>12,719,461,807</b>	<b>100.0</b>			<b>100.0</b>	

# Total Fund Summary

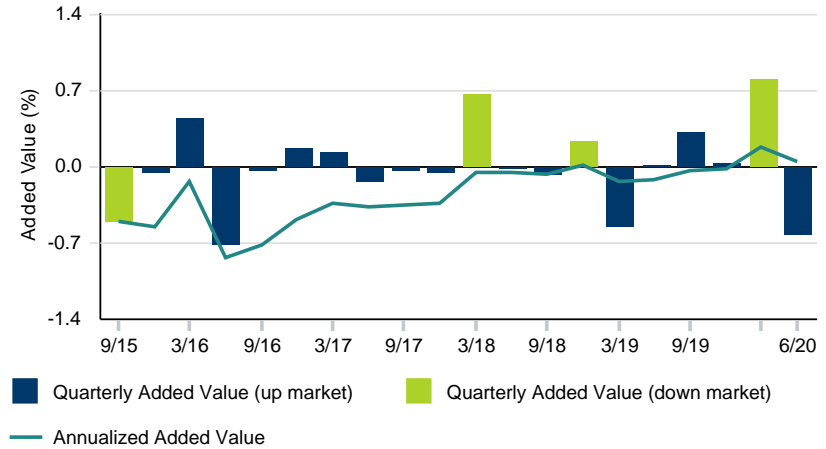
KRS Pension Plan

Periods Ended June 30, 2020

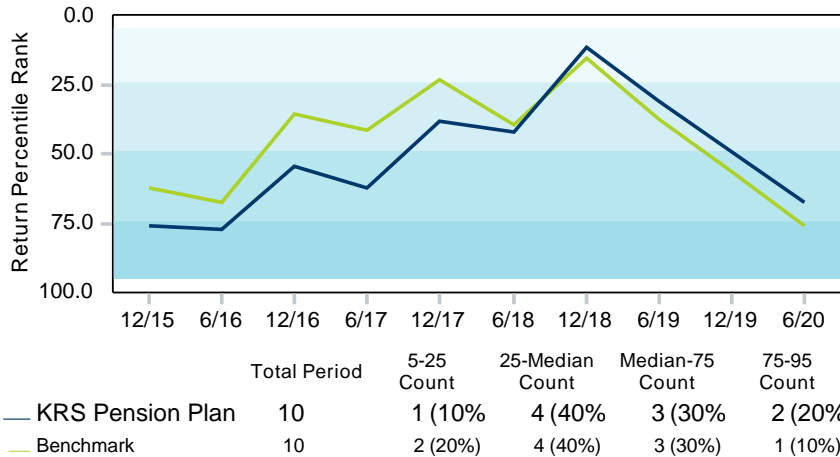
Comparative Performance



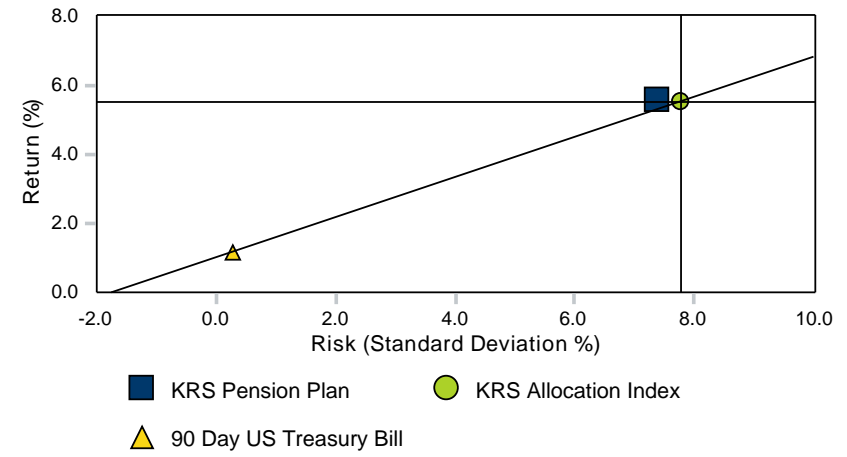
Added Value History



Rolling Percentile Rank: All Public Plans-Total Fund



Risk and Return 07/1/15 - 06/30/20





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# Asset Allocation & Performance

KRS Pension Plan

Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees									
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	
KRS Pension Plan	12,719,461,807	100.00	0.95	8.92	-4.12	1.21	1.21	5.16	5.59	8.82	4/1/1984	
KRS Allocation Index			0.71	9.54	-4.45	0.51	0.51	4.82	5.54	8.93		
Value Added			0.24	-0.62	0.33	0.70	0.70	0.34	0.05	-0.11		
KRS IPS Index			0.67	9.64	-4.30	0.74	0.74	4.65				
Value Added			0.28	-0.72	0.18	0.47	0.47	0.51				
KERS Pension Plan	2,316,004,897	18.21	1.33	8.65	-2.49	2.37	2.37	5.18	5.31	8.79	4/1/1984	
KERS Allocation Index			0.98	9.51	-3.28	1.42	1.42	4.89	5.21	8.88		
Value Added			0.35	-0.86	0.79	0.95	0.95	0.29	0.10	-0.09		
KERS IPS Index			0.97	9.76	-3.48	1.25	1.25	4.70				
Value Added			0.36	-1.11	0.99	1.12	1.12	0.48				
Assumed Rate 5.25%			0.43	1.29	2.59	5.25	5.25	5.25				
Value Added			0.90	7.36	-5.08	-2.88	-2.88	-0.07				
KERS (H) Pension Plan	693,794,374	5.45	0.99	9.35	-4.36	0.94	0.94	5.04	5.58	8.82	4/1/1984	
KERS (H) Allocation Index			0.64	9.64	-4.59	0.48	0.48	5.04	5.59	8.94		
Value Added			0.35	-0.29	0.23	0.46	0.46	0.00	-0.01	-0.12		
KERS (H) IPS Index			0.61	9.63	-4.43	0.67	0.67	4.80				
Value Added			0.38	-0.28	0.07	0.27	0.27	0.24				
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25				
Value Added			0.48	7.82	-7.44	-5.31	-5.31	-1.21				
CERS Pension Plan	7,045,846,328	55.39	0.85	8.96	-4.56	0.82	0.82	5.06	5.60	8.82	4/1/1984	
CERS Allocation Index			0.60	9.58	-4.64	0.41	0.41	5.03	5.59	8.94		
Value Added			0.25	-0.62	0.08	0.41	0.41	0.03	0.01	-0.12		
CERS IPS Index			0.58	9.58	-4.48	0.60	0.60	4.79				
Value Added			0.27	-0.62	-0.08	0.22	0.22	0.27				
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25				
Value Added			0.34	7.43	-7.64	-5.43	-5.43	-1.19				



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# Asset Allocation & Performance

KRS Pension Plan

Periods Ended June 30, 2020

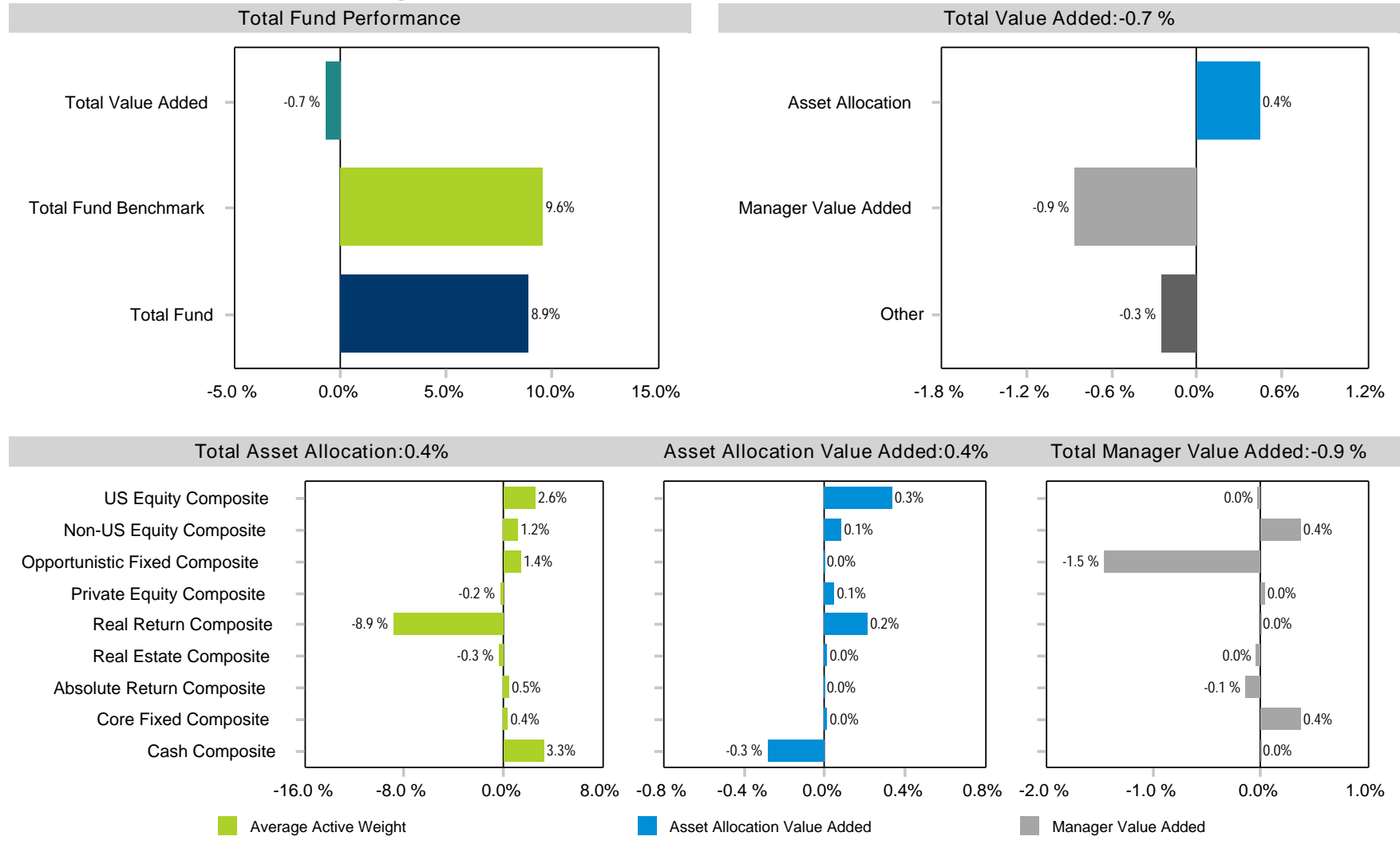
	Allocation		Performance (%) net of fees									
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	
CERS (H) Pension Plan	2,377,165,026	18.69	0.82	8.92	-4.60	0.70	0.70	5.04	5.60	8.82	4/1/1984	
CERS (H) Allocation Index			0.59	9.58	-4.74	0.27	0.27	5.02	5.58	8.93		
Value Added			0.23	-0.66	0.14	0.43	0.43	0.02	0.02	-0.11		
CERS (H) IPS Index			0.56	9.57	-4.58	0.46	0.46	4.78				
Value Added			0.26	-0.65	-0.02	0.24	0.24	0.26				
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25				
Value Added			0.31	7.39	-7.68	-5.55	-5.55	-1.21				
SPRS Pension Plan	286,651,184	2.25	1.33	9.02	-2.72	2.22	2.22	5.17	5.21	8.76	4/1/1984	
SPRS Allocation Index			0.91	9.13	-3.17	1.64	1.64	5.32	5.64	8.94		
Value Added			0.42	-0.11	0.45	0.58	0.58	-0.15	-0.43	-0.18		
SPRS IPS Index			0.90	9.38	-3.37	1.47	1.47	4.84				
Value Added			0.43	-0.36	0.65	0.75	0.75	0.33				
Assumed Rate 5.25%			0.43	1.29	2.59	5.25	5.25	5.25				
Value Added			0.90	7.73	-5.31	-3.03	-3.03	-0.08				



# Total Fund Attribution

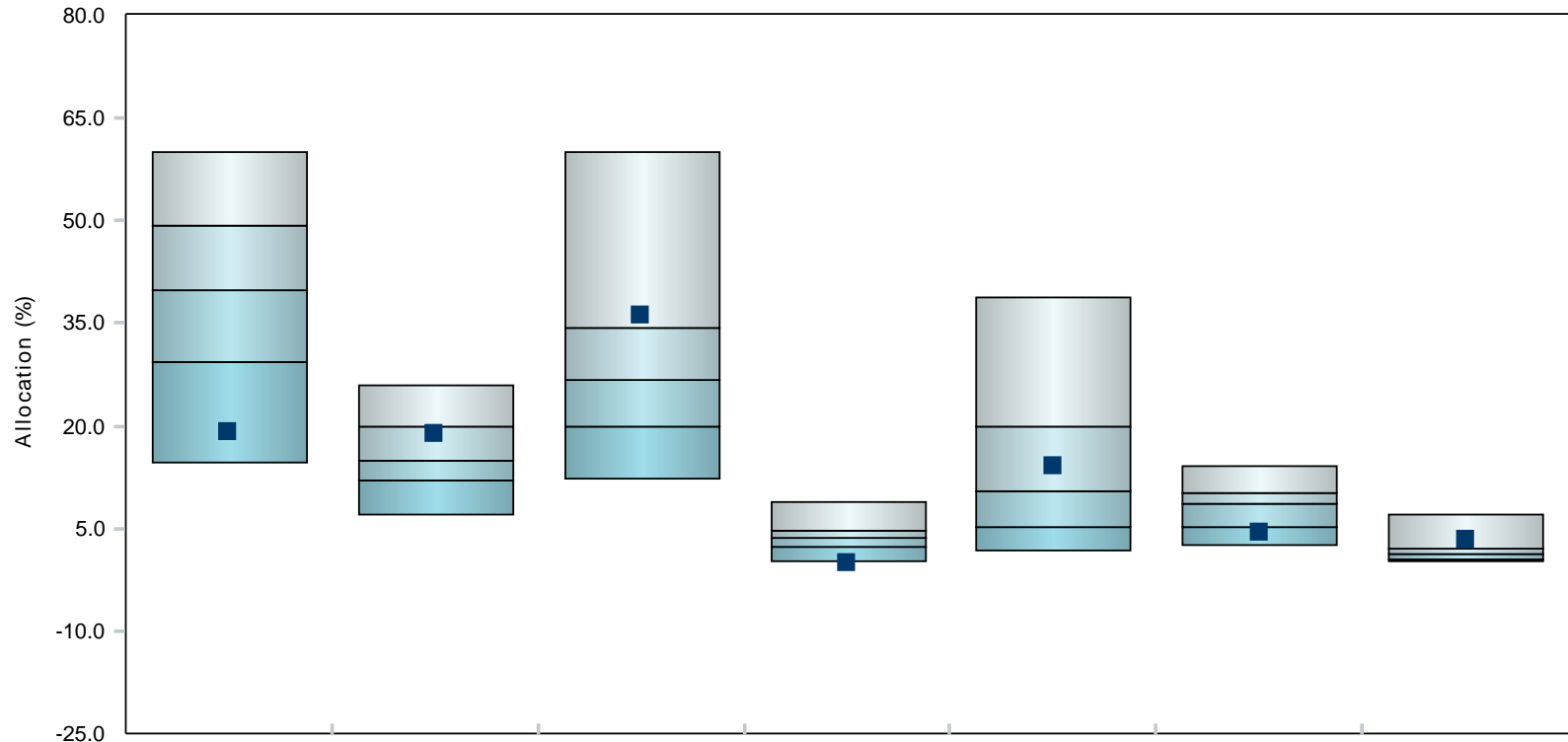
KRS Pension Plan

Periods Ended 1 Quarter Ending June 30, 2020



# Plan Sponsor TF Asset Allocation

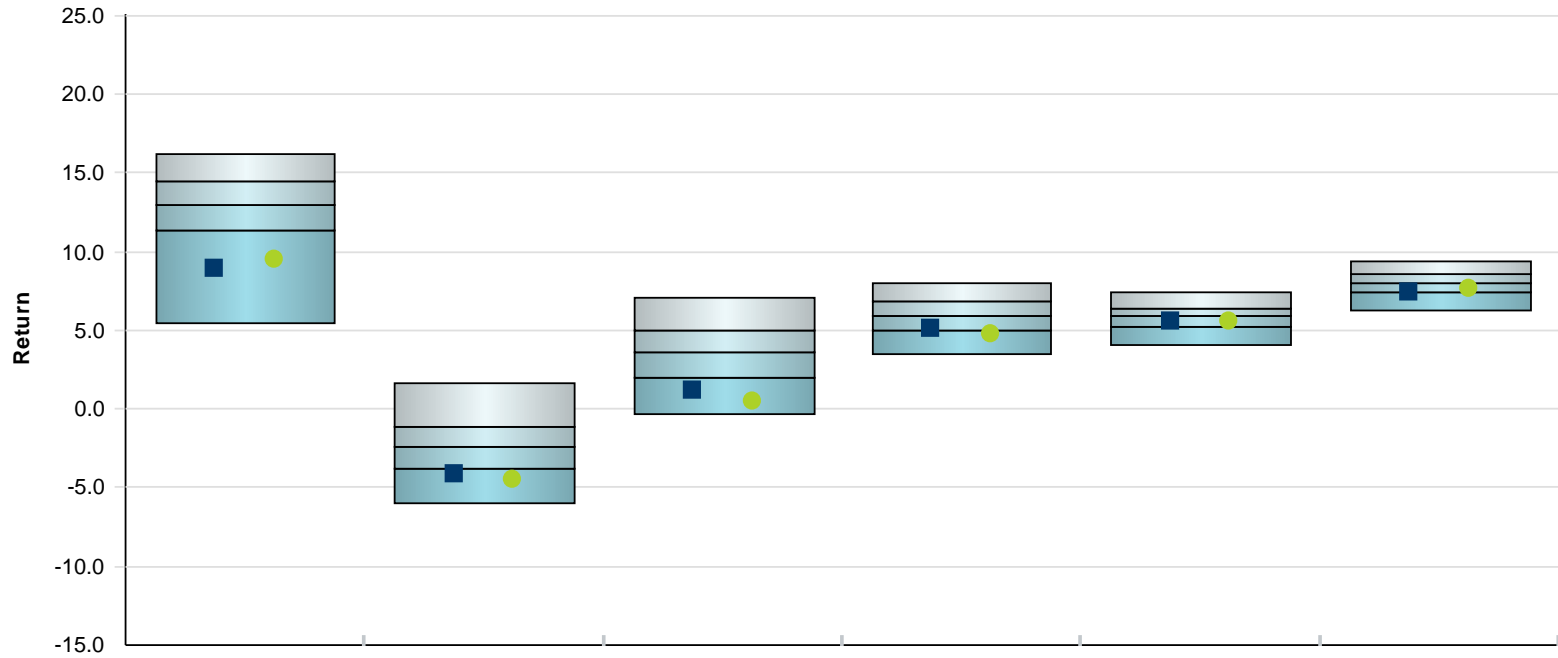
KRS Pension Plan vs All Public Plans-Total Fund  
 Periods Ended June 30, 2020



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
■ KRS Pension Plan	19.10	18.95	36.13	0.00	14.10	4.51	3.22
5th Percentile	60.14	25.97	60.05	8.96	38.71	14.02	6.99
1st Quartile	49.18	19.86	34.41	4.64	19.86	10.21	2.06
Median	39.73	14.98	26.68	3.74	10.46	8.57	1.13
3rd Quartile	29.44	11.95	20.01	2.23	5.15	5.22	0.56
95th Percentile	14.56	7.05	12.37	0.17	1.65	2.46	0.07

# Plan Sponsor Peer Group Analysis

KRS Pension Plan vs All Public Plans-Total Fund  
 Periods Ended June 30, 2020

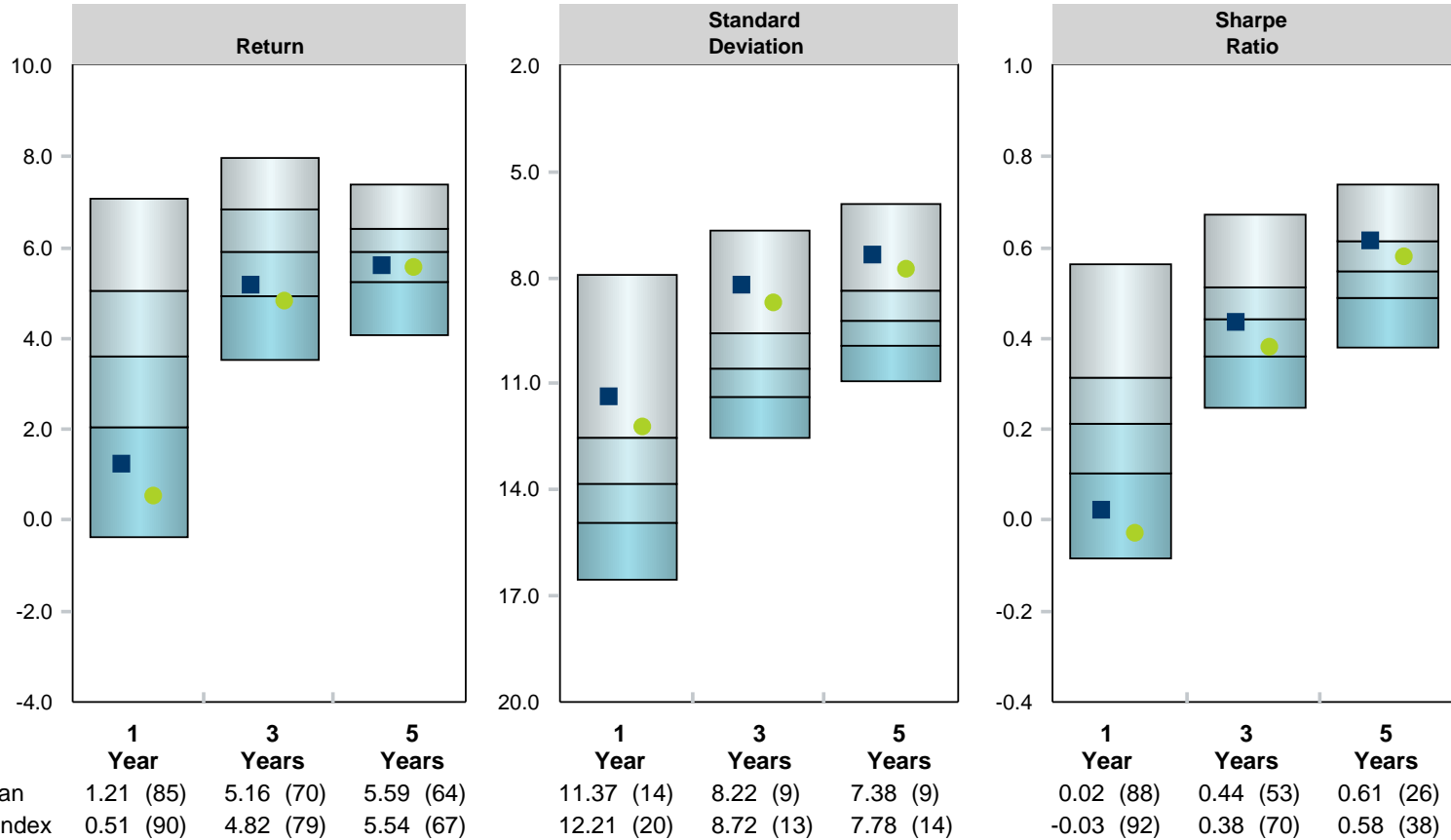


	QTD	YTD	1 Year	3 Years	5 Years	10 Years
■ KRS Pension Plan	8.92 (91)	-4.12 (82)	1.21 (85)	5.16 (70)	5.59 (64)	7.37 (77)
● KRS Allocation Index	9.54 (89)	-4.45 (86)	0.51 (90)	4.82 (79)	5.54 (67)	7.65 (66)
5th Percentile	16.24	1.63	7.07	7.96	7.38	9.41
1st Quartile	14.51	-1.18	5.04	6.85	6.42	8.63
Median	12.93	-2.40	3.59	5.92	5.90	8.05
3rd Quartile	11.34	-3.78	2.05	4.94	5.22	7.41
95th Percentile	5.49	-6.01	-0.36	3.51	4.08	6.25
Population	674	673	665	632	582	478

Parentheses contain percentile rankings.  
 Calculation based on monthly periodicity.

# Plan Sponsor Peer Group Analysis - Multi Statistics

KRS Pension Plan vs All Public Plans-Total Fund  
 Periods Ended June 30, 2020



	1 Year	3 Years	5 Years
5th Percentile	7.07	7.96	7.38
1st Quartile	5.04	6.85	6.42
Median	3.59	5.92	5.90
3rd Quartile	2.05	4.94	5.22
95th Percentile	-0.36	3.51	4.08

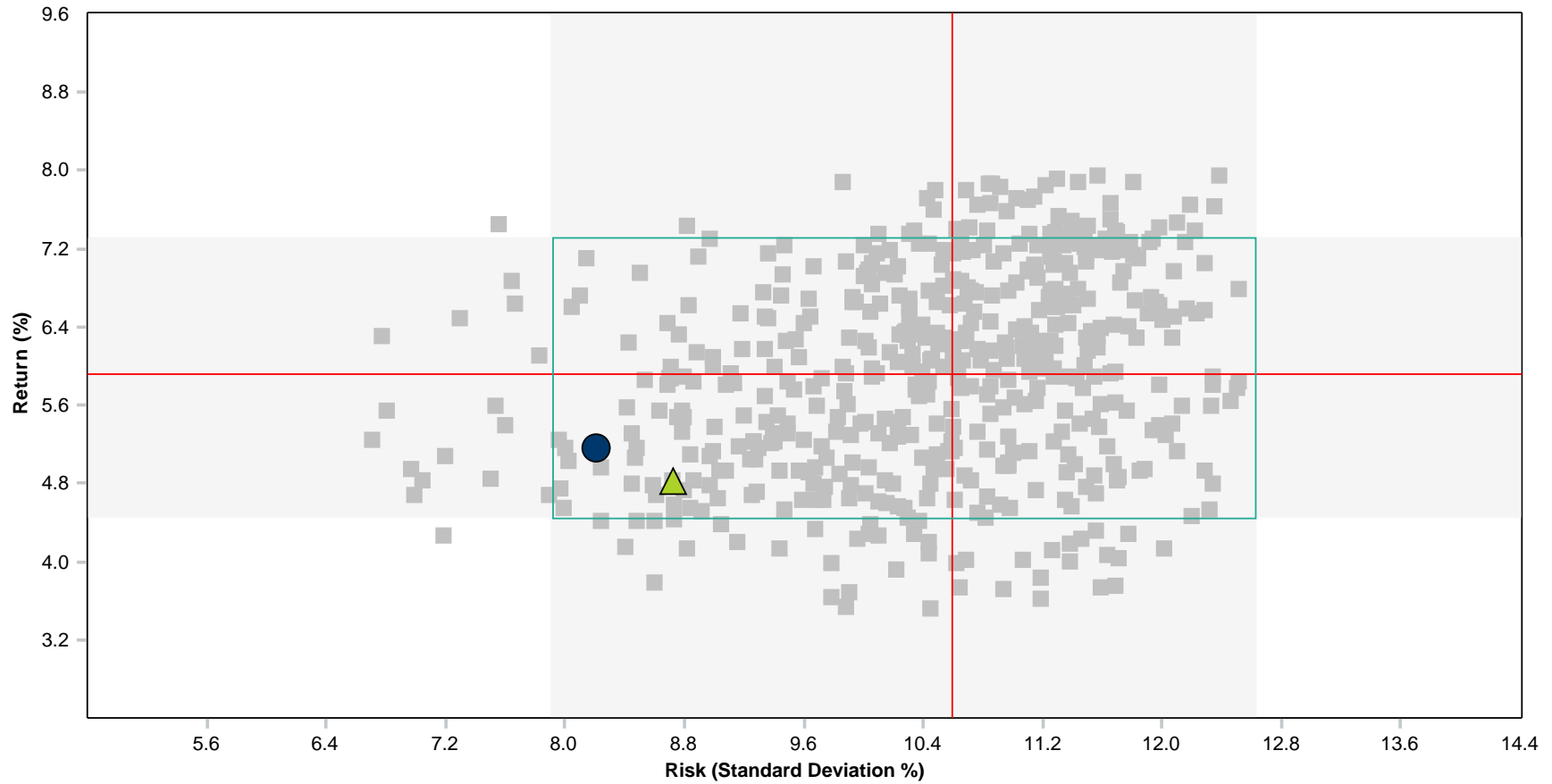
Parentheses contain percentile rankings.  
 Calculation based on monthly periodicity.



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# Plan Sponsor Scattergram

KRS Pension Plan vs All Public Plans-Total Fund  
 Periods Ended July 1, 2017 To June 30, 2020



	Return	Standard Deviation
● KRS Pension Plan	5.16	8.22
▲ KRS Allocation Index	4.82	8.72
— Median	5.92	10.59

Calculation based on monthly periodicity.



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# Asset Allocation & Performance

KRS Pension Plan

Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees								
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>KRS Pension Plan</b>	<b>12,719,461,807</b>	<b>100.00</b>	<b>0.95</b>	<b>8.92</b>	<b>-4.12</b>	<b>1.21</b>	<b>1.21</b>	<b>5.16</b>	<b>5.59</b>	<b>8.82</b>	<b>4/1/1984</b>
KRS Allocation Index			0.71	9.54	-4.45	0.51	0.51	4.82	5.54	8.93	
Value Added			0.24	-0.62	0.33	0.70	0.70	0.34	0.05	-0.11	
KRS IPS Index			0.67	9.64	-4.30	0.74	0.74	4.65			
Value Added			0.28	-0.72	0.18	0.47	0.47	0.51			
<b>GROWTH</b>											
<b>US Equity Composite</b>	<b>2,429,890,418</b>	<b>19.10</b>	<b>2.16</b>	<b>21.89</b>	<b>-4.76</b>	<b>4.91</b>	<b>4.91</b>	<b>8.98</b>	<b>9.15</b>	<b>11.08</b>	<b>4/1/1984</b>
Russell 3000 Index			2.29	22.03	-3.48	6.53	6.53	10.04	10.03	11.00	
Value Added			-0.13	-0.14	-1.28	-1.62	-1.62	-1.06	-0.88	0.08	
<b>S&amp;P 500 Index</b>	<b>1,428,219,750</b>	<b>11.23</b>	<b>2.01</b>	<b>20.76</b>	<b>-2.10</b>	<b>8.58</b>	<b>8.58</b>	<b>11.23</b>	<b>10.98</b>	<b>7.57</b>	<b>7/1/2001</b>
S&P 500 Index			1.99	20.54	-3.08	7.51	7.51	10.73	10.73	7.14	
Value Added			0.02	0.22	0.98	1.07	1.07	0.50	0.25	0.43	
<b>Scientific Beta</b>	<b>275,436,259</b>	<b>2.17</b>	<b>0.24</b>	<b>19.78</b>	<b>-8.70</b>	<b>-1.38</b>	<b>-1.38</b>	<b>6.53</b>		<b>8.55</b>	<b>7/1/2016</b>
S&P 500 Index			1.99	20.54	-3.08	7.51	7.51	10.73		12.48	
Value Added			-1.75	-0.76	-5.62	-8.89	-8.89	-4.20		-3.93	
<b>River Road FAV</b>	<b>172,734,595</b>	<b>1.36</b>	<b>1.56</b>	<b>14.54</b>	<b>-19.39</b>	<b>-9.38</b>	<b>-9.38</b>	<b>3.86</b>		<b>9.04</b>	<b>7/1/2016</b>
Russell 3000 Value Index			-0.46	14.55	-16.74	-9.42	-9.42	1.41		4.92	
Value Added			2.02	-0.01	-2.65	0.04	0.04	2.45		4.12	
<b>Westfield Capital</b>	<b>183,186,296</b>	<b>1.44</b>	<b>2.49</b>	<b>27.28</b>	<b>7.77</b>	<b>23.12</b>	<b>23.12</b>	<b>18.32</b>	<b>13.42</b>	<b>14.08</b>	<b>7/1/2011</b>
Russell 3000 Growth Index			4.32	27.99	8.98	21.94	21.94	18.21	15.23	15.01	
Value Added			-1.83	-0.71	-1.21	1.18	1.18	0.11	-1.81	-0.93	



Wilshire Consulting

# Asset Allocation & Performance

KRS Pension Plan

Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees								
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Internal US Mid Cap</b>	<b>123,477,972</b>	<b>0.97</b>	<b>1.31</b>	<b>24.67</b>	<b>-11.66</b>	<b>-5.42</b>	<b>-5.42</b>	<b>3.40</b>	<b>5.78</b>	<b>6.74</b>	<b>8/1/2014</b>
S&P MidCap 400 Index			1.26	24.07	-12.78	-6.70	-6.70	2.39	5.22	6.28	
Value Added			0.05	0.60	1.12	1.28	1.28	1.01	0.56	0.46	
<b>NTGI Structured</b>	<b>177,357,991</b>	<b>1.39</b>	<b>2.14</b>	<b>22.58</b>	<b>-14.19</b>	<b>-7.59</b>	<b>-7.59</b>	<b>2.68</b>	<b>4.93</b>	<b>9.06</b>	<b>10/1/1999</b>
Russell 2000 Index			3.53	25.42	-12.98	-6.63	-6.63	2.01	4.29	7.46	
Value Added			-1.39	-2.84	-1.21	-0.96	-0.96	0.67	0.64	1.60	
<b>Next Century Growth</b>	<b>69,391,774</b>	<b>0.55</b>	<b>8.11</b>	<b>48.60</b>	<b>17.40</b>					<b>26.76</b>	<b>11/1/2019</b>
Russell Microcap Growth Index			6.41	38.84	1.92					17.10	
Value Added			1.70	9.76	15.48					9.66	
<b>Invesco</b>	<b>47,257</b>	<b>0.00</b>									
<b>Transition Account</b>	<b>38,525</b>	<b>0.00</b>									
<b>Non-US Equity Composite</b>	<b>2,409,875,254</b>	<b>18.95</b>	<b>5.04</b>	<b>19.00</b>	<b>-9.32</b>	<b>-2.05</b>	<b>-2.05</b>	<b>3.17</b>	<b>3.86</b>	<b>3.02</b>	<b>7/1/2000</b>
Policy Index			4.36	16.96	-11.24	-4.74	-4.74	0.99	2.38	2.94	
Value Added			0.68	2.04	1.92	2.69	2.69	2.18	1.48	0.08	
<b>BlackRock World Ex US</b>	<b>712,253,929</b>	<b>5.60</b>	<b>3.45</b>	<b>15.54</b>	<b>-11.30</b>	<b>-5.84</b>	<b>-5.84</b>	<b>0.94</b>	<b>2.28</b>	<b>5.56</b>	<b>7/1/2009</b>
Policy Index			3.42	15.34	-11.49	-6.02	-6.02	0.70	2.00	5.33	
Value Added			0.03	0.20	0.19	0.18	0.18	0.24	0.28	0.23	
<b>American Century</b>	<b>343,750,523</b>	<b>2.70</b>	<b>6.79</b>	<b>23.09</b>	<b>1.22</b>	<b>12.65</b>	<b>12.65</b>	<b>11.41</b>	<b>7.96</b>	<b>6.05</b>	<b>7/1/2014</b>
Policy Index			4.36	16.96	-11.24	-4.74	-4.74	0.96	2.35	1.11	
Value Added			2.43	6.13	12.46	17.39	17.39	10.45	5.61	4.94	



Wilshire Consulting

# Asset Allocation & Performance

KRS Pension Plan

Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees								
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Franklin Templeton</b>	<b>274,773,457</b>	<b>2.16</b>	<b>7.18</b>	<b>28.54</b>	<b>-0.74</b>	<b>11.08</b>	<b>11.08</b>	<b>10.18</b>	<b>8.90</b>	<b>7.02</b>	<b>7/1/2014</b>
Policy Index			4.36	16.96	-11.24	-4.74	-4.74	0.96	2.35	1.11	
Value Added			2.82	11.58	10.50	15.82	15.82	9.22	6.55	5.91	
<b>Lazard Asset Mgmt</b>	<b>395,358,497</b>	<b>3.11</b>	<b>3.40</b>	<b>16.22</b>	<b>-11.79</b>	<b>-6.14</b>	<b>-6.14</b>	<b>2.25</b>	<b>2.59</b>	<b>2.13</b>	<b>7/1/2014</b>
Policy Index			4.36	16.96	-11.24	-4.74	-4.74	0.96	2.35	1.11	
Value Added			-0.96	-0.74	-0.55	-1.40	-1.40	1.29	0.24	1.02	
<b>LSV Asset Mgmt</b>	<b>341,542,873</b>	<b>2.69</b>	<b>3.33</b>	<b>12.82</b>	<b>-17.83</b>	<b>-10.59</b>	<b>-10.59</b>	<b>-1.88</b>	<b>0.69</b>	<b>-0.01</b>	<b>7/1/2014</b>
Policy Index			4.36	16.96	-11.24	-4.74	-4.74	0.96	2.35	1.11	
Value Added			-1.03	-4.14	-6.59	-5.85	-5.85	-2.84	-1.66	-1.12	
<b>NTGI Int'l Small Cap</b>	<b>74,832,381</b>	<b>0.59</b>	<b>3.34</b>	<b>22.98</b>	<b>-12.40</b>	<b>-3.79</b>	<b>-3.79</b>	<b>0.29</b>	<b>2.83</b>	<b>9.76</b>	<b>12/1/2008</b>
MSCI AC World ex USA Small Cap (Net)			3.26	22.83	-12.80	-4.34	-4.34	-0.17	2.50	9.92	
Value Added			0.08	0.15	0.40	0.55	0.55	0.46	0.33	-0.16	
<b>JP Morgan Emerging Markets</b>	<b>138,602,212</b>	<b>1.09</b>	<b>11.01</b>	<b>28.80</b>	<b>-3.07</b>					<b>2.52</b>	<b>11/1/2019</b>
MSCI Emerging Markets IMI			7.57	19.03	-9.98					-3.51	
Value Added			3.44	9.77	6.91					6.03	
<b>Pzena Emerging Markets</b>	<b>127,509,370</b>	<b>1.00</b>	<b>5.29</b>	<b>17.36</b>	<b>-19.54</b>					<b>-14.27</b>	<b>11/1/2019</b>
MSCI Emerging Markets (Net)			7.35	18.08	-9.78					-3.19	
Value Added			-2.06	-0.72	-9.76					-11.08	
<b>Pyramis Intl</b>	<b>3,479</b>	<b>0.00</b>									
<b>Non-US Equity Transition</b>	<b>1,248,535</b>	<b>0.01</b>									





Wilshire Consulting

# Asset Allocation & Performance

KRS Pension Plan

Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees									
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	Since Inception	Inception Date	
<b>Opportunistic Fixed Composite</b>	<b>2,046,525,699</b>	<b>16.09</b>	<b>0.40</b>	<b>1.23</b>	<b>-4.31</b>	<b>-1.32</b>	<b>-1.32</b>				<b>2.15</b>	<b>10/1/2018</b>
Policy Index			1.06	9.94	-4.20	-0.98	-0.98				1.43	
Value Added			-0.66	-8.71	-0.11	-0.34	-0.34				0.72	
<b>Adams St SPC II A</b>	<b>12,173,804</b>	<b>0.10</b>	<b>0.00</b>								<b>0.00</b>	<b>6/1/2020</b>
<b>Adams St SPC II B</b>	<b>12,173,805</b>	<b>0.10</b>	<b>0.00</b>								<b>0.00</b>	<b>6/1/2020</b>
<b>BSP Coinvestment</b>	<b>12,108,708</b>	<b>0.10</b>	<b>2.81</b>	<b>2.81</b>	<b>4.64</b>						<b>4.64</b>	<b>10/1/2019</b>
S&P/LSTA Leverage Loan Index			1.14	9.70	-4.61						-2.96	
Value Added			1.67	-6.89	9.25						7.60	
<b>BSP Private Credit</b>	<b>71,888,876</b>	<b>0.57</b>	<b>-8.53</b>	<b>-8.53</b>	<b>-6.23</b>	<b>-4.26</b>	<b>-4.26</b>				<b>-0.13</b>	<b>2/1/2018</b>
S&P/LSTA Leverage Loan Index			1.14	9.70	-4.61	-1.99	-1.99				1.27	
Value Added			-9.67	-18.23	-1.62	-2.27	-2.27				-1.40	
<b>Capital Springs</b>	<b>47,581,524</b>	<b>0.37</b>	<b>-4.61</b>	<b>-4.61</b>							<b>-4.61</b>	<b>2/1/2020</b>
S&P/LSTA Leverage Loan Index			1.14	9.70							-5.14	
Value Added			-5.75	-14.31							0.53	
<b>Cerberus Capital Mgmt</b>	<b>122,104,668</b>	<b>0.96</b>	<b>0.70</b>	<b>0.21</b>	<b>2.07</b>	<b>6.51</b>	<b>6.51</b>	<b>7.72</b>	<b>8.18</b>		<b>8.11</b>	<b>9/1/2014</b>
S&P/LSTA Leverage Loan Index			1.14	9.70	-4.61	-1.99	-1.99	2.07	2.89		2.77	
Value Added			-0.44	-9.49	6.68	8.50	8.50	5.65	5.29		5.34	
<b>Columbia</b>	<b>399,980,905</b>	<b>3.14</b>	<b>0.29</b>	<b>8.98</b>	<b>-4.21</b>	<b>0.85</b>	<b>0.85</b>	<b>3.80</b>	<b>4.84</b>		<b>6.28</b>	<b>11/1/2011</b>
Blmbg. Barc. U.S. Corp: High Yield			0.98	10.18	-3.80	0.03	0.03	3.33	4.79		6.01	
Value Added			-0.69	-1.20	-0.41	0.82	0.82	0.47	0.05		0.27	



Wilshire Consulting

# Asset Allocation & Performance

KRS Pension Plan

Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees								
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Manulife Asset Mgmt</b>	<b>333,843,276</b>	<b>2.62</b>	<b>0.80</b>	<b>7.16</b>	<b>1.47</b>	<b>4.91</b>	<b>4.91</b>	<b>3.58</b>	<b>3.69</b>	<b>4.21</b>	<b>12/1/2011</b>
Policy Index			0.83	3.81	5.17	7.88	7.88	5.15	4.31	2.58	
Value Added			-0.03	3.35	-3.70	-2.97	-2.97	-1.57	-0.62	1.63	
<b>Marathon Bluegrass</b>	<b>347,395,378</b>	<b>2.73</b>	<b>1.75</b>	<b>-7.27</b>	<b>-4.71</b>	<b>-4.99</b>	<b>-4.99</b>	<b>1.21</b>		<b>4.52</b>	<b>1/1/2016</b>
Blmbg. Barc. U.S. Corp: High Yield			0.98	10.18	-3.80	0.03	0.03	3.33		7.00	
Value Added			0.77	-17.45	-0.91	-5.02	-5.02	-2.12		-2.48	
<b>Shenkman Capital</b>	<b>189,115,463</b>	<b>1.49</b>	<b>1.12</b>	<b>10.14</b>	<b>-4.51</b>	<b>-1.45</b>	<b>-1.45</b>	<b>2.09</b>	<b>2.53</b>	<b>4.03</b>	<b>10/1/2010</b>
S&P/LSTA Leverage Loan Index			1.14	9.70	-4.61	-1.99	-1.99	2.07	2.89	3.94	
Value Added			-0.02	0.44	0.10	0.54	0.54	0.02	-0.36	0.09	
<b>Waterfall</b>	<b>212,161,726</b>	<b>1.67</b>	<b>1.73</b>	<b>0.60</b>	<b>-15.16</b>	<b>-11.85</b>	<b>-11.85</b>	<b>1.62</b>	<b>4.61</b>	<b>9.09</b>	<b>2/1/2010</b>
Policy Index			1.11	7.65	-2.25	0.39	0.39	2.91	3.75	4.76	
Value Added			0.62	-7.05	-12.91	-12.24	-12.24	-1.29	0.86	4.33	
<b>White Oak Yield Spectrum</b>	<b>135,249,706</b>	<b>1.06</b>	<b>-2.18</b>	<b>-2.18</b>	<b>0.00</b>	<b>3.04</b>	<b>3.04</b>			<b>3.56</b>	<b>3/1/2018</b>
S&P/LSTA Leverage Loan Index			1.14	9.70	-4.61	-1.99	-1.99			1.23	
Value Added			-3.32	-11.88	4.61	5.03	5.03			2.33	
<b>H/2 Credit Partner</b>	<b>68,782,228</b>	<b>0.54</b>	<b>2.93</b>	<b>-16.48</b>	<b>-19.18</b>	<b>-17.98</b>	<b>-17.98</b>	<b>-5.79</b>	<b>-1.29</b>	<b>2.27</b>	<b>7/1/2011</b>
<b>Mesa West Core Lend</b>	<b>59,718,504</b>	<b>0.47</b>	<b>0.61</b>	<b>0.61</b>	<b>2.05</b>	<b>7.29</b>	<b>7.29</b>	<b>7.18</b>	<b>7.52</b>	<b>6.80</b>	<b>5/1/2013</b>
<b>Mesa West IV</b>	<b>22,209,726</b>	<b>0.17</b>	<b>2.41</b>	<b>2.41</b>	<b>4.07</b>	<b>8.98</b>	<b>8.98</b>	<b>7.51</b>		<b>5.91</b>	<b>3/1/2017</b>
<b>Loomis</b>	<b>37,403</b>	<b>0.00</b>									



Wilshire Consulting

# Asset Allocation & Performance

KRS Pension Plan

Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees								
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Private Equity Composite</b>	<b>1,051,883,339</b>	<b>8.27</b>	<b>-6.84</b>	<b>-5.95</b>	<b>-5.81</b>	<b>0.30</b>	<b>0.30</b>	<b>8.62</b>	<b>8.79</b>	<b>10.56</b>	<b>7/1/2002</b>
KRS Short-Term PE Index			-6.84	-5.95	-5.81	0.30	0.30	8.62	8.79	10.56	
Value Added			0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Russell 3000 +3% 1 Quarter Lag			-13.54	-20.31	-12.42	-6.40	-6.40	7.12	8.94	10.06	
Value Added			6.70	14.36	6.61	6.70	6.70	1.50	-0.15	0.50	
<b>DIVERSIFYING STRATEGIES</b>											
<b>Real Return Composite</b>	<b>741,686,907</b>	<b>5.83</b>	<b>-1.57</b>	<b>7.38</b>	<b>-11.41</b>	<b>-9.20</b>	<b>-9.20</b>	<b>-0.91</b>	<b>1.13</b>	<b>2.33</b>	<b>7/1/2011</b>
Real Return (P)			-1.57	7.38	-11.41	-9.20	-9.20	-1.32	0.27	1.42	
Value Added			0.00	0.00	0.00	0.00	0.00	0.41	0.86	0.91	
<b>Internal TIPS</b>	<b>127,957</b>	<b>0.00</b>	<b>0.02</b>	<b>1.50</b>	<b>0.68</b>	<b>2.16</b>	<b>2.16</b>	<b>2.41</b>	<b>2.23</b>	<b>4.64</b>	<b>5/1/2002</b>
Blmbg. Barc. U.S. TIPS 1-10 Year			1.06	3.76	4.08	5.75	5.75	3.94	2.97	4.25	
Value Added			-1.04	-2.26	-3.40	-3.59	-3.59	-1.53	-0.74	0.39	
<b>Putnam</b>	<b>453,690,855</b>	<b>3.57</b>									
<b>Tortoise Capital</b>	<b>92,483,363</b>	<b>0.73</b>	<b>-7.65</b>	<b>30.08</b>	<b>-33.76</b>	<b>-38.67</b>	<b>-38.67</b>	<b>-15.34</b>	<b>-11.61</b>	<b>4.60</b>	<b>8/1/2009</b>
Alerian MLP Index			-7.87	50.18	-35.71	-41.43	-41.43	-16.79	-12.85	1.26	
Value Added			0.22	-20.10	1.95	2.76	2.76	1.45	1.24	3.34	
<b>Amerra AGRI Fund II</b>	<b>24,582,383</b>	<b>0.19</b>	<b>0.51</b>	<b>0.51</b>	<b>4.33</b>	<b>16.01</b>	<b>16.01</b>	<b>3.95</b>	<b>5.34</b>	<b>5.31</b>	<b>12/1/2012</b>
<b>Amerra AGRI Holdings</b>	<b>49,210,676</b>	<b>0.39</b>	<b>-1.05</b>	<b>-1.05</b>	<b>-1.35</b>	<b>-0.07</b>	<b>-0.07</b>	<b>-2.35</b>		<b>-1.23</b>	<b>8/1/2015</b>
<b>BTG Pactual</b>	<b>22,961,217</b>	<b>0.18</b>	<b>-14.36</b>	<b>-14.36</b>	<b>-12.24</b>	<b>-13.31</b>	<b>-13.31</b>	<b>-5.62</b>	<b>-7.26</b>	<b>-8.41</b>	<b>12/1/2014</b>
<b>IFM Infrastructure</b>	<b>45,091,708</b>	<b>0.35</b>	<b>-1.52</b>	<b>-1.52</b>	<b>-1.52</b>	<b>1.30</b>	<b>1.30</b>			<b>1.30</b>	<b>7/1/2019</b>
<b>Magnetar MTP EOF II</b>	<b>21,781,630</b>	<b>0.17</b>	<b>-27.99</b>	<b>-27.99</b>	<b>-26.32</b>	<b>-23.80</b>	<b>-23.80</b>	<b>-5.06</b>		<b>-2.99</b>	<b>8/1/2015</b>



Wilshire Consulting

# Asset Allocation & Performance

KRS Pension Plan

Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees								
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Oberland Capital</b>	7,622,075	0.06	2.68	15.86	15.86	38.30	38.30			17.36	8/1/2018
<b>Taurus Mine Finance</b>	23,595,587	0.19	-13.10	-11.47	-11.47	-7.50	-7.50	4.91	10.84	10.04	4/1/2015
<b>TPF II</b>	774,498	0.01	-0.12	-0.17	-0.17	-0.34	-0.34	4.10	-0.90	-1.97	10/1/2008
<b>Nuveen Real Asset</b>	-235,042	0.00									
<b>Real Estate Composite</b>	573,313,474	4.51	-1.26	-0.19	2.71	9.78	9.78	8.86	9.13	6.19	7/1/1984
NCREIF ODCE NOF 1 Quarter Lag			0.75	0.75	2.03	3.93	3.93	5.85	7.48		
Value Added			-2.01	-0.94	0.68	5.85	5.85	3.01	1.65		
<b>Baring</b>	48,280,271	0.38	4.70	6.22	13.30	49.50	49.50			30.41	1/1/2019
<b>Divcowest IV</b>	2,809,191	0.02	-8.42	-8.42	-6.83	5.61	5.61	10.48	21.04	18.31	3/1/2014
<b>Fundamental Partners III</b>	59,365,485	0.47	0.44	0.44	3.37	14.26	14.26	9.20		9.25	5/1/2017
<b>Greenfield Acq VI</b>	542,643	0.00	-15.07	-15.07	-46.37	-61.05	-61.05	-35.19	-20.43	-10.15	12/1/2012
<b>Greenfield Acq VII</b>	18,915,638	0.15	-4.60	-4.60	2.19	13.87	13.87	13.55	13.98	11.99	7/1/2014
<b>Harrison Street</b>	83,940,909	0.66	0.00	1.62	4.02	7.37	7.37	7.98	8.99	8.40	5/1/2012
<b>Lubert Adler VII</b>	26,946,940	0.21	-6.81	-6.81	-5.98	-5.97	-5.97	5.82	4.74	-0.50	7/1/2014
<b>Lubert Adler VII B</b>	31,774,402	0.25	1.48	1.48	6.42	11.45	11.45	6.16		6.16	7/1/2017
<b>Patron Capital</b>	18,589,057	0.15	-12.92	-11.61	-10.30	-7.13	-7.13	10.10		0.15	8/1/2016
<b>Prologis Targeted US</b>	149,813,961	1.18	0.00	2.31	6.67	14.87	14.87	16.74	16.08	15.34	10/1/2014
<b>Rubenstein PF II</b>	17,011,659	0.13	-6.56	-3.02	-3.02	-2.39	-2.39	7.95	6.64	10.97	7/1/2013



Wilshire Consulting

# Asset Allocation & Performance

KRS Pension Plan

Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees								
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Stockbridge Sm/Mkts</b>	87,817,888	0.69	-1.12	-1.28	-0.28	2.75	2.75	6.55	8.09	8.19	5/1/2014
<b>Walton St RE VI</b>	11,282,426	0.09	-10.87	-10.87	-10.70	-11.16	-11.16	-0.18	0.78	-15.94	5/1/2009
<b>Walton St RE VII</b>	8,923,004	0.07	-12.44	-12.44	-12.16	-14.53	-14.53	-2.24	3.94	6.63	7/1/2013
<b>Perimeter Park</b>	7,300,000	0.06									
<b>Absolute Return Composite</b>	506,871,574	3.99	2.02	2.42	-5.74	-4.90	-4.90	-0.05	-0.27	2.77	4/1/2010
HFRI FOF Div 1 Month Lag			2.21	-1.96	-1.26	0.63	0.63	1.97	1.03	2.52	
Value Added			-0.19	4.38	-4.48	-5.53	-5.53	-2.02	-1.30	0.25	
<b>Arrowmark</b>	327,917,481	2.58	2.58	6.54	-7.44	-2.76	-2.76			3.56	6/1/2018
S&P/LSTA Leverage Loan Index			1.14	9.70	-4.61	-1.99	-1.99			0.96	
Value Added			1.44	-3.16	-2.83	-0.77	-0.77			2.60	
<b>Blackstone Strat Opp</b>	1,994,655	0.02	0.02	-9.98	-10.47	-11.72	-11.72			-3.66	8/1/2017
<b>Gotham Neutral Strategies</b>	12,060,233	0.09	-3.33	-2.97	-8.93	-6.59	-6.59	-2.98		-3.98	4/1/2017
<b>Governors Lane Onshore</b>	253,314	0.00	0.00	-13.38	-12.34	-9.76	-9.76	-4.25		-3.13	4/1/2017
<b>Liquidalts H20 Force</b>	13,253,288	0.10	2.48	13.25	-26.43	-21.53	-21.53	-6.05		-1.98	8/1/2016
<b>Luxor Capital</b>	1,005,124	0.01	-1.99	-18.55	-27.39	-39.66	-39.66	-4.92	-3.59	-4.02	4/1/2014
<b>Myriad Opportunities</b>	39,652,516	0.31	1.74	-11.68	-10.26	-10.09	-10.09	-3.90		-0.34	5/1/2016
<b>PAAMCO</b>	7,095	0.00	0.00	0.00	0.00	0.05	0.05	-29.23	-20.02	-9.14	9/1/2011
<b>Pine River</b>	129,754	0.00	1.62	-4.93	-0.70	16.82	16.82	8.44	3.41	4.03	5/1/2014
<b>PRISMA Capital</b>	98,127,055	0.77	1.14	1.14	1.82	1.33	1.33	2.85	0.96	3.28	9/1/2011



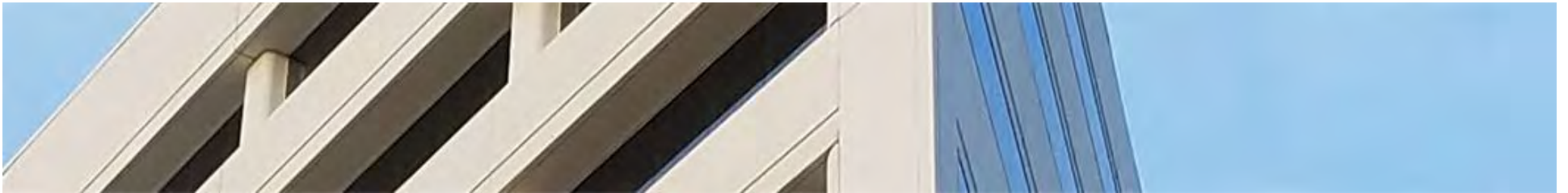
Wilshire Consulting

# Asset Allocation & Performance

KRS Pension Plan

Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees								
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>SRS Partners US</b>	<b>8,906,268</b>	<b>0.07</b>	<b>2.64</b>	<b>-4.55</b>	<b>-0.18</b>	<b>5.84</b>	<b>5.84</b>			<b>9.25</b>	<b>8/1/2017</b>
<b>Tricadia Select</b>	<b>3,564,792</b>	<b>0.03</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.05</b>	<b>1.05</b>			<b>-8.63</b>	<b>9/1/2017</b>
<b>LIQUIDITY</b>											
<b>Core Fixed Composite</b>	<b>2,549,639,085</b>	<b>20.05</b>	<b>1.15</b>	<b>5.32</b>	<b>3.23</b>	<b>5.34</b>	<b>5.34</b>			<b>6.77</b>	<b>10/1/2018</b>
Blmbg. Barc. U.S. Aggregate			0.63	2.90	6.14	8.74	8.74			9.53	
Value Added			0.52	2.42	-2.91	-3.40	-3.40			-2.76	
<b>Loomis Sayles Intmd</b>	<b>533,983,679</b>	<b>4.20</b>	<b>0.77</b>	<b>3.77</b>	<b>5.74</b>	<b>7.73</b>	<b>7.73</b>			<b>8.38</b>	<b>2/1/2019</b>
Blmbg. Barc. U.S. Intermediate Aggregate			0.41	2.13	4.67	6.60	6.60			7.45	
Value Added			0.36	1.64	1.07	1.13	1.13			0.93	
<b>Lord Abbett</b>	<b>1,823,469,465</b>	<b>14.34</b>	<b>1.38</b>	<b>6.05</b>	<b>-0.40</b>	<b>1.46</b>	<b>1.46</b>			<b>3.44</b>	<b>10/1/2018</b>
ICE BofAML 1-3 Year U.S. Corporate			0.81	4.39	2.64	4.58	4.58			5.09	
Value Added			0.57	1.66	-3.04	-3.12	-3.12			-1.65	
<b>NISA</b>	<b>192,185,940</b>	<b>1.51</b>	<b>0.76</b>	<b>3.84</b>	<b>6.87</b>	<b>9.53</b>	<b>9.53</b>	<b>5.66</b>	<b>4.67</b>	<b>4.67</b>	<b>2/1/2009</b>
Blmbg. Barc. U.S. Aggregate			0.63	2.90	6.14	8.74	8.74	5.32	4.30	4.42	
Value Added			0.13	0.94	0.73	0.79	0.79	0.34	0.37	0.25	
<b>Cash Composite</b>	<b>409,776,058</b>	<b>3.22</b>	<b>0.04</b>	<b>0.15</b>	<b>0.58</b>	<b>2.00</b>	<b>2.00</b>	<b>2.17</b>	<b>1.59</b>	<b>3.51</b>	<b>1/1/1988</b>
90 Day US Treasury Bill			0.01	0.02	0.60	1.63	1.63	1.77	1.17	3.13	
Value Added			0.03	0.13	-0.02	0.37	0.37	0.40	0.42	0.38	



# KRS Insurance Plan



Wilshire Consulting

# Asset Allocation Bucketing

KRS Insurance Plan

Periods Ended As of June 30, 2020

	Actual		Target	Difference	
	\$	%		\$	%
<b>Growth</b>	<b>\$3,543,876,337</b>	<b>64.6%</b>	<b>60.7%</b>	<b>\$214,451,514</b>	<b>3.9%</b>
U.S. Equity	\$1,081,016,410	19.7%	18.8%	\$52,569,698	1.0%
Non-U.S. Equity	\$1,068,579,380	19.5%	18.8%	\$40,132,668	0.7%
Private Equity	\$497,235,387	9.1%	10.0%	-\$51,269,526	-0.9%
High Yield/Specialty Credit	\$897,045,160	16.4%	15.0%	\$74,287,790	1.4%
<b>Liquidity</b>	<b>\$1,142,043,651</b>	<b>20.8%</b>	<b>16.3%</b>	<b>\$247,980,643</b>	<b>4.5%</b>
Core Fixed Income	\$1,002,450,369	18.3%	13.5%	\$261,968,736	4.8%
Cash	\$139,593,282	2.5%	1.0%	\$84,742,791	1.5%
<b>Diversifying</b>	<b>\$799,129,143</b>	<b>14.6%</b>	<b>23.0%</b>	<b>-\$462,432,157</b>	<b>-8.4%</b>
Real Estate	\$240,535,890	4.4%	5.0%	-\$33,716,567	-0.6%
Real Return	\$318,295,794	5.8%	15.0%	-\$504,461,576	-9.2%
Absolute Return	\$240,297,459	4.4%	3.0%	\$75,745,985	1.4%

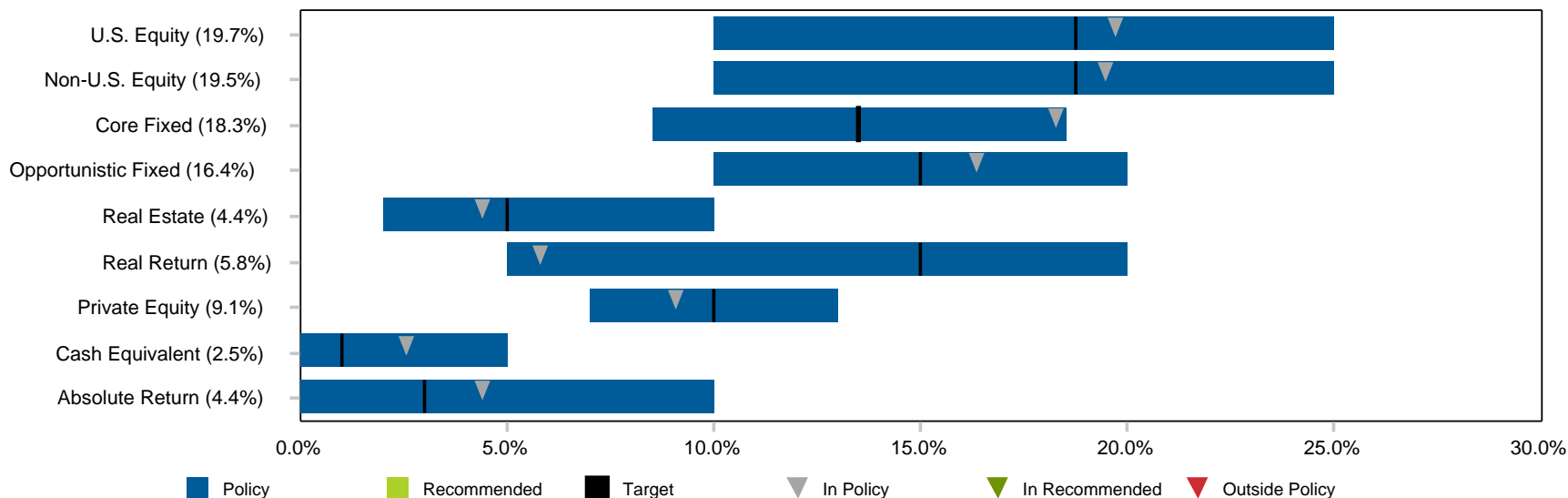


# Asset Allocation Compliance

KRS Insurance Plan

Periods Ended As of June 30, 2020

## Executive Summary



	Asset Allocation \$	Asset Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Target Allocation (%)	Target Rebalance \$
U.S. Equity	1,081,016,410	19.7	10.0	25.0	18.8	-52,569,698
Non-U.S. Equity	1,068,579,380	19.5	10.0	25.0	18.8	-40,132,668
Core Fixed	1,002,450,369	18.3	8.5	18.5	13.5	-261,968,736
Opportunistic Fixed	897,045,160	16.4	10.0	20.0	15.0	-74,287,790
Real Estate	240,535,890	4.4	2.0	10.0	5.0	33,716,567
Real Return	318,295,794	5.8	5.0	20.0	15.0	504,461,576
Private Equity	497,235,387	9.1	7.0	13.0	10.0	51,269,526
Cash Equivalent	139,593,282	2.5	0.0	5.0	1.0	-84,742,790
Absolute Return	240,297,459	4.4	0.0	10.0	3.0	-75,745,985
<b>Total Fund</b>	<b>5,485,049,132</b>	<b>100.0</b>			<b>100.0</b>	



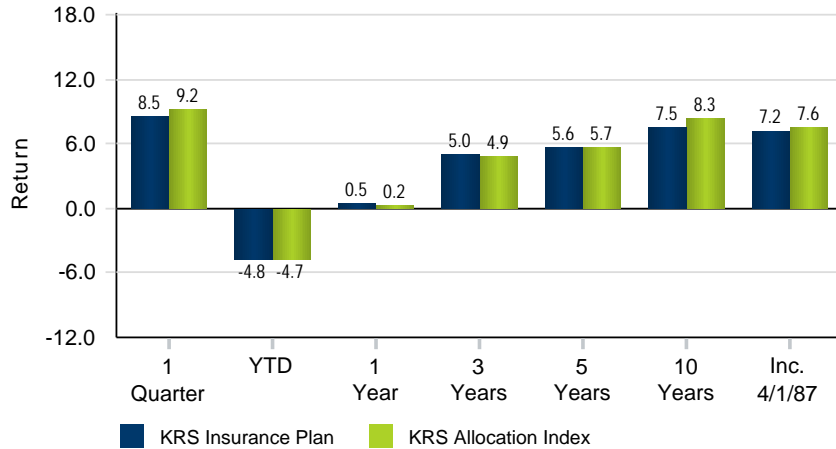
Wilshire Consulting

# Total Fund Summary

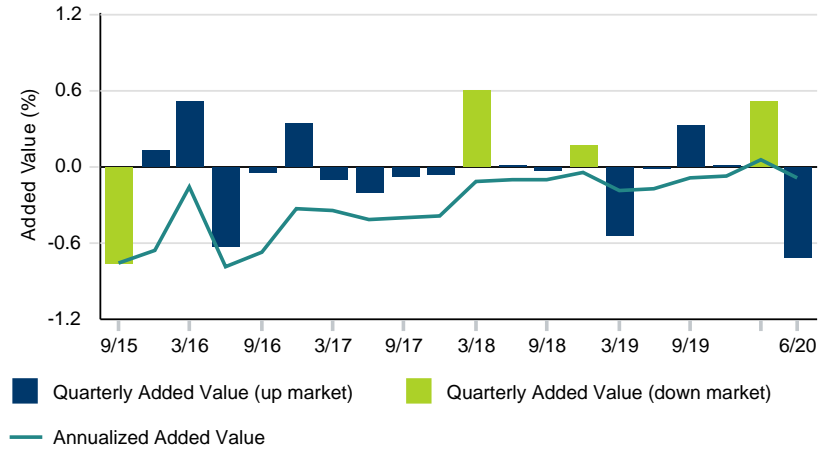
KRS Insurance Plan

Periods Ended June 30, 2020

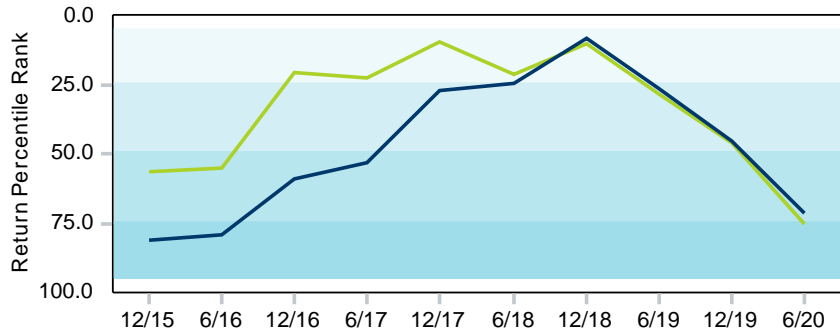
Comparative Performance



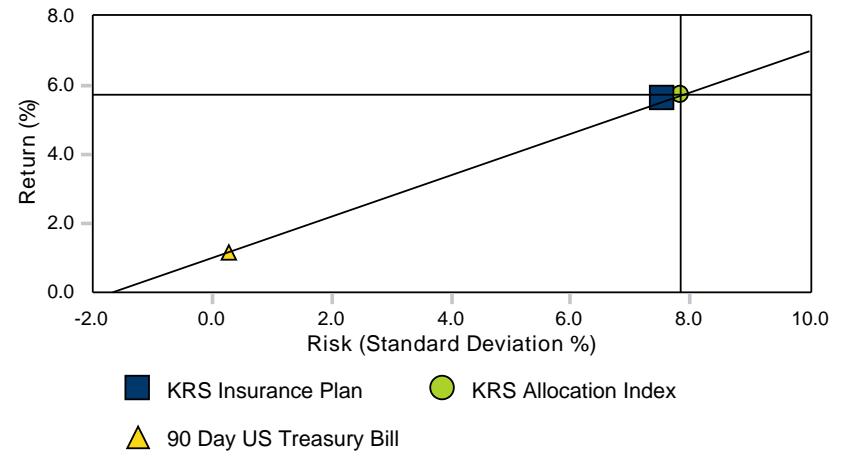
Added Value History



Rolling Percentile Rank: All Public Plans-Total Fund



Risk and Return 07/1/15 - 06/30/20



	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
KRS Insurance Plan	10	2 (20%)	3 (30%)	3 (30%)	2 (20%)
Benchmark	10	5 (50%)	2 (20%)	3 (30%)	0 (0%)



Wilshire Consulting

# Asset Allocation & Performance

KRS Insurance Plan

Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees										
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
KRS Insurance Plan	5,485,049,132	100.00	0.64	8.52	-4.77	0.50	0.50	5.01	5.64	7.47	7.20	4/1/1987	
KRS Allocation Index			0.49	9.24	-4.71	0.24	0.24	4.87	5.72	8.34	7.58		
Value Added			0.15	-0.72	-0.06	0.26	0.26	0.14	-0.08	-0.87	-0.38		
KRS IPS Index			0.47	9.29	-4.62	0.35	0.35	4.61					
Value Added			0.17	-0.77	-0.15	0.15	0.15	0.40					
KERS Insurance Plan	990,148,416	18.05	1.21	9.97	-4.14	0.98	0.98	4.59	5.31	7.20	7.12	4/1/1987	
KERS Allocation Index			0.54	9.33	-4.45	0.25	0.25	4.62	5.50	8.21	7.54		
Value Added			0.67	0.64	0.31	0.73	0.73	-0.03	-0.19	-1.01	-0.42		
KERS IPS Index			0.52	9.38	-4.37	0.36	0.36	4.38					
Value Added			0.69	0.59	0.23	0.62	0.62	0.21					
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25					
Value Added	0.70	8.44	-7.22	-5.27	-5.27	-1.66							
KERS (H) Insurance Plan	513,884,382	9.37	0.58	8.19	-4.99	0.19	0.19	4.83	5.51	7.42	7.18	4/1/1987	
KERS (H) Allocation Index			0.44	9.15	-4.74	0.15	0.15	4.82	5.62	8.27	7.56		
Value Added			0.14	-0.96	-0.25	0.04	0.04	0.01	-0.11	-0.85	-0.38		
KERS (H) IPS Index			0.42	9.20	-4.66	0.26	0.26	4.55					
Value Added			0.16	-1.01	-0.33	-0.07	-0.07	0.28					
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25					
Value Added	0.07	6.66	-8.07	-6.06	-6.06	-1.42							



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# Asset Allocation & Performance

KRS Insurance Plan

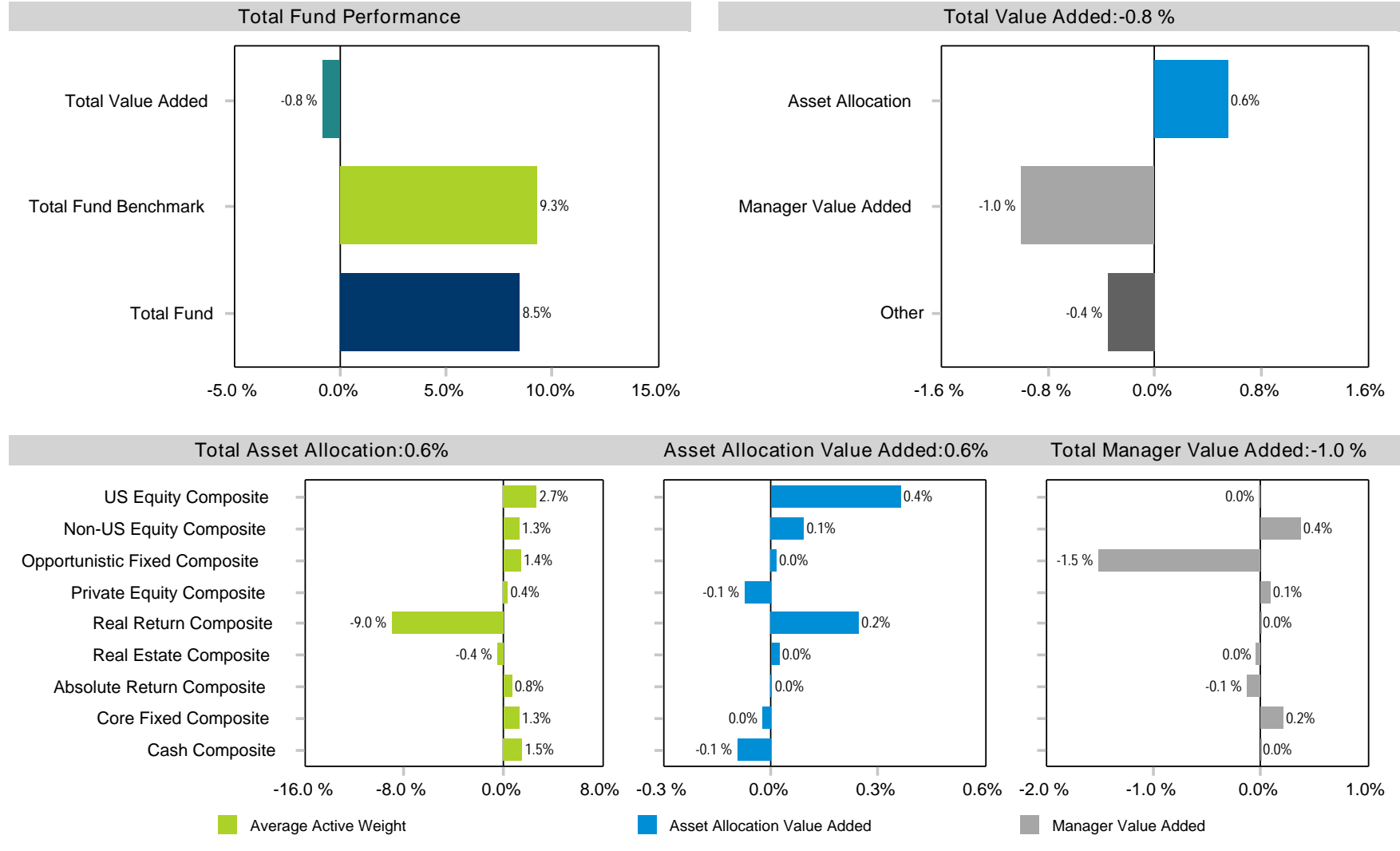
Periods Ended June 30, 2020

	Allocation		Performance (%) net of fees										
	Market Value \$	%	1 Month	QTD	YTD	FYTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date	
CERS Insurance Plan	2,481,793,862	45.25	0.57	8.34	-4.89	0.33	0.33	5.03	5.65	7.50	7.20	4/1/1987	
CERS Allocation Index			1.28	10.94	-4.82	-0.08	-0.08	4.76	5.58	8.25	7.55		
Value Added			-0.71	-2.60	-0.07	0.41	0.41	0.27	0.07	-0.75	-0.35		
CERS IPS Index			0.49	9.30	-4.63	0.40	0.40	4.66					
Value Added			0.08	-0.96	-0.26	-0.07	-0.07	0.37					
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25					
Value Added			0.06	6.81	-7.97	-5.92	-5.92	-1.22					
CERS (H) Insurance Plan	1,300,187,820	23.70	0.40	7.95	-5.00	0.23	0.23	5.05	5.70	7.52	7.21	4/1/1987	
CERS (H) Allocation Index			0.45	9.17	-4.78	0.19	0.19	4.90	5.67	8.30	7.56		
Value Added			-0.05	-1.22	-0.22	0.04	0.04	0.15	0.03	-0.78	-0.35		
CERS (H) IPS Index			0.43	9.22	-4.70	0.30	0.30	4.63					
Value Added			-0.03	-1.27	-0.30	-0.07	-0.07	0.42					
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25					
Value Added			-0.11	6.42	-8.08	-6.02	-6.02	-1.20					
SPRS Insurance Plan	199,037,839	3.63	0.41	8.05	-4.60	0.63	0.63	5.17	5.76	7.55	7.22	4/1/1987	
SPRS Allocation Index			0.39	9.07	-4.73	0.24	0.24	4.89	5.66	8.29	7.56		
Value Added			0.02	-1.02	0.13	0.39	0.39	0.28	0.10	-0.74	-0.34		
SPRS IPS Index			0.37	9.12	-4.65	0.35	0.35	4.61					
Value Added			0.04	-1.07	0.05	0.28	0.28	0.56					
Assumed Rate 6.25%			0.51	1.53	3.08	6.25	6.25	6.25					
Value Added			-0.10	6.52	-7.68	-5.62	-5.62	-1.08					

# Total Fund Attribution

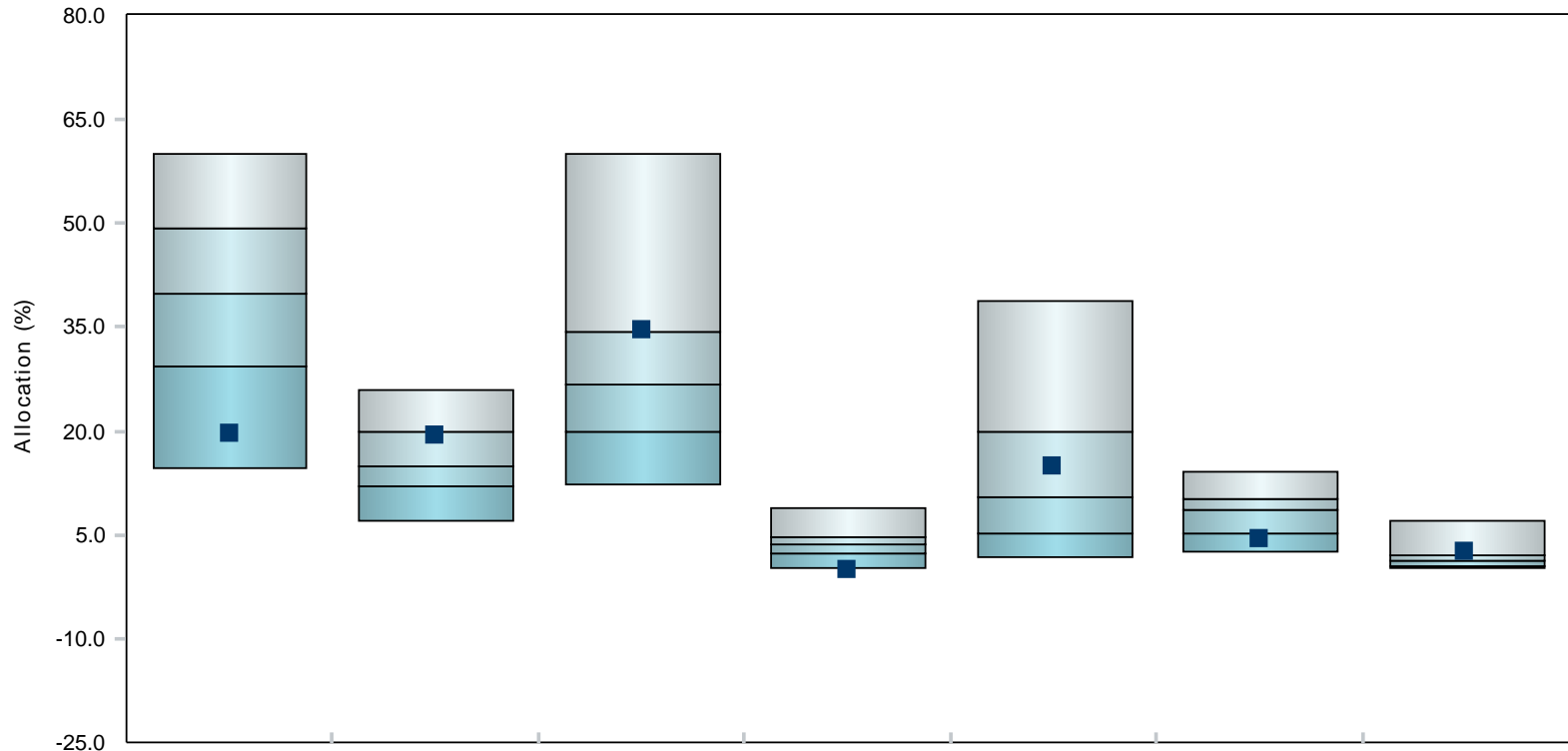
KRS Insurance Plan

Periods Ended 1 Quarter Ending June 30, 2020



# Plan Sponsor TF Asset Allocation

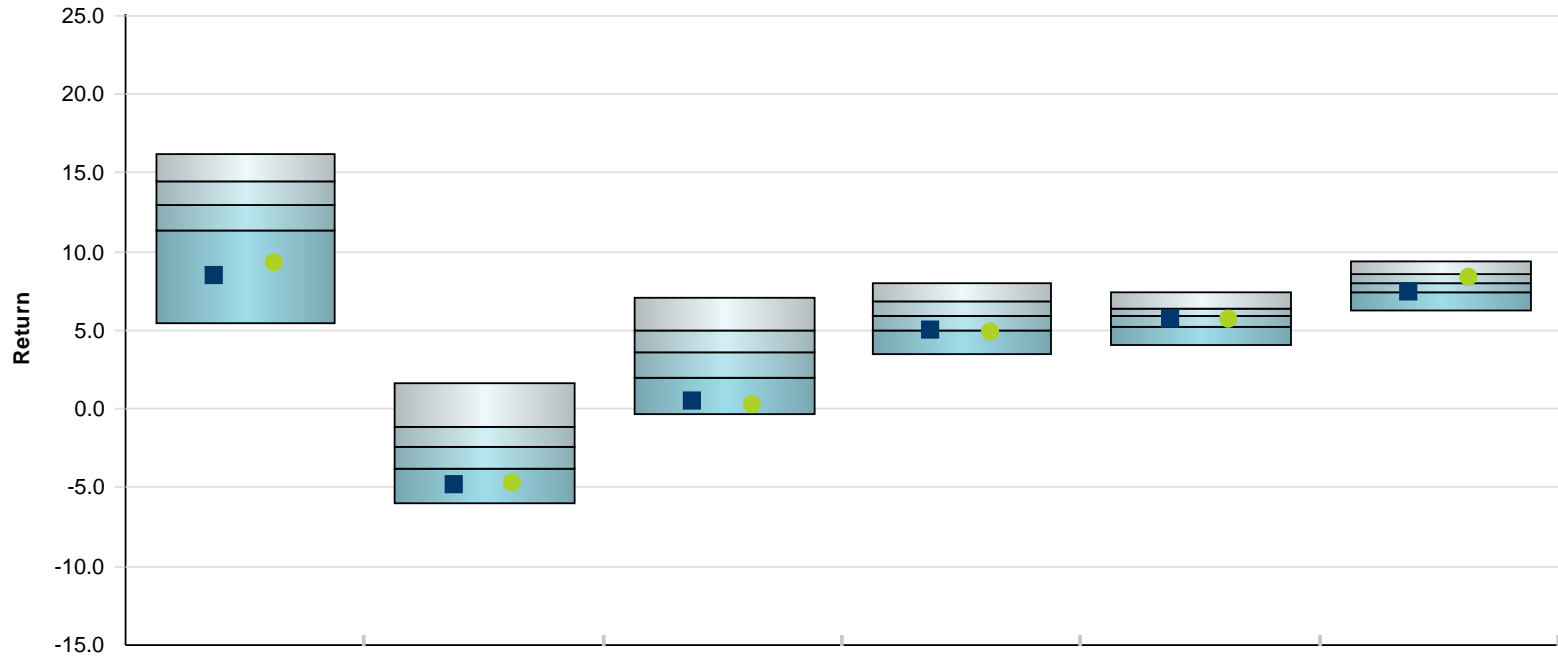
KRS Insurance Plan vs All Public Plans-Total Fund  
 Periods Ended June 30, 2020



	US Equity	Intl. Equity	US Fixed Income	Intl. Fixed Income	Alternative Inv.	Real Estate	Cash
■ KRS Insurance Plan	19.71	19.48	34.63	0.00	14.87	4.39	2.54
5th Percentile	60.14	25.97	60.05	8.96	38.71	14.02	6.99
1st Quartile	49.18	19.86	34.41	4.64	19.86	10.21	2.06
Median	39.73	14.98	26.68	3.74	10.46	8.57	1.13
3rd Quartile	29.44	11.95	20.01	2.23	5.15	5.22	0.56
95th Percentile	14.56	7.05	12.37	0.17	1.65	2.46	0.07

# Plan Sponsor Peer Group Analysis

KRS Insurance Plan vs All Public Plans-Total Fund  
 Periods Ended June 30, 2020

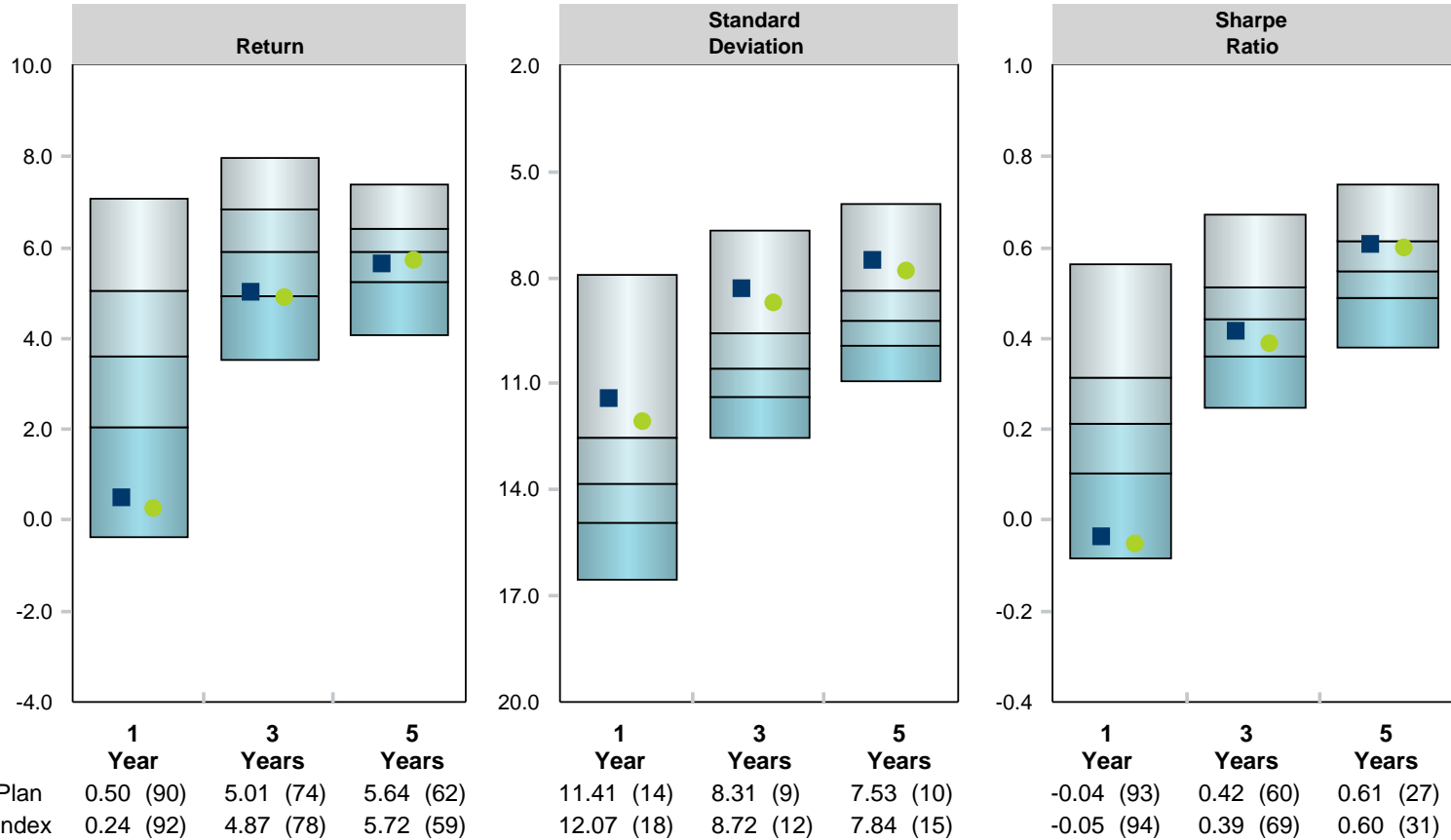


	QTD	YTD	1 Year	3 Years	5 Years	10 Years
■ KRS Insurance Plan	8.52 (91)	-4.77 (89)	0.50 (90)	5.01 (74)	5.64 (62)	7.47 (74)
● KRS Allocation Index	9.24 (90)	-4.71 (88)	0.24 (92)	4.87 (78)	5.72 (59)	8.34 (39)
5th Percentile	16.24	1.63	7.07	7.96	7.38	9.41
1st Quartile	14.51	-1.18	5.04	6.85	6.42	8.63
Median	12.93	-2.40	3.59	5.92	5.90	8.05
3rd Quartile	11.34	-3.78	2.05	4.94	5.22	7.41
95th Percentile	5.49	-6.01	-0.36	3.51	4.08	6.25
Population	674	673	665	632	582	478

Parentheses contain percentile rankings.  
 Calculation based on monthly periodicity.

# Plan Sponsor Peer Group Analysis - Multi Statistics

KRS Insurance Plan vs All Public Plans-Total Fund  
 Periods Ended June 30, 2020



5th Percentile	7.07	7.96	7.38	7.90	6.64	5.90	0.56	0.67	0.74
1st Quartile	5.04	6.85	6.42	12.54	9.55	8.35	0.32	0.51	0.61
Median	3.59	5.92	5.90	13.85	10.59	9.23	0.21	0.44	0.55
3rd Quartile	2.05	4.94	5.22	14.94	11.39	9.90	0.10	0.36	0.49
95th Percentile	-0.36	3.51	4.08	16.52	12.53	10.95	-0.08	0.25	0.38

Parentheses contain percentile rankings.  
 Calculation based on monthly periodicity.

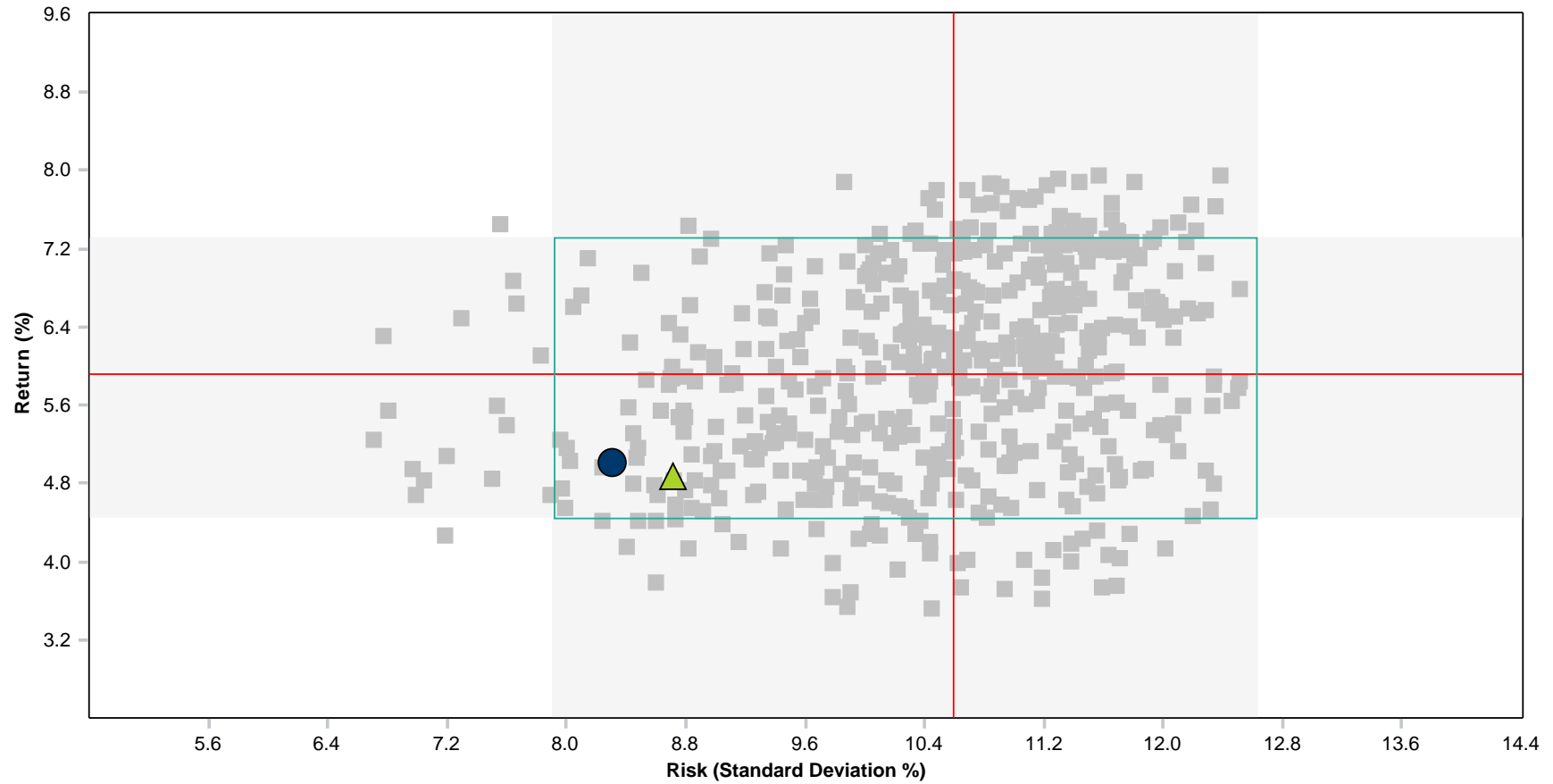




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# Plan Sponsor Scattergram

KRS Insurance Plan vs All Public Plans-Total Fund  
 Periods Ended July 1, 2017 To June 30, 2020

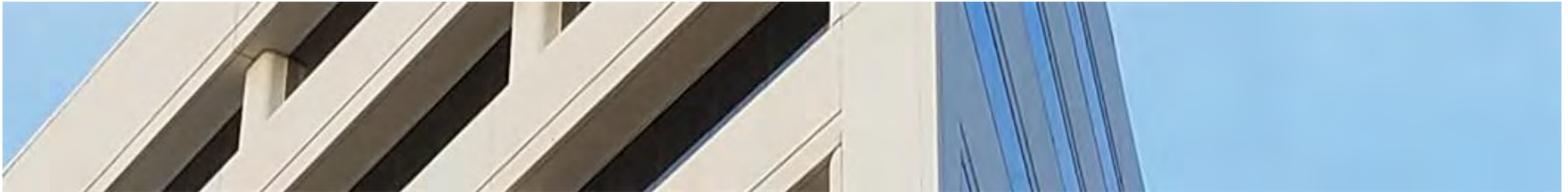


	Return	Standard Deviation
● KRS Insurance Plan	5.01	8.31
▲ KRS Allocation Index	4.87	8.72
— Median	5.92	10.59

Calculation based on monthly periodicity.



# WILSHIRE ASSOCIATES



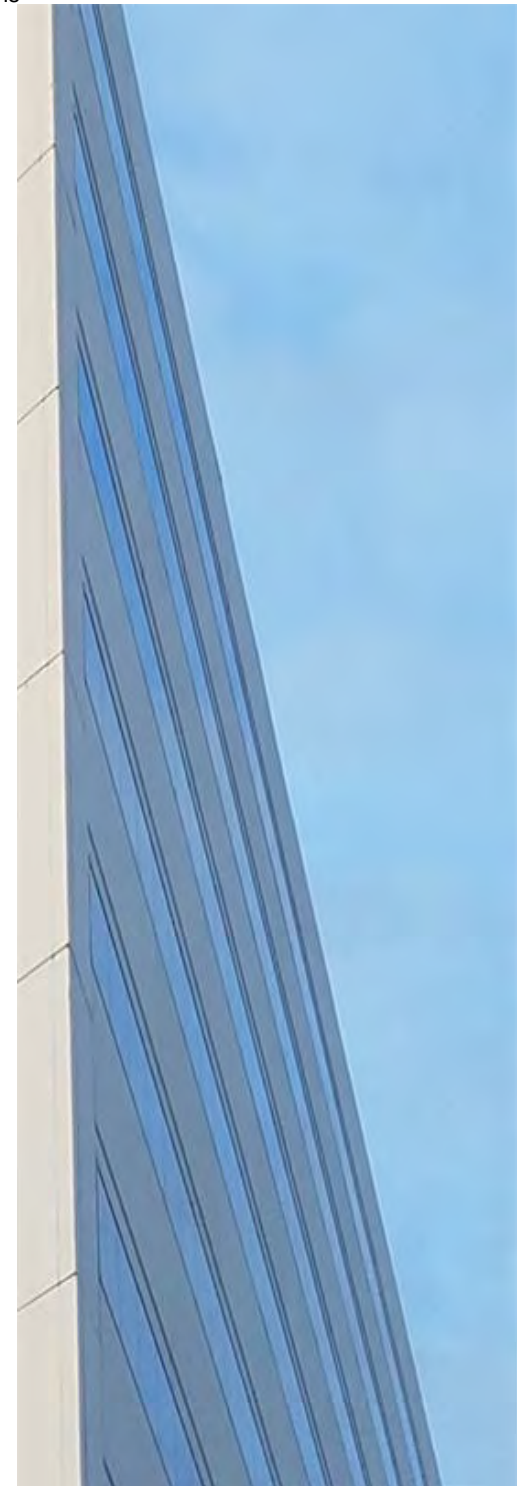
## Kentucky Retirement Systems Pension

August 2020

Wilshire Associates

# AGENDA

Executive Summary	Page 3
Background & Overview	Page 7
Asset Allocation Approach	Page 10
Asset Allocation Inputs	Page 14
Asset Liability Projections	Page 27
Observations & Recommendations	Page 98
Appendix	Page 108





# Executive Summary

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# Executive Summary – KERS (NH) & SPRS

- The recommended Asset Allocation Policy
  - Similar Return as currently policy with modest risk increase (~20bps)
  - Slight increase in public equity and liquidity bucket investments
  - Slight decrease to diversifying assets
  - Removal of dedicated allocation to Opportunistic; Creation of Opportunistic bucket to be used at Staff's discretion
  - Maintains approximately 50% chance of meeting 5.25% discount rate over the next 10 years

Asset Class	Current Policy Weights	Recommended Policy Weights
U.S. Equity	15.75%	16.00%
Non-U.S. Equity	15.75%	16.00%
High Yield / Specialty Credit	15.00%	15.00%
Private Equity	0.00%	0.00%
Private Equity (Revised)	<u>7.00%</u>	<u>6.75%</u>
<b>Total Growth Assets</b>	<b>53.50%</b>	<b>53.75%</b>
Core Fixed Income	20.50%	21.25%
Cash	<u>3.00%</u>	<u>5.00%</u>
<b>Total Fixed Income</b>	<b>23.50%</b>	<b>26.25%</b>
Real Estate	5.00%	10.00%
Opportunistic	3.00%	0.00%
Real Return	<u>15.00%</u>	<u>10.00%</u>
<b>Total Diversifying</b>	<b>23.00%</b>	<b>20.00%</b>
<b>Total Illiquid Assets <sup>2</sup></b>	<b>21.75%</b>	<b>22.25%</b>

<sup>1</sup> Non-U.S. Equity is constrained to be no more than U.S. Equity.

<sup>2</sup> Illiquid Assets are comprised of 20% of High Yield / Specialty Credit, Private Equity, Real Estate, Opportunistic.

<sup>3</sup> Private Equity is assumed to be 80% U.S. Equity and 20% of Private Equity (standard assumption).

<sup>4</sup> The Total of U.S. REITs and Core Private Real Estate is constrained to not exceed 10%.

<sup>5</sup> Private Real Assets is a basket built using 50% Farmland/Timber and 50% Infrastructure.



## Wilshire Associates

# Executive Summary – KERS/CERS Hazardous, CERS (NH), and Insurance Plans

- The recommended Asset Allocation Policy
  - Similar Return as currently policy with modest risk increase (~15bps)
  - Slight increase in liquidity bucket investments
  - Slight decrease to diversifying assets
  - Removal of dedicated allocation to Opportunistic; Creation of Opportunistic bucket to be used at Staff's discretion
  - Approximately a 47% chance of achieving 6.25% discount rate over the next 10 years

Asset Class	Current Policy Weights	Recommended Policy Weights
U.S. Equity	18.75%	18.75%
Non-U.S. Equity	18.75%	18.75%
High Yield / Specialty Credit	15.00%	15.00%
Private Equity	10.00%	10.00%
Private Equity (Revised)	<u>0.00%</u>	<u>0.00%</u>
<b>Total Growth Assets</b>	<b>62.50%</b>	<b>62.50%</b>
Core Fixed Income	13.50%	14.50%
Cash	<u>1.00%</u>	<u>3.00%</u>
<b>Total Fixed Income</b>	<b>14.50%</b>	<b>17.50%</b>
Real Estate	5.00%	10.00%
Opportunistic	3.00%	0.00%
Real Return	<u>15.00%</u>	<u>10.00%</u>
<b>Total Diversifying</b>	<b>23.00%</b>	<b>20.00%</b>
<b>Total Illiquid Assets <sup>2</sup></b>	<b>24.75%</b>	<b>25.50%</b>

<sup>1</sup> Non-U.S. Equity is constrained to be no more than U.S. Equity.

<sup>2</sup> Illiquid Assets are comprised of 20% of High Yield / Specialty Credit, Private Equity, Real Estate, Opportu

<sup>3</sup> Private Equity is assumed to be 80% U.S. Equity and 20% of Private Equity (standard assumption).

<sup>4</sup> The Total of U.S. REITs and Core Private Real Estate is constrained to not exceed 10%.

<sup>5</sup> Private Real Assets is a basket built using 50% Farmland/Timber and 50% Infrastructure.



## Wilshire Associates

# Asset Class Assumptions as of 6/30/2020

- Wilshire's asset class return, risk and correlation assumptions are developed based on 10-year forward looking expectations, adjusted to incorporate recent trends.
- Return expectations represent a passive investment (beta) and do not reflect any value added from active management (alpha).

	U.S. Equity	Non-U.S. Equity	High Yield / Specialty Credit	Private Equity	Private Equity (Revised)	Core Fixed Income	Cash	Real Estate	Opportunistic	Real Return
Return - 10-Year (%)	6.00	6.75	5.40	8.15	6.65	1.25	0.75	6.80	3.75	5.45
Return - 30-Year (%)	7.05	7.55	6.60	9.55	7.80	3.30	2.05	7.40	5.10	6.60
Risk (%)	17.00	18.95	7.30	28.00	18.15	5.15	1.25	14.00	4.60	8.75
<b>Correlations</b>										
U.S. Equity	1.00									
Non-U.S. Equity	0.83	1.00								
High Yield / Specialty Credit	0.58	0.50	1.00							
Private Equity	0.74	0.67	0.32	1.00						
Private Equity (Revised)	0.98	0.83	0.53	0.86	1.00					
Core Fixed Income	0.28	0.09	0.19	0.31	0.31	1.00				
Cash	-0.05	-0.08	-0.10	0.00	-0.04	0.19	1.00			
Real Estate	0.54	0.47	0.63	0.51	0.56	0.19	-0.05	1.00		
Opportunistic	0.43	0.54	0.62	0.42	0.46	0.07	0.07	0.32	1.00	
Real Return	0.43	0.48	0.60	0.43	0.46	0.24	0.01	0.69	0.50	1.00

\* Illiquid Assets are comprised of 20% of High Yield / Specialty Credit, Private Equity, Real Estate, Opportunistic and 25% of Real Return.

\*\* Private Equity is assumed to be 80% U.S. Equity and 20% of Private Equity (standard assumption).



# BACKGROUND & OVERVIEW





Wilshire Associates

## BACKGROUND & OVERVIEW

- The asset allocation decision is the most important decision an investor can make
  - The asset allocation decision drives 90% of return variability among portfolios
- Wilshire recommends revisiting the asset allocation decision every three to five years, or sooner, as market conditions warrant
  - Wilshire/KRS last reviewed the asset allocation in June 2018
  - Wilshire made recommendations across two different strategic asset allocations
    - » KERS (NH) & SPRS
    - » Other Plans
  - KRS adopted the Wilshire recommendations
- Given recent economic events, as well as pending governance changes within KRS, Wilshire & Staff thought an updated asset liability study was warranted

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## CONSIDERATIONS

- Board has allowed the asset allocation decision to be long-term focused
  - Current long-term capital market assumptions, specifically low yields within fixed income, present challenges to meet discount rate without plans assuming additional risks
  - Changes to asset allocation have been modest
- Focus of the 2020 asset allocation review
  - Continue to remain focused on long-term performance vs. stated discount rates
  - Review assumptions used within Private Equity for KERS (NH) and SPRS
    - » Mature private markets composite with no new allocations
    - » Temper return expectations
  - Provide Staff with an Opportunistic bucket within Asset Allocation
    - » Take advantage of potential market dislocations
    - » Additive to Total Plan return above discount rate

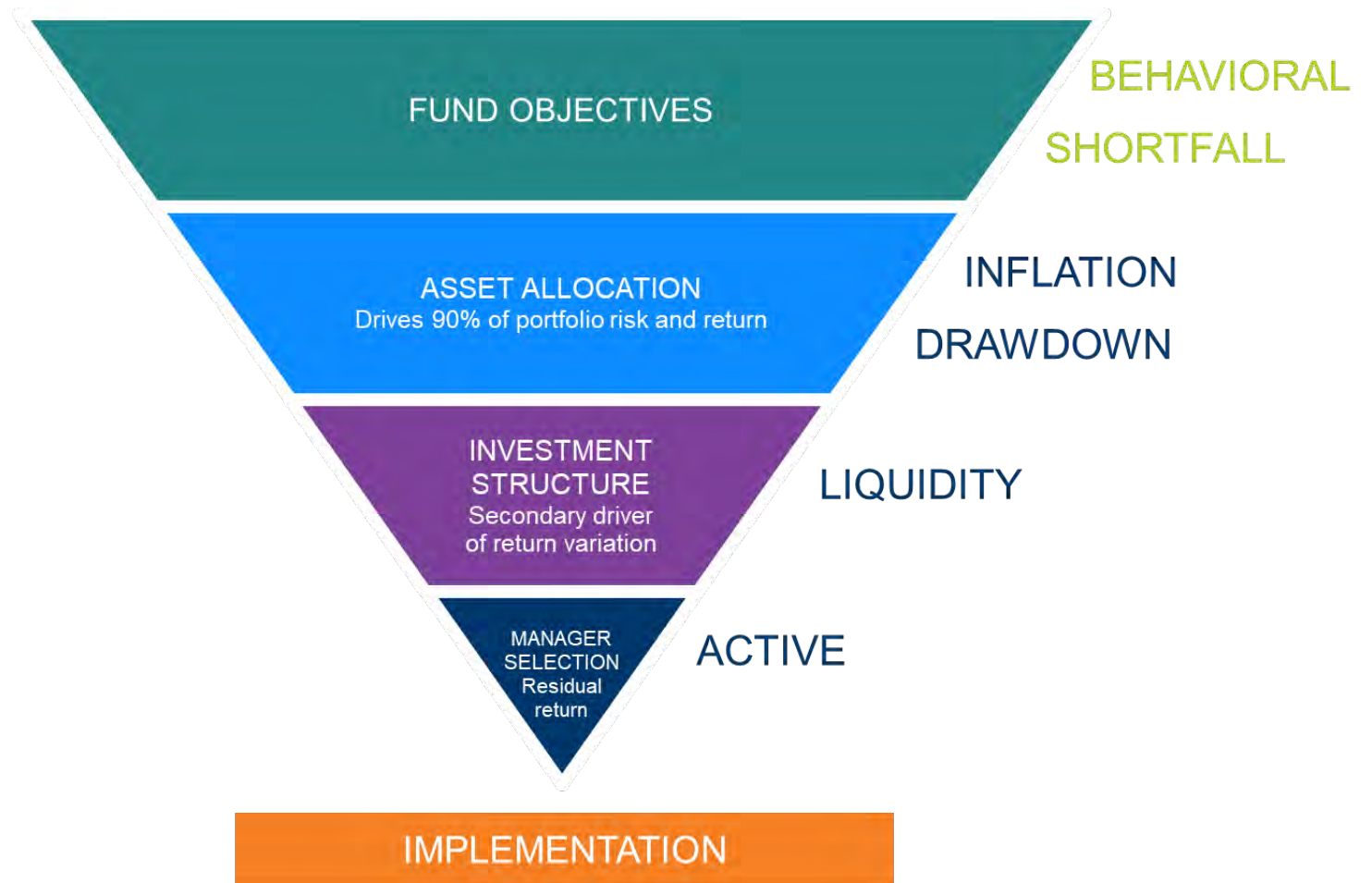


# ASSET ALLOCATION APPROACH

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# FOCUS ON DECISIONS THAT MATTER



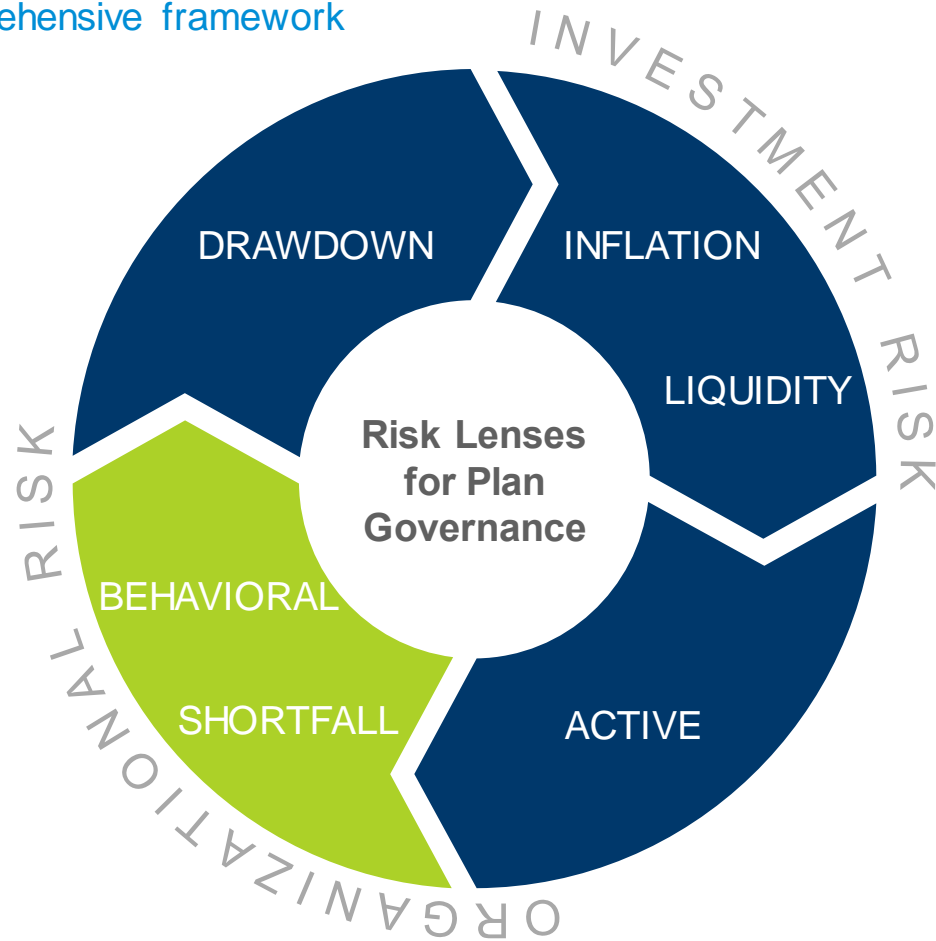


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# RISK ASSESSMENT FRAMEWORK

Wilshire’s multi-dimensional view of risk integrates organizational and investment considerations into a comprehensive framework for evaluating strategic decisions.

- **Shortfall:** Support distributions and long-term growth
- **Behavioral:** Instill strong governance
- **Drawdown:** Limit portfolio losses
- **Inflation:** Preserve long-term purchasing power
- **Liquidity:** Balance near-term needs, long-term opportunities
- **Active:** Ensure unique exposures
- **Emerging & Long-Term:** Environmental, Social & Governance risks, such as externalities, intangibles and reputation may be linked to various risk lenses

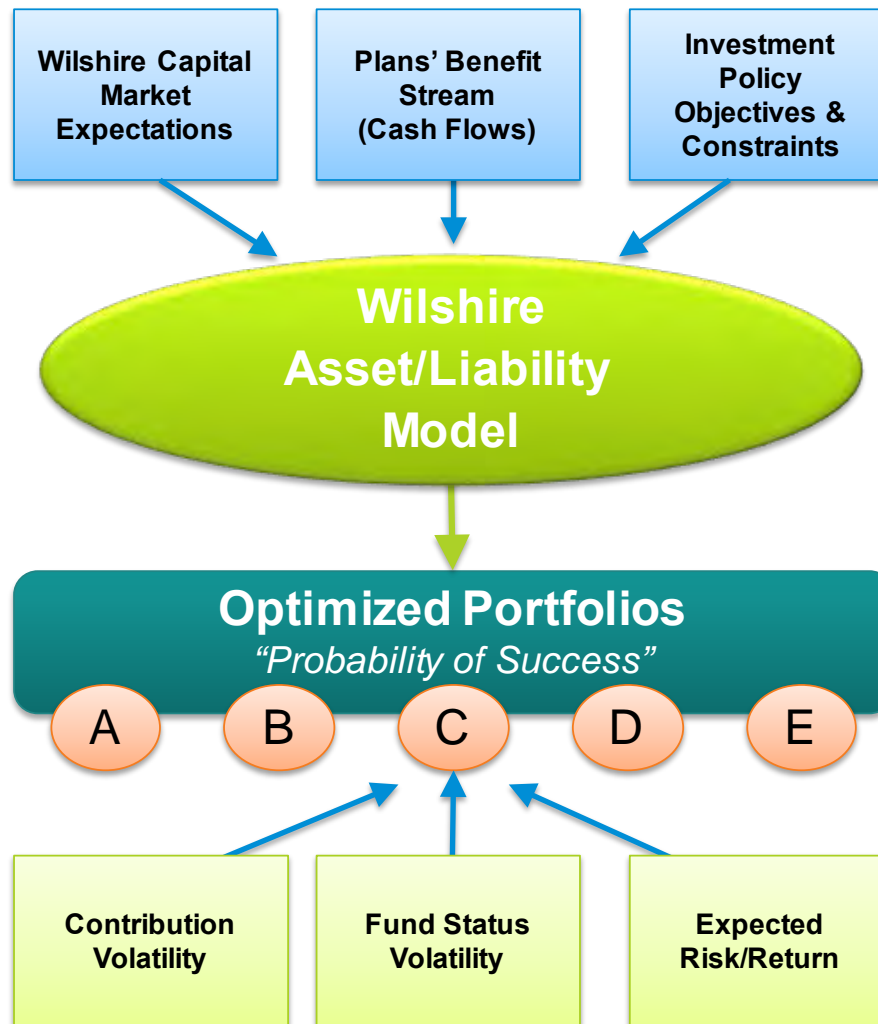


EMERGING & LONG-TERM RISKS



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# ASSET ALLOCATION PROCESS





# ASSET ALLOCATION INPUTS

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# PLAN STATUS – PENSION – AS OF JUNE 30, 2020

	<u>KERS</u> <u>Non-Hazardous</u>	<u>KERS</u> <u>Hazardous</u>	<u>CERS</u> <u>Non-Hazardous</u>	<u>CERS</u> <u>Hazardous</u>	<u>SPRS</u>
<b>Asset and Liability Data (\$ - Millions)</b>					
1. Market Value of Assets	\$2,316	\$694	\$7,046	\$2,377	\$287
2. Actuarial Accrued Liability	<u>16,493</u>	<u>1,255</u>	<u>14,726</u>	<u>5,407</u>	<u>1,050</u>
3. MVA Funded Ratio (1. / 2.)	14.04%	55.28%	47.85%	43.96%	27.30%
4. Actuarial Value of Assets	<u>\$2,483</u>	<u>\$701</u>	<u>\$7,435</u>	<u>\$2,547</u>	<u>\$299</u>
5. AVA Funded Ratio (4. / 2.)	15.06%	55.88%	50.49%	47.11%	28.50%
<b>Economic Assumptions</b>					
Discount Rate	5.25%	6.25%	6.25%	6.25%	5.25%

- KERS Non-Hazardous and SPRS plans are severely underfunded and require significant near term contributions.
- KERS Hazardous, CERS Non-Hazardous and CERS Hazardous plans are better funded.
- Wilshire Consulting's 2020 Report on U.S. State Retirement Systems estimates the aggregate funded ratio of over 100 U.S. state-sponsored defined benefit plans to be 71.8% at fiscal year-end 2019.



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# PLAN STATUS – INSURANCE – AS OF JUNE 30, 2020

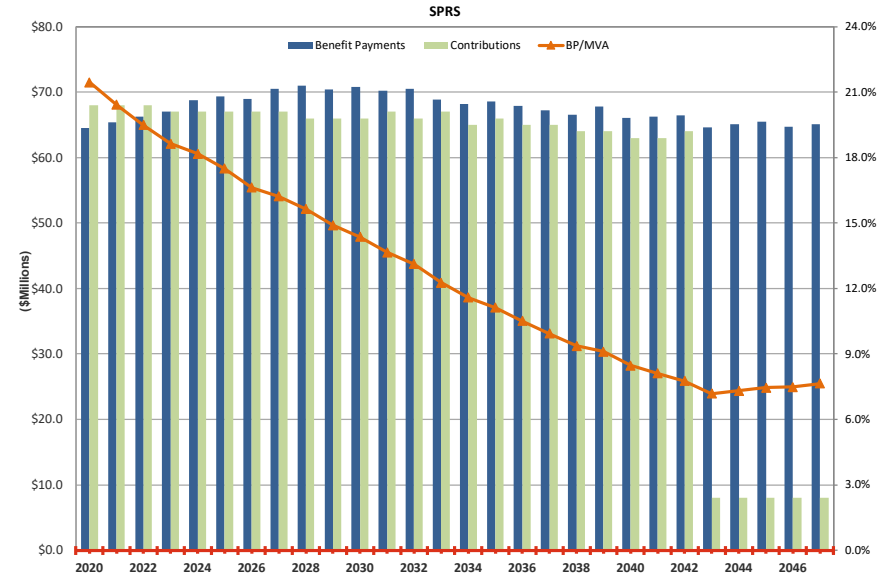
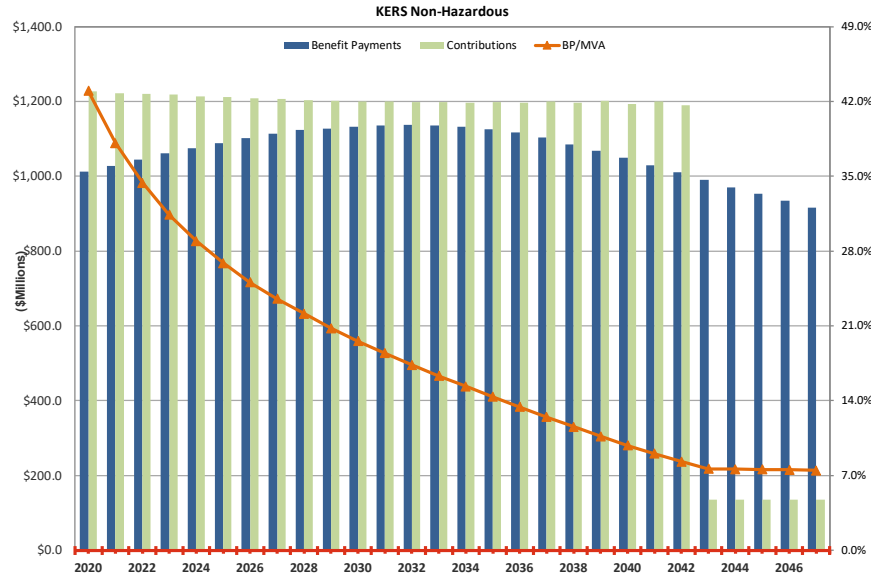
	<u>KERS</u> <u>Non-Hazardous</u>	<u>KERS</u> <u>Hazardous</u>	<u>CERS</u> <u>Non-Hazardous</u>	<u>CERS</u> <u>Hazardous</u>	<u>SPRS</u>
<b>Asset and Liability Data (\$ - Millions)</b>					
1. Market Value of Assets	\$990	\$514	\$2,482	\$1,300	\$199
2. Actuarial Accrued Liability	<u>2,808</u>	<u>440</u>	<u>3,728</u>	<u>1,795</u>	<u>284</u>
3. MVA Funded Ratio (1. / 2.)	35.26%	116.79%	66.57%	72.43%	70.08%
4. Actuarial Value of Assets	<u>\$1,078</u>	<u>\$534</u>	<u>\$2,662</u>	<u>\$1,371</u>	<u>\$205</u>
5. AVA Funded Ratio (4. / 2.)	38.38%	121.31%	71.41%	76.38%	72.16%
<b>Economic Assumptions</b>					
Discount Rate	6.25%	6.25%	6.25%	6.25%	6.25%

- KERS Non-Hazardous plan is severely underfunded and requires significant near term contributions.
- CERS Non-Hazardous, CERS Hazardous and SPRS are better funded.
- KERS Hazardous plans is overfunded.

Wilshire Associates



# PROJECTED CASH IN AND OUTFLOWS - PENSION



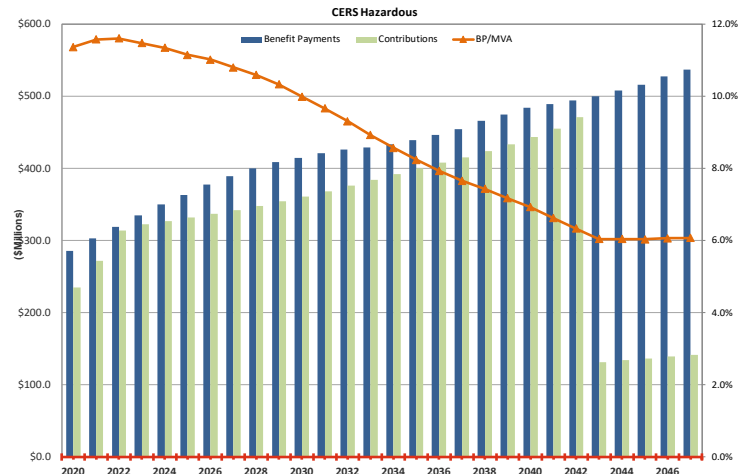
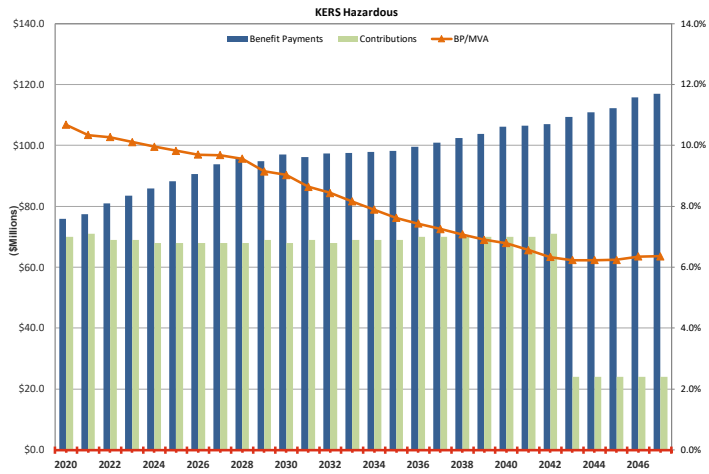
Data provided by KRS actuary

- In addition to being severely underfunded, both the KERS Non-Hazardous and SPRS have significant expected near-term contributions.

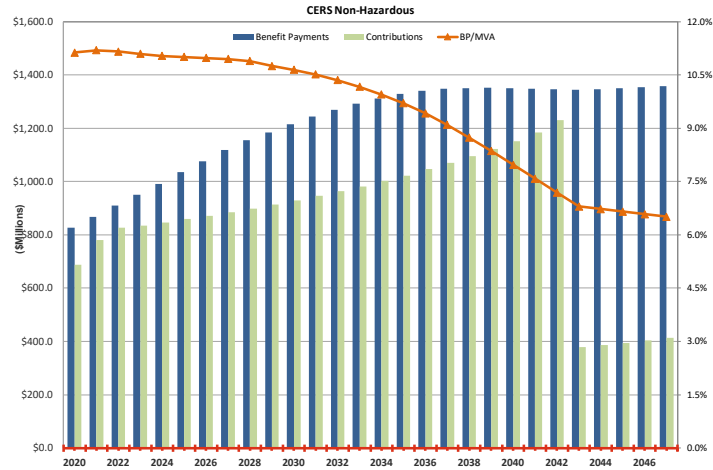
Wilshire Associates



# PROJECTED CASH IN AND OUTFLOWS - PENSION



Data provided by KRS actuary

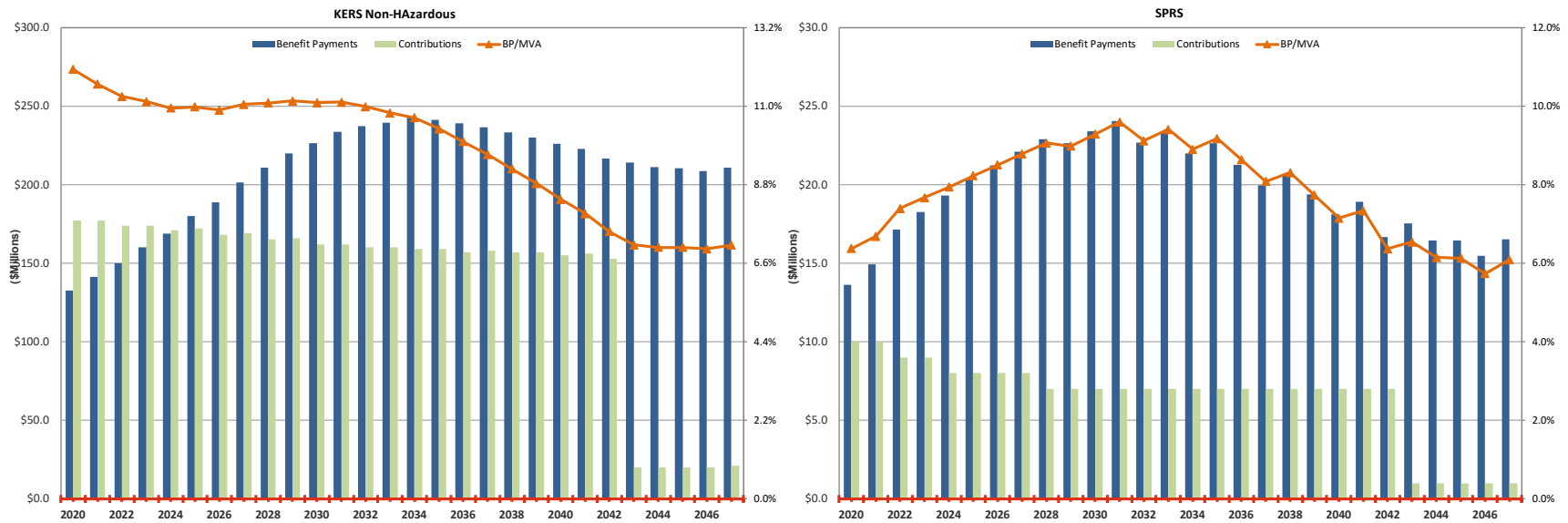


- KERS Hazardous, CERS Non-Hazardous and CERS Hazardous plans small liquidity needs given projected contributions.

Wilshire Associates



# PROJECTED CASH IN AND OUTFLOWS - INSURANCE



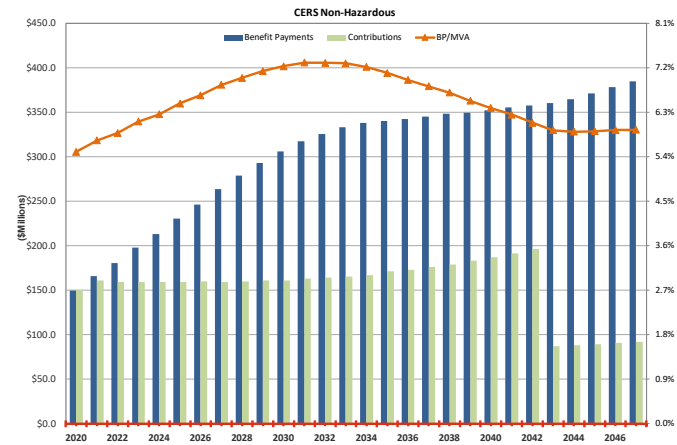
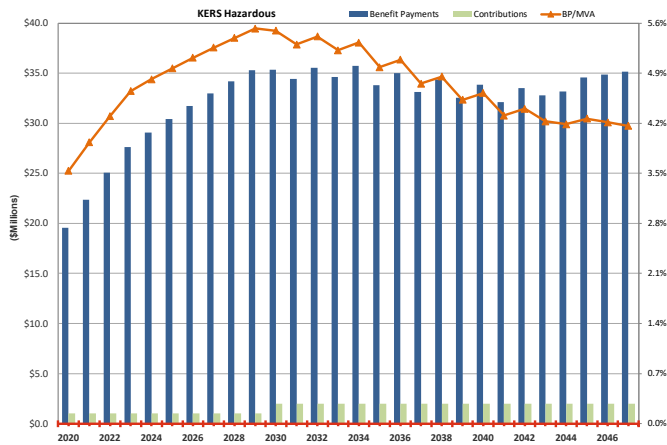
Data provided by KRS actuary

- KERS Non-Hazardous has minimal near-term liquidity needs given significant projected contributions.
- SPRS has growing liquidity needs given low projected contributions.

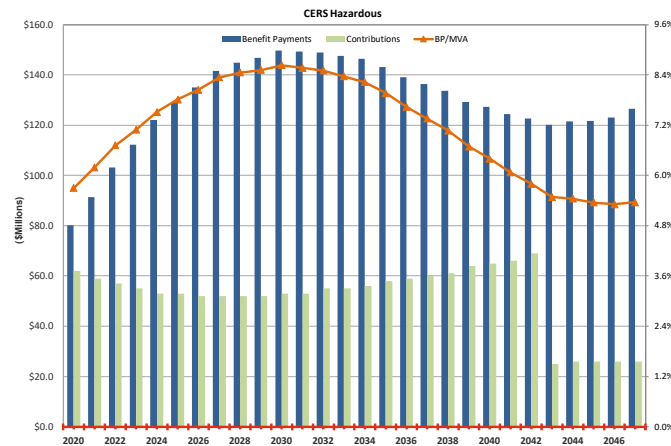
Wilshire Associates



# PROJECTED CASH IN AND OUTFLOWS - INSURANCE



Data provided by KRS actuary



- KERS Hazardous, CERS Non-Hazardous and CERS Hazardous plans have moderate-to-low liquidity needs.



## Wilshire Associates

### CAPITAL MARKET ASSUMPTIONS (as of June 30, 2020)

- Wilshire's asset class return, risk and correlation assumptions are developed on multi-year forward looking expected rates of return and historical risk and correlation, adjusted to incorporate recent trends
- Public market return expectations represent a passive investment in the asset class (beta). They do not reflect value added from active management (alpha).

Asset Classes	Expected Return 10 Years	Expected Return 30 Years	Risk	Cash Yield	Factor Exposure Growth	Factor Exposure Inflation	Liquidity Market Level	Liquidity Stressed Metric
U.S. Equity	6.00	7.05	17.00	2.00	8.00	0.00	1.00	0.15
Non-U.S. Equity	6.75	7.55	18.95	2.85	8.60	5.45	0.90	0.05
High Yield / Specialty Credit	5.40	6.60	7.30	6.55	3.50	1.50	0.00	0.00
Private Equity	8.15	9.55	28.00	0.00	14.00	1.00	0.00	0.00
Private Equity (Revised)	6.65	7.80	18.15	1.60	9.20	0.20	0.00	0.00
Core Fixed Income	1.25	3.30	5.15	1.85	-0.90	-2.50	1.00	0.85
Cash	0.75	2.05	1.25	0.75	0.00	0.00	1.00	1.00
Real Estate	6.80	7.40	14.00	2.60	5.50	0.00	0.00	0.00
Opportunistic	3.75	5.10	4.60	0.00	1.25	1.85	0.30	0.00
Real Return	5.45	6.60	8.75	2.25	1.90	4.40	0.00	0.00

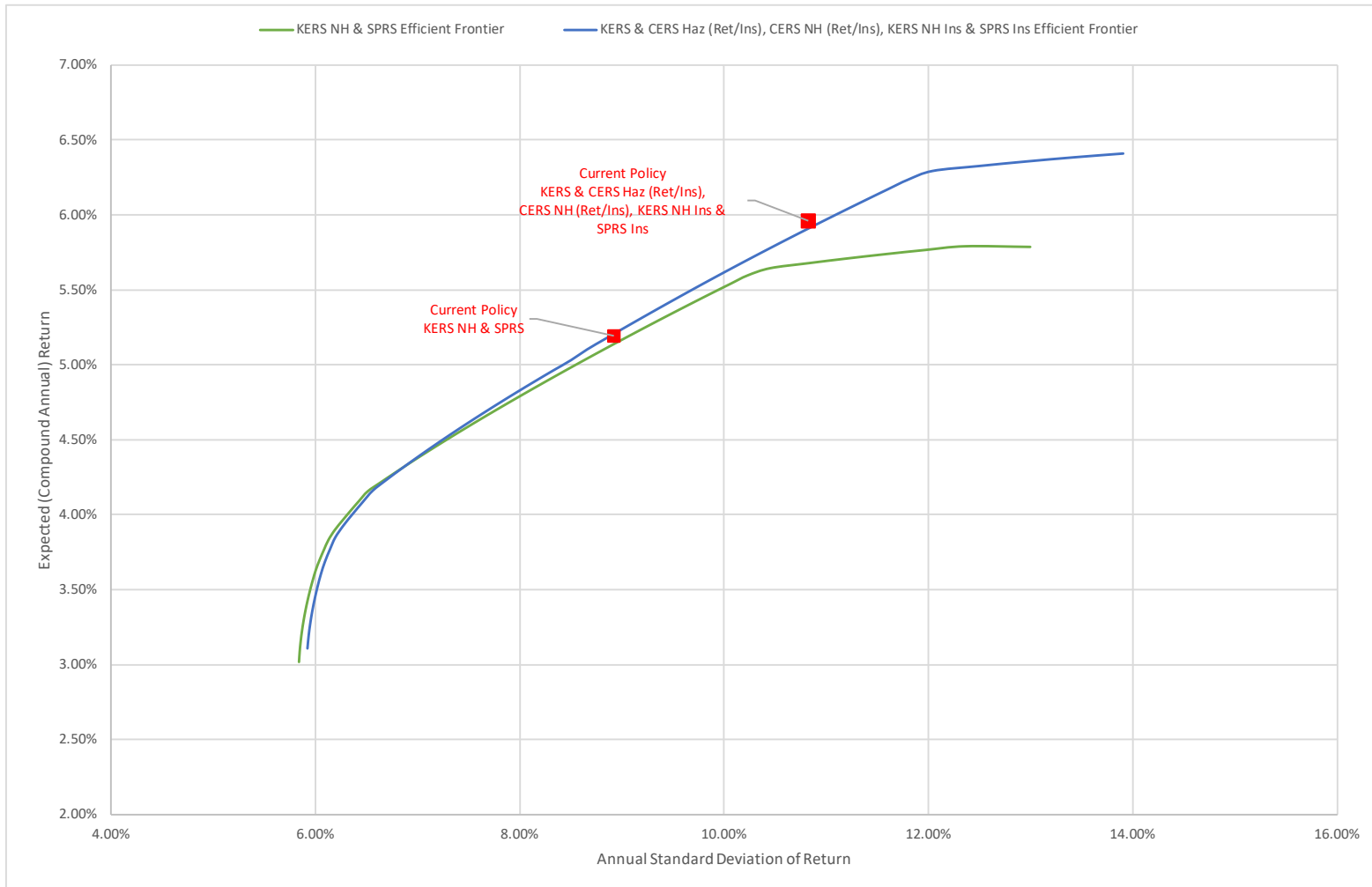
High Yield/Specialty Credit is a mix of 50% High Yield and 50% Bank Loans plus 1% alpha

Private Equity (Revised) is a mix of 80% US Equity and 20% Private Equity.

Opportunistic is a mix of 25% Equity Market Neutral, 12.5% Global Macro & 62.5% Relative Value Hedge Funds.

Real Return is a mix of 25% US TIPS, 7.5% Global REITS, 15% Private Real Estate, 10% Commodity, 17.5% Timber, 15% Oil & Gas & 7.5% MLPs.

# ASSET ONLY EFFICIENT FRONTIERS



- The Current policies lie very close to the efficient frontiers.

# Wilshire Associates

## MODELED POLICIES



Asset Class	Current Policy KERS NH & SPRS	Optimization Constraints	Similar Risk Policy	Wilshire Recommended Policy	5.25% Return Policy	Current Policy KERS & CERS Haz (Ret/Ins), CERS NH (Ret/Ins) & KERS NH Ins & SPRS Ins	Optimization Constraints	Similar Risk Policy	Wilshire Recommended Policy	6.25% Return Policy
U.S. Equity	15.75%	10% - 100% <sup>1</sup>	15.75%	16.00%	16.375%	18.75%	10% - 100% <sup>1</sup>	18.25%	18.75%	21.75%
Non-U.S. Equity	15.75%	10% - 100% <sup>1</sup>	15.75%	16.00%	16.375%	18.75%	10% - 100% <sup>1</sup>	18.25%	18.75%	21.75%
High Yield / Specialty Credit	15.00%	0% - 15%	15.00%	15.00%	15.00%	15.00%	0% - 15%	15.00%	15.00%	15.00%
Private Equity	0.00%	0.0%	0.00%	0.00%	0.00%	10.00%	0% - 10%	10.00%	10.00%	10.00%
Private Equity (Revised)	<u>7.00%</u>	<u>0% - 7%</u> <sup>3</sup>	<u>6.00%</u>	<u>6.75%</u>	<u>7.00%</u>	<u>0.00%</u>	<u>0.0%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
<b>Total Growth Assets</b>	<b>53.50%</b>	20% - 70%	<b>52.50%</b>	<b>53.75%</b>	<b>54.75%</b>	<b>62.50%</b>	20% - 70%	<b>61.50%</b>	<b>62.50%</b>	<b>68.50%</b>
Core Fixed Income	20.50%	15% - 100%	22.50%	21.25%	20.25%	13.50%	10% - 100%	15.50%	14.50%	10.00%
Cash	<u>3.00%</u>	3% - 5%	<u>5.00%</u>	<u>5.00%</u>	<u>5.00%</u>	<u>1.00%</u>	1% - 3%	<u>3.00%</u>	<u>3.00%</u>	<u>1.50%</u>
<b>Total Fixed Income</b>	<b>23.50%</b>		<b>27.50%</b>	<b>26.25%</b>	<b>25.25%</b>	<b>14.50%</b>		<b>18.50%</b>	<b>17.50%</b>	<b>11.50%</b>
Real Estate	5.00%	5% - 10%	10.00%	10.00%	10.00%	5.00%	5% - 10%	10.00%	10.00%	10.00%
Opportunistic	3.00%	0.0%	0.00%	0.00%	0.00%	3.00%	0.0%	0.00%	0.00%	0.00%
Real Return	<u>15.00%</u>	<u>5% - 10%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>15.00%</u>	<u>5% - 10%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>
<b>Total Diversifying</b>	<b>23.00%</b>	10% - 20%	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>23.00%</b>	10% - 20%	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>
<b>Total Assets</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Total Illiquid Assets</b> <sup>2</sup>	<b>21.75%</b>		<b>21.50%</b>	<b>22.25%</b>	<b>22.50%</b>	<b>24.75%</b>		<b>25.50%</b>	<b>25.50%</b>	<b>25.50%</b>
<b>Expected Return - 10 Years (%)</b>	<b>5.19</b>		<b>5.13</b>	<b>5.20</b>	<b>5.25</b>	<b>5.96</b>		<b>5.90</b>	<b>5.95</b>	<b>6.26</b>
<b>Expected Return - 30 Years (%)</b>	<b>6.44</b>		<b>6.37</b>	<b>6.43</b>	<b>6.47</b>	<b>7.16</b>		<b>7.09</b>	<b>7.13</b>	<b>7.38</b>
<b>Standard Deviation of Return (%)</b>	<b>8.92</b>		<b>8.91</b>	<b>9.09</b>	<b>9.24</b>	<b>10.83</b>		<b>10.82</b>	<b>10.96</b>	<b>11.88</b>
<b>+/- in Expected Return - 10 Years (bps)</b>			(6)	1	6			(6)	(1)	30
<b>+/- in Expected Return - 30 Years (bps)</b>			(7)	(1)	3			(7)	(3)	22
<b>+/- in SD of Return (bps)</b>			(1)	17	32			(1)	13	105
<b>Sharpe Ratio</b>	<b>0.50</b>		<b>0.49</b>	<b>0.49</b>	<b>0.49</b>	<b>0.48</b>		<b>0.48</b>	<b>0.47</b>	<b>0.46</b>

<sup>1</sup> Non-U.S. Equity is constrained to be no more than U.S. Equity.

<sup>2</sup> Illiquid Assets are comprised of 20% of High Yield / Specialty Credit, Private Equity, Real Estate, Opportunistic and 25% of Real Return.

<sup>3</sup> Private Equity is assumed to be 80% U.S. Equity and 20% of Private Equity (standard assumption).



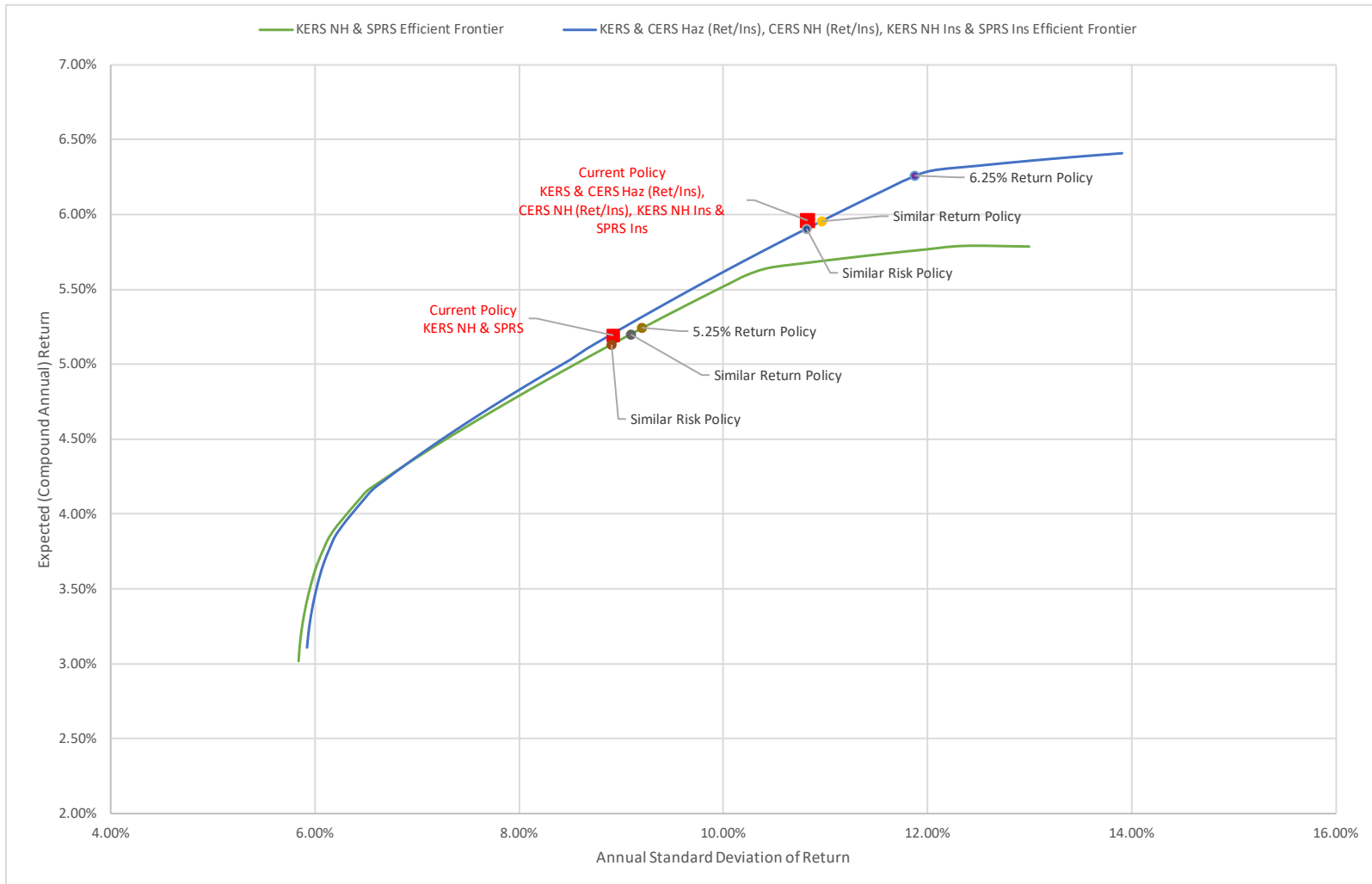


# Wilshire Associates

## MODELED POLICIES

Asset Class	Current Policy KERS NH & SPRS	Similar Risk Policy	Wilshire Recommended Policy	5.25% Return Policy	Current Policy KERS & CERS Haz (Ret/Ins), CERS NH (Ret/Ins) & KERS NH Ins & SPRS Ins	Similar Risk Policy	Wilshire Recommended Policy	6.25% Return Policy
<b>Total Growth Assets</b>	53.50%	52.50%	53.75%	54.75%	62.50%	61.50%	62.50%	68.50%
<b>Total Fixed Income</b>	23.50%	27.50%	26.25%	25.25%	14.50%	18.50%	17.50%	11.50%
<b>Total Diversifying</b>	23.00%	20.00%	20.00%	20.00%	23.00%	20.00%	20.00%	20.00%
<b>Total Assets</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Expected Return - 10 Years (%)</b>	5.19	5.13	5.20	5.25	5.96	5.90	5.95	6.26
<b>Expected Return - 30 Years (%)</b>	6.44	6.37	6.43	6.47	7.16	7.09	7.13	7.38
<b>Standard Deviation of Return (%)</b>	8.92	8.91	9.09	9.24	10.83	10.82	10.96	11.88
<b>+/- in Expected Return - 10 Years (bps)</b>		(6)	1	6		(6)	(1)	30
<b>+/- in Expected Return - 30 Years (bps)</b>		(7)	(1)	3		(7)	(3)	22
<b>+/- in SD of Return (bps)</b>		(1)	17	32		(1)	13	105
<b>Contribution to Asset Volatility (%):</b>								
<b>Growth</b>	79.7	77.6	78.5	79.2	85.1	83.4	83.8	86.1
<b>Fixed Income</b>	4.2	4.7	4.2	3.9	2.0	2.4	2.2	1.3
<b>Diversifying</b>	16.1	17.7	17.3	16.9	12.9	14.2	14.0	12.7
<b>Cash Yield</b>	2.7	2.8	2.8	2.8	2.6	2.7	2.7	2.7
<b>Growth Factor</b>	4.2	4.2	4.4	4.4	5.5	5.6	5.6	6.2
<b>Inflation Factor</b>	1.3	1.0	1.0	1.1	1.7	1.4	1.4	1.7
<b>Liquidity (%)</b>								
<b>Market</b>	54.3	57.4	56.7	56.4	51.0	53.2	53.1	52.8
<b>Stressed</b>	23.6	27.3	26.3	25.5	16.2	19.8	19.1	14.4
<b>Probability of Reaching</b>								
<b>Actuarial Return of 5.25%</b>								
<b>Year 10</b>	49.2	48.3	49.3	50.1	58.3	57.7	58.1	60.7
<b>Year 30</b>	77.1	75.7	76.3	76.8	83.7	82.8	83.0	84.1
<b>Actuarial Return of 6.25%</b>								
<b>Year 10</b>	35.4	34.6	35.7	36.6	46.6	46.0	46.6	50.1
<b>Year 30</b>	54.8	53.0	54.3	55.2	67.9	66.7	67.2	70.1

# ASSET ONLY EFFICIENT FRONTIERS



- The Current policies lie very close to the efficient frontiers.

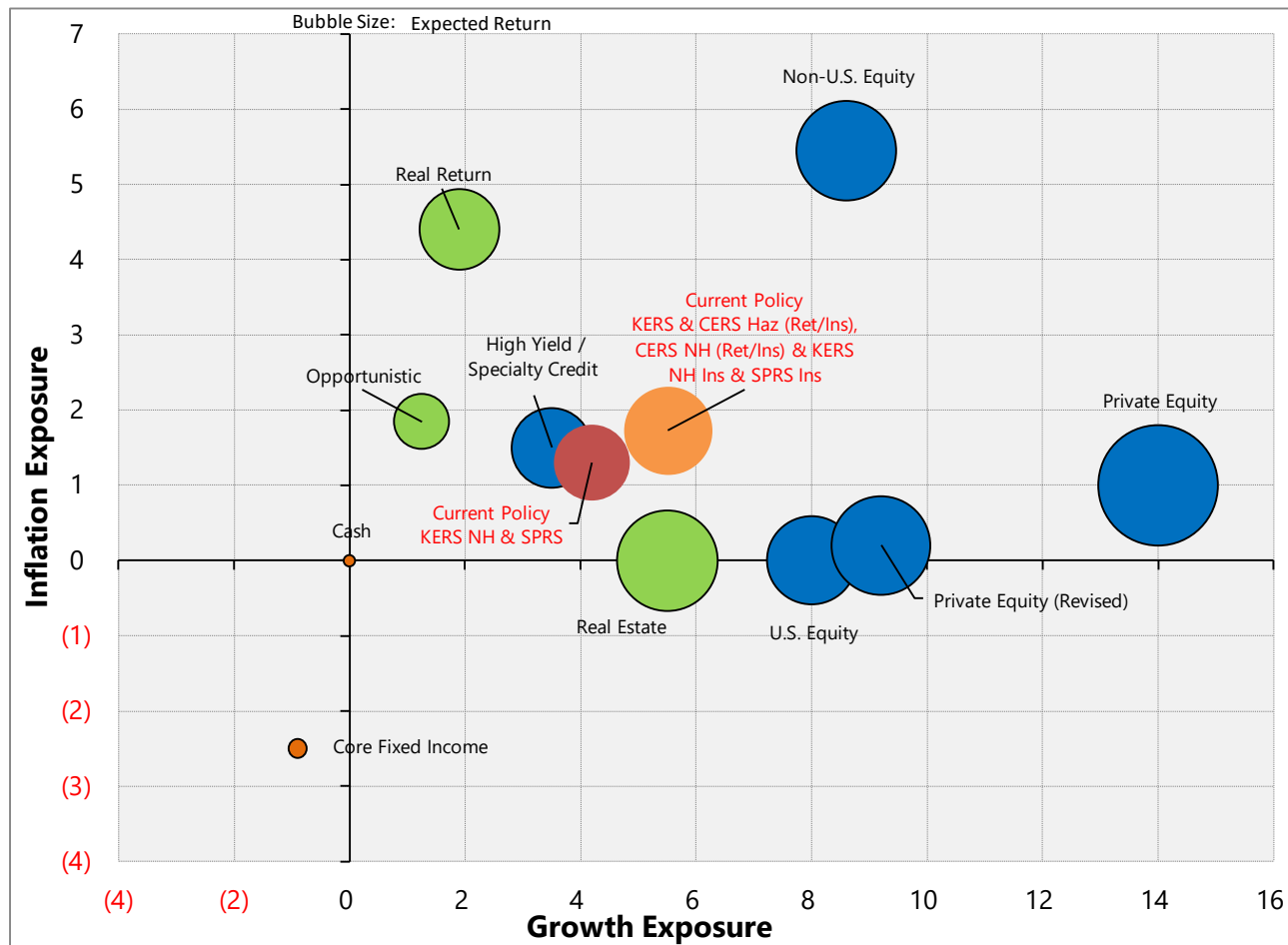


Wilshire Associates

# ECONOMIC FACTOR EXPOSURES

Concentrated factor tilts can represent portfolio vulnerability

To the extent possible, portfolios with factor neutrality are desirable



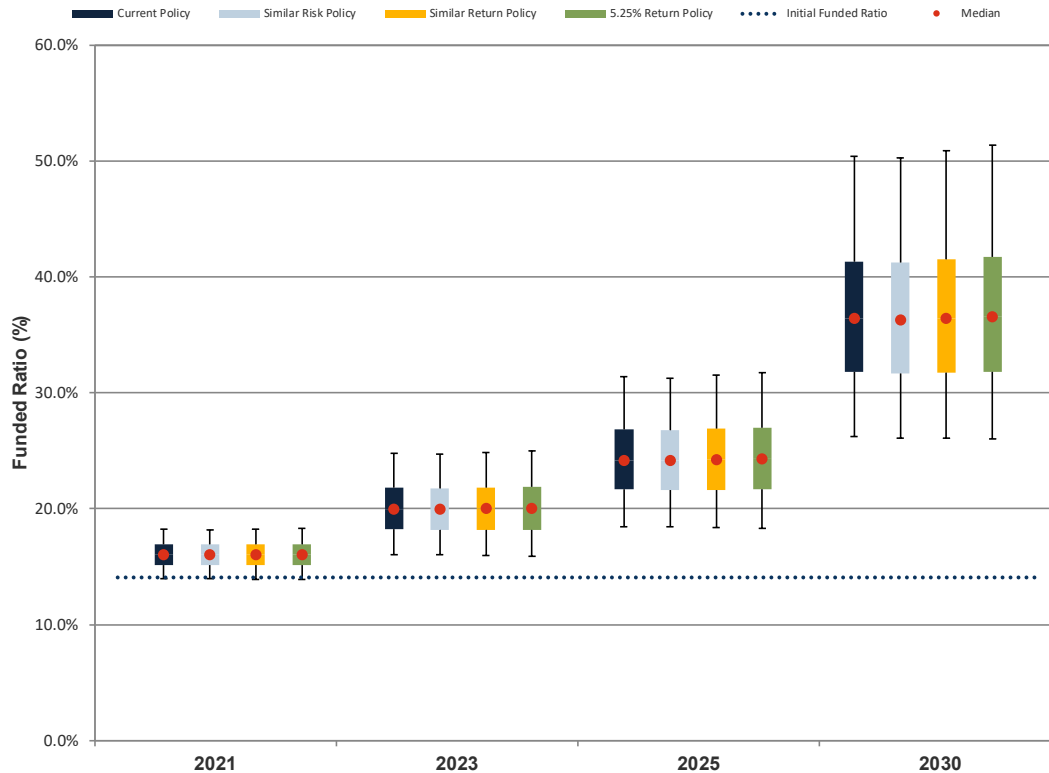


# ASSET-LIABILITY PROJECTIONS



# PENSION – KERS Non-Hazardous

# Wilshire Associates MVA FUNDED RATIO



### Shortfall Risk:

The potential for the alternatives to have a lower median funded ratio than the current policy.

### Drawdown Risk:

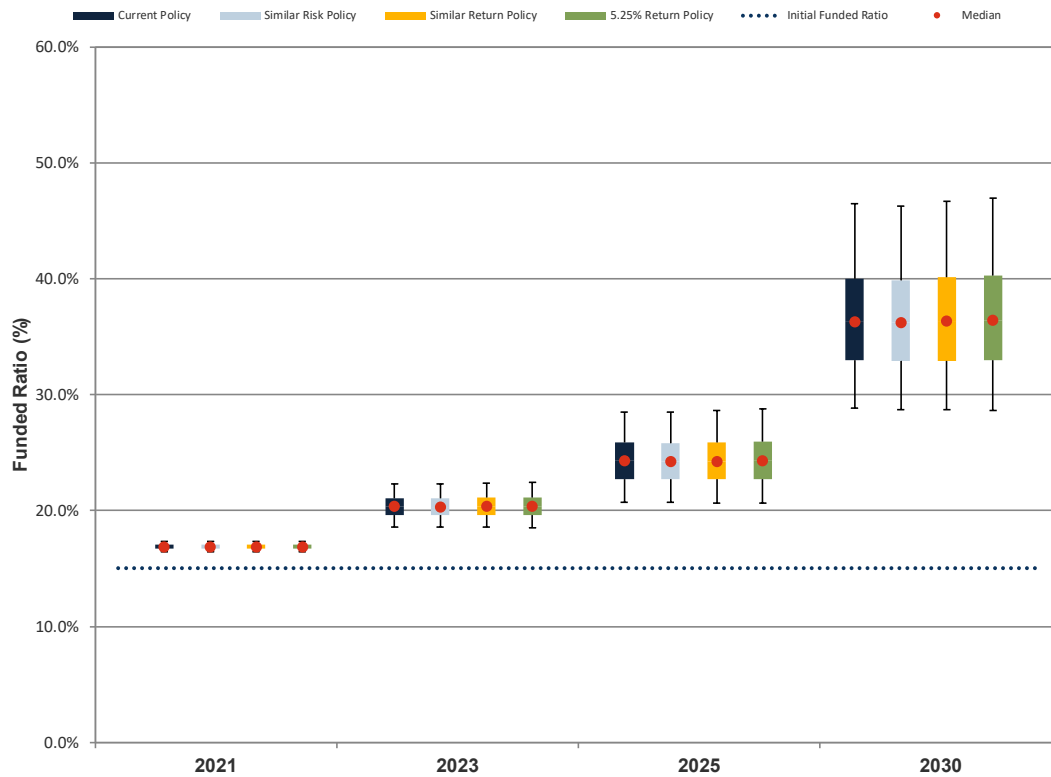
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 14.04%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy
Very Optimistic	18.24	18.20	18.27	18.32	24.79	24.75	24.89	25.01	31.41	31.28	31.51	31.72	50.44	50.28	50.87	51.36
Optimistic	16.92	16.91	16.93	16.95	21.79	21.76	21.84	21.91	26.83	26.76	26.90	27.00	41.34	41.23	41.54	41.74
<b>Median (Expected)</b>	<b>16.04</b>	<b>16.03</b>	<b>16.04</b>	<b>16.05</b>	<b>20.00</b>	<b>19.97</b>	<b>20.01</b>	<b>20.03</b>	<b>24.18</b>	<b>24.13</b>	<b>24.22</b>	<b>24.28</b>	<b>36.40</b>	<b>36.29</b>	<b>36.45</b>	<b>36.57</b>
Pessimistic	15.16	15.15	15.15	15.14	18.23	18.19	18.20	18.20	21.68	21.63	21.65	21.66	31.82	31.70	31.76	31.80
Very Pessimistic	13.95	13.94	13.91	13.88	16.02	16.01	15.96	15.92	18.44	18.44	18.38	18.32	26.22	26.12	26.07	26.03



# Wilshire Associates AVA FUNDED RATIO



### Shortfall Risk:

The potential for the alternatives to have a lower median funded ratio than the current policy.

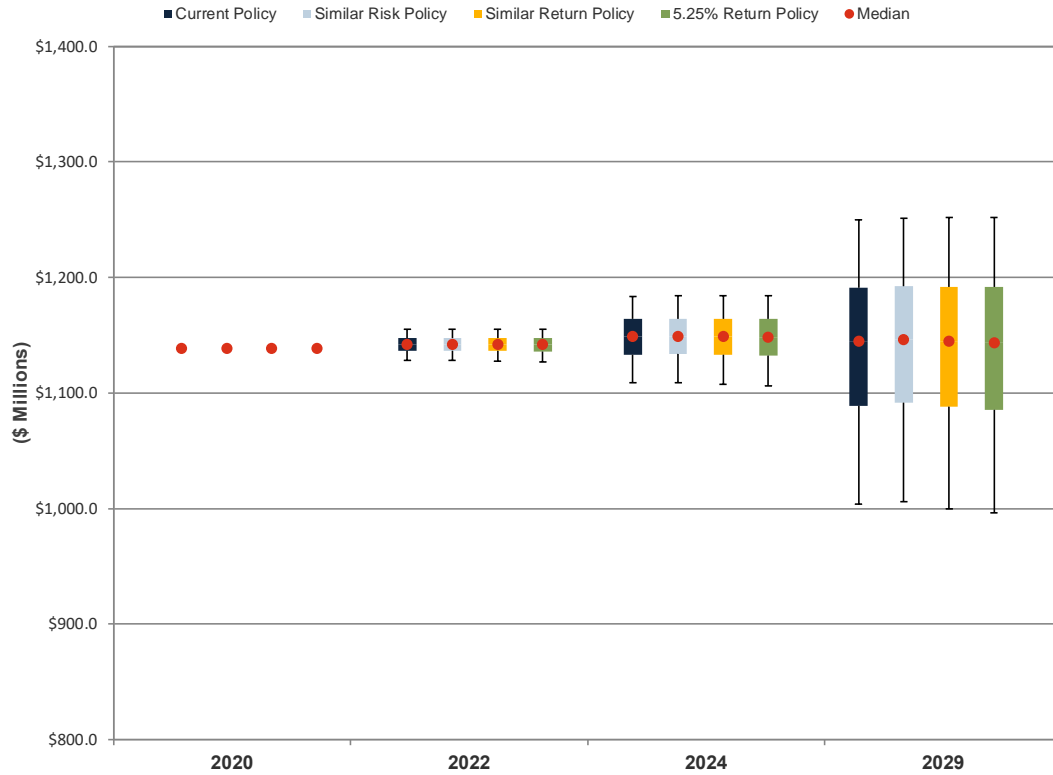
### Drawdown Risk:

The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 15.06%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy
Very Optimistic	17.32	17.31	17.33	17.34	22.32	22.31	22.36	22.42	28.54	28.49	28.64	28.77	46.45	46.25	46.71	46.99
Optimistic	17.06	17.06	17.06	17.06	21.10	21.07	21.11	21.14	25.87	25.82	25.90	25.96	40.00	39.90	40.14	40.30
<b>Median (Expected)</b>	<b>16.88</b>	<b>16.88</b>	<b>16.88</b>	<b>16.88</b>	<b>20.35</b>	<b>20.34</b>	<b>20.36</b>	<b>20.37</b>	<b>24.28</b>	<b>24.22</b>	<b>24.27</b>	<b>24.29</b>	<b>36.29</b>	<b>36.19</b>	<b>36.33</b>	<b>36.42</b>
Pessimistic	16.71	16.70	16.70	16.70	19.61	19.59	19.60	19.60	22.74	22.69	22.70	22.71	32.96	32.88	32.92	32.96
Very Pessimistic	16.46	16.46	16.46	16.45	18.60	18.58	18.56	18.55	20.75	20.71	20.68	20.65	28.84	28.73	28.71	28.67

# Wilshire Associates PLAN YEAR CONTRIBUTIONS



**Shortfall Risk:**  
The potential for the alternatives to have higher median contributions than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have higher "very pessimistic" contributions than the current policy.

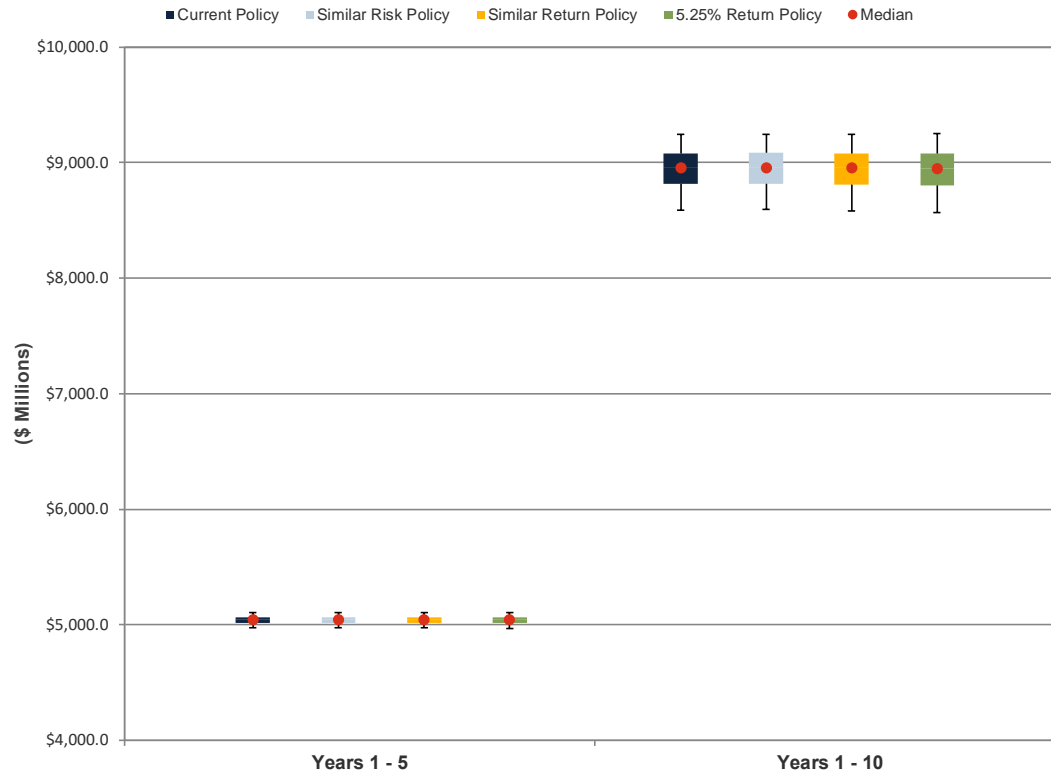
(\$ Millions)	2020				2022				2024				2029			
	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy
Very Pessimistic	1,138.9	1,138.9	1,138.9	1,138.9	1,154.9	1,155.1	1,155.2	1,155.4	1,183.4	1,183.9	1,184.3	1,184.5	1,250.1	1,251.6	1,251.8	1,251.6
Pessimistic	1,138.9	1,138.9	1,138.9	1,138.9	1,147.5	1,147.5	1,147.6	1,147.6	1,164.1	1,164.5	1,164.5	1,164.4	1,190.8	1,192.5	1,192.0	1,191.5
<b>Median (Expected)</b>	<b>1,138.9</b>	<b>1,138.9</b>	<b>1,138.9</b>	<b>1,138.9</b>	<b>1,141.9</b>	<b>1,141.9</b>	<b>1,141.8</b>	<b>1,141.7</b>	<b>1,149.0</b>	<b>1,149.3</b>	<b>1,148.8</b>	<b>1,148.5</b>	<b>1,145.1</b>	<b>1,146.4</b>	<b>1,144.5</b>	<b>1,143.1</b>
Optimistic	1,138.9	1,138.9	1,138.9	1,138.9	1,136.4	1,136.5	1,136.3	1,136.1	1,133.2	1,133.7	1,132.9	1,132.4	1,089.1	1,091.3	1,088.1	1,085.7
Very Optimistic	1,138.9	1,138.9	1,138.9	1,138.9	1,127.9	1,127.9	1,127.5	1,127.2	1,108.7	1,109.0	1,107.6	1,106.3	1,003.6	1,005.5	1,000.0	996.2





Wilshire Associates

# PRESENT VALUE OF CONTRIBUTIONS



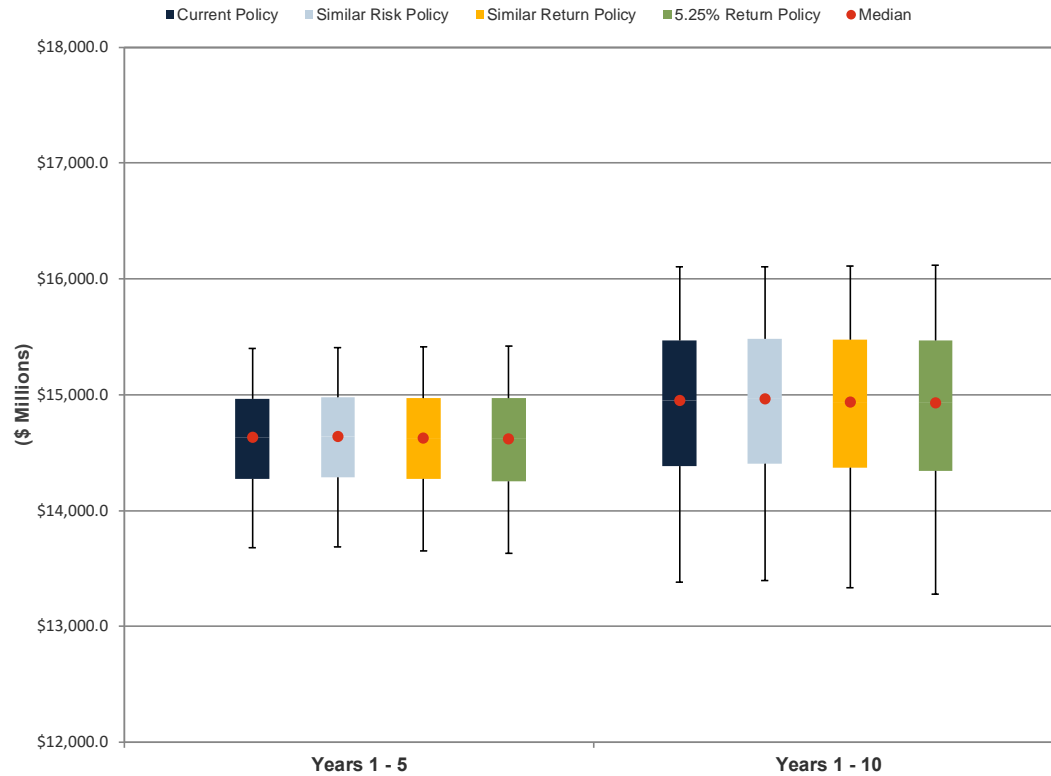
**Shortfall Risk:**  
The potential for the alternatives to have a higher median present value of contributions than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a higher "very pessimistic" present value of contributions than the current policy.

**EROA = 5.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy
Very Pessimistic	5,101.6	5,102.0	5,102.7	5,103.1	9,242.2	9,246.4	9,248.4	9,249.6
Pessimistic	5,066.0	5,066.8	5,066.8	5,066.7	9,078.5	9,083.5	9,082.0	9,081.6
<b>Median (Expected)</b>	<b>5,039.9</b>	<b>5,040.4</b>	<b>5,039.8</b>	<b>5,039.4</b>	<b>8,951.7</b>	<b>8,956.0</b>	<b>8,951.4</b>	<b>8,948.2</b>
Optimistic	5,013.8	5,014.7	5,013.8	5,013.0	8,813.3	8,815.5	8,807.3	8,801.2
Very Optimistic	4,971.7	4,972.7	4,970.4	4,968.7	8,591.2	8,594.0	8,580.6	8,569.9

# Wilshire Associates MVA ECONOMIC COST



(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy
Very Pessimistic	15,396.5	15,404.7	15,413.8	15,421.4	16,104.3	16,106.3	16,111.6	16,118.1
Pessimistic	14,967.4	14,977.4	14,974.2	14,972.7	15,468.0	15,481.2	15,472.7	15,467.9
<b>Median (Expected)</b>	<b>14,632.6</b>	<b>14,639.0</b>	<b>14,628.8</b>	<b>14,621.5</b>	<b>14,949.2</b>	<b>14,962.0</b>	<b>14,939.6</b>	<b>14,926.2</b>
Optimistic	14,276.1	14,290.1	14,270.8	14,254.2	14,386.3	14,407.7	14,371.8	14,344.6
Very Optimistic	13,679.3	13,685.2	13,653.7	13,629.7	13,384.0	13,391.9	13,332.3	13,274.4

### Shortfall Risk:

The potential for the alternatives to have a higher median economic cost than the current policy.

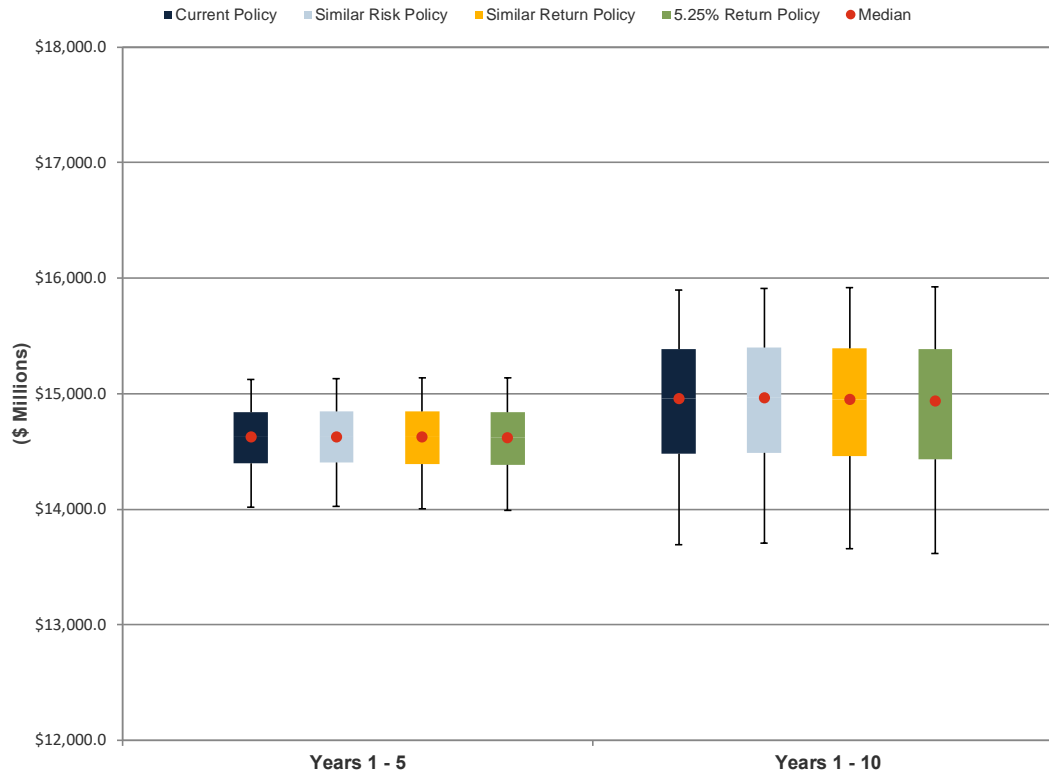
### Drawdown Risk:

The potential for the alternatives to have a higher "very pessimistic" economic cost than the current policy.

**EROA = 5.25%**

*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*

# Wilshire Associates AVA ECONOMIC COST



(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy
Very Pessimistic	15,124.2	15,130.4	15,135.0	15,138.6	15,898.7	15,912.7	15,916.7	15,923.3
Pessimistic	14,840.2	14,844.2	14,843.4	14,842.5	15,384.5	15,401.8	15,392.9	15,388.0
<b>Median (Expected)</b>	<b>14,623.6</b>	<b>14,628.1</b>	<b>14,623.4</b>	<b>14,619.4</b>	<b>14,959.2</b>	<b>14,966.6</b>	<b>14,950.9</b>	<b>14,938.5</b>
Optimistic	14,394.2	14,402.2	14,390.6	14,380.7	14,479.7	14,489.8	14,457.4	14,434.5
Very Optimistic	14,015.5	14,025.7	14,005.4	13,987.2	13,693.6	13,708.5	13,657.3	13,614.5

### Shortfall Risk:

The potential for the alternatives to have a higher median economic cost than the current policy.

### Drawdown Risk:

The potential for the alternatives to have a higher "very pessimistic" economic cost than the current policy.

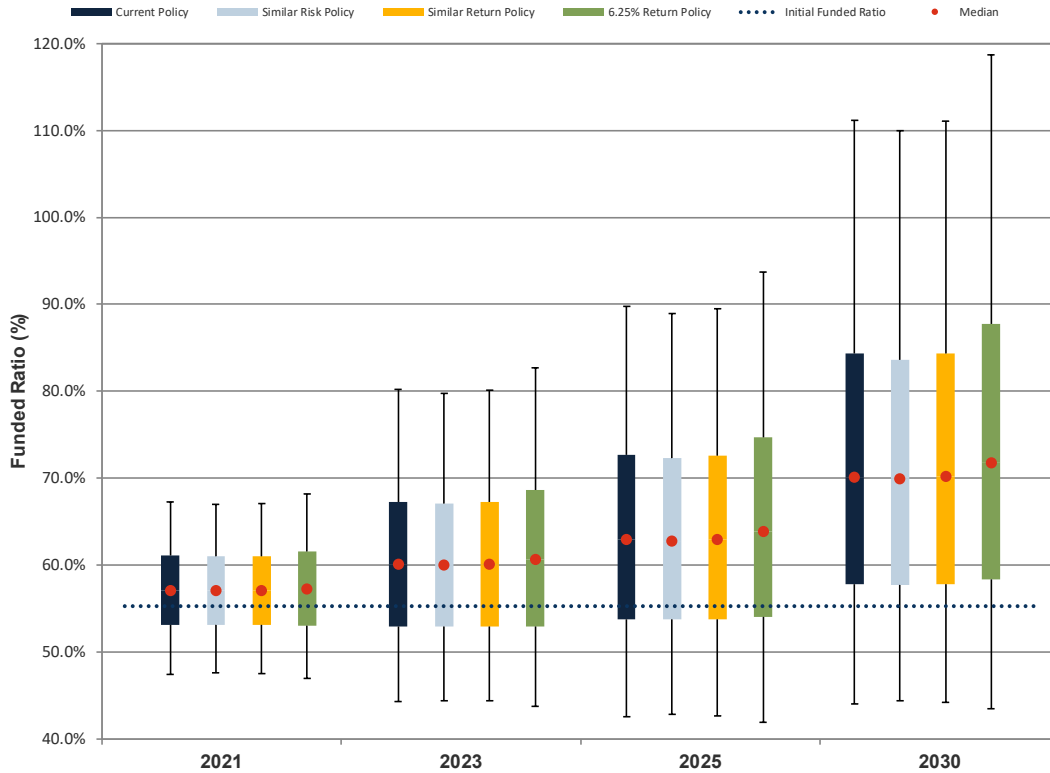
**EROA = 5.25%**

*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*



# PENSION – KERS Hazardous

# Wilshire Associates MVA FUNDED RATIO



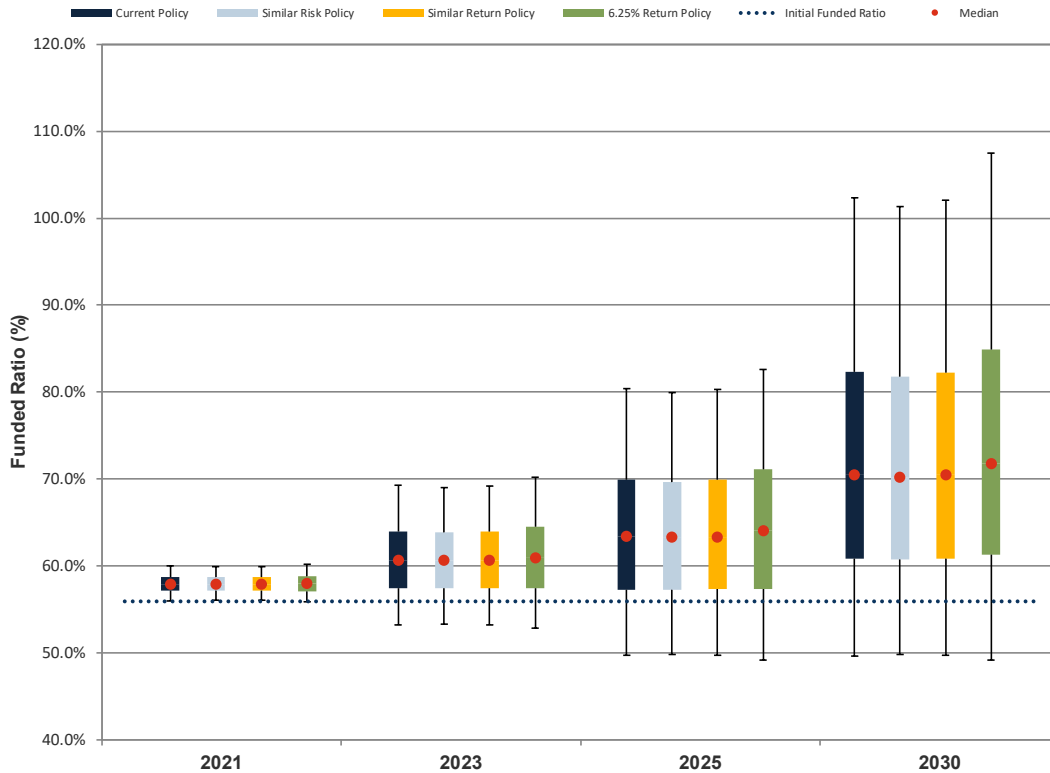
**Shortfall Risk:**  
The potential for the alternatives to have a lower median funded ratio than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 55.28%**

Funded Ratio (%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	67.23	66.98	67.10	68.19	80.23	79.71	80.14	82.69	89.76	88.91	89.50	93.75	111.18	109.95	111.06	118.71
Optimistic	61.07	60.97	61.05	61.53	67.27	67.04	67.24	68.65	72.71	72.34	72.56	74.67	84.36	83.65	84.32	87.74
<b>Median (Expected)</b>	<b>57.10</b>	<b>57.07</b>	<b>57.10</b>	<b>57.29</b>	<b>60.12</b>	<b>59.97</b>	<b>60.07</b>	<b>60.66</b>	<b>62.96</b>	<b>62.77</b>	<b>62.92</b>	<b>63.91</b>	<b>70.15</b>	<b>69.93</b>	<b>70.18</b>	<b>71.78</b>
Pessimistic	53.11	53.13	53.12	52.98	52.92	52.93	52.93	52.92	53.75	53.77	53.77	54.00	57.78	57.73	57.77	58.39
Very Pessimistic	47.46	47.62	47.52	47.00	44.26	44.44	44.37	43.71	42.55	42.79	42.66	41.94	44.07	44.40	44.25	43.51

# Wilshire Associates AVA FUNDED RATIO



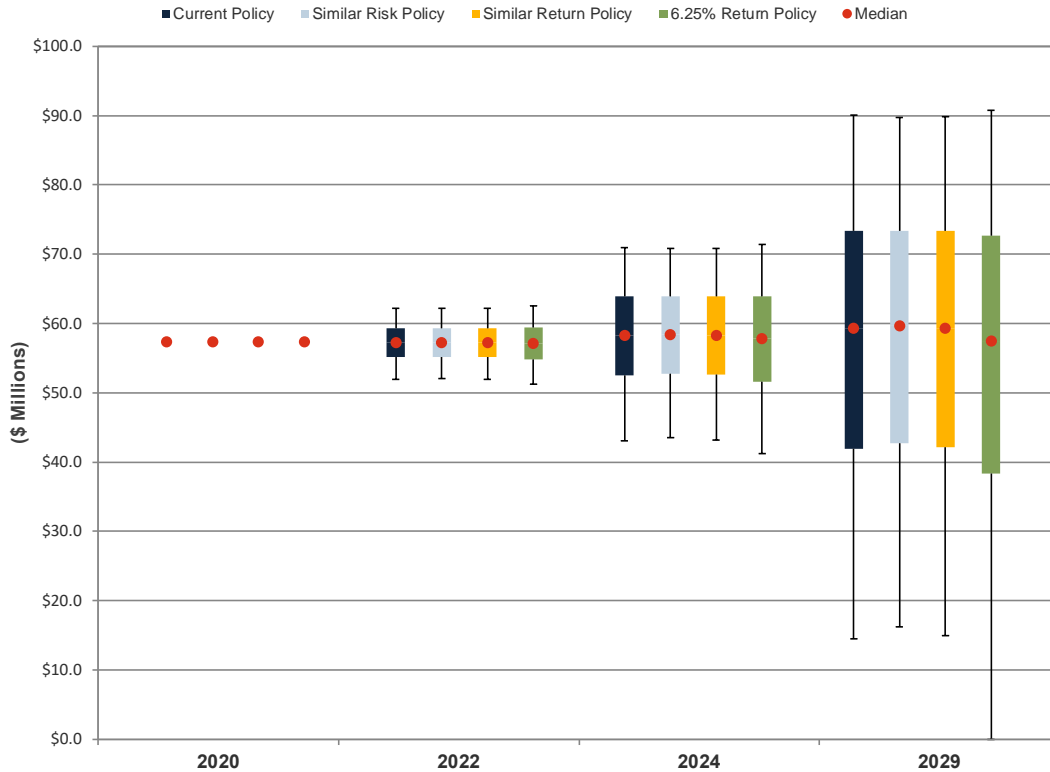
**Shortfall Risk:**  
The potential for the alternatives to have a lower median funded ratio than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 55.88%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	59.96	59.91	59.94	60.15	69.25	68.98	69.15	70.25	80.40	79.97	80.30	82.61	102.35	101.33	102.08	107.46
Optimistic	58.73	58.71	58.73	58.82	63.95	63.82	63.92	64.47	69.96	69.64	69.88	71.11	82.31	81.81	82.23	84.93
<b>Median (Expected)</b>	<b>57.94</b>	<b>57.93</b>	<b>57.94</b>	<b>57.98</b>	<b>60.67</b>	<b>60.61</b>	<b>60.65</b>	<b>60.92</b>	<b>63.40</b>	<b>63.27</b>	<b>63.36</b>	<b>64.05</b>	<b>70.48</b>	<b>70.19</b>	<b>70.46</b>	<b>71.81</b>
Pessimistic	57.14	57.14	57.14	57.11	57.45	57.44	57.45	57.48	57.27	57.29	57.31	57.37	60.81	60.73	60.83	61.32
Very Pessimistic	56.01	56.04	56.02	55.92	53.19	53.29	53.23	52.82	49.68	49.86	49.74	49.15	49.59	49.78	49.72	49.13

# Wilshire Associates PLAN YEAR CONTRIBUTIONS

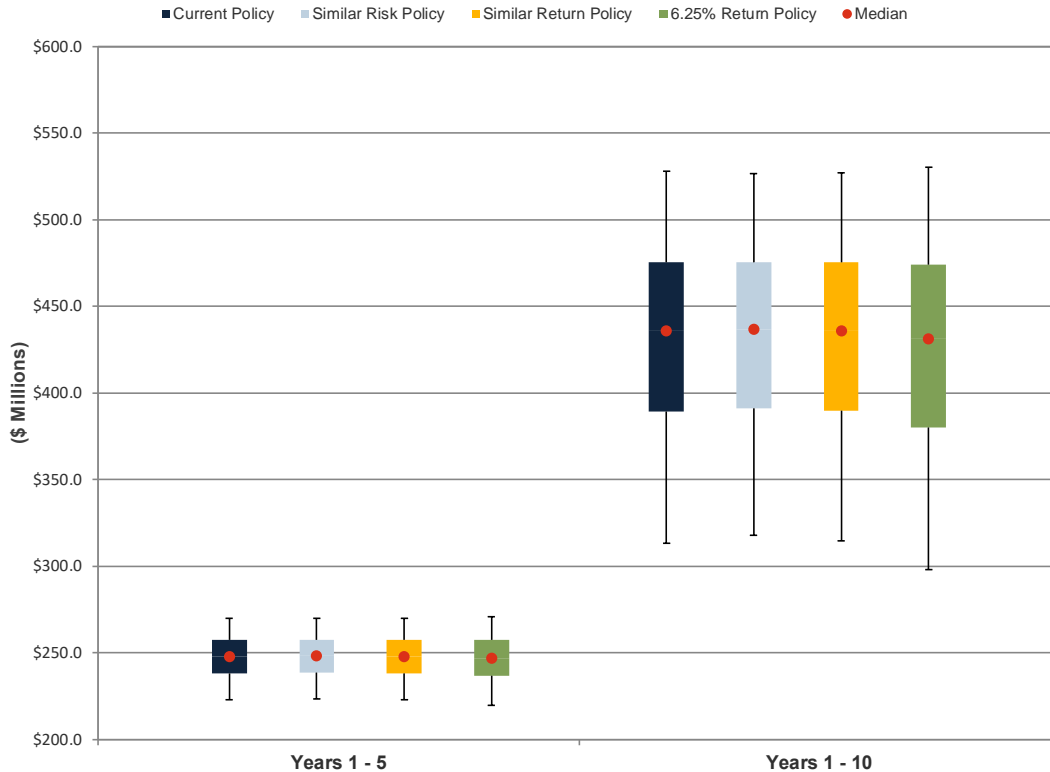


**Shortfall Risk:**  
The potential for the alternatives to have higher median contributions than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have higher "very pessimistic" contributions than the current policy.

(\$ Millions)	2020				2022				2024				2029			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	57.3	57.3	57.3	57.3	62.2	62.2	62.2	62.5	70.9	70.8	70.9	71.4	90.1	89.7	89.9	90.8
Pessimistic	57.3	57.3	57.3	57.3	59.3	59.3	59.4	59.4	63.9	63.9	63.9	63.9	73.3	73.4	73.3	72.7
<b>Median (Expected)</b>	<b>57.3</b>	<b>57.3</b>	<b>57.3</b>	<b>57.3</b>	<b>57.2</b>	<b>57.3</b>	<b>57.2</b>	<b>57.1</b>	<b>58.3</b>	<b>58.4</b>	<b>58.3</b>	<b>57.8</b>	<b>59.3</b>	<b>59.7</b>	<b>59.3</b>	<b>57.4</b>
Optimistic	57.3	57.3	57.3	57.3	55.1	55.2	55.1	54.8	52.5	52.8	52.6	51.6	41.9	42.7	42.1	38.4
Very Optimistic	57.3	57.3	57.3	57.3	51.9	52.0	52.0	51.3	43.0	43.5	43.2	41.2	14.5	16.2	15.0	0.0

# PRESENT VALUE OF CONTRIBUTIONS



**Shortfall Risk:**  
The potential for the alternatives to have a higher median present value of contributions than the current policy.

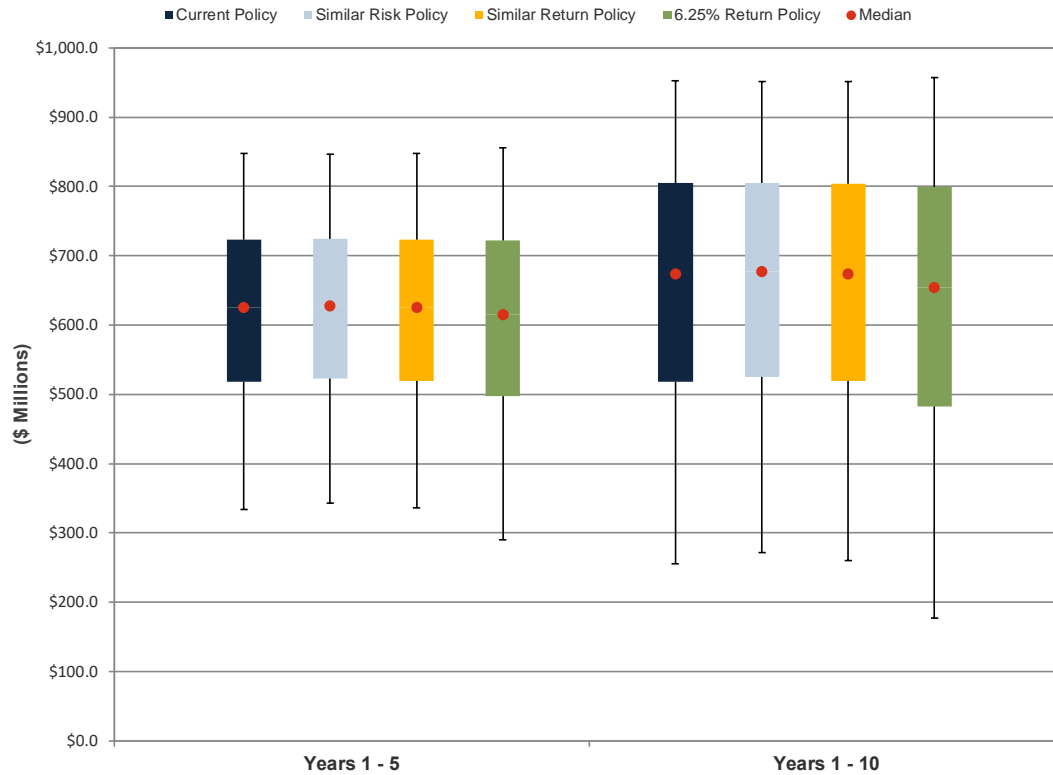
**Drawdown Risk:**  
The potential for the alternatives to have a higher "very pessimistic" present value of contributions than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	270.0	269.8	269.9	270.9	527.9	526.8	527.3	530.2
Pessimistic	257.5	257.6	257.5	257.5	475.6	475.7	475.5	474.2
<b>Median (Expected)</b>	<b>247.9</b>	<b>248.1</b>	<b>247.9</b>	<b>247.1</b>	<b>435.6</b>	<b>436.7</b>	<b>436.0</b>	<b>431.1</b>
Optimistic	238.3	238.6	238.3	236.7	389.2	391.3	389.8	380.0
Very Optimistic	222.9	223.5	223.0	219.9	313.5	318.1	314.7	298.0



# Wilshire Associates MVA ECONOMIC COST



**Shortfall Risk:**  
The potential for the alternatives to have a higher median economic cost than the current policy.

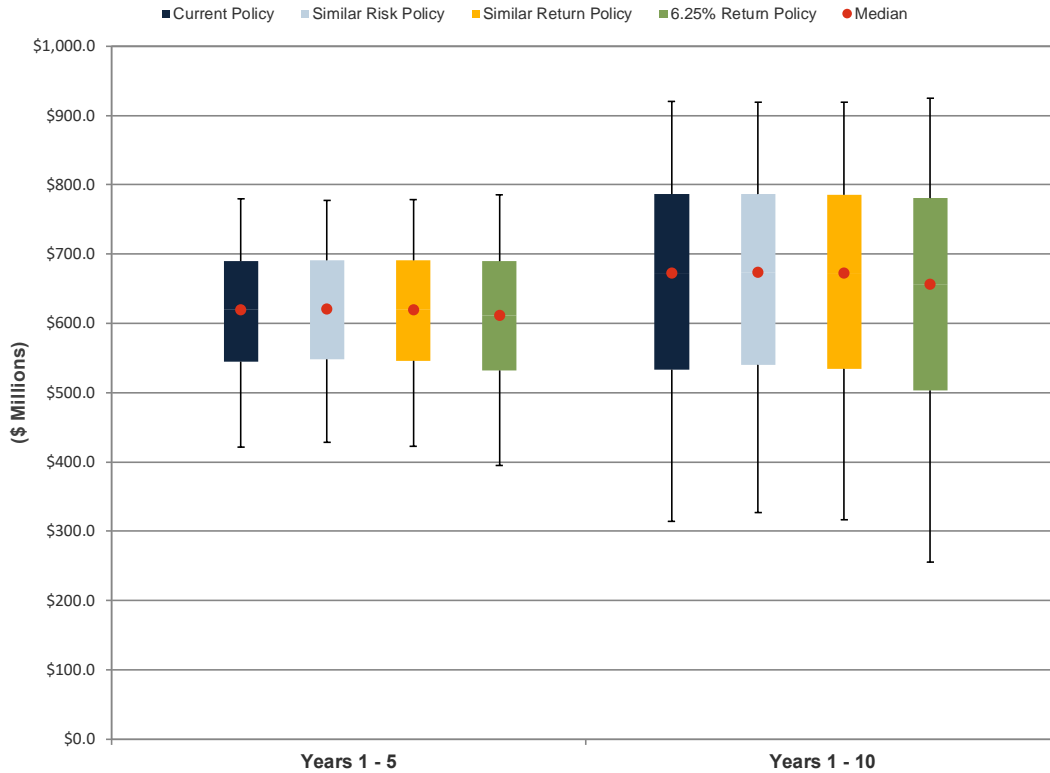
**Drawdown Risk:**  
The potential for the alternatives to have a higher "very pessimistic" economic cost than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	848.0	846.1	847.2	855.8	952.6	951.0	951.8	957.5
Pessimistic	723.8	724.5	723.5	722.0	804.7	805.6	804.4	798.8
<b>Median (Expected)</b>	<b>625.7</b>	<b>627.9</b>	<b>625.3</b>	<b>614.5</b>	<b>673.7</b>	<b>676.9</b>	<b>673.8</b>	<b>654.3</b>
Optimistic	518.2	522.9	519.4	497.1	518.3	525.4	519.1	482.7
Very Optimistic	334.2	343.4	336.7	290.0	256.1	272.0	260.6	177.8

*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*

# Wilshire Associates AVA ECONOMIC COST



(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	779.2	777.8	778.6	786.0	920.6	919.1	919.2	924.8
Pessimistic	690.3	690.4	690.7	689.5	786.5	786.5	785.8	780.7
<b>Median (Expected)</b>	<b>619.3</b>	<b>620.8</b>	<b>619.6</b>	<b>611.7</b>	<b>672.3</b>	<b>674.0</b>	<b>672.3</b>	<b>656.2</b>
Optimistic	544.9	548.0	545.8	531.5	532.6	539.9	534.5	503.3
Very Optimistic	421.1	428.0	423.0	395.3	314.6	327.2	316.7	255.1

**Shortfall Risk:**  
The potential for the alternatives to have a higher median economic cost than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a higher "very pessimistic" economic cost than the current policy.

**EROA = 6.25%**

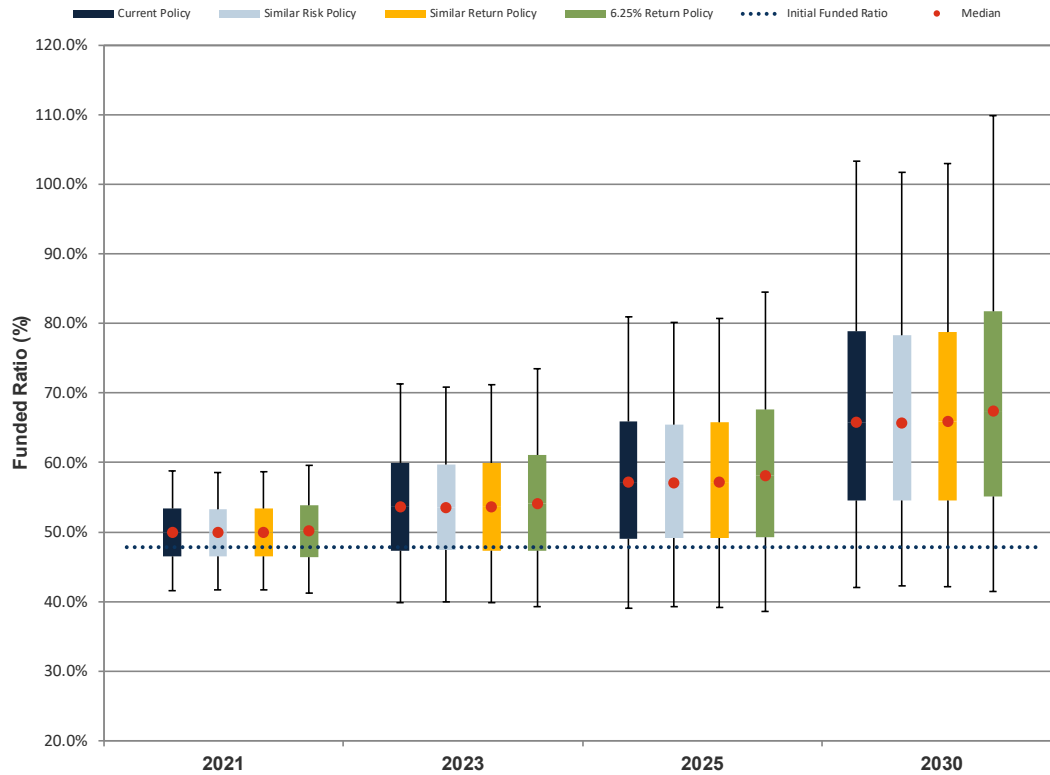
*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*



# PENSION – CERS Non-Hazardous



# Wilshire Associates MVA FUNDED RATIO



### Shortfall Risk:

The potential for the alternatives to have a lower median funded ratio than the current policy.

### Drawdown Risk:

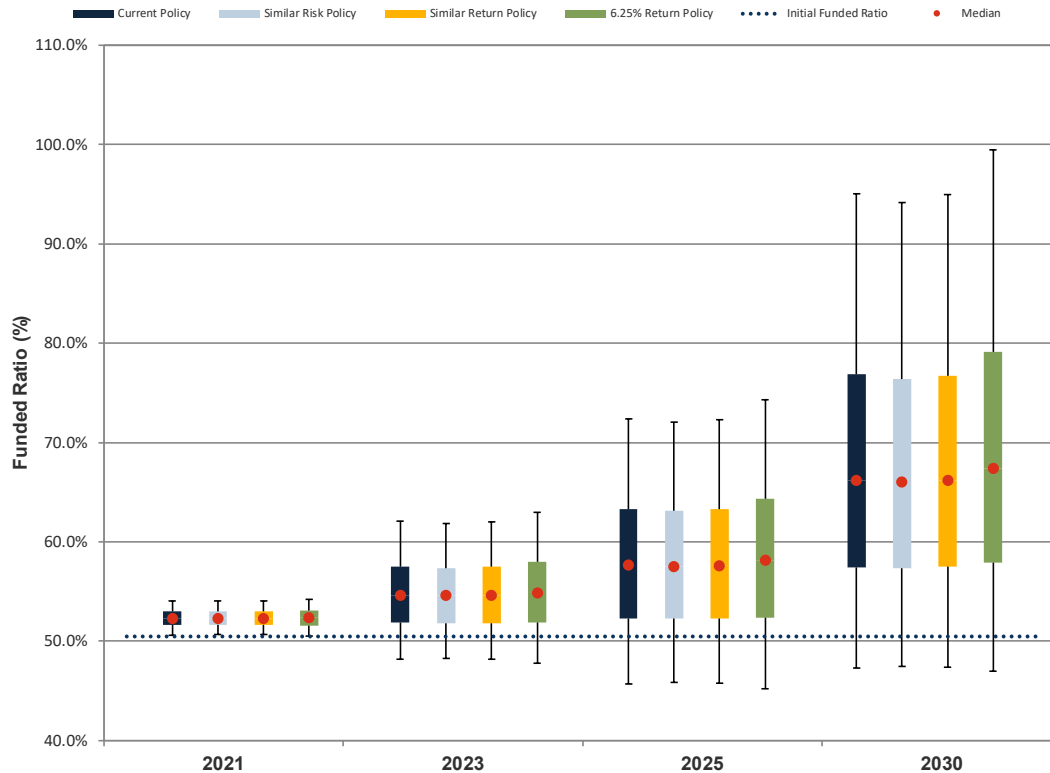
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 47.85%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	58.77	58.54	58.65	59.59	71.30	70.80	71.15	73.47	80.90	80.18	80.71	84.48	103.31	101.77	102.93	109.85
Optimistic	53.41	53.33	53.40	53.81	59.98	59.71	59.92	61.06	65.88	65.46	65.79	67.63	78.83	78.31	78.76	81.80
<b>Median (Expected)</b>	<b>49.96</b>	<b>49.94</b>	<b>49.97</b>	<b>50.13</b>	<b>53.64</b>	<b>53.54</b>	<b>53.63</b>	<b>54.11</b>	<b>57.23</b>	<b>57.09</b>	<b>57.17</b>	<b>58.05</b>	<b>65.84</b>	<b>65.70</b>	<b>65.93</b>	<b>67.40</b>
Pessimistic	46.50	46.51	46.50	46.39	47.33	47.36	47.35	47.33	49.08	49.09	49.12	49.28	54.57	54.49	54.59	55.10
Very Pessimistic	41.58	41.72	41.64	41.18	39.79	39.91	39.83	39.22	39.09	39.22	39.13	38.53	42.07	42.28	42.14	41.43



# Wilshire Associates AVA FUNDED RATIO



**Shortfall Risk:**  
The potential for the alternatives to have a lower median funded ratio than the current policy.

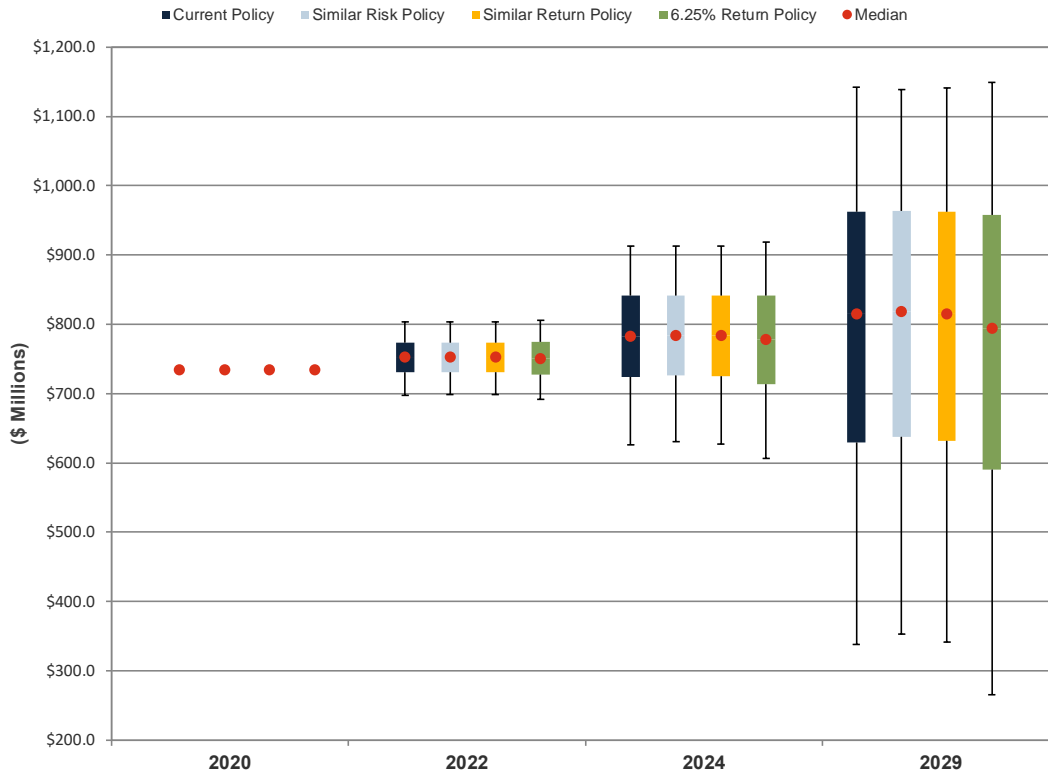
**Drawdown Risk:**  
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 50.49%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	54.07	54.03	54.05	54.24	62.09	61.88	62.02	62.97	72.36	72.07	72.28	74.34	95.07	94.12	94.93	99.46
Optimistic	53.00	52.98	53.00	53.08	57.49	57.38	57.47	57.95	63.33	63.10	63.27	64.36	76.84	76.36	76.73	79.12
<b>Median (Expected)</b>	<b>52.31</b>	<b>52.31</b>	<b>52.31</b>	<b>52.34</b>	<b>54.65</b>	<b>54.60</b>	<b>54.64</b>	<b>54.87</b>	<b>57.64</b>	<b>57.52</b>	<b>57.61</b>	<b>58.18</b>	<b>66.21</b>	<b>66.01</b>	<b>66.22</b>	<b>67.39</b>
Pessimistic	51.62	51.62	51.62	51.59	51.85	51.83	51.84	51.88	52.28	52.29	52.29	52.37	57.46	57.37	57.47	57.92
Very Pessimistic	50.63	50.66	50.65	50.55	48.16	48.23	48.17	47.82	45.69	45.83	45.74	45.20	47.27	47.45	47.39	46.97



# Wilshire Associates PLAN YEAR CONTRIBUTIONS



### Shortfall Risk:

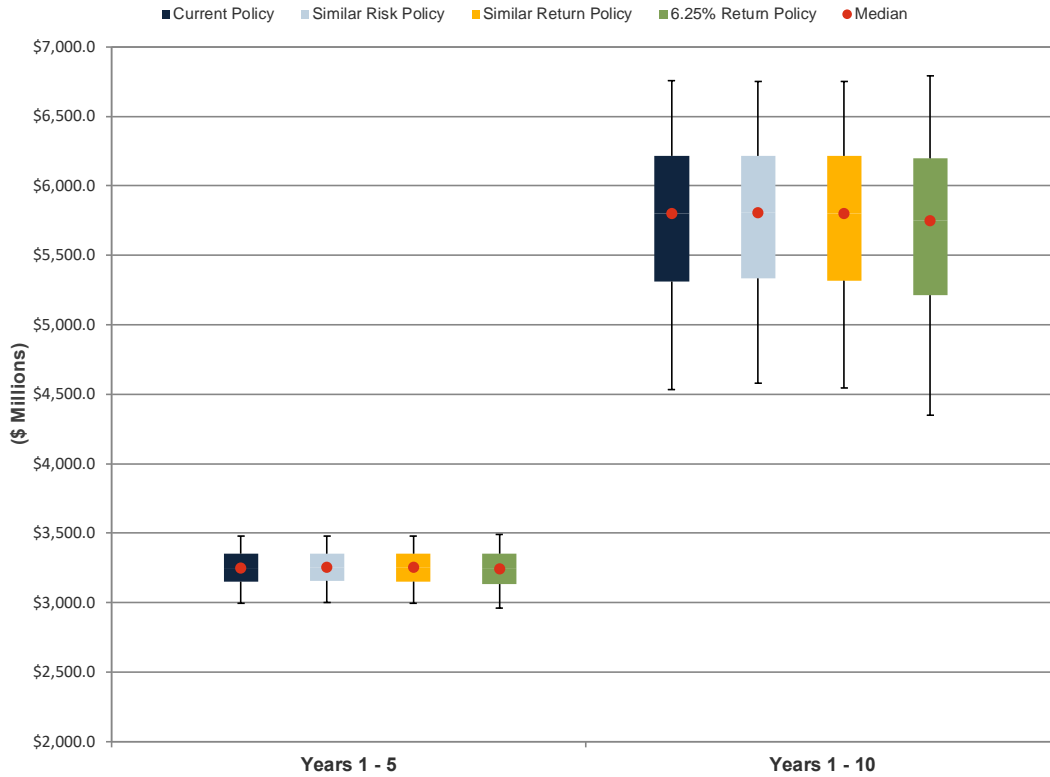
The potential for the alternatives to have higher median contributions than the current policy.

### Drawdown Risk:

The potential for the alternatives to have higher "very pessimistic" contributions than the current policy.

(\$ Millions)	2020				2022				2024				2029			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	734.9	734.9	734.9	734.9	803.6	803.0	803.3	806.2	913.4	912.3	913.3	918.5	1,141.7	1,138.7	1,140.8	1,149.5
Pessimistic	734.9	734.9	734.9	734.9	774.0	773.9	774.0	774.3	841.1	841.3	841.0	841.0	962.5	963.3	962.9	957.5
<b>Median (Expected)</b>	<b>734.9</b>	<b>734.9</b>	<b>734.9</b>	<b>734.9</b>	<b>752.4</b>	<b>752.7</b>	<b>752.4</b>	<b>750.9</b>	<b>783.2</b>	<b>784.3</b>	<b>783.7</b>	<b>777.9</b>	<b>815.2</b>	<b>818.0</b>	<b>814.8</b>	<b>794.7</b>
Optimistic	734.9	734.9	734.9	734.9	730.6	731.4	730.9	727.3	724.3	726.6	725.0	714.1	629.4	637.6	631.6	590.2
Very Optimistic	734.9	734.9	734.9	734.9	697.5	699.1	698.1	691.2	626.0	631.1	627.7	606.2	337.7	353.5	341.6	265.0

# PRESENT VALUE OF CONTRIBUTIONS



**Shortfall Risk:**  
 The potential for the alternatives to have a higher median present value of contributions than the current policy.

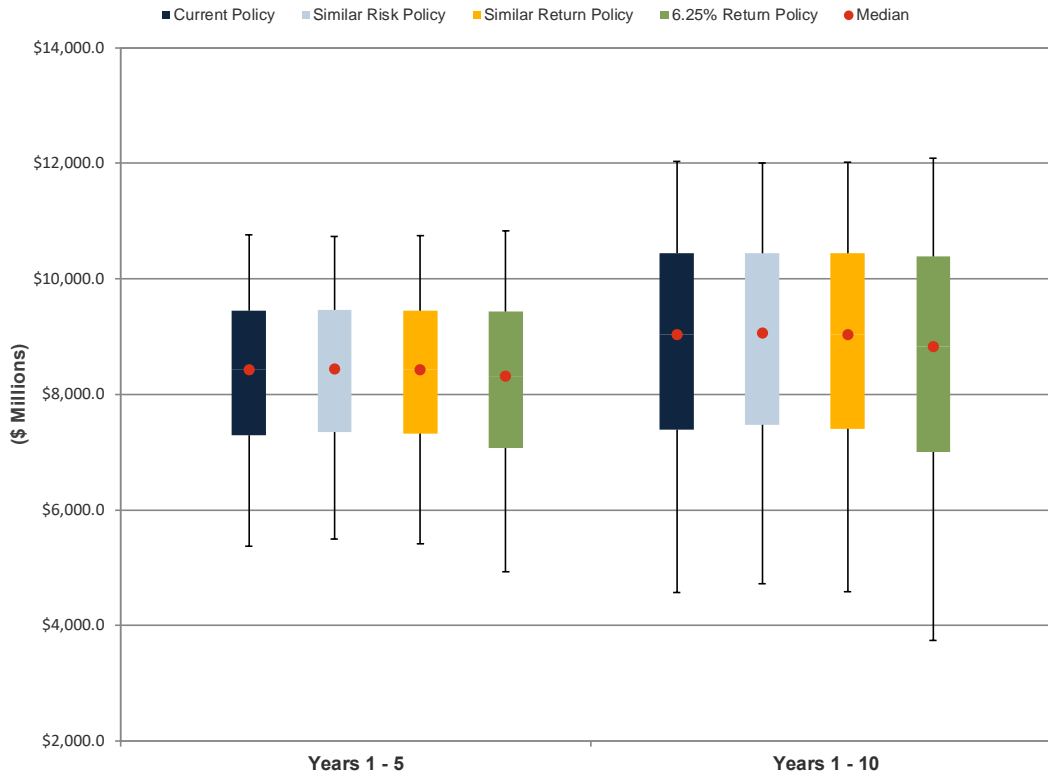
**Drawdown Risk:**  
 The potential for the alternatives to have a higher "very pessimistic" present value of contributions than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	3,478.5	3,477.2	3,478.3	3,488.9	6,757.9	6,749.5	6,751.3	6,788.5
Pessimistic	3,350.5	3,350.9	3,350.7	3,350.8	6,212.7	6,215.8	6,212.7	6,198.1
<b>Median (Expected)</b>	<b>3,251.9</b>	<b>3,253.9</b>	<b>3,252.5</b>	<b>3,243.5</b>	<b>5,798.2</b>	<b>5,808.6</b>	<b>5,799.4</b>	<b>5,747.7</b>
Optimistic	3,153.1	3,156.6	3,154.0	3,136.7	5,311.3	5,335.0	5,316.9	5,212.1
Very Optimistic	2,994.2	3,001.6	2,997.1	2,963.7	4,533.5	4,580.9	4,544.5	4,352.0



# Wilshire Associates MVA ECONOMIC COST



**Shortfall Risk:**  
The potential for the alternatives to have a higher median economic cost than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a higher "very pessimistic" economic cost than the current policy.

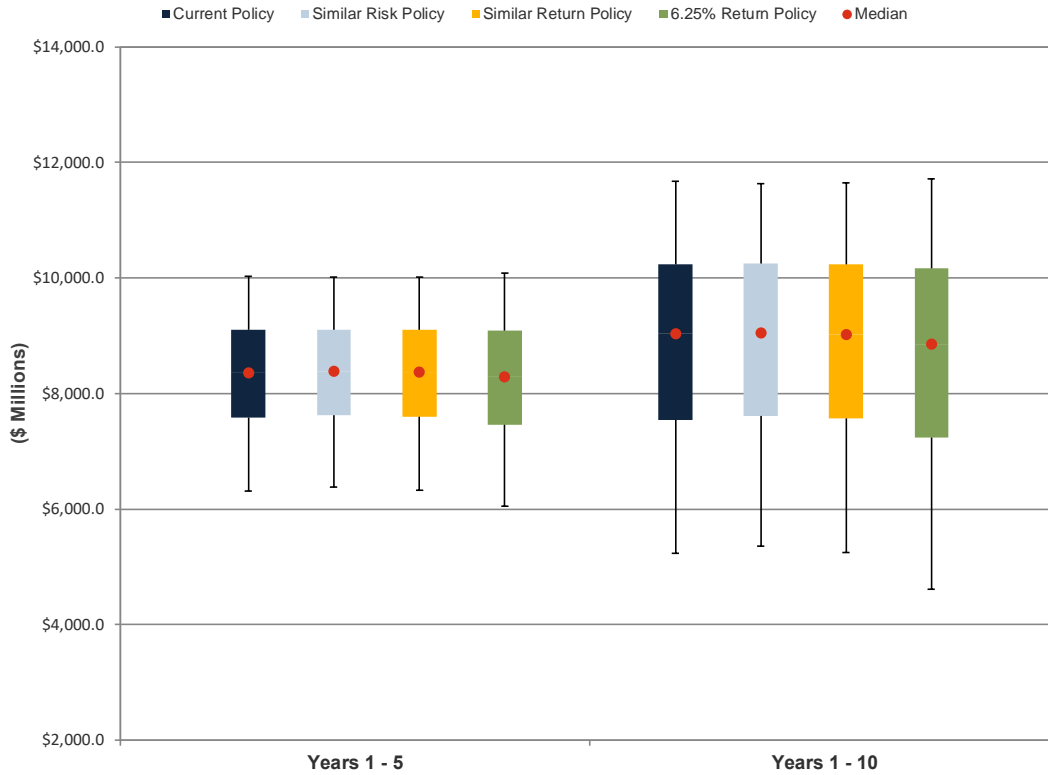
**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	10,762.9	10,734.5	10,750.3	10,836.0	12,035.2	12,010.8	12,022.0	12,091.3
Pessimistic	9,455.3	9,460.8	9,454.9	9,433.7	10,448.9	10,446.9	10,441.8	10,382.4
<b>Median (Expected)</b>	<b>8,425.9</b>	<b>8,444.2</b>	<b>8,422.8</b>	<b>8,311.4</b>	<b>9,032.2</b>	<b>9,061.3</b>	<b>9,038.7</b>	<b>8,821.4</b>
Optimistic	7,298.3	7,354.3	7,314.3	7,072.0	7,391.4	7,470.2	7,401.6	7,005.9
Very Optimistic	5,377.6	5,490.0	5,409.1	4,929.9	4,570.2	4,715.1	4,580.0	3,745.4

*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*



# Wilshire Associates AVA ECONOMIC COST



**Shortfall Risk:**  
The potential for the alternatives to have a higher median economic cost than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a higher "very pessimistic" economic cost than the current policy.

**EROA = 6.25%**

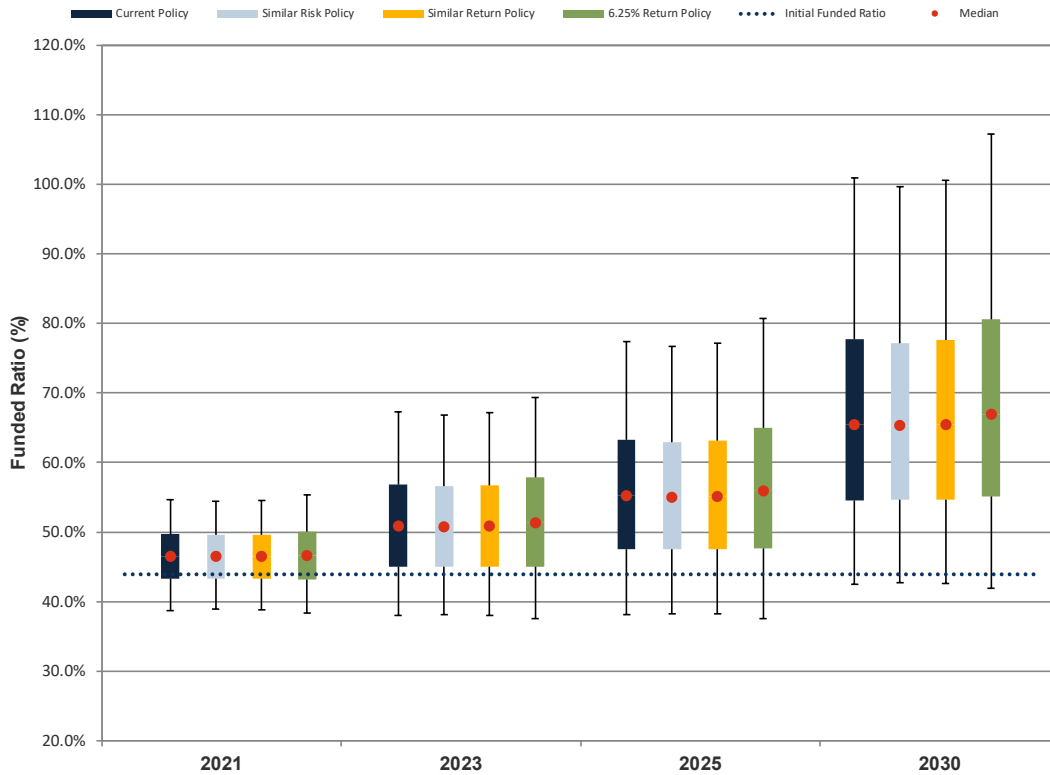
(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	10,023.2	10,009.5	10,017.2	10,084.6	11,667.8	11,635.7	11,643.5	11,712.6
Pessimistic	9,096.9	9,098.4	9,098.9	9,088.6	10,239.0	10,245.1	10,240.0	10,172.5
<b>Median (Expected)</b>	<b>8,357.3</b>	<b>8,379.4</b>	<b>8,364.8</b>	<b>8,285.6</b>	<b>9,031.0</b>	<b>9,047.6</b>	<b>9,023.6</b>	<b>8,853.7</b>
Optimistic	7,586.0	7,621.7	7,595.9	7,454.1	7,546.1	7,614.6	7,563.2	7,239.6
Very Optimistic	6,307.9	6,376.3	6,327.6	6,052.2	5,225.9	5,358.0	5,248.5	4,610.9

*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*



# PENSION – CERS Hazardous

# Wilshire Associates MVA FUNDED RATIO



### Shortfall Risk:

The potential for the alternatives to have a lower median funded ratio than the current policy.

### Drawdown Risk:

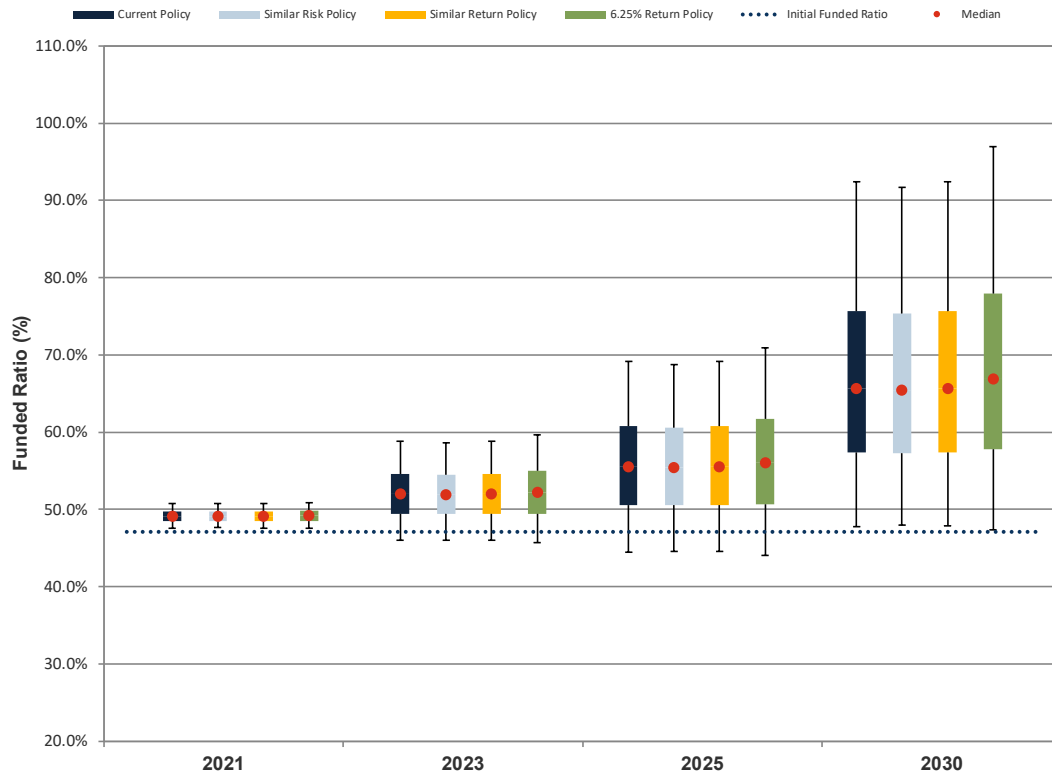
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 43.96%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	54.61	54.40	54.50	55.37	67.25	66.78	67.14	69.34	77.34	76.66	77.15	80.70	100.96	99.60	100.58	107.25
Optimistic	49.67	49.60	49.66	50.04	56.79	56.59	56.77	57.83	63.31	62.88	63.14	64.97	77.75	77.20	77.60	80.55
<b>Median (Expected)</b>	<b>46.49</b>	<b>46.46</b>	<b>46.49</b>	<b>46.64</b>	<b>50.90</b>	<b>50.80</b>	<b>50.87</b>	<b>51.37</b>	<b>55.18</b>	<b>55.00</b>	<b>55.15</b>	<b>55.91</b>	<b>65.44</b>	<b>65.28</b>	<b>65.49</b>	<b>66.95</b>
Pessimistic	43.29	43.30	43.29	43.19	45.06	45.05	45.04	45.04	47.55	47.52	47.56	47.66	54.60	54.60	54.68	55.16
Very Pessimistic	38.75	38.88	38.80	38.38	37.99	38.12	38.04	37.54	38.12	38.29	38.19	37.60	42.50	42.70	42.59	41.87



# Wilshire Associates AVA FUNDED RATIO



**Shortfall Risk:**  
The potential for the alternatives to have a lower median funded ratio than the current policy.

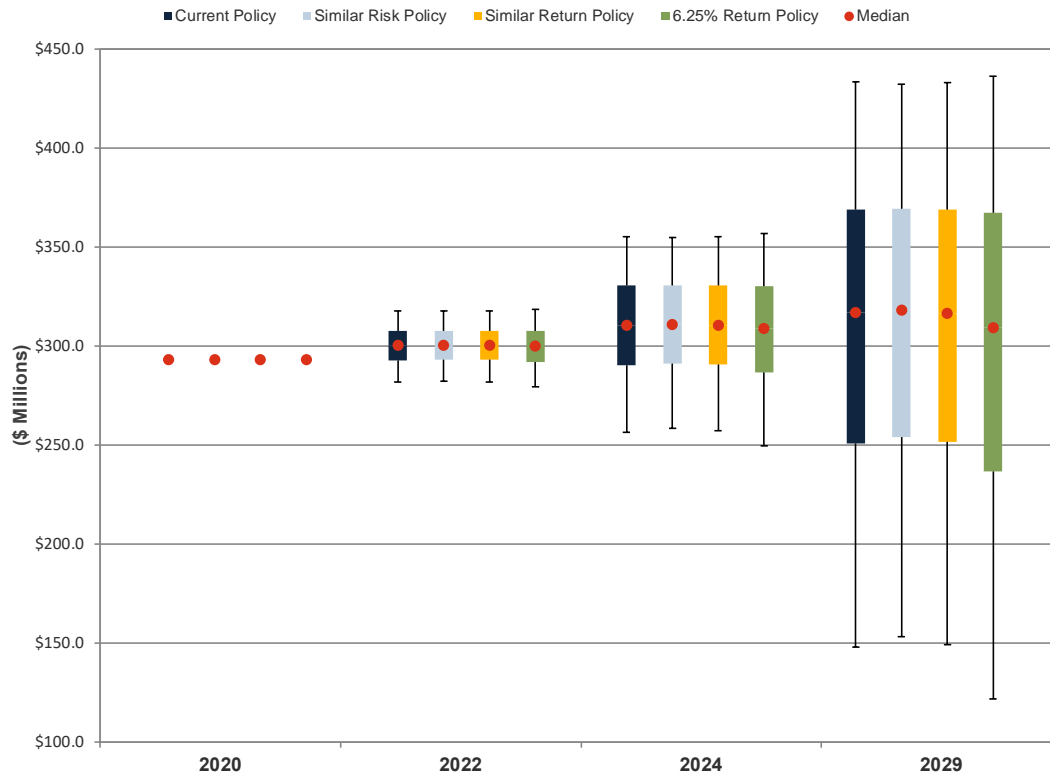
**Drawdown Risk:**  
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 47.11%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	50.77	50.73	50.75	50.93	58.88	58.65	58.79	59.66	69.21	68.75	69.13	70.95	92.46	91.69	92.39	96.92
Optimistic	49.78	49.77	49.78	49.86	54.62	54.52	54.59	55.05	60.80	60.57	60.75	61.76	75.72	75.32	75.64	77.90
<b>Median (Expected)</b>	<b>49.15</b>	<b>49.14</b>	<b>49.15</b>	<b>49.18</b>	<b>52.00</b>	<b>51.94</b>	<b>51.99</b>	<b>52.17</b>	<b>55.56</b>	<b>55.44</b>	<b>55.50</b>	<b>56.03</b>	<b>65.66</b>	<b>65.49</b>	<b>65.69</b>	<b>66.88</b>
Pessimistic	48.51	48.51	48.51	48.49	49.41	49.39	49.39	49.43	50.59	50.57	50.59	50.68	57.39	57.33	57.41	57.78
Very Pessimistic	47.60	47.63	47.61	47.53	45.98	46.06	46.00	45.70	44.52	44.61	44.55	44.08	47.73	47.94	47.86	47.41



# Wilshire Associates PLAN YEAR CONTRIBUTIONS



### Shortfall Risk:

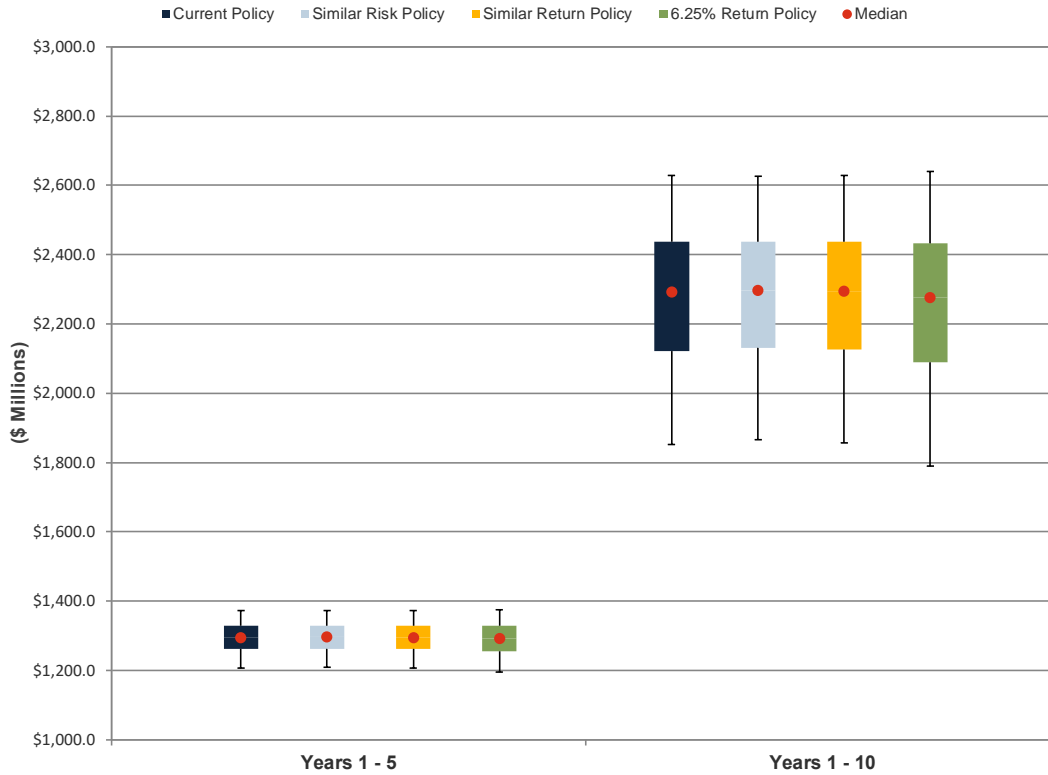
The potential for the alternatives to have higher median contributions than the current policy.

### Drawdown Risk:

The potential for the alternatives to have higher "very pessimistic" contributions than the current policy.

(\$ Millions)	2020				2022				2024				2029			
	Current	Similar	Similar	6.25%	Current	Similar	Similar	6.25%	Current	Similar	Similar	6.25%	Current	Similar	Similar	6.25%
	Policy	Risk Policy	Return Policy	Return Policy	Policy	Risk Policy	Return Policy	Return Policy	Policy	Risk Policy	Return Policy	Return Policy	Policy	Risk Policy	Return Policy	Return Policy
Very Pessimistic	293.1	293.1	293.1	293.1	317.8	317.5	317.7	318.6	355.2	354.9	355.1	356.9	433.6	432.1	433.0	436.2
Pessimistic	293.1	293.1	293.1	293.1	307.6	307.6	307.6	307.8	330.4	330.5	330.5	330.1	369.0	369.3	368.9	367.3
<b>Median (Expected)</b>	<b>293.1</b>	<b>293.1</b>	<b>293.1</b>	<b>293.1</b>	<b>300.2</b>	<b>300.4</b>	<b>300.3</b>	<b>299.8</b>	<b>310.5</b>	<b>310.8</b>	<b>310.6</b>	<b>308.6</b>	<b>316.9</b>	<b>317.9</b>	<b>316.6</b>	<b>309.3</b>
Optimistic	293.1	293.1	293.1	293.1	292.8	293.1	292.9	291.7	290.2	291.0	290.5	286.7	250.8	254.0	251.6	236.5
Very Optimistic	293.1	293.1	293.1	293.1	281.6	282.1	281.8	279.5	256.5	258.3	257.1	249.6	147.8	153.2	149.2	121.7

# PRESENT VALUE OF CONTRIBUTIONS



**Shortfall Risk:**  
 The potential for the alternatives to have a higher median present value of contributions than the current policy.

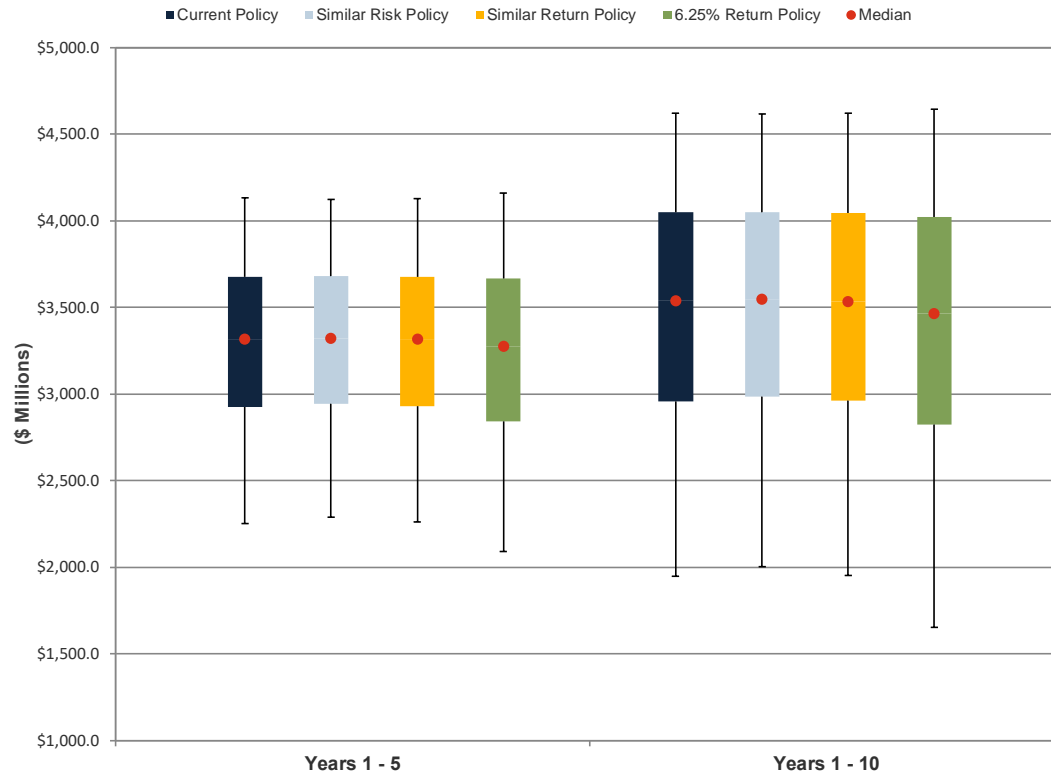
**Drawdown Risk:**  
 The potential for the alternatives to have a higher “very pessimistic” present value of contributions than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	1,372.7	1,372.3	1,372.5	1,376.0	2,629.7	2,625.9	2,627.4	2,639.0
Pessimistic	1,328.9	1,329.0	1,328.8	1,328.8	2,437.6	2,438.4	2,438.0	2,433.3
<b>Median (Expected)</b>	<b>1,295.1</b>	<b>1,295.8</b>	<b>1,295.3</b>	<b>1,292.1</b>	<b>2,292.1</b>	<b>2,296.2</b>	<b>2,293.5</b>	<b>2,276.3</b>
Optimistic	1,261.3	1,262.6	1,261.7	1,255.6	2,122.8	2,131.6	2,125.4	2,089.1
Very Optimistic	1,206.8	1,209.7	1,207.8	1,196.1	1,851.4	1,867.0	1,856.4	1,788.8



# Wilshire Associates MVA ECONOMIC COST



**Shortfall Risk:**  
The potential for the alternatives to have a higher median economic cost than the current policy.

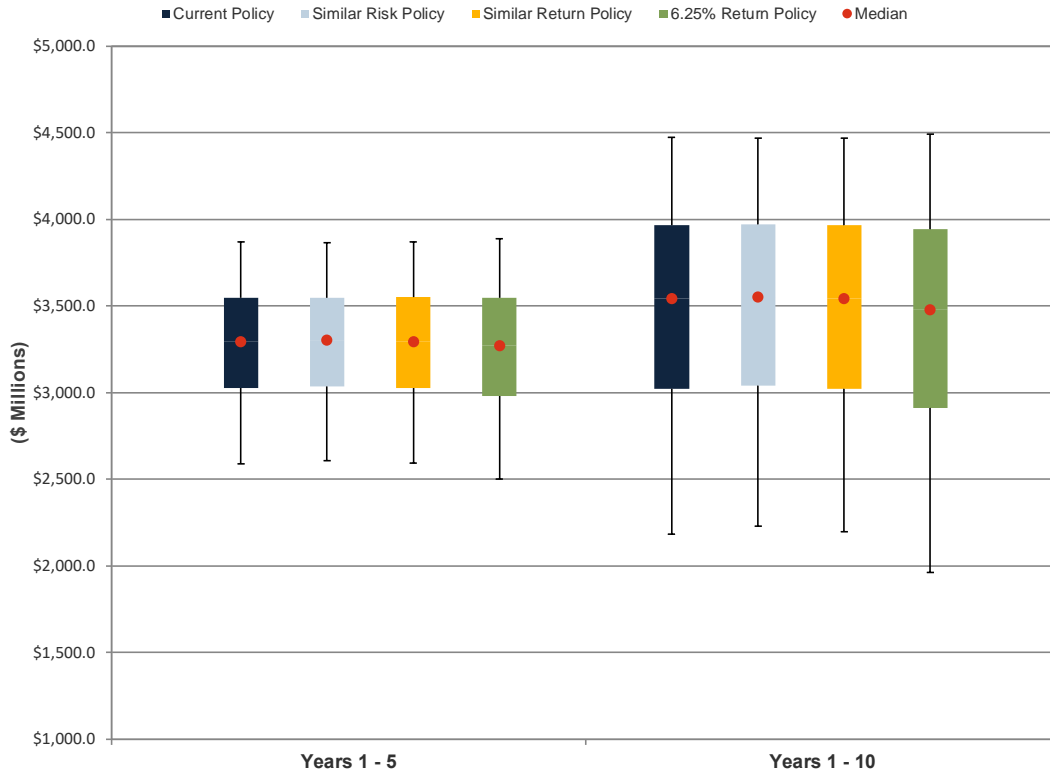
**Drawdown Risk:**  
The potential for the alternatives to have a higher “very pessimistic” economic cost than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	4,134.6	4,123.0	4,128.6	4,160.6	4,623.1	4,615.5	4,621.7	4,645.1
Pessimistic	3,677.2	3,678.8	3,677.9	3,669.4	4,047.9	4,050.0	4,045.2	4,021.6
<b>Median (Expected)</b>	<b>3,315.6</b>	<b>3,320.8</b>	<b>3,315.1</b>	<b>3,277.9</b>	<b>3,537.6</b>	<b>3,548.0</b>	<b>3,535.8</b>	<b>3,465.4</b>
Optimistic	2,924.1	2,943.4	2,928.2	2,844.1	2,957.4	2,985.3	2,962.0	2,822.9
Very Optimistic	2,251.6	2,289.6	2,261.2	2,093.5	1,949.0	2,004.1	1,954.7	1,652.1

*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*

# Wilshire Associates AVA ECONOMIC COST



**Shortfall Risk:**  
The potential for the alternatives to have a higher median economic cost than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a higher “very pessimistic” economic cost than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	3,870.1	3,863.5	3,868.2	3,889.9	4,471.8	4,467.4	4,470.1	4,493.6
Pessimistic	3,548.6	3,549.6	3,549.9	3,545.9	3,966.7	3,970.6	3,966.9	3,944.6
<b>Median (Expected)</b>	<b>3,294.3</b>	<b>3,301.1</b>	<b>3,296.3</b>	<b>3,269.5</b>	<b>3,541.3</b>	<b>3,549.9</b>	<b>3,541.4</b>	<b>3,480.3</b>
Optimistic	3,025.9	3,036.5	3,028.7	2,980.0	3,020.3	3,042.2	3,023.9	2,910.2
Very Optimistic	2,589.8	2,608.5	2,591.8	2,500.8	2,183.2	2,230.3	2,195.3	1,960.9

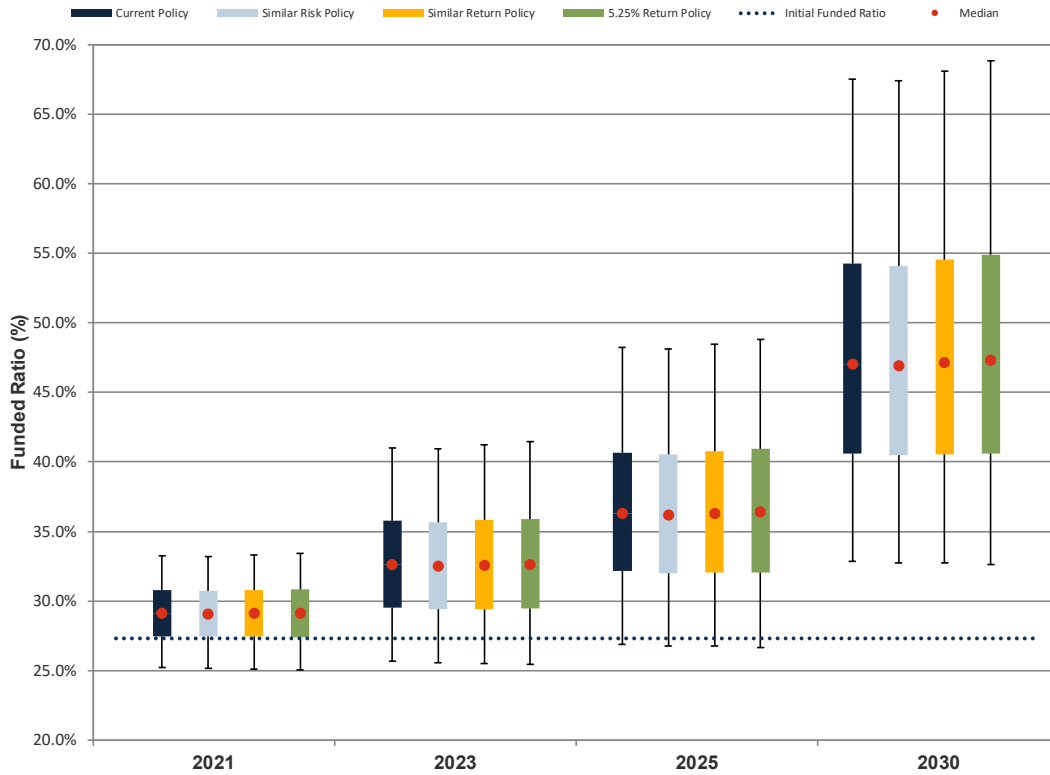
*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*





# PENSION – SPRS

# Wilshire Associates MVA FUNDED RATIO



**Shortfall Risk:**  
The potential for the alternatives to have a lower median funded ratio than the current policy.

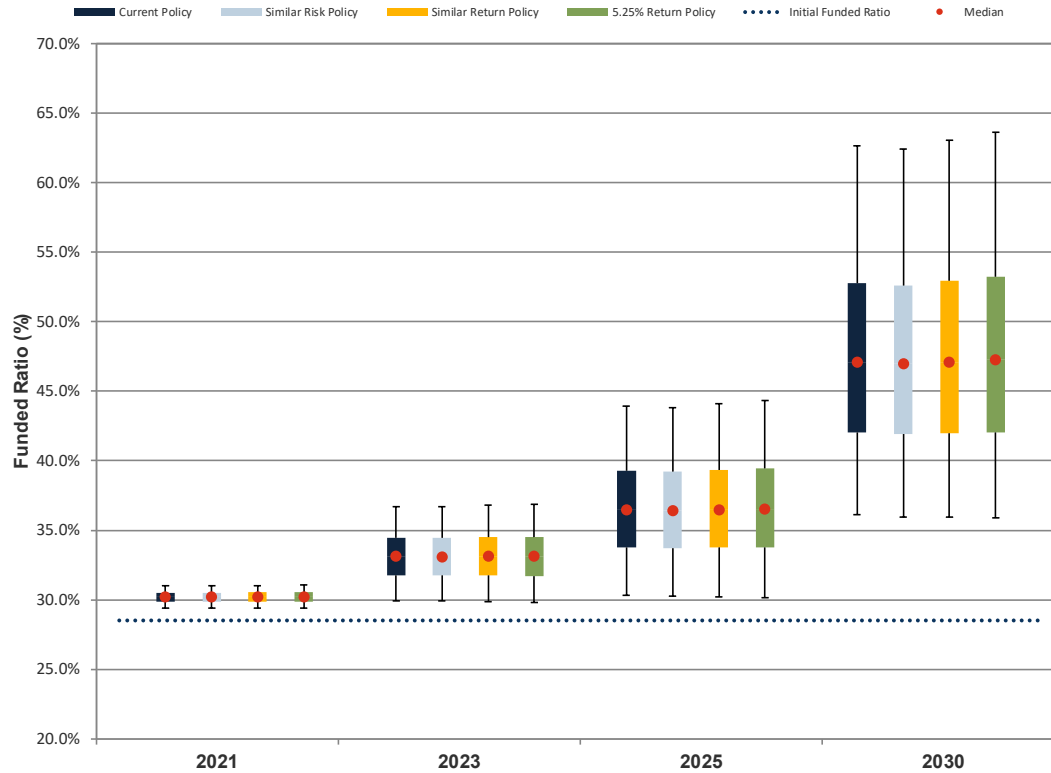
**Drawdown Risk:**  
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 27.30%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy
Very Optimistic	33.24	33.18	33.31	33.40	41.00	40.94	41.22	41.45	48.21	48.09	48.48	48.78	67.50	67.39	68.08	68.84
Optimistic	30.76	30.74	30.78	30.82	35.77	35.68	35.81	35.92	40.66	40.54	40.75	40.91	54.27	54.11	54.55	54.88
<b>Median (Expected)</b>	<b>29.12</b>	<b>29.09</b>	<b>29.11</b>	<b>29.13</b>	<b>32.59</b>	<b>32.51</b>	<b>32.58</b>	<b>32.63</b>	<b>36.29</b>	<b>36.19</b>	<b>36.31</b>	<b>36.40</b>	<b>47.05</b>	<b>46.89</b>	<b>47.12</b>	<b>47.32</b>
Pessimistic	27.47	27.45	27.44	27.42	29.49	29.42	29.43	29.44	32.15	32.01	32.04	32.07	40.61	40.49	40.55	40.63
Very Pessimistic	25.19	25.18	25.12	25.07	25.66	25.57	25.52	25.44	26.87	26.79	26.74	26.64	32.86	32.74	32.72	32.62



# Wilshire Associates AVA FUNDED RATIO



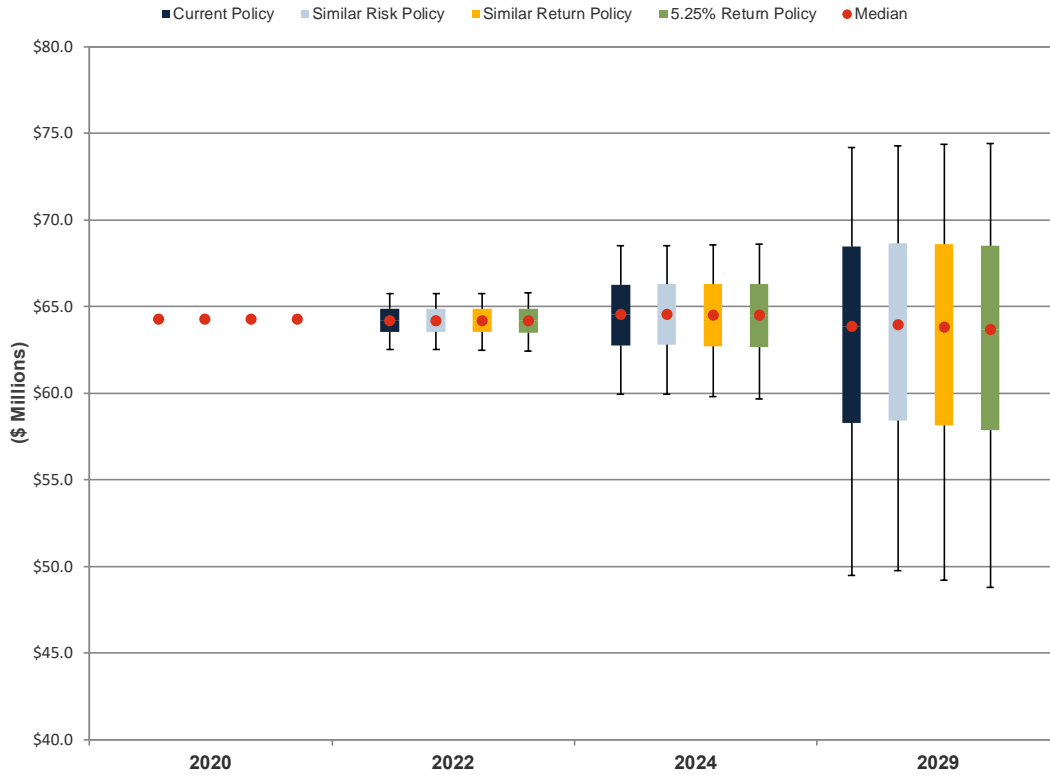
**Shortfall Risk:**  
The potential for the alternatives to have a lower median funded ratio than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 28.50%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy
Very Optimistic	31.02	31.01	31.03	31.05	36.71	36.67	36.79	36.88	43.95	43.84	44.13	44.31	62.63	62.43	63.05	63.64
Optimistic	30.52	30.52	30.53	30.54	34.47	34.43	34.49	34.54	39.27	39.20	39.34	39.45	52.78	52.59	52.95	53.22
<b>Median (Expected)</b>	<b>30.19</b>	<b>30.19</b>	<b>30.19</b>	<b>30.20</b>	<b>33.12</b>	<b>33.11</b>	<b>33.13</b>	<b>33.15</b>	<b>36.45</b>	<b>36.38</b>	<b>36.46</b>	<b>36.51</b>	<b>47.06</b>	<b>46.94</b>	<b>47.10</b>	<b>47.25</b>
Pessimistic	29.86	29.86	29.86	29.85	31.78	31.73	31.74	31.73	33.79	33.74	33.76	33.77	42.05	41.94	41.99	42.03
Very Pessimistic	29.41	29.41	29.40	29.38	29.93	29.90	29.86	29.83	30.33	30.27	30.24	30.17	36.11	35.97	35.93	35.88

# Wilshire Associates PLAN YEAR CONTRIBUTIONS

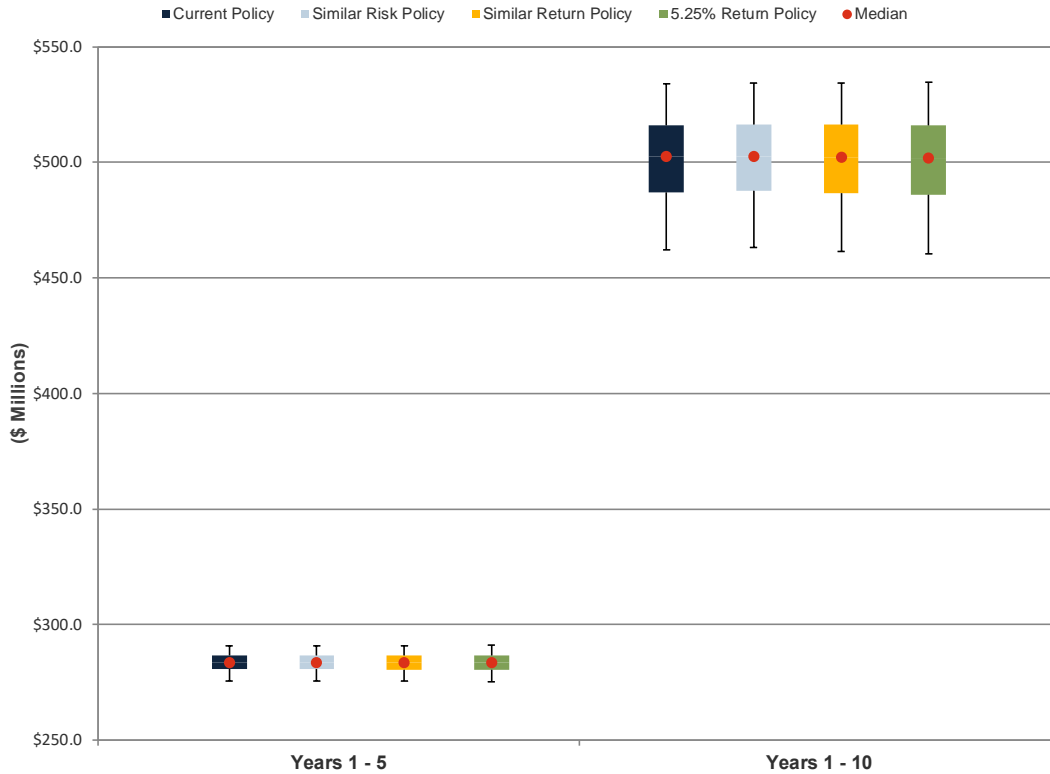


**Shortfall Risk:**  
The potential for the alternatives to have higher median contributions than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have higher "very pessimistic" contributions than the current policy.

(\$ Millions)	2020				2022				2024				2029			
	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy
Very Pessimistic	64.3	64.3	64.3	64.3	65.7	65.8	65.8	65.8	68.5	68.5	68.6	68.6	74.2	74.3	74.4	74.4
Pessimistic	64.3	64.3	64.3	64.3	64.9	64.9	64.9	64.9	66.3	66.3	66.3	66.3	68.5	68.6	68.6	68.5
<b>Median (Expected)</b>	<b>64.3</b>	<b>64.3</b>	<b>64.3</b>	<b>64.3</b>	<b>64.2</b>	<b>64.2</b>	<b>64.2</b>	<b>64.2</b>	<b>64.5</b>	<b>64.6</b>	<b>64.5</b>	<b>64.5</b>	<b>63.9</b>	<b>64.0</b>	<b>63.8</b>	<b>63.7</b>
Optimistic	64.3	64.3	64.3	64.3	63.5	63.6	63.5	63.5	62.8	62.8	62.7	62.7	58.3	58.4	58.1	57.9
Very Optimistic	64.3	64.3	64.3	64.3	62.5	62.5	62.5	62.4	59.9	60.0	59.8	59.7	49.5	49.7	49.2	48.8

# PRESENT VALUE OF CONTRIBUTIONS



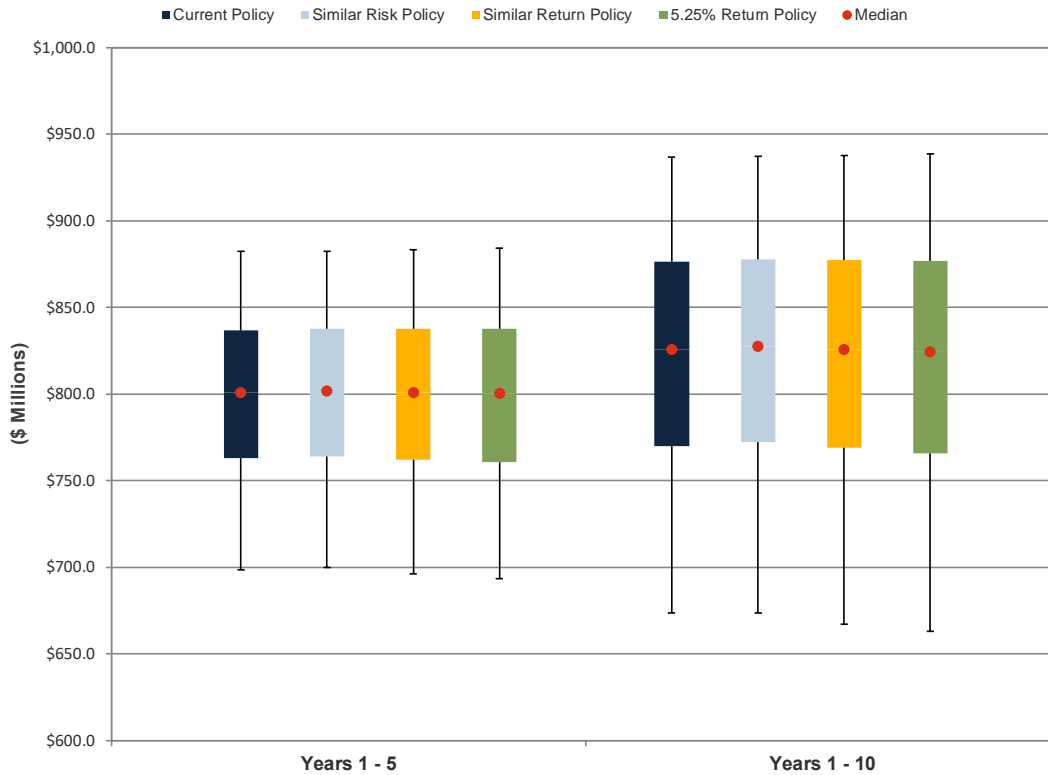
**Shortfall Risk:**  
 The potential for the alternatives to have a higher median present value of contributions than the current policy.

**Drawdown Risk:**  
 The potential for the alternatives to have a higher "very pessimistic" present value of contributions than the current policy.

**EROA = 5.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy
Very Pessimistic	290.8	290.8	290.9	290.9	534.0	534.2	534.5	534.6
Pessimistic	286.6	286.7	286.7	286.7	516.1	516.5	516.3	516.2
<b>Median (Expected)</b>	<b>283.5</b>	<b>283.6</b>	<b>283.5</b>	<b>283.5</b>	<b>502.5</b>	<b>502.7</b>	<b>502.2</b>	<b>501.9</b>
Optimistic	280.5	280.6	280.5	280.4	487.1	487.6	486.7	486.1
Very Optimistic	275.6	275.7	275.4	275.2	462.3	463.0	461.5	460.3

# Wilshire Associates MVA ECONOMIC COST



(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy
Very Pessimistic	882.5	882.4	883.3	884.3	936.5	937.3	937.7	938.8
Pessimistic	837.0	837.9	837.6	837.5	876.5	877.8	877.4	876.9
<b>Median (Expected)</b>	<b>800.9</b>	<b>801.9</b>	<b>801.0</b>	<b>800.2</b>	<b>825.9</b>	<b>827.8</b>	<b>825.6</b>	<b>824.2</b>
Optimistic	763.1	764.2	762.2	760.8	770.2	772.4	768.9	766.0
Very Optimistic	698.7	700.0	696.4	693.3	673.8	673.8	667.3	662.9

### Shortfall Risk:

The potential for the alternatives to have a higher median economic cost than the current policy.

### Drawdown Risk:

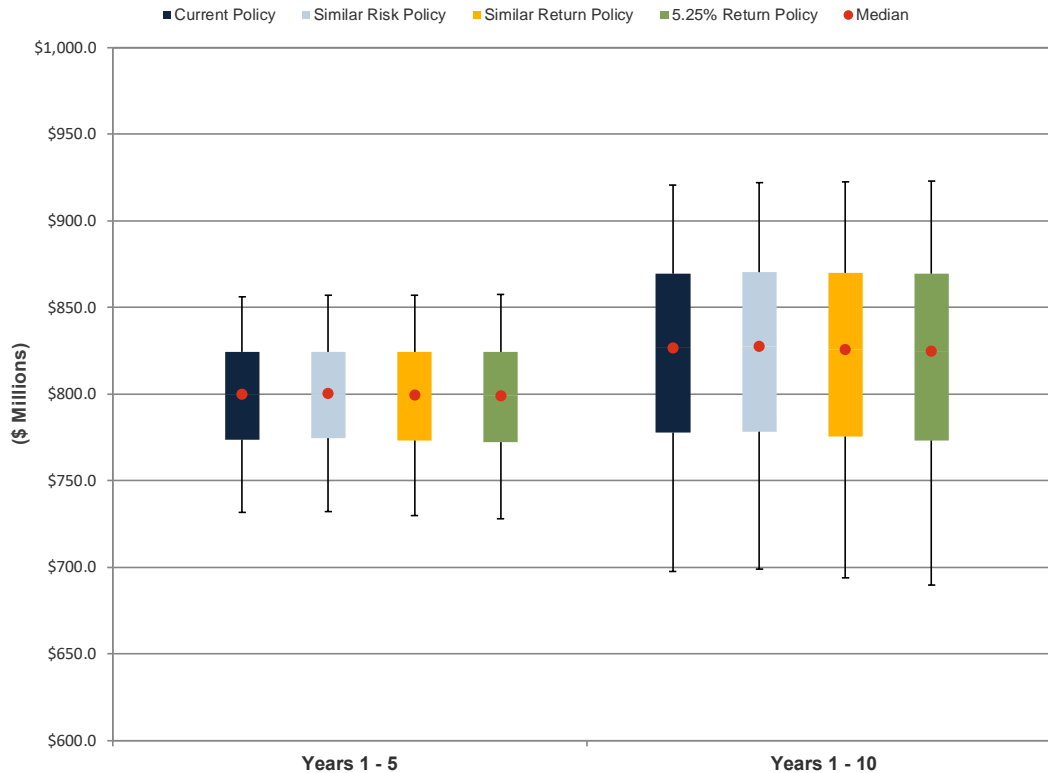
The potential for the alternatives to have a higher "very pessimistic" economic cost than the current policy.

**EROA = 5.25%**

*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*



# Wilshire Associates AVA ECONOMIC COST



(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	5.25% Return Policy
Very Pessimistic	856.1	856.9	857.1	857.5	920.7	922.0	922.4	922.8
Pessimistic	824.1	824.5	824.3	824.3	869.3	870.4	869.8	869.4
<b>Median (Expected)</b>	<b>799.9</b>	<b>800.3</b>	<b>799.6</b>	<b>799.0</b>	<b>826.9</b>	<b>827.5</b>	<b>825.9</b>	<b>824.6</b>
Optimistic	773.5	774.4	773.3	772.2	777.7	778.1	775.4	773.2
Very Optimistic	731.8	732.2	729.9	727.8	697.5	699.1	694.1	689.9

### Shortfall Risk:

The potential for the alternatives to have a higher median economic cost than the current policy.

### Drawdown Risk:

The potential for the alternatives to have a higher "very pessimistic" economic cost than the current policy.

**EROA = 5.25%**

*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*

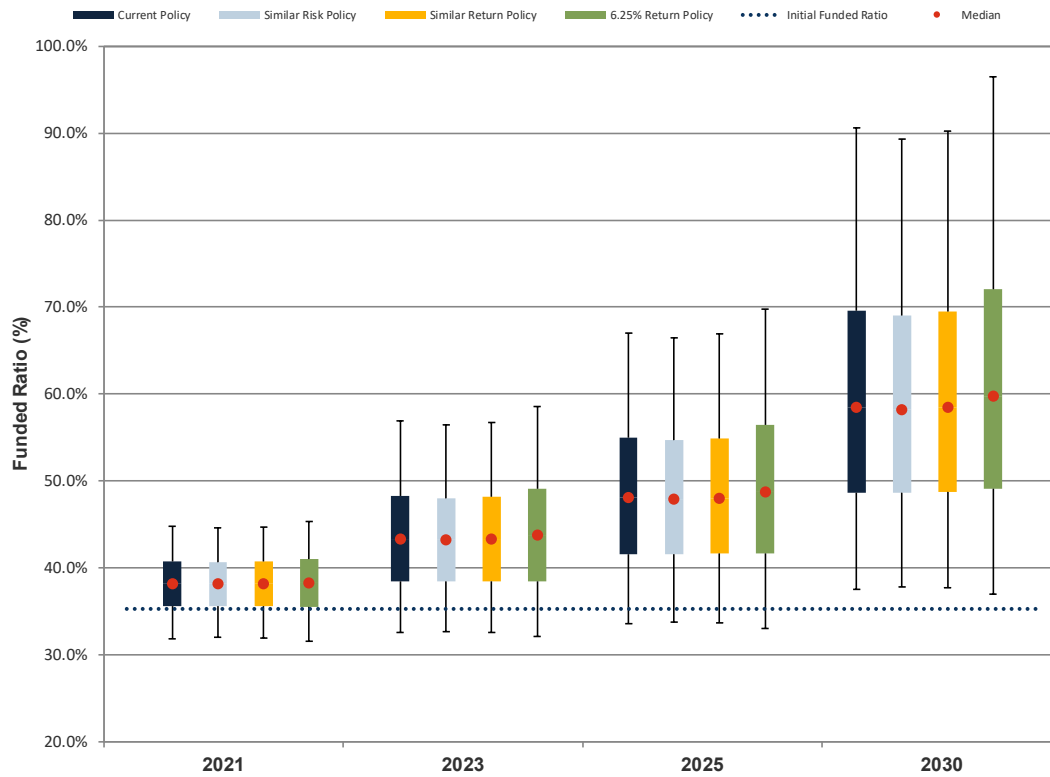


# INSURANCE – KERS Non-Hazardous





# Wilshire Associates MVA FUNDED RATIO



### Shortfall Risk:

The potential for the alternatives to have a lower median funded ratio than the current policy.

### Drawdown Risk:

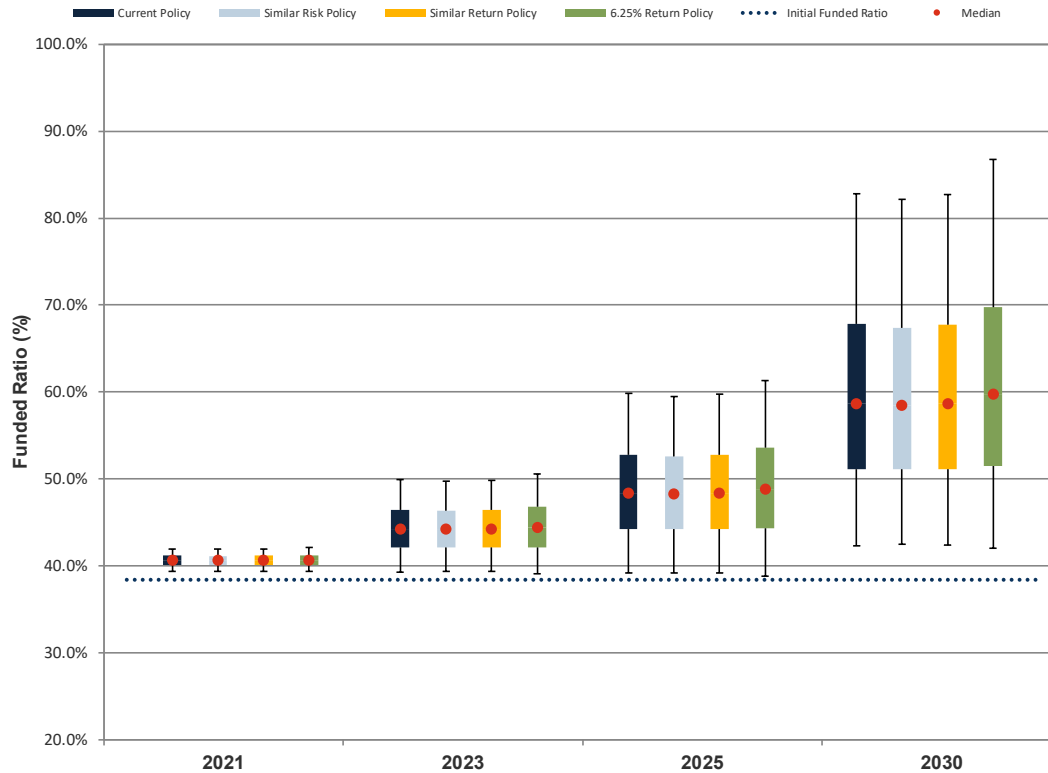
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 35.26%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	44.75	44.59	44.67	45.37	56.87	56.45	56.70	58.56	66.98	66.45	66.89	69.74	90.64	89.29	90.22	96.45
Optimistic	40.75	40.69	40.74	41.05	48.25	48.03	48.17	49.09	55.02	54.71	54.91	56.44	69.55	69.04	69.49	72.09
<b>Median (Expected)</b>	<b>38.16</b>	<b>38.14</b>	<b>38.16</b>	<b>38.29</b>	<b>43.29</b>	<b>43.20</b>	<b>43.28</b>	<b>43.73</b>	<b>48.06</b>	<b>47.90</b>	<b>48.02</b>	<b>48.72</b>	<b>58.45</b>	<b>58.21</b>	<b>58.44</b>	<b>59.76</b>
Pessimistic	35.56	35.57	35.57	35.48	38.46	38.43	38.45	38.45	41.61	41.61	41.64	41.69	48.60	48.64	48.72	49.12
Very Pessimistic	31.87	31.98	31.92	31.57	32.53	32.64	32.56	32.15	33.61	33.78	33.68	32.98	37.55	37.79	37.70	37.02



# Wilshire Associates AVA FUNDED RATIO



**Shortfall Risk:**  
The potential for the alternatives to have a lower median funded ratio than the current policy.

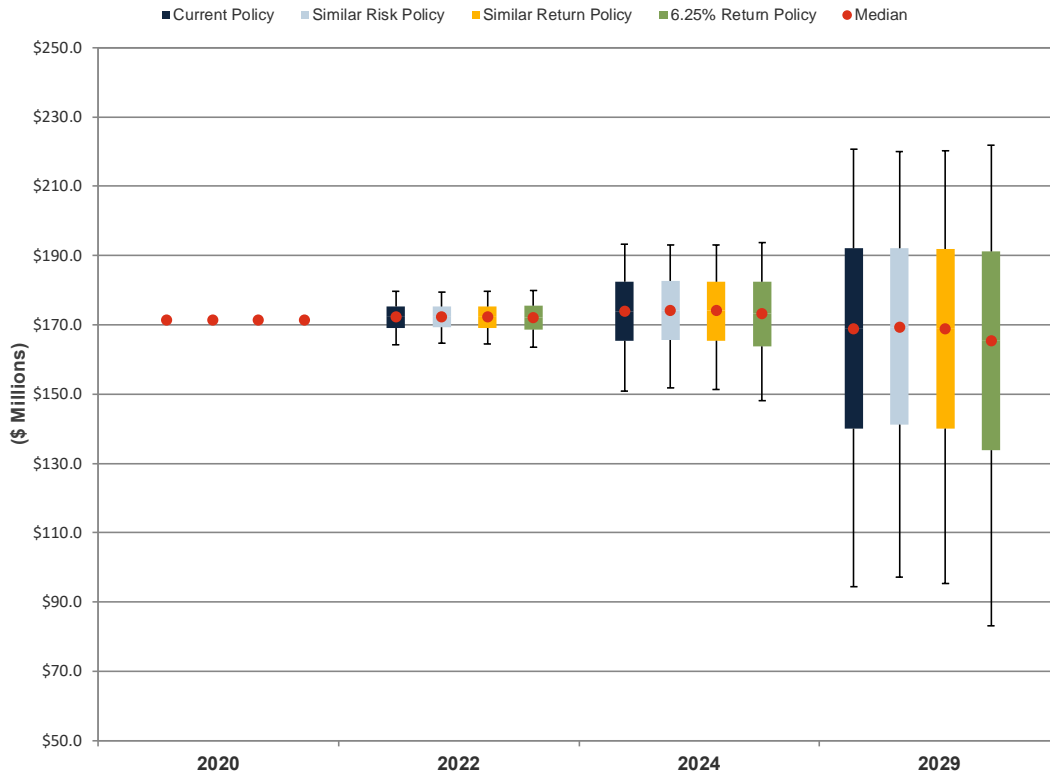
**Drawdown Risk:**  
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 38.38%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	41.96	41.93	41.95	42.09	49.91	49.73	49.86	50.57	59.82	59.52	59.73	61.33	82.76	82.13	82.75	86.74
Optimistic	41.16	41.15	41.16	41.22	46.42	46.34	46.40	46.76	52.80	52.62	52.75	53.60	67.79	67.37	67.71	69.74
<b>Median (Expected)</b>	<b>40.65</b>	<b>40.64</b>	<b>40.65</b>	<b>40.67</b>	<b>44.25</b>	<b>44.21</b>	<b>44.24</b>	<b>44.41</b>	<b>48.39</b>	<b>48.31</b>	<b>48.37</b>	<b>48.80</b>	<b>58.65</b>	<b>58.51</b>	<b>58.65</b>	<b>59.74</b>
Pessimistic	40.13	40.13	40.13	40.11	42.11	42.11	42.13	42.13	44.23	44.22	44.24	44.28	51.13	51.10	51.16	51.45
Very Pessimistic	39.39	39.41	39.40	39.33	39.32	39.36	39.33	39.09	39.14	39.22	39.18	38.80	42.35	42.46	42.39	42.05



# Wilshire Associates PLAN YEAR CONTRIBUTIONS

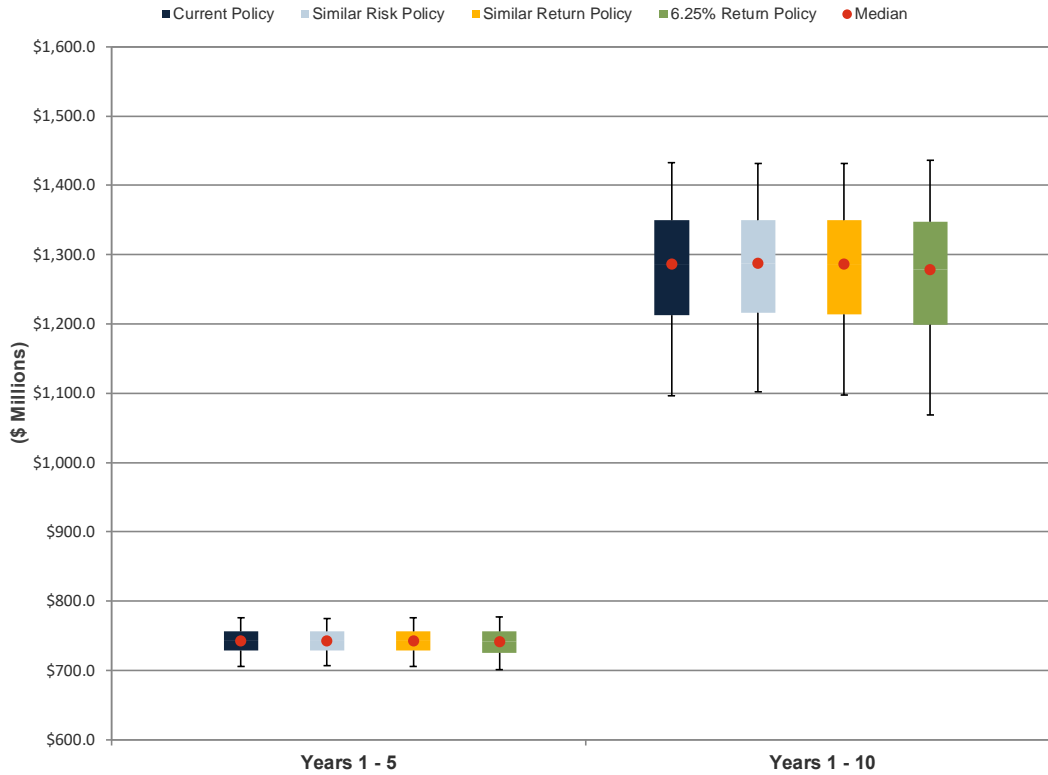


**Shortfall Risk:**  
The potential for the alternatives to have higher median contributions than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have higher "very pessimistic" contributions than the current policy.

(\$ Millions)	2020				2022				2024				2029			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	171.5	171.5	171.5	171.5	179.6	179.6	179.6	180.0	193.2	193.1	193.1	193.8	220.6	220.0	220.1	221.9
Pessimistic	171.5	171.5	171.5	171.5	175.4	175.4	175.4	175.4	182.5	182.6	182.5	182.4	192.0	192.0	191.8	191.2
<b>Median (Expected)</b>	<b>171.5</b>	<b>171.5</b>	<b>171.5</b>	<b>171.5</b>	<b>172.3</b>	<b>172.3</b>	<b>172.3</b>	<b>172.0</b>	<b>174.0</b>	<b>174.2</b>	<b>174.1</b>	<b>173.3</b>	<b>168.8</b>	<b>169.3</b>	<b>168.8</b>	<b>165.5</b>
Optimistic	171.5	171.5	171.5	171.5	169.1	169.2	169.1	168.6	165.4	165.7	165.5	163.8	140.0	141.2	140.1	133.8
Very Optimistic	171.5	171.5	171.5	171.5	164.4	164.6	164.4	163.5	150.9	151.7	151.2	148.2	94.5	97.2	95.4	83.2

# PRESENT VALUE OF CONTRIBUTIONS



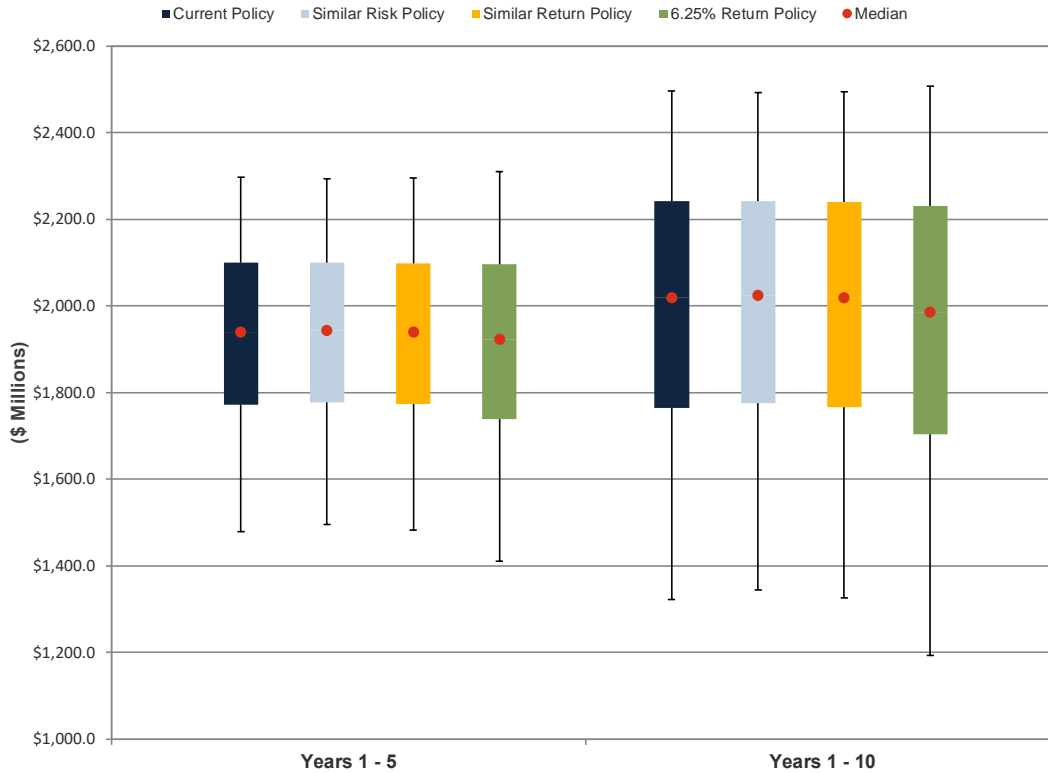
**Shortfall Risk:**  
The potential for the alternatives to have a higher median present value of contributions than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a higher “very pessimistic” present value of contributions than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	775.7	775.4	775.6	777.0	1,432.3	1,431.2	1,431.9	1,435.8
Pessimistic	757.0	757.0	757.0	756.9	1,349.3	1,349.7	1,349.3	1,347.1
<b>Median (Expected)</b>	<b>742.7</b>	<b>743.0</b>	<b>742.8</b>	<b>741.4</b>	<b>1,286.1</b>	<b>1,288.1</b>	<b>1,286.6</b>	<b>1,278.7</b>
Optimistic	728.3	728.8	728.4	725.9	1,212.8	1,216.2	1,213.8	1,198.3
Very Optimistic	705.4	706.5	705.7	700.9	1,096.1	1,102.3	1,097.9	1,068.9

# Wilshire Associates MVA ECONOMIC COST



**Shortfall Risk:**  
The potential for the alternatives to have a higher median economic cost than the current policy.

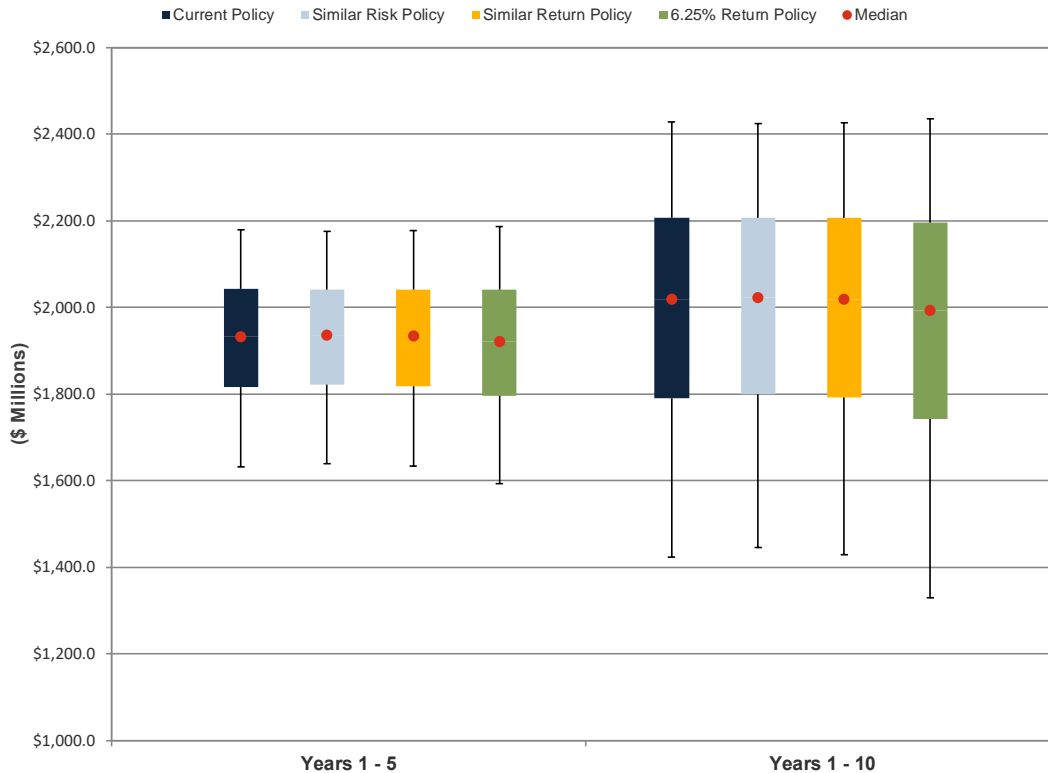
**Drawdown Risk:**  
The potential for the alternatives to have a higher “very pessimistic” economic cost than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	2,298.1	2,293.8	2,295.9	2,310.7	2,496.0	2,493.2	2,494.1	2,507.1
Pessimistic	2,099.6	2,100.3	2,099.1	2,096.0	2,241.3	2,241.8	2,239.6	2,230.6
<b>Median (Expected)</b>	<b>1,940.6</b>	<b>1,943.3</b>	<b>1,940.2</b>	<b>1,924.0</b>	<b>2,018.7</b>	<b>2,024.0</b>	<b>2,019.0</b>	<b>1,985.6</b>
Optimistic	1,771.6	1,778.4	1,773.1	1,738.0	1,763.9	1,776.3	1,766.4	1,704.5
Very Optimistic	1,479.6	1,496.4	1,483.4	1,411.4	1,321.8	1,345.1	1,325.4	1,192.7

*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*

# Wilshire Associates AVA ECONOMIC COST



**Shortfall Risk:**  
The potential for the alternatives to have a higher median economic cost than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a higher "very pessimistic" economic cost than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	2,178.8	2,175.5	2,177.7	2,187.6	2,427.7	2,424.4	2,426.6	2,436.2
Pessimistic	2,042.2	2,041.7	2,041.6	2,040.6	2,206.1	2,206.7	2,206.2	2,196.3
<b>Median (Expected)</b>	<b>1,932.9</b>	<b>1,935.7</b>	<b>1,933.4</b>	<b>1,921.8</b>	<b>2,019.3</b>	<b>2,023.5</b>	<b>2,019.5</b>	<b>1,992.4</b>
Optimistic	1,816.9	1,822.2	1,817.6	1,796.8	1,790.9	1,800.4	1,793.1	1,742.4
Very Optimistic	1,632.3	1,640.0	1,633.0	1,594.1	1,423.7	1,445.7	1,429.0	1,330.3

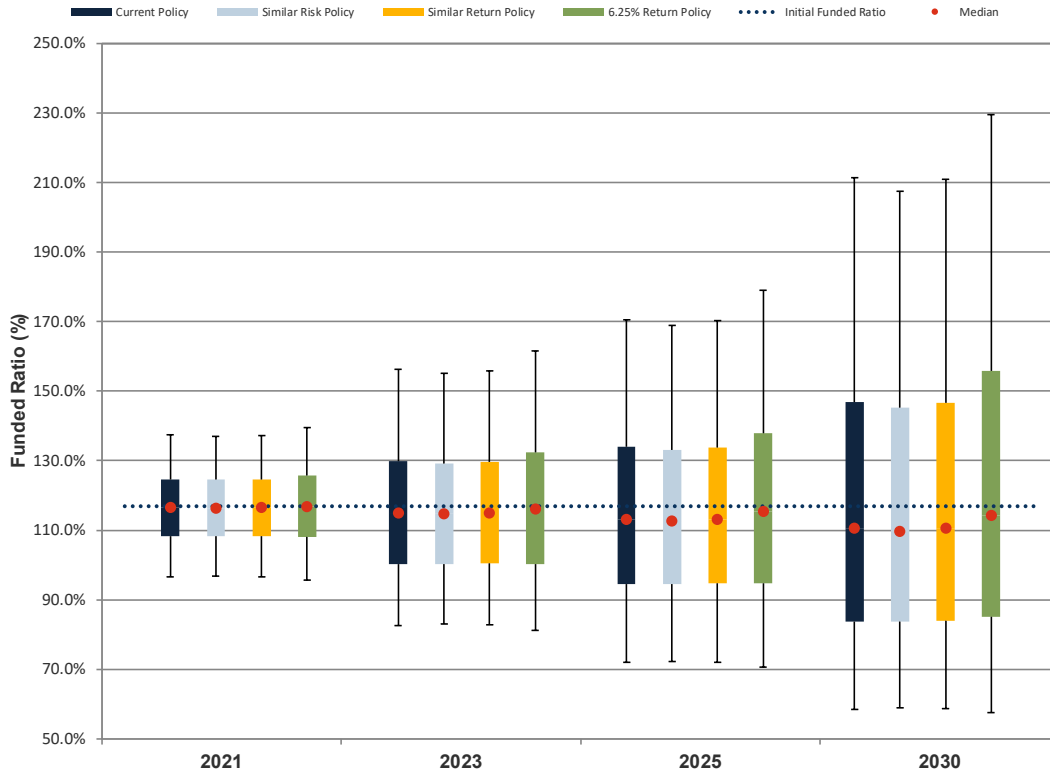
*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*



# INSURANCE – KERS Hazardous



# Wilshire Associates MVA FUNDED RATIO



**Shortfall Risk:**  
The potential for the alternatives to have a lower median funded ratio than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

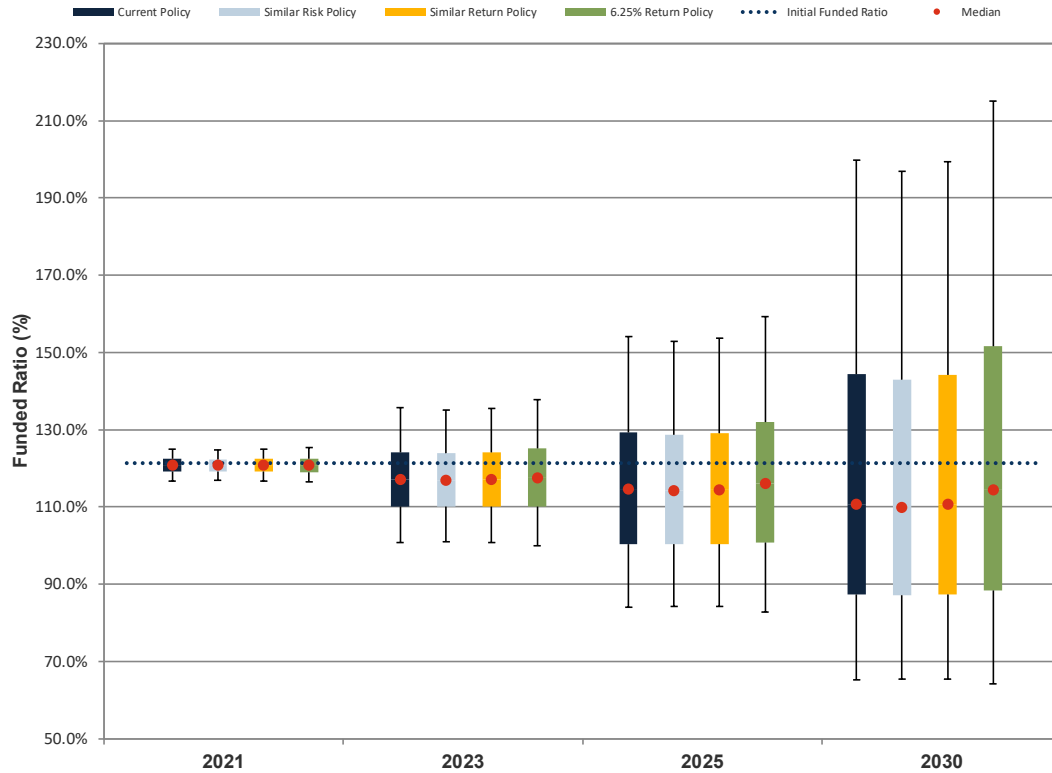
**Initial Funded Ratio = 116.79%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	137.43	136.90	137.15	139.40	156.27	155.03	155.84	161.51	170.51	168.82	170.18	178.98	211.35	207.44	210.89	229.42
Optimistic	124.67	124.48	124.64	125.63	129.79	129.17	129.53	132.28	133.96	133.11	133.67	138.01	146.94	145.36	146.62	155.87
<b>Median (Expected)</b>	<b>116.47</b>	<b>116.41</b>	<b>116.47</b>	<b>116.86</b>	<b>114.94</b>	<b>114.68</b>	<b>114.87</b>	<b>116.10</b>	<b>113.12</b>	<b>112.75</b>	<b>113.06</b>	<b>115.42</b>	<b>110.56</b>	<b>109.63</b>	<b>110.53</b>	<b>114.36</b>
Pessimistic	108.23	108.25	108.24	107.96	100.33	100.34	100.39	100.34	94.51	94.59	94.63	94.83	83.77	83.75	83.90	85.03
Very Pessimistic	96.55	96.87	96.68	95.59	82.62	82.98	82.72	81.10	71.91	72.28	71.99	70.57	58.46	58.85	58.60	57.58





# Wilshire Associates AVA FUNDED RATIO



**Shortfall Risk:**  
The potential for the alternatives to have a lower median funded ratio than the current policy.

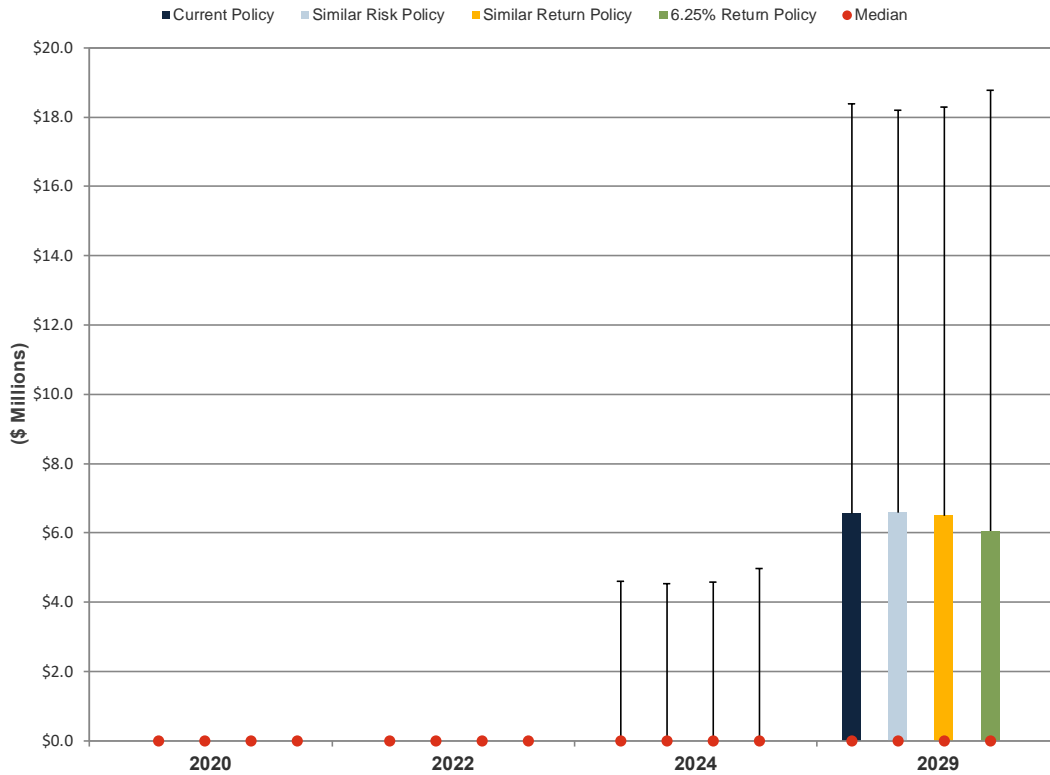
**Drawdown Risk:**  
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 121.31%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	124.96	124.85	124.90	125.35	135.76	135.15	135.53	137.79	154.05	152.96	153.81	159.35	199.80	196.83	199.39	215.12
Optimistic	122.41	122.37	122.40	122.60	124.11	123.86	124.06	125.28	129.29	128.70	129.15	131.93	144.50	143.01	144.18	151.59
<b>Median (Expected)</b>	<b>120.77</b>	<b>120.75</b>	<b>120.77</b>	<b>120.85</b>	<b>117.07</b>	<b>116.99</b>	<b>117.07</b>	<b>117.64</b>	<b>114.56</b>	<b>114.22</b>	<b>114.48</b>	<b>116.02</b>	<b>110.63</b>	<b>109.96</b>	<b>110.65</b>	<b>114.38</b>
Pessimistic	119.12	119.12	119.12	119.07	110.07	110.07	110.07	110.03	100.49	100.42	100.41	100.75	87.27	87.20	87.38	88.44
Very Pessimistic	116.78	116.85	116.81	116.59	100.77	100.95	100.84	99.94	84.17	84.37	84.24	82.77	65.27	65.57	65.46	64.32



# Wilshire Associates PLAN YEAR CONTRIBUTIONS



**Shortfall Risk:**  
The potential for the alternatives to have higher median contributions than the current policy.

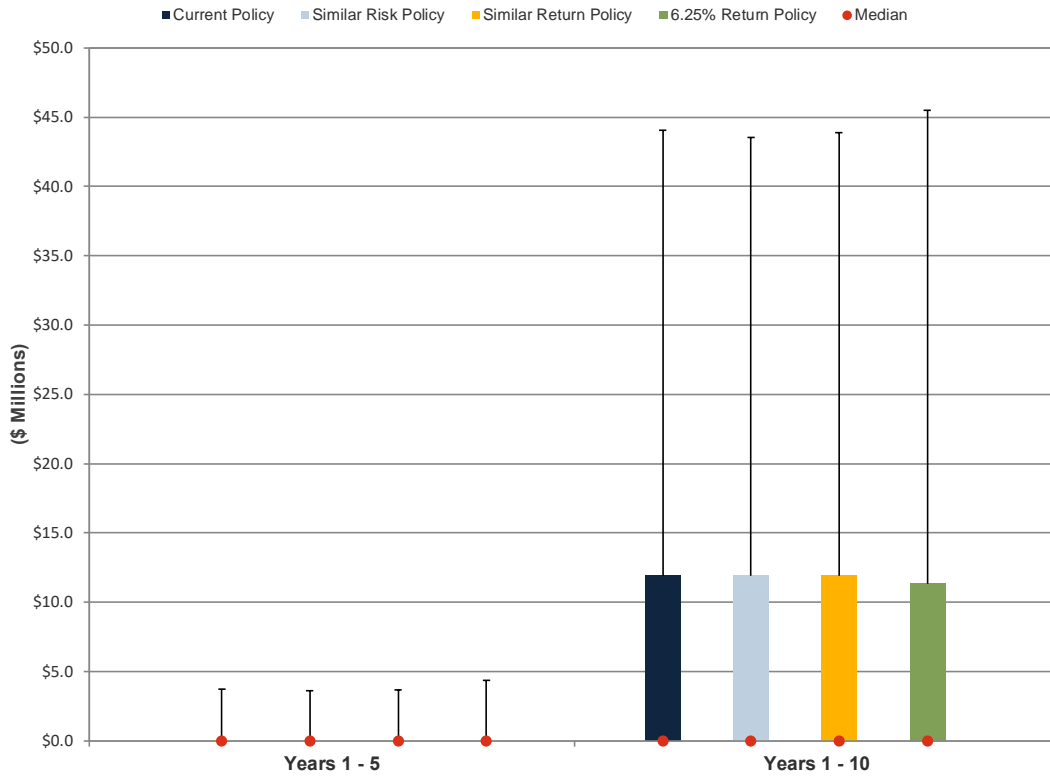
**Drawdown Risk:**  
The potential for the alternatives to have higher “very pessimistic” contributions than the current policy.

(\$ Millions)	2020				2022				2024				2029			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.6	4.5	4.6	5.0	18.4	18.2	18.3	18.8
Pessimistic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.6	6.6	6.5	6.1
<b>Median (Expected)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Optimistic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Very Optimistic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Wilshire Associates



# PRESENT VALUE OF CONTRIBUTIONS



**Shortfall Risk:**  
The potential for the alternatives to have a higher median present value of contributions than the current policy.

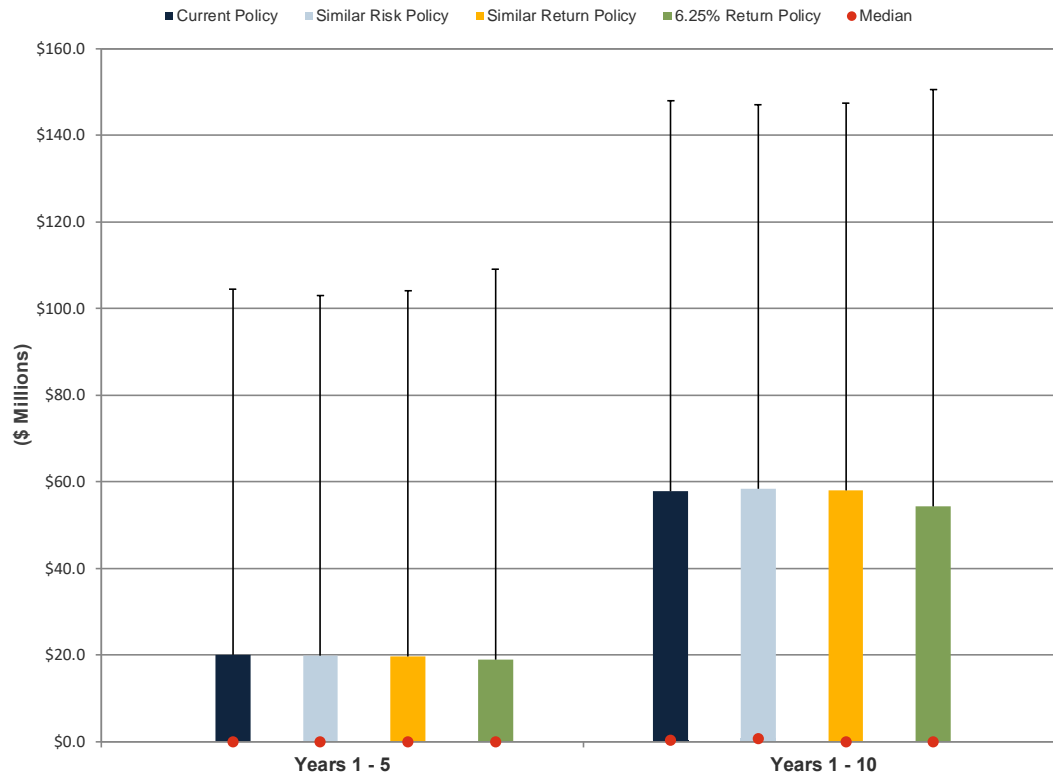
**Drawdown Risk:**  
The potential for the alternatives to have a higher "very pessimistic" present value of contributions than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	3.7	3.6	3.7	4.4	44.0	43.5	43.9	45.5
Pessimistic	0.0	0.0	0.0	0.0	11.9	11.9	11.9	11.4
<b>Median (Expected)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Optimistic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Very Optimistic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



# Wilshire Associates MVA ECONOMIC COST



(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	104.5	103.1	104.1	109.0	148.1	147.1	147.4	150.5
Pessimistic	20.1	19.9	19.7	19.0	57.9	58.3	58.0	54.4
<b>Median (Expected)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>
Optimistic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Very Optimistic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

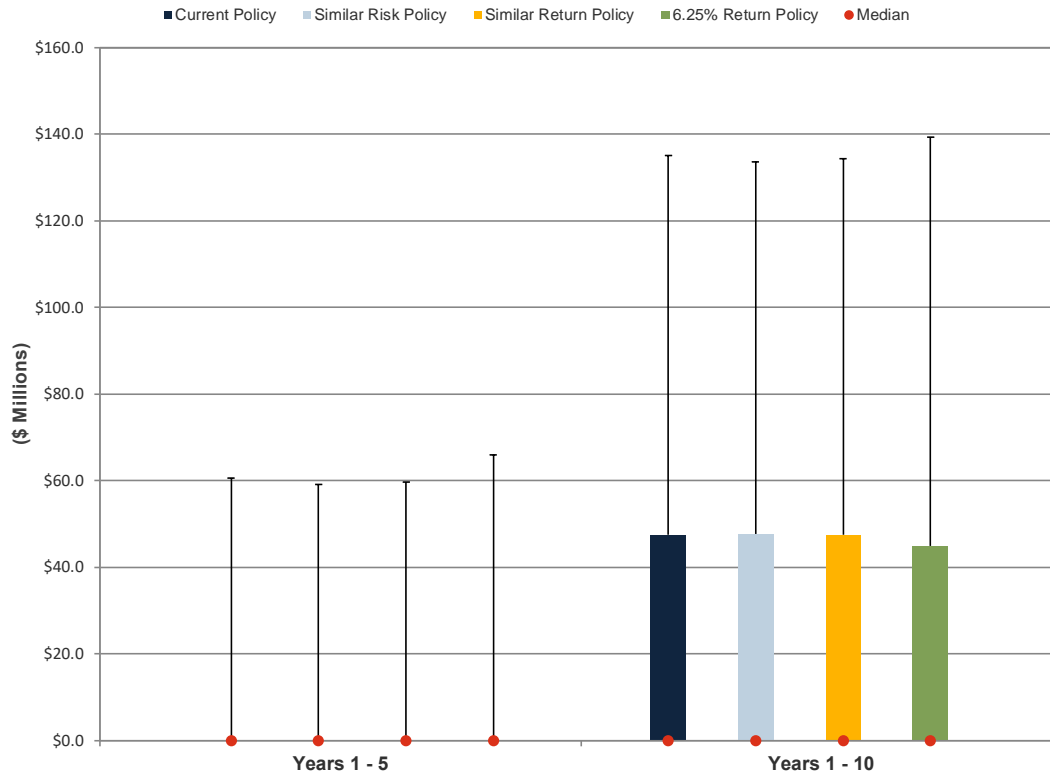
**Shortfall Risk:**  
The potential for the alternatives to have a higher median economic cost than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a higher “very pessimistic” economic cost than the current policy.

**EROA = 6.25%**

*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*

# Wilshire Associates AVA ECONOMIC COST



(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	60.7	59.2	59.8	66.0	135.1	133.7	134.3	139.3
Pessimistic	0.0	0.0	0.0	0.0	47.5	47.7	47.5	44.9
<b>Median (Expected)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Optimistic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Very Optimistic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Shortfall Risk:**  
The potential for the alternatives to have a higher median economic cost than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a higher "very pessimistic" economic cost than the current policy.

**EROA = 6.25%**

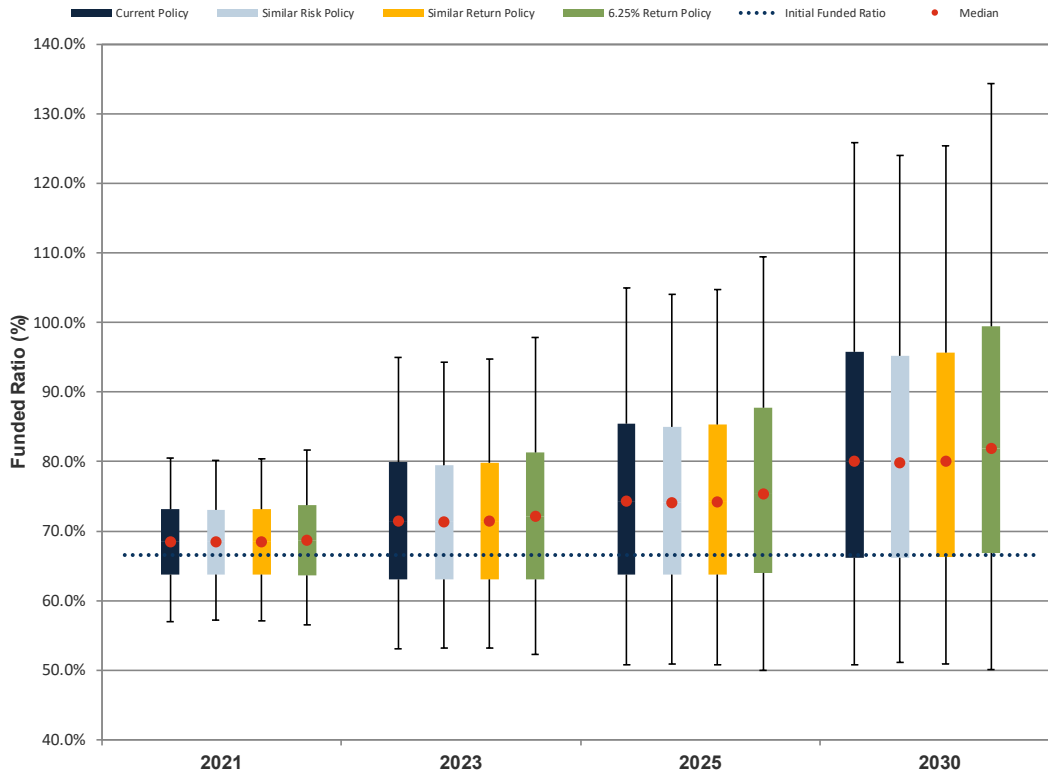
*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*



# INSURANCE – CERS Non-Hazardous



# Wilshire Associates MVA FUNDED RATIO



**Shortfall Risk:**  
The potential for the alternatives to have a lower median funded ratio than the current policy.

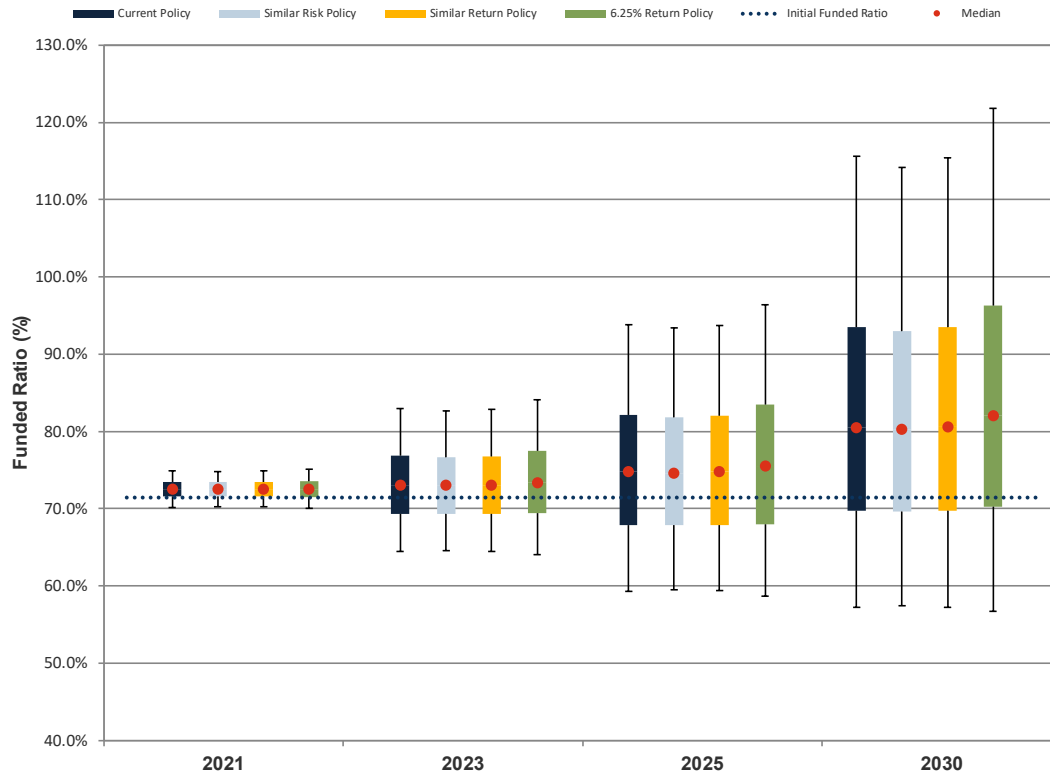
**Drawdown Risk:**  
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 66.57%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	80.52	80.22	80.36	81.65	94.94	94.26	94.77	97.80	104.95	104.04	104.73	109.49	125.86	123.99	125.44	134.33
Optimistic	73.20	73.09	73.18	73.75	79.89	79.53	79.81	81.31	85.45	84.94	85.35	87.73	95.74	95.16	95.66	99.49
<b>Median (Expected)</b>	<b>68.48</b>	<b>68.44</b>	<b>68.48</b>	<b>68.71</b>	<b>71.47</b>	<b>71.34</b>	<b>71.45</b>	<b>72.10</b>	<b>74.30</b>	<b>74.10</b>	<b>74.21</b>	<b>75.34</b>	<b>80.03</b>	<b>79.83</b>	<b>80.10</b>	<b>81.93</b>
Pessimistic	63.74	63.75	63.74	63.58	63.08	63.11	63.09	63.07	63.75	63.73	63.76	63.96	66.17	66.10	66.22	66.86
Very Pessimistic	57.01	57.20	57.09	56.46	53.07	53.21	53.14	52.33	50.77	50.92	50.81	50.01	50.82	51.07	50.93	50.04



# Wilshire Associates AVA FUNDED RATIO



### Shortfall Risk:

The potential for the alternatives to have a lower median funded ratio than the current policy.

### Drawdown Risk:

The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

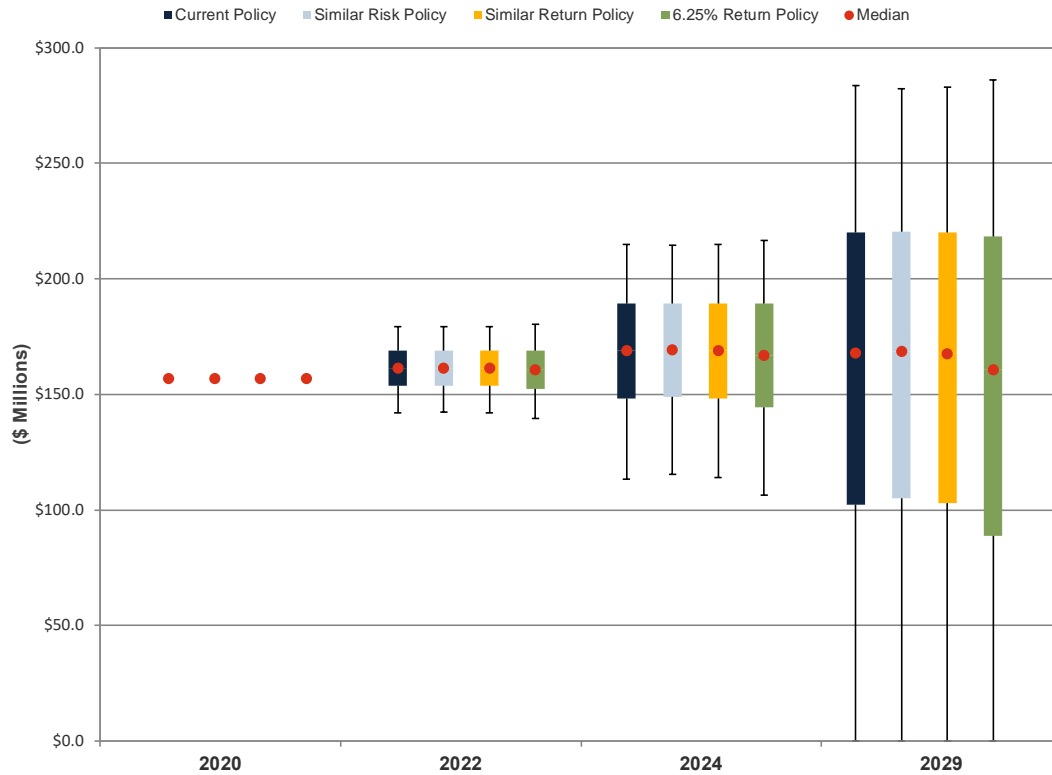
**Initial Funded Ratio = 71.41%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	74.91	74.85	74.88	75.13	82.94	82.65	82.84	84.09	93.83	93.41	93.73	96.37	115.65	114.16	115.37	121.81
Optimistic	73.44	73.42	73.44	73.55	76.83	76.69	76.81	77.44	82.15	81.86	82.06	83.49	93.55	93.00	93.49	96.29
<b>Median (Expected)</b>	<b>72.50</b>	<b>72.49</b>	<b>72.50</b>	<b>72.54</b>	<b>73.07</b>	<b>73.00</b>	<b>73.06</b>	<b>73.35</b>	<b>74.80</b>	<b>74.63</b>	<b>74.77</b>	<b>75.48</b>	<b>80.54</b>	<b>80.32</b>	<b>80.57</b>	<b>82.01</b>
Pessimistic	71.55	71.55	71.55	71.52	69.35	69.33	69.33	69.40	67.85	67.85	67.87	67.97	69.73	69.61	69.75	70.29
Very Pessimistic	70.21	70.24	70.22	70.10	64.44	64.54	64.47	64.01	59.31	59.53	59.40	58.72	57.19	57.40	57.28	56.73





# Wilshire Associates PLAN YEAR CONTRIBUTIONS

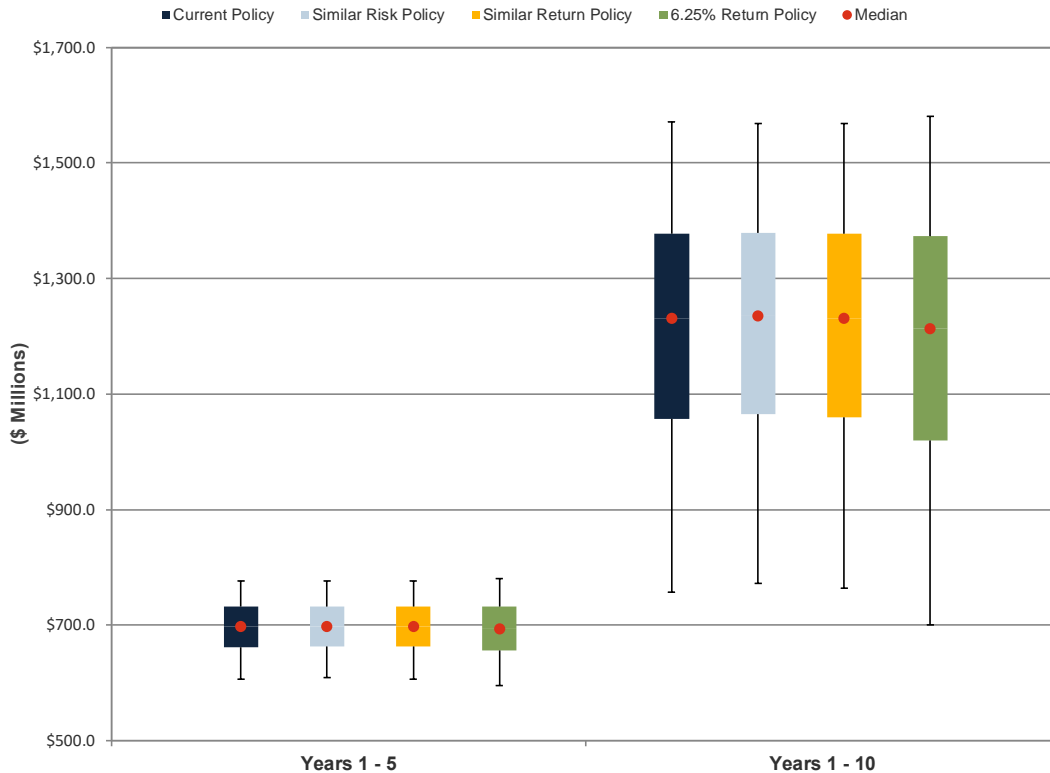


**Shortfall Risk:**  
The potential for the alternatives to have higher median contributions than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have higher "very pessimistic" contributions than the current policy.

(\$ Millions)	2020				2022				2024				2029			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	157.0	157.0	157.0	157.0	179.4	179.2	179.3	180.3	214.9	214.5	214.8	216.7	283.5	282.4	283.1	286.3
Pessimistic	157.0	157.0	157.0	157.0	168.9	168.9	168.9	169.0	189.3	189.5	189.3	189.3	220.0	220.3	220.0	218.3
<b>Median (Expected)</b>	<b>157.0</b>	<b>157.0</b>	<b>157.0</b>	<b>157.0</b>	<b>161.3</b>	<b>161.4</b>	<b>161.3</b>	<b>160.8</b>	<b>168.9</b>	<b>169.3</b>	<b>169.1</b>	<b>167.0</b>	<b>167.8</b>	<b>168.7</b>	<b>167.7</b>	<b>160.6</b>
Optimistic	157.0	157.0	157.0	157.0	153.6	153.9	153.7	152.5	148.1	148.9	148.3	144.5	102.3	105.0	103.0	88.9
Very Optimistic	157.0	157.0	157.0	157.0	142.0	142.5	142.1	139.7	113.4	115.3	113.9	106.3	0.0	0.0	0.0	0.0

# PRESENT VALUE OF CONTRIBUTIONS



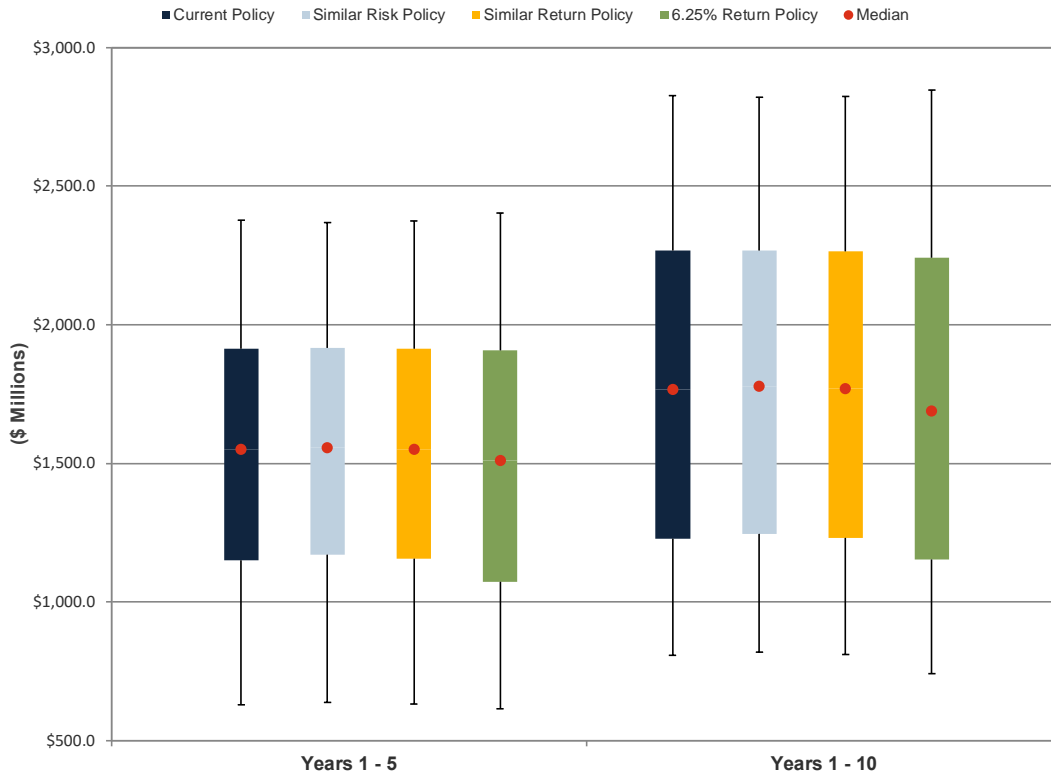
**Shortfall Risk:**  
 The potential for the alternatives to have a higher median present value of contributions than the current policy.

**Drawdown Risk:**  
 The potential for the alternatives to have a higher "very pessimistic" present value of contributions than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	776.9	776.4	776.7	780.6	1,571.3	1,567.8	1,568.7	1,581.5
Pessimistic	731.7	731.8	731.7	731.8	1,377.6	1,378.8	1,377.7	1,372.9
<b>Median (Expected)</b>	<b>696.8</b>	<b>697.5</b>	<b>697.1</b>	<b>693.9</b>	<b>1,231.2</b>	<b>1,234.6</b>	<b>1,231.4</b>	<b>1,213.2</b>
Optimistic	662.0	663.3	662.3	656.2	1,056.3	1,065.5	1,059.0	1,020.0
Very Optimistic	605.8	608.5	606.9	595.0	757.5	771.8	763.2	700.0

# Wilshire Associates MVA ECONOMIC COST



(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	2,378.0	2,367.3	2,373.1	2,404.0	2,826.6	2,820.2	2,822.9	2,846.0
Pessimistic	1,915.0	1,917.5	1,914.7	1,906.9	2,267.9	2,267.5	2,264.8	2,242.2
<b>Median (Expected)</b>	<b>1,549.9</b>	<b>1,557.4</b>	<b>1,549.8</b>	<b>1,509.8</b>	<b>1,765.4</b>	<b>1,777.7</b>	<b>1,768.5</b>	<b>1,689.6</b>
Optimistic	1,151.0	1,171.3	1,156.6	1,071.4	1,229.5	1,245.1	1,230.2	1,152.3
Very Optimistic	629.8	636.4	632.4	614.2	807.6	819.6	811.7	740.9

### Shortfall Risk:

The potential for the alternatives to have a higher median economic cost than the current policy.

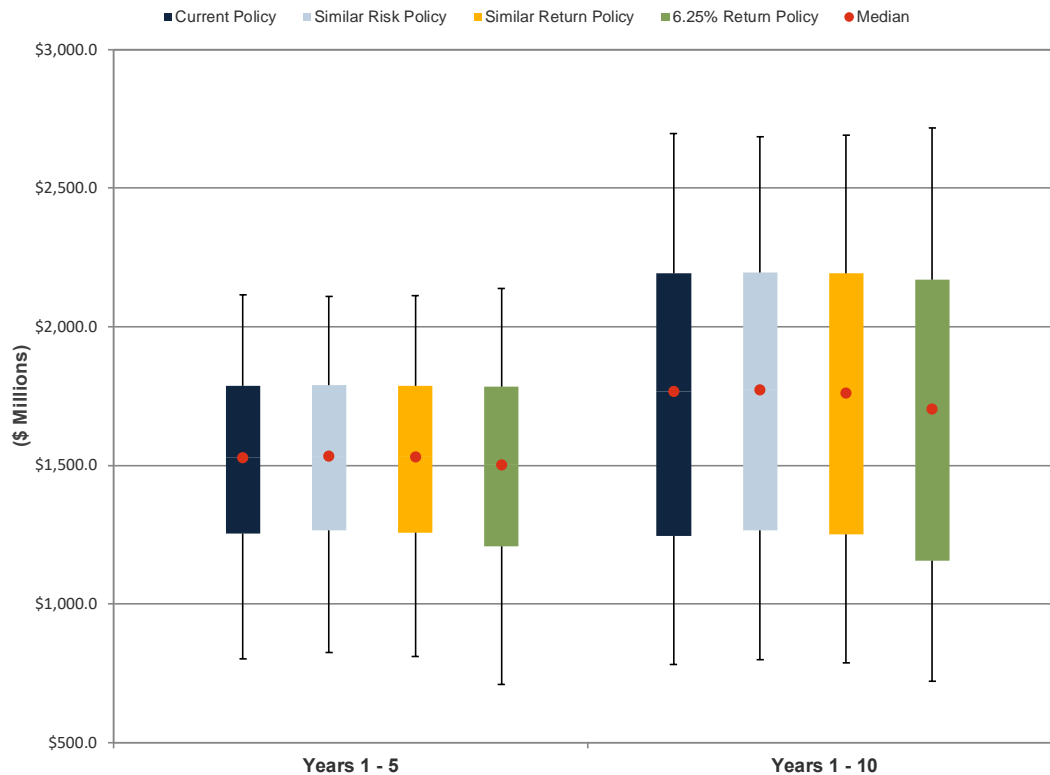
### Drawdown Risk:

The potential for the alternatives to have a higher "very pessimistic" economic cost than the current policy.

**EROA = 6.25%**

*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*

# Wilshire Associates AVA ECONOMIC COST



**Shortfall Risk:**  
The potential for the alternatives to have a higher median economic cost than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a higher "very pessimistic" economic cost than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	2,115.8	2,110.5	2,113.6	2,137.0	2,697.3	2,686.7	2,689.9	2,716.2
Pessimistic	1,788.3	1,788.4	1,788.3	1,784.5	2,193.9	2,195.4	2,193.7	2,169.5
<b>Median (Expected)</b>	<b>1,526.4</b>	<b>1,534.4</b>	<b>1,529.3</b>	<b>1,501.1</b>	<b>1,765.3</b>	<b>1,771.3</b>	<b>1,762.4</b>	<b>1,704.2</b>
Optimistic	1,252.9	1,265.8	1,256.7	1,206.8	1,244.5	1,266.2	1,250.0	1,156.5
Very Optimistic	801.9	825.8	809.4	710.8	782.8	798.3	787.9	722.7

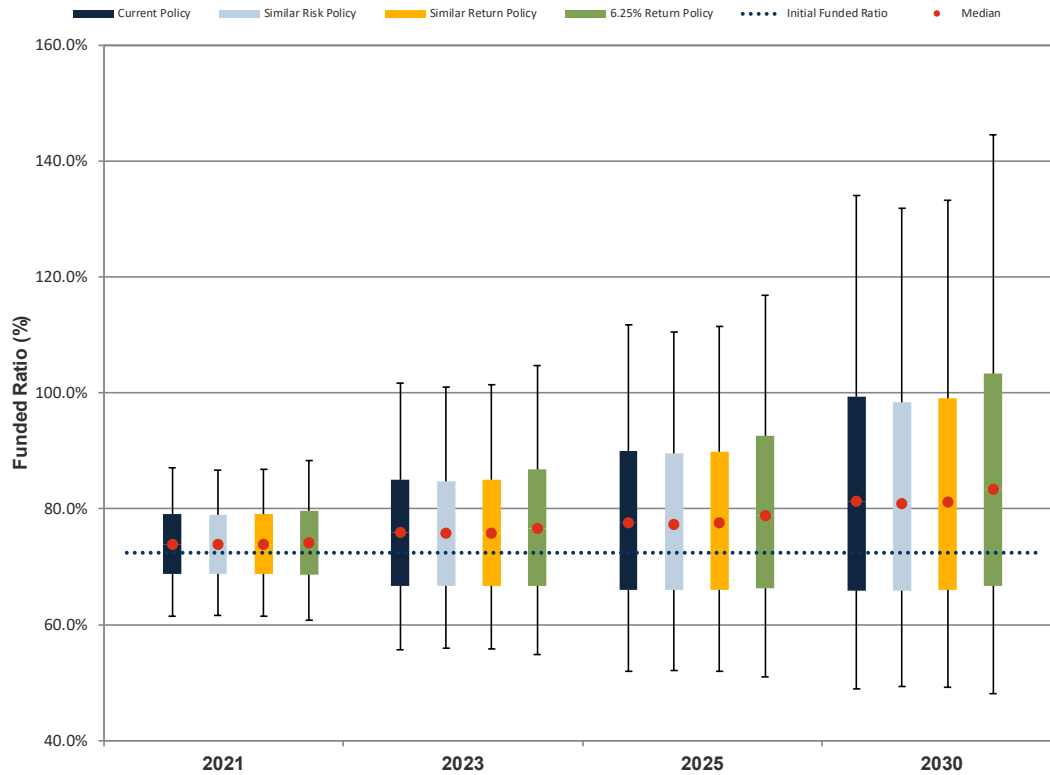
*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*



# INSURANCE – CERS Hazardous



# Wilshire Associates MVA FUNDED RATIO



### Shortfall Risk:

The potential for the alternatives to have a lower median funded ratio than the current policy.

### Drawdown Risk:

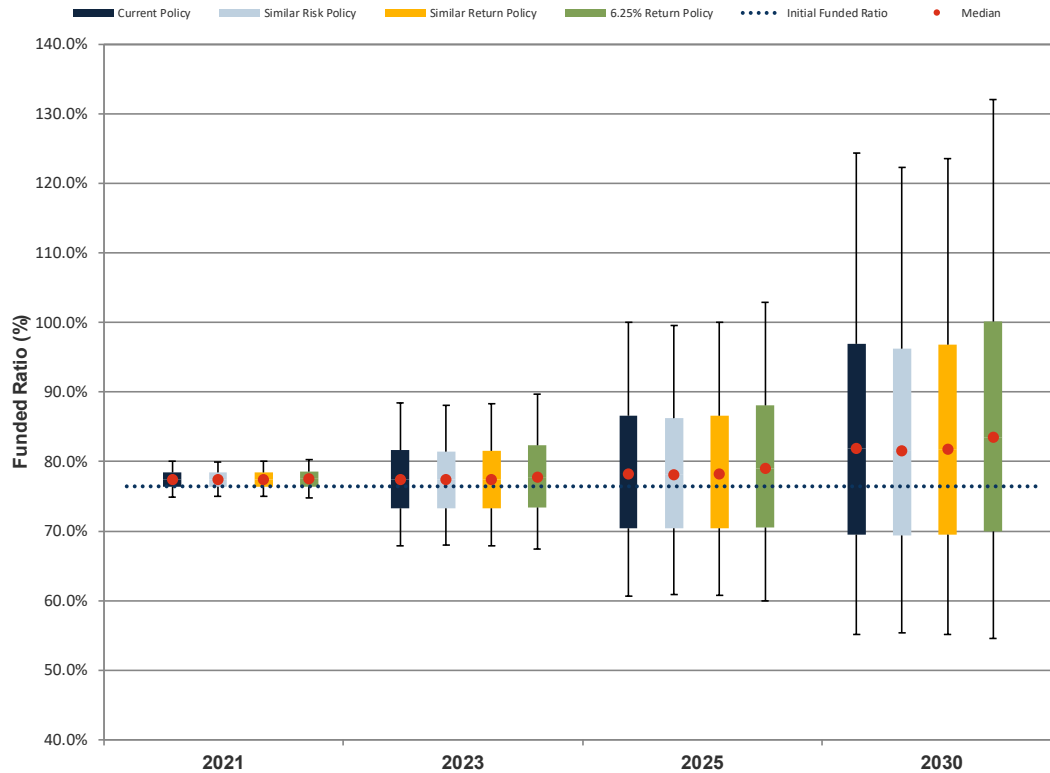
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 72.43%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	87.06	86.73	86.89	88.29	101.68	100.97	101.48	104.75	111.73	110.50	111.46	116.79	134.03	131.90	133.30	144.51
Optimistic	79.07	78.95	79.05	79.67	85.08	84.72	85.00	86.77	90.05	89.53	89.89	92.60	99.30	98.39	99.13	103.35
<b>Median (Expected)</b>	<b>73.93</b>	<b>73.89</b>	<b>73.93</b>	<b>74.18</b>	<b>75.93</b>	<b>75.75</b>	<b>75.85</b>	<b>76.62</b>	<b>77.62</b>	<b>77.38</b>	<b>77.60</b>	<b>78.80</b>	<b>81.24</b>	<b>80.86</b>	<b>81.18</b>	<b>83.36</b>
Pessimistic	68.76	68.78	68.77	68.60	66.76	66.72	66.75	66.73	66.05	66.03	66.06	66.27	65.91	65.89	65.99	66.73
Very Pessimistic	61.44	61.64	61.52	60.84	55.69	55.90	55.77	54.91	51.90	52.09	51.93	51.01	48.99	49.32	49.17	48.18



# Wilshire Associates AVA FUNDED RATIO



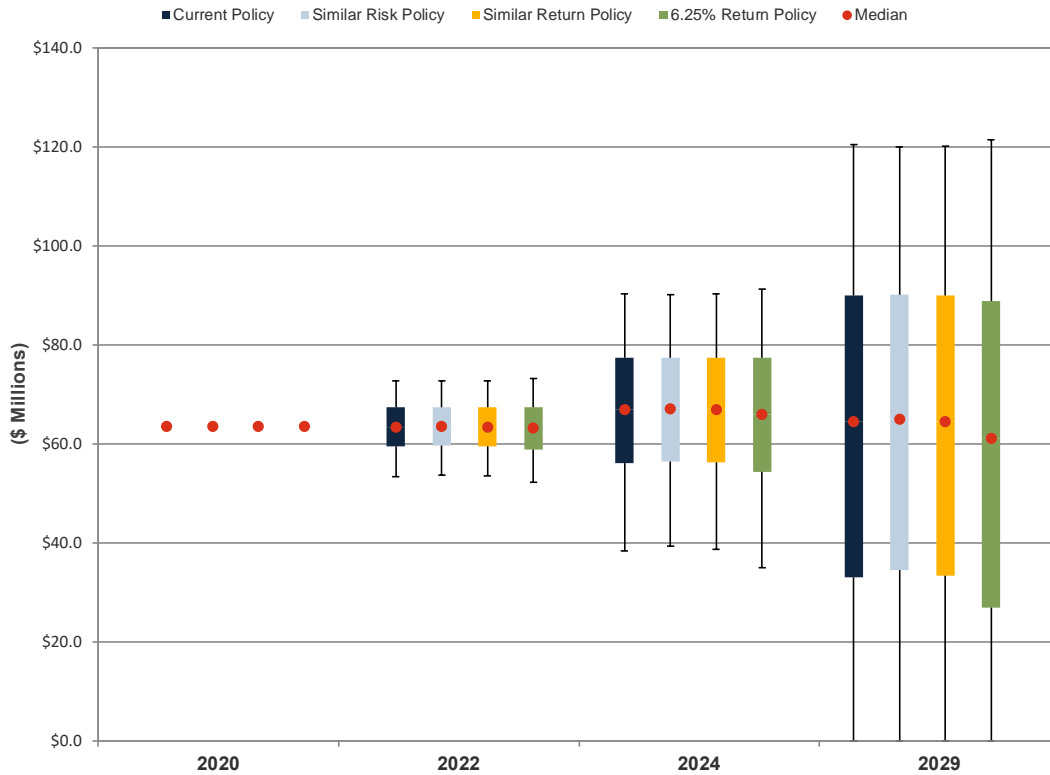
**Shortfall Risk:**  
The potential for the alternatives to have a lower median funded ratio than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a lower “very pessimistic” funded ratio than the current policy.

**Initial Funded Ratio = 76.38%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	80.06	79.99	80.02	80.30	88.43	88.09	88.32	89.69	100.06	99.54	100.03	102.84	124.38	122.31	123.60	132.04
Optimistic	78.46	78.43	78.45	78.58	81.64	81.47	81.60	82.32	86.64	86.29	86.58	88.09	96.93	96.24	96.79	100.13
<b>Median (Expected)</b>	<b>77.43</b>	<b>77.42</b>	<b>77.43</b>	<b>77.48</b>	<b>77.44</b>	<b>77.36</b>	<b>77.41</b>	<b>77.76</b>	<b>78.25</b>	<b>78.08</b>	<b>78.20</b>	<b>79.06</b>	<b>81.87</b>	<b>81.54</b>	<b>81.82</b>	<b>83.51</b>
Pessimistic	76.40	76.40	76.40	76.36	73.31	73.31	73.32	73.35	70.40	70.40	70.42	70.51	69.44	69.36	69.43	69.95
Very Pessimistic	74.93	74.97	74.95	74.81	67.85	67.98	67.91	67.39	60.63	60.86	60.73	60.01	55.10	55.40	55.19	54.53

# Wilshire Associates PLAN YEAR CONTRIBUTIONS



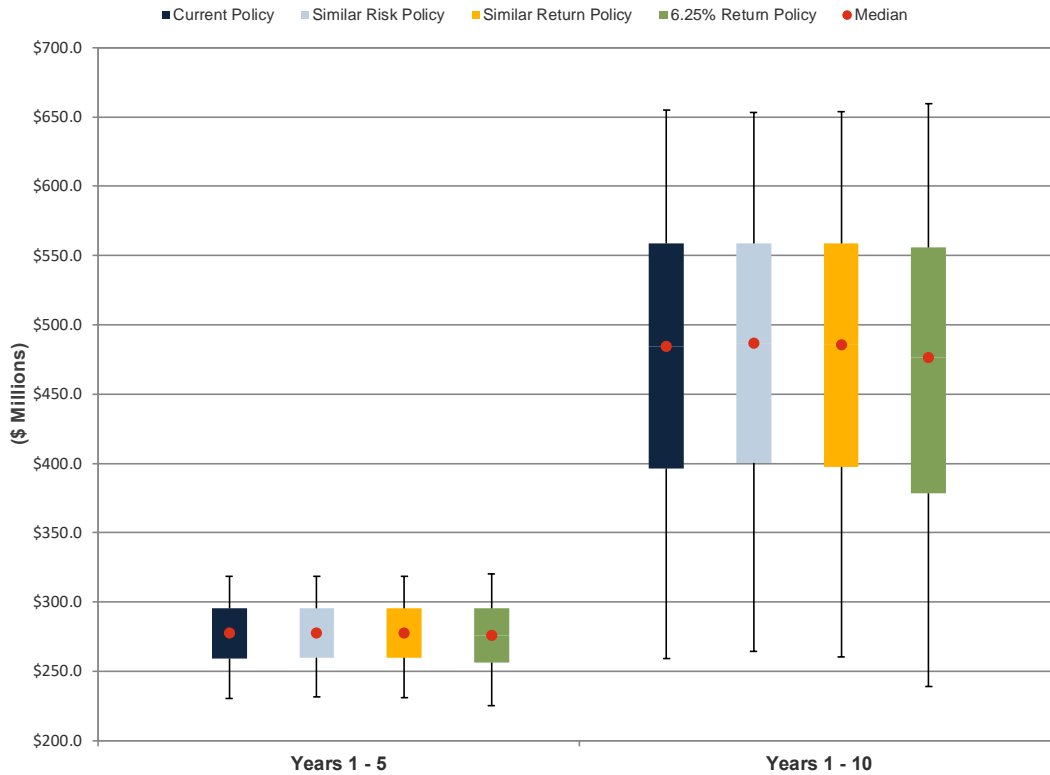
**Shortfall Risk:**  
The potential for the alternatives to have higher median contributions than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have higher "very pessimistic" contributions than the current policy.

(\$ Millions)	2020				2022				2024				2029			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	63.5	63.5	63.5	63.5	72.8	72.7	72.7	73.2	90.3	90.1	90.3	91.3	120.4	120.0	120.1	121.4
Pessimistic	63.5	63.5	63.5	63.5	67.4	67.4	67.4	67.4	77.3	77.4	77.3	77.3	89.9	90.1	89.9	88.8
<b>Median (Expected)</b>	<b>63.5</b>	<b>63.5</b>	<b>63.5</b>	<b>63.5</b>	<b>63.4</b>	<b>63.5</b>	<b>63.4</b>	<b>63.2</b>	<b>66.8</b>	<b>67.0</b>	<b>66.9</b>	<b>65.9</b>	<b>64.5</b>	<b>64.9</b>	<b>64.4</b>	<b>61.1</b>
Optimistic	63.5	63.5	63.5	63.5	59.5	59.6	59.5	58.9	56.1	56.5	56.2	54.3	33.1	34.5	33.4	27.0
Very Optimistic	63.5	63.5	63.5	63.5	53.4	53.7	53.5	52.3	38.3	39.3	38.6	34.9	0.0	0.0	0.0	0.0



# PRESENT VALUE OF CONTRIBUTIONS



**Shortfall Risk:**  
The potential for the alternatives to have a higher median present value of contributions than the current policy.

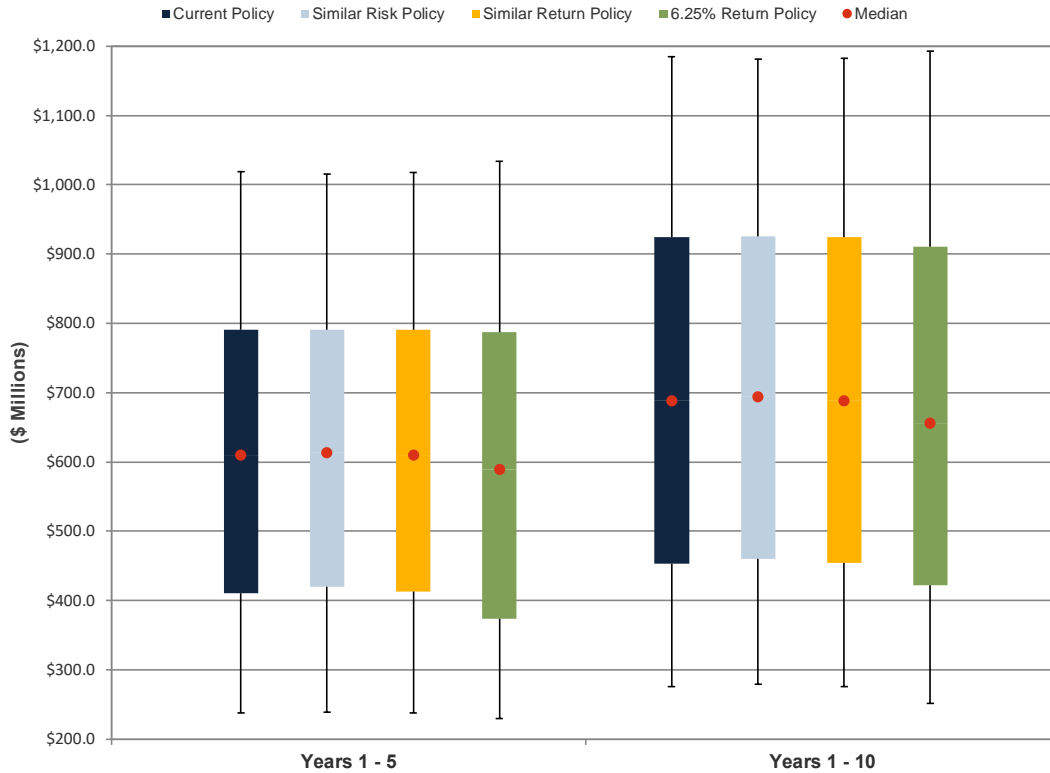
**Drawdown Risk:**  
The potential for the alternatives to have a higher “very pessimistic” present value of contributions than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	318.7	318.4	318.5	320.5	654.9	653.3	653.9	659.4
Pessimistic	295.4	295.5	295.4	295.4	558.8	558.8	558.5	555.8
<b>Median (Expected)</b>	<b>277.5</b>	<b>277.9</b>	<b>277.6</b>	<b>275.9</b>	<b>484.6</b>	<b>486.5</b>	<b>485.4</b>	<b>476.3</b>
Optimistic	259.4	260.1	259.6	256.5	396.5	400.6	397.5	378.5
Very Optimistic	230.5	231.7	230.9	225.3	259.4	264.4	260.6	238.9

# Wilshire Associates

## MVA ECONOMIC COST



**Shortfall Risk:**  
The potential for the alternatives to have a higher median economic cost than the current policy.

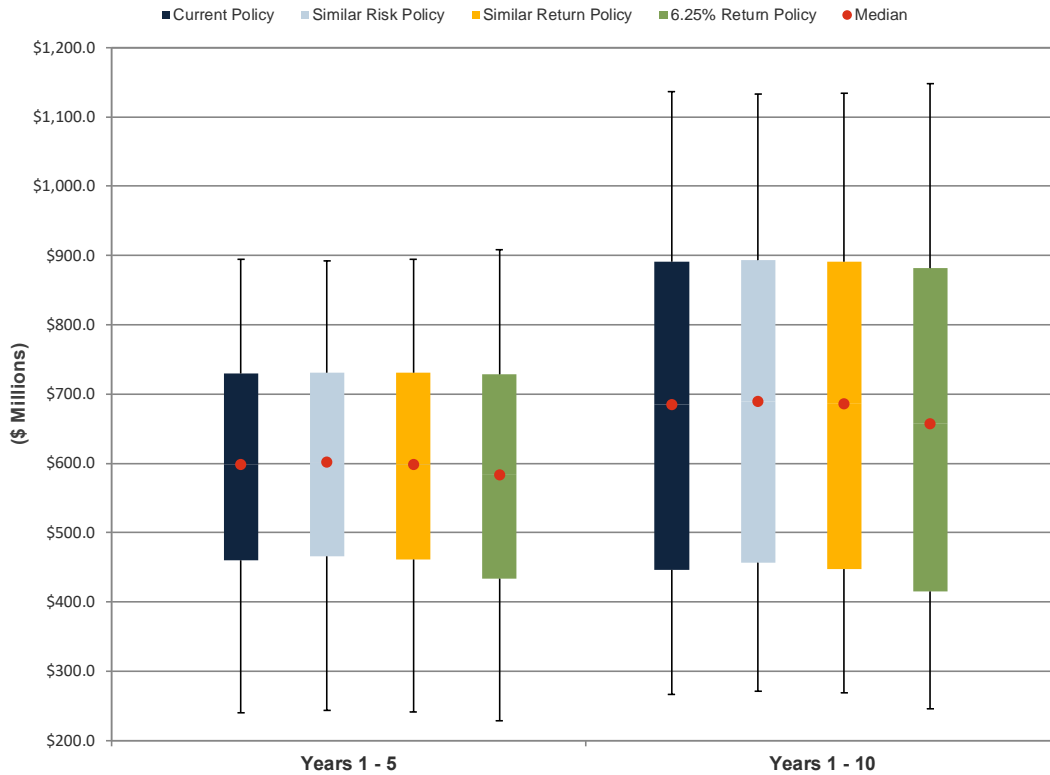
**Drawdown Risk:**  
The potential for the alternatives to have a higher “very pessimistic” economic cost than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	1,019.3	1,015.5	1,017.6	1,033.8	1,185.0	1,181.6	1,183.0	1,192.5
Pessimistic	790.5	791.2	790.5	787.5	924.7	925.4	924.4	911.2
<b>Median (Expected)</b>	<b>610.1</b>	<b>613.9</b>	<b>609.7</b>	<b>589.4</b>	<b>688.3</b>	<b>694.0</b>	<b>688.2</b>	<b>655.6</b>
Optimistic	410.7	419.8	413.2	373.3	453.3	460.2	454.9	422.6
Very Optimistic	237.4	239.3	237.6	229.9	275.5	279.8	275.7	252.2

*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*

# Wilshire Associates AVA ECONOMIC COST



**Shortfall Risk:**  
The potential for the alternatives to have a higher median economic cost than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a higher “very pessimistic” economic cost than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	894.4	892.3	894.1	908.3	1,136.1	1,132.8	1,134.3	1,147.5
Pessimistic	730.2	730.5	730.5	728.6	891.6	893.1	890.9	882.1
<b>Median (Expected)</b>	<b>598.2</b>	<b>601.6</b>	<b>598.8</b>	<b>583.3</b>	<b>685.3</b>	<b>689.7</b>	<b>685.7</b>	<b>656.9</b>
Optimistic	459.9	465.8	461.3	434.2	446.6	456.3	448.0	414.8
Very Optimistic	240.7	244.1	241.6	229.0	266.9	271.5	268.8	245.8

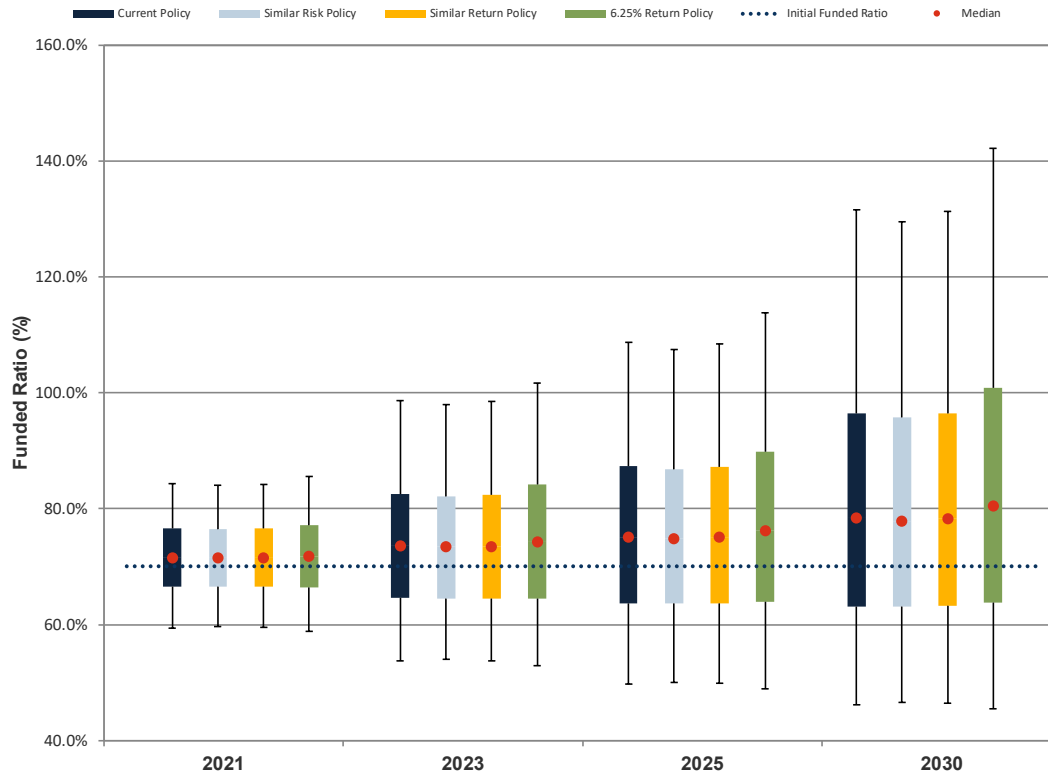
*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*



# INSURANCE – SPRS



# Wilshire Associates MVA FUNDED RATIO



**Shortfall Risk:**  
The potential for the alternatives to have a lower median funded ratio than the current policy.

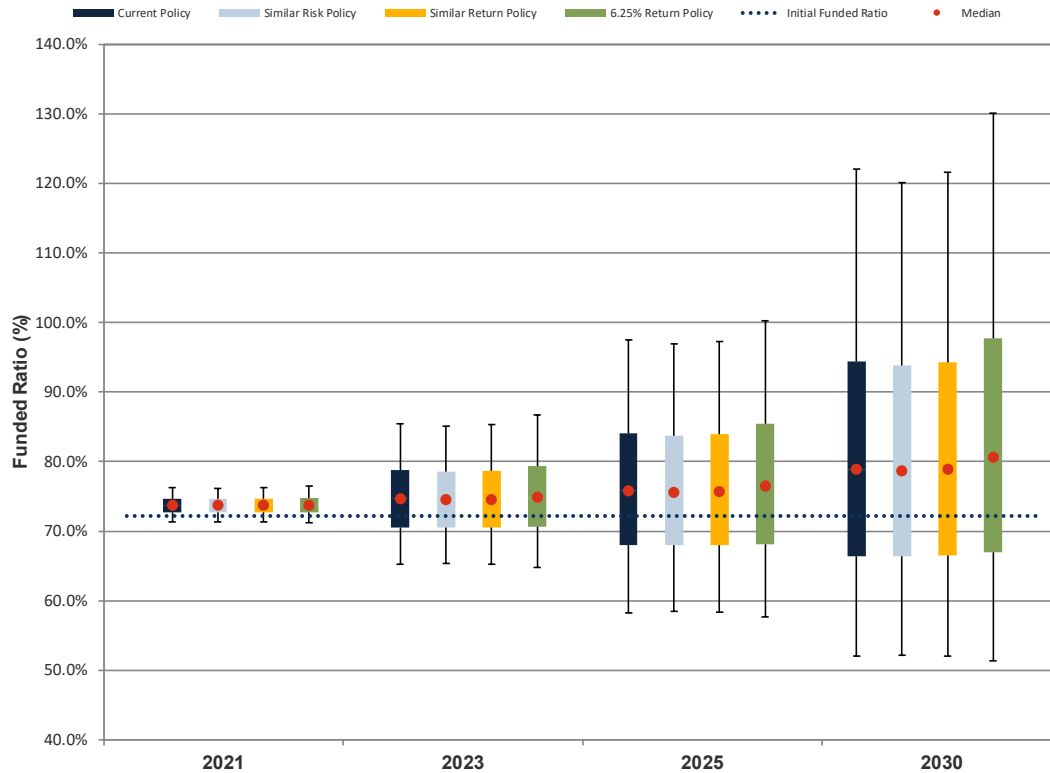
**Drawdown Risk:**  
The potential for the alternatives to have a lower “very pessimistic” funded ratio than the current policy.

**Initial Funded Ratio = 70.08%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	84.35	84.02	84.18	85.55	98.67	98.02	98.52	101.74	108.70	107.48	108.40	113.80	131.54	129.54	131.35	142.23
Optimistic	76.59	76.47	76.57	77.17	82.53	82.17	82.41	84.15	87.35	86.82	87.24	89.88	96.49	95.76	96.45	100.82
<b>Median (Expected)</b>	<b>71.59</b>	<b>71.56</b>	<b>71.60</b>	<b>71.83</b>	<b>73.54</b>	<b>73.40</b>	<b>73.50</b>	<b>74.23</b>	<b>75.07</b>	<b>74.84</b>	<b>75.05</b>	<b>76.24</b>	<b>78.35</b>	<b>77.92</b>	<b>78.35</b>	<b>80.47</b>
Pessimistic	66.58	66.59	66.58	66.41	64.59	64.54	64.55	64.53	63.68	63.72	63.74	63.94	63.16	63.10	63.20	63.83
Very Pessimistic	59.46	59.66	59.54	58.88	53.78	53.98	53.82	52.98	49.77	50.00	49.88	48.89	46.23	46.54	46.44	45.44



# Wilshire Associates AVA FUNDED RATIO



**Shortfall Risk:**  
The potential for the alternatives to have a lower median funded ratio than the current policy.

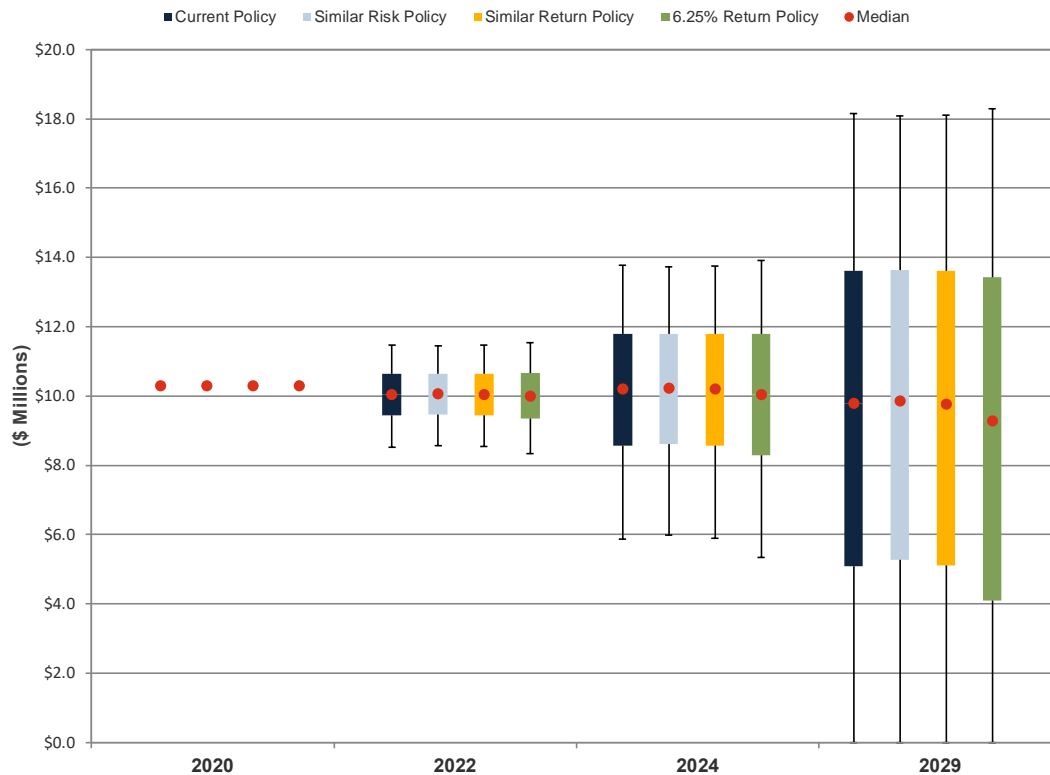
**Drawdown Risk:**  
The potential for the alternatives to have a lower "very pessimistic" funded ratio than the current policy.

**Initial Funded Ratio = 72.16%**

(%)	2021				2023				2025				2030			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Optimistic	76.25	76.19	76.22	76.49	85.41	85.08	85.31	86.66	97.46	96.88	97.32	100.21	122.03	120.12	121.62	130.06
Optimistic	74.70	74.68	74.70	74.82	78.74	78.58	78.71	79.40	84.02	83.70	83.96	85.42	94.39	93.83	94.26	97.70
<b>Median (Expected)</b>	<b>73.70</b>	<b>73.70</b>	<b>73.70</b>	<b>73.75</b>	<b>74.62</b>	<b>74.55</b>	<b>74.59</b>	<b>74.94</b>	<b>75.75</b>	<b>75.54</b>	<b>75.67</b>	<b>76.51</b>	<b>78.89</b>	<b>78.62</b>	<b>78.91</b>	<b>80.62</b>
Pessimistic	72.70	72.70	72.70	72.67	70.58	70.56	70.57	70.60	67.96	67.94	67.96	68.09	66.42	66.38	66.45	67.01
Very Pessimistic	71.28	71.32	71.29	71.16	65.21	65.34	65.27	64.75	58.21	58.45	58.32	57.63	52.05	52.15	52.07	51.38



# Wilshire Associates PLAN YEAR CONTRIBUTIONS

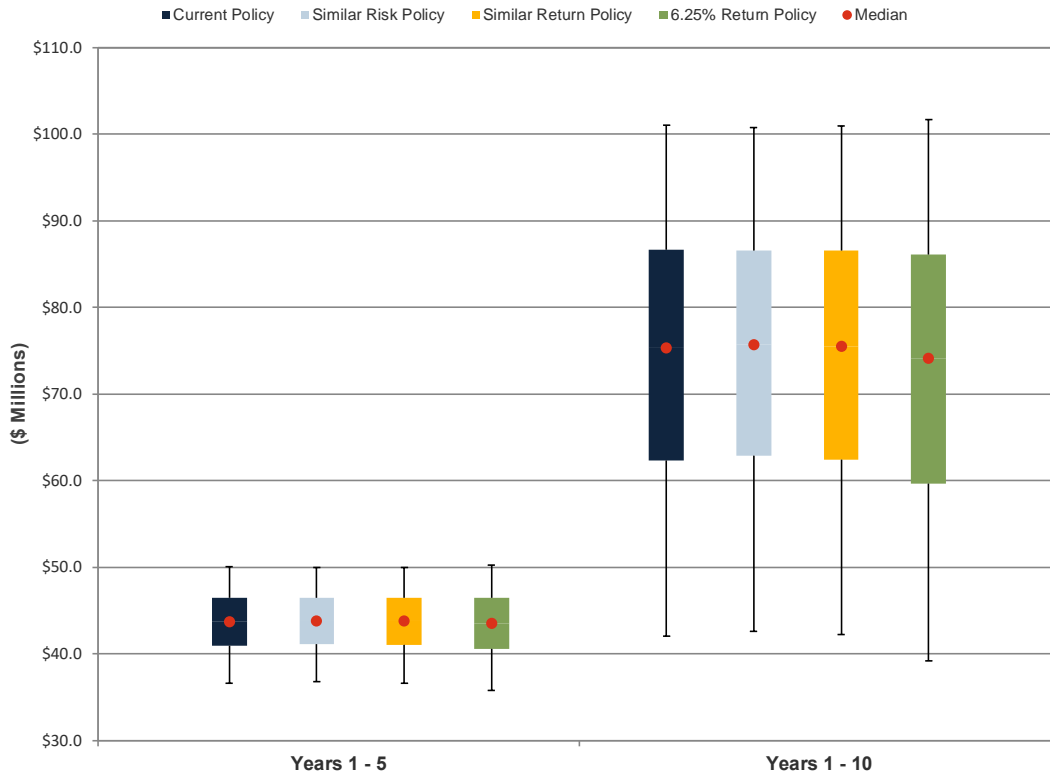


**Shortfall Risk:**  
The potential for the alternatives to have higher median contributions than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have higher "very pessimistic" contributions than the current policy.

(\$ Millions)	2020				2022				2024				2029			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	10.3	10.3	10.3	10.3	11.5	11.5	11.5	11.5	13.8	13.7	13.8	13.9	18.1	18.1	18.1	18.3
Pessimistic	10.3	10.3	10.3	10.3	10.6	10.6	10.7	10.7	11.8	11.8	11.8	11.8	13.6	13.6	13.6	13.4
<b>Median (Expected)</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>	<b>10.3</b>	<b>10.0</b>	<b>10.1</b>	<b>10.0</b>	<b>10.0</b>	<b>10.2</b>	<b>10.2</b>	<b>10.2</b>	<b>10.1</b>	<b>9.8</b>	<b>9.9</b>	<b>9.8</b>	<b>9.3</b>
Optimistic	10.3	10.3	10.3	10.3	9.4	9.5	9.4	9.4	8.6	8.6	8.6	8.3	5.1	5.3	5.1	4.1
Very Optimistic	10.3	10.3	10.3	10.3	8.5	8.6	8.5	8.3	5.9	6.0	5.9	5.3	0.0	0.0	0.0	0.0

# PRESENT VALUE OF CONTRIBUTIONS



**Shortfall Risk:**  
The potential for the alternatives to have a higher median present value of contributions than the current policy.

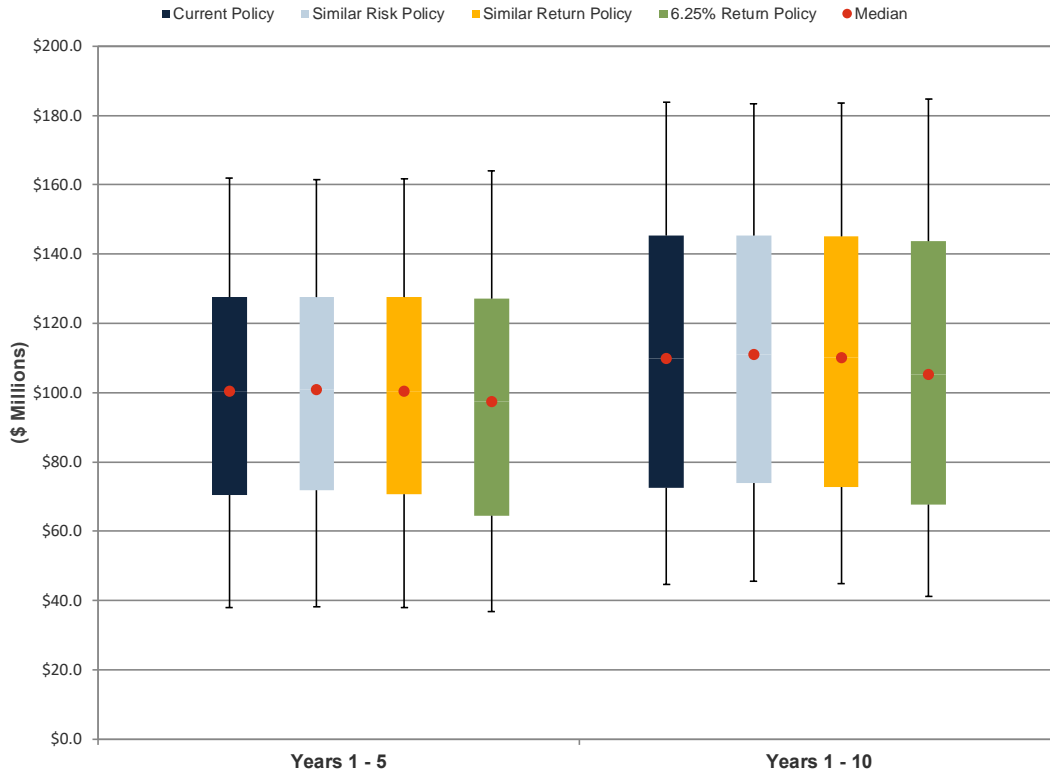
**Drawdown Risk:**  
The potential for the alternatives to have a higher "very pessimistic" present value of contributions than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	50.0	50.0	50.0	50.3	101.0	100.8	101.0	101.7
Pessimistic	46.5	46.5	46.5	46.5	86.6	86.6	86.6	86.1
<b>Median (Expected)</b>	<b>43.7</b>	<b>43.8</b>	<b>43.8</b>	<b>43.5</b>	<b>75.4</b>	<b>75.7</b>	<b>75.5</b>	<b>74.1</b>
Optimistic	41.0	41.1	41.0	40.6	62.3	62.8	62.4	59.6
Very Optimistic	36.6	36.8	36.7	35.8	42.1	42.7	42.3	39.2



# Wilshire Associates MVA ECONOMIC COST



**Shortfall Risk:**  
The potential for the alternatives to have a higher median economic cost than the current policy.

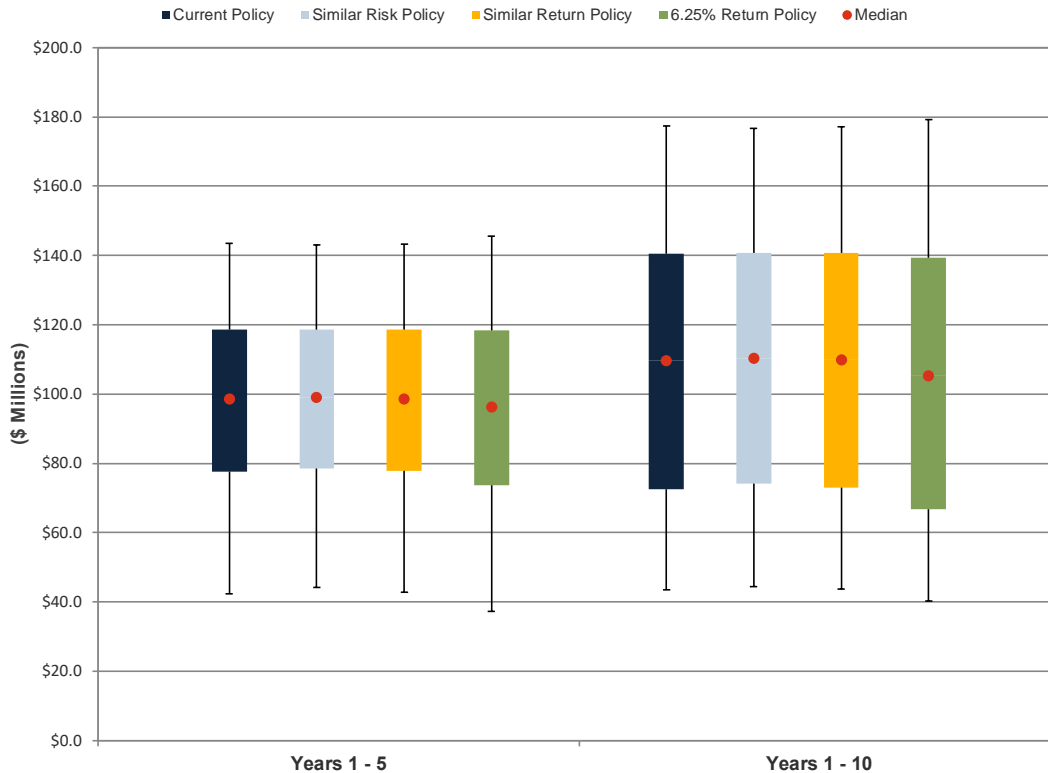
**Drawdown Risk:**  
The potential for the alternatives to have a higher “very pessimistic” economic cost than the current policy.

**EROA = 6.25%**

(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	162.0	161.4	161.7	163.9	183.9	183.3	183.6	184.8
Pessimistic	127.5	127.7	127.5	127.2	145.3	145.4	145.2	143.7
<b>Median (Expected)</b>	<b>100.5</b>	<b>101.0</b>	<b>100.5</b>	<b>97.3</b>	<b>109.9</b>	<b>111.1</b>	<b>110.1</b>	<b>105.4</b>
Optimistic	70.4	71.8	70.8	64.4	72.6	73.9	72.8	67.7
Very Optimistic	38.0	38.1	38.0	36.9	44.7	45.5	44.9	41.3

*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*

# Wilshire Associates AVA ECONOMIC COST



(\$ Millions)	Years 1 - 5				Years 1 - 10			
	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy	Current Policy	Similar Risk Policy	Similar Return Policy	6.25% Return Policy
Very Pessimistic	143.4	143.2	143.3	145.6	177.3	176.6	177.1	179.2
Pessimistic	118.6	118.6	118.7	118.3	140.5	140.8	140.6	139.3
<b>Median (Expected)</b>	<b>98.6</b>	<b>99.0</b>	<b>98.6</b>	<b>96.3</b>	<b>109.7</b>	<b>110.4</b>	<b>109.8</b>	<b>105.4</b>
Optimistic	77.6	78.5	77.8	73.7	72.6	74.2	73.0	66.7
Very Optimistic	42.3	44.1	42.9	37.3	43.5	44.4	43.7	40.4

**Shortfall Risk:**  
The potential for the alternatives to have a higher median economic cost than the current policy.

**Drawdown Risk:**  
The potential for the alternatives to have a higher "very pessimistic" economic cost than the current policy.

**EROA = 6.25%**

*Economic Cost is defined as the present value of contributions plus contributions necessary to fully fund the plan at the end of the projection period.*



# APPENDIX – CORRELATION MATRIX



## Wilshire Associates

# ASSET CLASS ASSUMPTIONS

- Wilshire's asset class return, risk and correlation assumptions are developed on multi-year forward looking expected rates of return and historical risk and correlation, adjusted to incorporate recent trends.
- Public market return expectations represent a passive investment in the asset class (beta). They do not reflect value added from active management (alpha).

	U.S. Equity	Non-U.S. Equity	High Yield / Specialty Credit	Private Equity	Private Equity (Revised)	Core Fixed Income	Cash	Real Estate	Opportunistic	Real Return
Return - 10-Year (%)	6.00	6.75	5.40	8.15	6.65	1.25	0.75	6.80	3.75	5.45
Return - 30-Year (%)	7.05	7.55	6.60	9.55	7.80	3.30	2.05	7.40	5.10	6.60
Risk (%)	17.00	18.95	7.30	28.00	18.15	5.15	1.25	14.00	4.60	8.75
Correlations										
U.S. Equity	1.00									
Non-U.S. Equity	0.83	1.00								
High Yield / Specialty Credit	0.58	0.50	1.00							
Private Equity	0.74	0.67	0.32	1.00						
Private Equity (Revised)	0.98	0.83	0.53	0.86	1.00					
Core Fixed Income	0.28	0.09	0.19	0.31	0.31	1.00				
Cash	-0.05	-0.08	-0.10	0.00	-0.04	0.19	1.00			
Real Estate	0.54	0.47	0.63	0.51	0.56	0.19	-0.05	1.00		
Opportunistic	0.43	0.54	0.62	0.42	0.46	0.07	0.07	0.32	1.00	
Real Return	0.43	0.48	0.60	0.43	0.46	0.24	0.01	0.69	0.50	1.00

High Yield/Specialty Credit is a mix of 50% High Yield and 50% Bank Loans plus 1% alpha

Private Equity (Revised) is a mix of 80% US Equity and 20% Private Equity.

Opportunistic is a mix of 25% Equity Market Neutral, 12.5% Global Macro & 62.5% Relative Value Hedge Funds.

Real Return is a mix of 25% US TIPS, 7.5% Global REITS, 15% Private Real Estate, 10% Commodity, 17.5% Timber, 15% Oil & Gas & 7.5% MLPs.



# APPENDIX – EFFICIENT FRONTIER



# Wilshire Associates

## KERS NH & SPRS

### EFFICIENT FRONTIER PORTFOLIOS

Asset Class	Current Policy KERS NH & SPRS	Optimization Constraints	Minimum Risk	Portfolio 2	Portfolio 3	Portfolio 4	Portfolio 5	Portfolio 6	Portfolio 7	Portfolio 8	Portfolio 9	Maximum Risk
U.S. Equity	15.75%	10% - 100% <sup>1</sup>	10.00%	10.43%	13.61%	15.05%	15.89%	18.43%	21.33%	24.46%	27.58%	31.50%
Non-U.S. Equity	15.75%	10% - 100% <sup>1</sup>	10.00%	10.43%	13.61%	15.05%	15.89%	18.43%	21.33%	24.46%	27.58%	31.50%
High Yield / Specialty Credit	15.00%	0% - 15%	0.00%	15.00%	15.00%	15.00%	15.00%	15.00%	12.34%	6.09%	0.00%	0.00%
Private Equity	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Private Equity (Revised)	7.00%	0% - 7% <sup>3</sup>	0.00%	0.00%	0.00%	2.81%	6.79%	7.00%	7.00%	7.00%	7.00%	7.00%
<b>Total Growth Assets</b>	<b>53.50%</b>	20% - 70%	<b>20.00%</b>	<b>35.86%</b>	<b>42.22%</b>	<b>47.92%</b>	<b>53.57%</b>	<b>58.86%</b>	<b>62.00%</b>	<b>62.00%</b>	<b>62.17%</b>	<b>70.00%</b>
Core Fixed Income	20.50%	15% - 100%	65.00%	39.14%	32.78%	27.08%	21.43%	16.14%	15.00%	15.00%	15.00%	15.00%
Cash	3.00%	3% - 5%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	3.00%	3.00%	3.00%	3.00%
<b>Total Fixed Income</b>	<b>23.50%</b>		<b>70.00%</b>	<b>44.14%</b>	<b>37.78%</b>	<b>32.08%</b>	<b>26.43%</b>	<b>21.14%</b>	<b>18.00%</b>	<b>18.00%</b>	<b>18.00%</b>	<b>18.00%</b>
Real Estate	5.00%	5% - 10%	5.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	7.00%
Opportunistic	3.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Real Return	15.00%	5% - 10%	5.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	9.83%	5.00%
<b>Total Diversifying</b>	<b>23.00%</b>	10% - 20%	<b>10.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>19.83%</b>	<b>12.00%</b>
<b>Total Assets</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Total Illiquid Assets<sup>2</sup></b>	<b>21.75%</b>		<b>6.25%</b>	<b>15.50%</b>	<b>15.50%</b>	<b>18.31%</b>	<b>22.29%</b>	<b>22.50%</b>	<b>21.97%</b>	<b>20.72%</b>	<b>19.46%</b>	<b>15.25%</b>
<b>Expected Return - 10 Years (%)</b>	<b>5.19</b>		<b>3.02</b>	<b>4.20</b>	<b>4.56</b>	<b>4.88</b>	<b>5.19</b>	<b>5.47</b>	<b>5.66</b>	<b>5.73</b>	<b>5.78</b>	<b>5.79</b>
<b>Standard Deviation of Return (%)</b>	<b>8.92</b>		<b>5.84</b>	<b>6.62</b>	<b>7.43</b>	<b>8.23</b>	<b>9.07</b>	<b>9.84</b>	<b>10.66</b>	<b>11.40</b>	<b>12.17</b>	<b>13.00</b>
<b>+ / (-) in Expected Return - 10 Years (bps)</b>			<b>(217)</b>	<b>(99)</b>	<b>(63)</b>	<b>(31)</b>	<b>0</b>	<b>28</b>	<b>47</b>	<b>54</b>	<b>59</b>	<b>60</b>
<b>+ / (-) in SD of Return (bps)</b>			<b>(308)</b>	<b>(230)</b>	<b>(149)</b>	<b>(69)</b>	<b>15</b>	<b>92</b>	<b>174</b>	<b>248</b>	<b>325</b>	<b>408</b>
<b>Sharpe Ratio</b>	<b>0.50</b>		<b>0.39</b>	<b>0.52</b>	<b>0.51</b>	<b>0.50</b>	<b>0.49</b>	<b>0.48</b>	<b>0.46</b>	<b>0.44</b>	<b>0.41</b>	<b>0.39</b>

<sup>1</sup> Non-U.S. Equity is constrained to be no more than U.S. Equity.

<sup>2</sup> Illiquid Assets are comprised of 20% of High Yield / Specialty Credit, Private Equity, Real Estate, Opportunistic and 25% of Real Return.

<sup>3</sup> Private Equity is assumed to be 80% U.S. Equity and 20% of Private Equity (standard assumption).



Wilshire Associates

# HAZ & CERS NH PENSION AND ALL INSURANCE EFFICIENT FRONTIER PORTFOLIOS

Asset Class	Current Policy KERS & CERS Haz (Ret/Ins), CERS NH (Ret/Ins) & KERS NH Ins & SPRS Ins	Optimization Constraints	Minimum Risk	Portfolio 2	Portfolio 3	Portfolio 4	Portfolio 5	Portfolio 6	Portfolio 7	Portfolio 8	Portfolio 9	Maximum Risk
U.S. Equity	18.75%	10% - 100% <sup>1</sup>	10.00%	10.00%	10.00%	12.06%	13.87%	16.78%	19.67%	22.41%	26.19%	30.00%
Non-U.S. Equity	18.75%	10% - 100% <sup>1</sup>	10.00%	10.00%	10.00%	12.06%	13.87%	16.78%	19.67%	22.41%	26.19%	30.00%
High Yield / Specialty Credit	15.00%	0% - 15%	0.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	14.19%	6.63%	0.00%
Private Equity	10.00%	0% - 10%	0.00%	1.47%	5.97%	7.43%	9.62%	10.00%	10.00%	10.00%	10.00%	10.00%
Private Equity (Revised)	0.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total Growth Assets</b>	<b>62.50%</b>	20% - 70%	<b>20.00%</b>	<b>36.47%</b>	<b>40.97%</b>	<b>46.56%</b>	<b>52.37%</b>	<b>58.57%</b>	<b>64.34%</b>	<b>69.00%</b>	<b>69.00%</b>	<b>70.00%</b>
Core Fixed Income	13.50%	10% - 100%	67.00%	40.53%	36.03%	30.44%	24.63%	18.43%	12.66%	10.00%	10.00%	10.00%
Cash	1.00%	1% - 3%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	1.00%	1.00%	1.00%
<b>Total Fixed Income</b>	<b>14.50%</b>		<b>70.00%</b>	<b>43.53%</b>	<b>39.03%</b>	<b>33.44%</b>	<b>27.63%</b>	<b>21.43%</b>	<b>15.66%</b>	<b>11.00%</b>	<b>11.00%</b>	<b>11.00%</b>
Real Estate	5.00%	5% - 10%	5.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Opportunistic	3.00%	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Real Return	15.00%	5% - 10%	5.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	9.00%
<b>Total Diversifying</b>	<b>23.00%</b>	10% - 20%	<b>10.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>19.00%</b>
<b>Total Assets</b>	<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Total Illiquid Assets<sup>2</sup></b>	<b>24.75%</b>		<b>6.25%</b>	<b>16.97%</b>	<b>21.47%</b>	<b>22.93%</b>	<b>25.12%</b>	<b>25.50%</b>	<b>25.50%</b>	<b>25.34%</b>	<b>23.83%</b>	<b>22.25%</b>
<b>Expected Return - 10 Years (%)</b>	<b>5.96</b>		<b>3.02</b>	<b>4.30</b>	<b>4.69</b>	<b>5.05</b>	<b>5.42</b>	<b>5.76</b>	<b>6.05</b>	<b>6.29</b>	<b>6.35</b>	<b>6.41</b>
<b>Standard Deviation of Return (%)</b>	<b>10.83</b>		<b>5.91</b>	<b>6.82</b>	<b>7.68</b>	<b>8.52</b>	<b>9.49</b>	<b>10.39</b>	<b>11.23</b>	<b>12.06</b>	<b>12.97</b>	<b>13.90</b>
<b>+ / (-) in Expected Return - 10 Years (bps)</b>			<b>(294)</b>	<b>(166)</b>	<b>(127)</b>	<b>(91)</b>	<b>(54)</b>	<b>(20)</b>	<b>9</b>	<b>33</b>	<b>39</b>	<b>45</b>
<b>+ / (-) in SD of Return (bps)</b>			<b>(492)</b>	<b>(401)</b>	<b>(315)</b>	<b>(231)</b>	<b>(134)</b>	<b>(44)</b>	<b>40</b>	<b>123</b>	<b>214</b>	<b>307</b>
<b>Sharpe Ratio</b>	<b>0.48</b>		<b>0.38</b>	<b>0.52</b>	<b>0.51</b>	<b>0.50</b>	<b>0.49</b>	<b>0.48</b>	<b>0.47</b>	<b>0.46</b>	<b>0.43</b>	<b>0.41</b>

<sup>1</sup> Non-U.S. Equity is constrained to be no more than U.S. Equity.

<sup>2</sup> Illiquid Assets are comprised of 20% of High Yield / Specialty Credit, Private Equity, Real Estate, Opportunistic and 25% of Real Return.

<sup>3</sup> Private Equity is assumed to be 80% U.S. Equity and 20% of Private Equity (standard assumption).



# APPENDIX – REGIMES

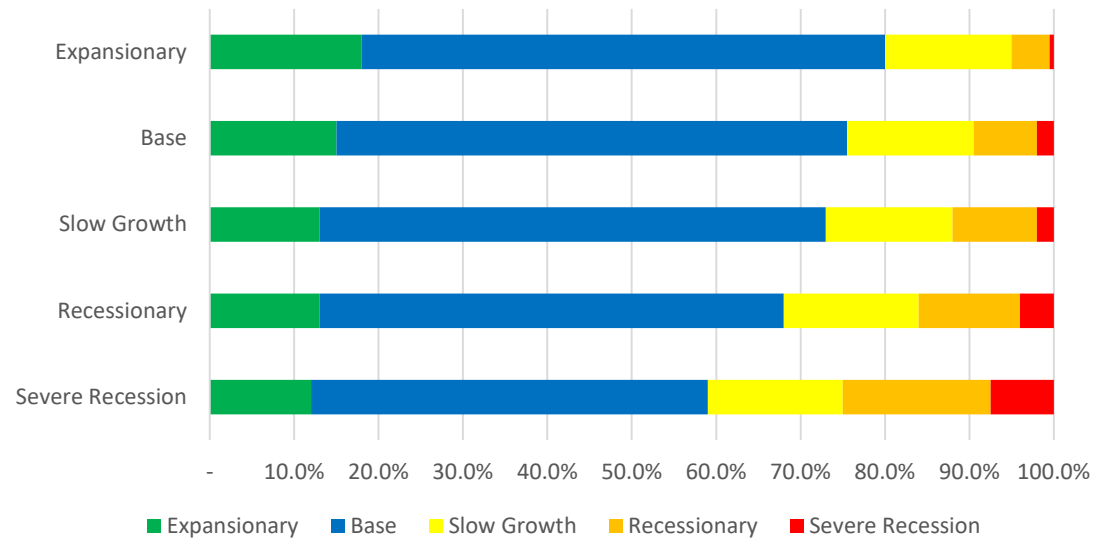


# STRESS TESTING: REGIME SWITCHING MODEL

Managing drawdown risk – the “uncertainty around the uncertainty”

- Most simulation models assume returns are log-normally distributed
- Though reasonable in most years, left-tail events occur more frequently than predicted
- A regime switching model can help us pre-experience uncomfortable return paths that fall outside a normal distribution’s field of view

		expansionary	base	slow growth	recessionary	severe recession
expansionary	18.0%	62.0%	15.0%	4.5%	0.5%	
base	15.0%	60.5%	15.0%	7.5%	2.0%	
slow growth	13.0%	60.0%	15.0%	10.0%	2.0%	
recessionary	13.0%	55.0%	16.0%	12.0%	4.0%	
severe recession	12.0%	47.0%	16.0%	17.5%	7.5%	



Wilshire Associates



## STRESS TESTING: REGIME ASSUMPTIONS

	US Equity	Dev xUS Equity	EM Equity	Private Equity	Cash	Core Bonds	Long Core Bonds	US TIPS	HY	US Real Estate	Private RE	Commodities	Portfolio KERS NH & SPRS	Portfolio KERS & CERS Haz (Ret/Ins), CERS NH (Ret/Ins), KERS NH Ins & SPRS Ins
<b>Expansionary/Above Trend Growth</b>														
Return (%)	11.00	11.50	11.50	15.65	1.00	0.75	1.60	(0.20)	6.00	10.10	11.80	5.25	7.97	9.38
Risk (%)	12.00	13.00	21.00	20.50	1.25	5.65	10.85	6.50	8.00	13.00	11.00	15.00	6.70	8.06
<b>Baseline/Trend Growth</b>														
Return (%)	6.00	6.50	6.50	8.15	0.75	1.25	2.10	0.30	4.00	5.10	6.80	2.25	5.19	5.96
Risk (%)	17.00	18.00	26.00	28.00	1.25	5.15	9.85	6.00	10.00	17.00	14.00	15.00	8.92	10.83
<b>Slow Growth/Below Trend</b>														
Return (%)	4.00	4.50	4.50	5.15	0.50	2.25	3.60	0.80	3.00	3.10	4.80	1.25	4.36	4.83
Risk (%)	22.00	23.00	31.00	35.50	1.25	6.15	11.85	7.00	12.00	21.00	17.00	17.00	11.48	14.05
<b>Recessionary/Negative Growth</b>														
Return (%)	(4.00)	(3.50)	(3.50)	(6.85)	0.25	3.25	5.10	1.80	0.00	(4.90)	(3.20)	(1.75)	0.09	(0.52)
Risk (%)	27.00	28.00	36.00	43.00	1.25	7.15	13.85	8.00	15.00	25.00	20.00	20.00	14.16	17.36
<b>Severe Recession/Deflation</b>														
Return (%)	(44.00)	(43.50)	(43.50)	(41.85)	(0.25)	13.75	22.10	10.30	(16.00)	(44.90)	(43.20)	(4.75)	(19.02)	(23.66)
Risk (%)	42.00	43.00	51.00	53.00	1.25	15.15	19.85	16.00	20.00	42.00	34.00	25.00	21.57	25.43

- In below trend and worse environments, the portfolios' return expectations is materially lower and the volatility is materially higher



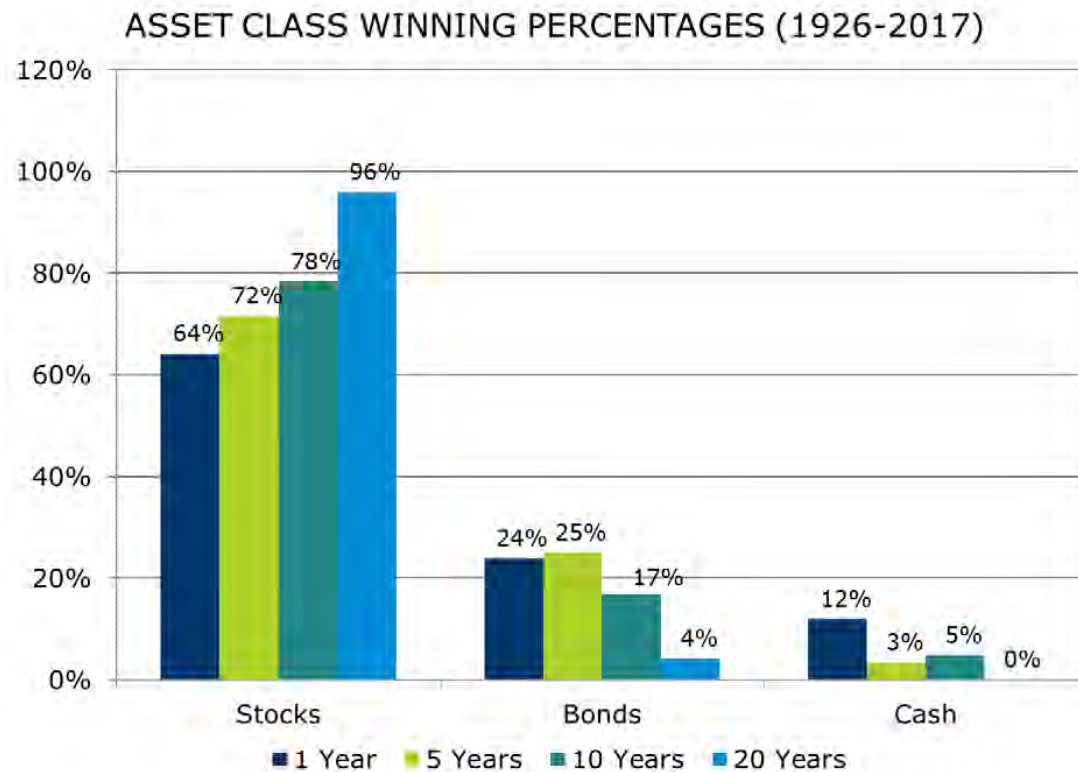
# APPENDIX – LIQUIDITY

Wilshire Associates



# LIQUIDITY RISK: WHAT ARE THE CONSEQUENCES?

- Default/Insolvency is the most severe outcome from having insufficient liquidity, but...
- There are many other, more likely, disruptive impacts that a lack of liquidity can impose on an investment portfolio
- Liquidity breaches can rob an investor of their biggest advantage: a long-term investment horizon
- The timing and price of such sales dictated by liquidity needs rather than by explicit investment rationale
- Can destroy portfolio value and effectively strip a portfolio from its ability to recover from market sell-offs



Wilshire Associates



## WILSHIRE LIQUIDITY METRIC

Wilshire's Liquidity Metric framework has two levels

1. Market Level of Liquidity
2. Stressed Level of Liquidity Metric

### **Market Level of liquidity**

- Quantified on scale from 0% (low liquidity) to 100% (high liquidity)
- Designed to capture general notion of marketable versus private/off-market transactions
  - Marketable asset classes typically reflect a 90% or 100%
  - Private asset classes reflect 0%
- Goal is to reflect the tradability of assets, which is helpful in connecting these values back to our definitional framework (i.e., to quantify the differences between Convertible Liquidity and Delayed Liquidity)

Wilshire Associates



## WILSHIRE LIQUIDITY METRIC

### Stressed Level of Liquidity Metric

Includes a penalty process to reflect the loss in practical liquidity due to asset class volatility and sensitivity to particular economic environments

Penalty components:

#### 1. Growth Penalty:

- Impacts asset classes with vulnerability to slowing growth
- Recognizes the hit to liquidity that can occur during growth related bear markets

#### 2. Inflation Penalty:

- Impacts asset classes with vulnerability to rising inflation
- Recognizes the hit to liquidity that can occur during inflation driven bear markets

#### 3. Volatility Penalty:

- Impacts higher volatility asset classes
- Recognizes the hit to liquidity that can occur from any form of volatility

Wilshire Associates



## WILSHIRE STRESSED LIQUIDITY METRIC

## Stressed Level of Liquidity Metric

Asset Class	Market Liquidity	Liquidity Penalty Components			Applied Penalty	Stressed Liquidity
		Growth	Inflation	Volatility		
US Equity	100	50		24	50	13
Dev ex-US Equity	100	50		26	50	13
EM Equity	90	50		40	50	3
Private Equity	0	50		40	0	0
Cash Equivalents	100				0	100
Core Bonds	100		8		8	86
High Yield Bonds	80	40		10	40	10
US Real Estate Securities	90	50		24	50	3
Private Real Estate	0	50		18	0	0
Commodities	90			20	20	55

Applied Penalty =  $\text{Min}(\text{Max}(\text{Growth} + \text{Inflation}, \text{Volatility}), \text{Market Liquidity})$

Stressed Liquidity Metric =  $\text{Market Liquidity} - (1.75 \times \text{Applied Penalty})$



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## KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601  
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



To: Kentucky Retirement Systems Board of Trustees

From: John E. Chilton, CPA, Chair  
Audit Committee of the Board of Trustees

Kristen N. Coffey, CICA *KNC*  
Division Director, Internal Audit Administration

Date: September 10, 2020

Subject: August 27, 2020 Audit Committee Meeting

---

The Audit Committee held a Special Called meeting on August 27, 2020.

**1. Candidates must be nominated for the upcoming County Employees Retirement System (CERS) Election. Up to nine of the following candidates can be approved to be placed on the Official Ballot.**

- a. Patricia Carver
- b. Melanie Lilly
- c. Harold Monroe
- d. Betty Pendergrass
- e. Jason Potts
- f. Jerry Powell
- g. Roy Pridgen, Jr.
- h. David Rich
- i. Paul Routon
- j. Ronald Scott
- k. Charles "Jack" Wright

**RECOMMENDATION: The Audit Committee requests the Board of Trustees nominate up to nine candidates for the upcoming CERS election and then make a motion to add those nominated individuals to the Official Ballot.**

**2. Three items were approved by the Audit Committee and are being forwarded to the Board of Trustees for ratification:**

- a. Updates to the Board Election Policy.
- b. Terms for the newly elected CERS Trustees.
- c. Two requests for Hazardous Position Classifications.

**RECOMMENDATION: The Audit Committee requests the Board of Trustees ratify the actions taken by the Audit Committee.**

**3. The following other information was discussed during the Audit Committee meeting:**

- a. Information disclosures,
- b. Financial statements,
- c. Outstanding invoices,
- d. Employer penalty waivers,
- e. Status of external audit,
- f. Investment compliance,
- g. Internal Audit Budget,
- h. Anonymous reports received,
- i. A-133 and Title VI letters,
- j. CERS 2021 Election Status, and
- k. Status of current internal audits, including audits issued since last meeting,



## KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Executive Director

Perimeter Park West • 1260 Louisville Road • Frankfort, Kentucky 40601  
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



TO: Members of the Audit Committee

FROM: D’Juan Surratt  
Director of Employer Reporting, Compliance and Education

DATE: 08/27/2020

SUBJECT: Hazardous Position Classification

AGENCIES ARE REQUESTING HAZARDOUS DUTY COVERAGE FOR THE FOLLOWING POSITIONS:

<u>Agency</u>	<u>Position</u>	<u>Effective Date</u>
Bourbon County Fiscal Court	Sheriff K-9 Officer	03/01/2020*
Burlington Fire Protection District	Captain of Training	10/01/2020

Kentucky Retirement Systems has reviewed the above requests and feel that these positions meet the statutory guidelines for Hazardous coverage. Position Questionnaires and Job Descriptions are attached.

\*Bourbon County Fiscal Court is requesting an effective date of 03/01/2020 due to hiring an employee as hazardous but not realizing the position wasn’t approved at the time.

**61.592 Retirement of persons working in hazardous positions.**

(1)

(a) "Hazardous position" for employees participating in the Kentucky Employees Retirement System, and for employees who begin participating in the County Employees Retirement System before September 1, 2008, means:

1. Any position whose principal duties involve active law enforcement, including the positions of probation and parole officer and Commonwealth detective, active fire suppression or prevention, or other positions, including, but not limited to, pilots of the Transportation Cabinet and paramedics and emergency medical technicians, with duties that require frequent exposure to a high degree of danger or peril and also require a high degree of physical conditioning;
2. Positions in the Department of Corrections in state correctional institutions and the Kentucky Correctional Psychiatric Center with duties that regularly and routinely require face-to-face contact with inmates; and
3. Positions of employees who elect coverage under KRS 196.167(3)(b)2. and who continue to provide educational services and support to inmates as a Department of Corrections employee.

(b) "Hazardous position" for employees who begin participating in the County Employees Retirement System on or after September 1, 2008, means police officers and firefighters as defined in KRS 61.315(1), paramedics, correctional officers with duties that routinely and regularly require face-to-face contact with inmates, and emergency medical technicians if:

1. The employee's duties require frequent exposure to a high degree of danger or peril and a high degree of physical conditioning; and
2. The employee's duties are not primarily clerical or administrative.

(c) The effective date of participation under hazardous duty coverage for positions in the Department of Alcoholic Beverage Control shall be April 1, 1998. The employer and employee contributions shall be paid by the employer and forwarded to the retirement system for the period not previously reported.

(2)

(a) Each employer may request of the board hazardous duty coverage for those positions as defined in subsection (1) of this section. Upon request, each employer shall certify to the system, in the manner prescribed by the board, the names of all employees working in a hazardous position as defined in subsection (1) of this section for which coverage is requested. The certification of the employer shall bear the approval of the agent or agency responsible for the budget of the department or county indicating that the required employer contributions have been provided for in the budget of the employing department or county. The system shall determine whether the employees whose names have been certified by the employer are working in positions meeting the definition of a hazardous position as provided by subsection (1) of this section. This process shall not be required for employees who elect coverage under KRS 196.167(3)(b)2.

- (b) Each employer desiring to provide hazardous duty coverage to employees who begin participating in the County Employees Retirement System on or after September 1, 2008, may request that the board approve hazardous duty coverage for those positions that meet the criteria set forth in subsection (1)(b) of this section. Each employer shall certify to the system, in the manner prescribed by the board, the names of all employees working in a hazardous position as defined in subsection (1)(b) of this section for which coverage is requested and a job description for each position or employee. The certification of the employer shall bear the approval of the agent or agency responsible for the budget of the department or county indicating that the required employer contributions have been provided for in the budget of the employing department or county. Each employer shall also certify, under penalty of perjury in accordance with KRS Chapter 523, that each employee's actual job duties are accurately reflected in the job description provided to the system. The system shall determine whether the employees whose names have been certified by the employer are working in positions meeting the definition of a hazardous position as defined in subsection (1)(b) of this section. The board shall have the authority to remove any employee from hazardous duty coverage if the board determines the employee is not working in a hazardous duty position or if the employee is classified in a hazardous duty position but has individual job duties that do not meet the definition of a hazardous duty position or are not accurately reflected in the job descriptions filed by the employer with the system. (3) (a) An employee who elects coverage under KRS 196.167(3)(b)2., and an employee participating in the Kentucky Employees Retirement System who is determined by the system to be working in a hazardous position in accordance with subsection (2) of this section, shall contribute, for each pay period for which he receives compensation, eight percent (8%) of his creditable compensation. An employee participating in the County Employees Retirement System who is determined by the system to be working in a hazardous duty position in accordance with subsection (2) of this section shall contribute, for each pay period for which he receives compensation, eight percent (8%) of his creditable compensation. (b) Each employer shall pay employer contributions based on the creditable compensation of the employees determined by the system to be working in a hazardous position at the employer contribution rate as determined by the board. The rate shall be determined by actuarial methods consistent with the provisions of KRS 61.565.
- (c) If the employer participated in the system prior to electing hazardous duty coverage, the employer may pay to the system the cost of converting the nonhazardous service to hazardous service from the date of participation to the date the payment is made, or the employer may establish a payment schedule for payment of the cost of the hazardous service above that which would be funded within the existing employer contribution rate. The employer may extend the payment schedule to a maximum of thirty (30) years. Payments made by the employer under this subsection shall be deposited to the retirement allowance account of the proper retirement system and these funds shall not be considered accumulated contributions of the individual members. If the employer elects not to make the additional payment, the employee may pay the cost of converting the service and provide payment for the cost as provided by KRS 61.552(14). Payments made by the employee under this

subsection shall not be picked up, as described in KRS 61.560(4), by the employer. If neither the employer nor employee makes the payment, the service prior to hazardous coverage shall remain nonhazardous. The provisions of this paragraph shall not apply to members who begin participating in the systems administered by Kentucky Retirement Systems on or after January 1, 2014.

- (4) The normal retirement age, retirement allowance, hybrid cash balance plans, other benefits, eligibility requirements, rights, and responsibilities of a member in a hazardous position, as prescribed by subsections (1), (2), and (3) of this section, and the responsibilities, rights, and requirements of his employer shall be as prescribed for a member and employer participating in the State Police Retirement System as provided for by KRS 16.505 to 16.652.
- (5) Any person employed in a hazardous position after July 1, 1972, shall be required to undergo a thorough medical examination by a licensed physician, and a copy of the medical report of the physician shall be retained on file by the employee's department or county and made available to the system upon request.
- (6) If doubt exists regarding the benefits payable to a hazardous position employee under this section, the board shall determine the benefits payable under KRS 61.510 to 61.705, or 78.510 to 78.852, or 16.505 to 16.652.

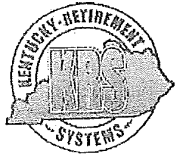
**Effective:** June 29, 2017

**History:** Amended 2017 Ky. Acts ch. 32, sec. 15, effective June 29, 2017. -- Amended 2013 Ky. Acts ch. 120, sec. 57, effective July 1, 2013. -- Amended 2010 Ky. Acts ch. 24, sec. 55, effective July 15, 2010; and ch. 104, sec. 3, effective April 8, 2010. -- Amended 2008 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 17, effective June 27, 2008. -- Amended 2000 Ky. Acts ch. 210, sec. 3, effective July 14, 2000; ch. 385, sec. 17, effective July 14, 2000; and ch. 462, sec. 1, effective April 21, 2000. -- Amended 1998 Ky. Acts ch. 300, sec. 1, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 185, sec. 1, effective July 15, 1994; and ch. 485, sec. 15, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 211, sec. 12, effective July 14, 1992; and ch. 240, sec. 28, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 255, sec. 1, effective July 13, 1990; ch. 346, secs. 1 and 8, effective July 13, 1990; and ch. 460, sec. 1, effective July 13, 1990. -- Amended 1986 Ky. Acts ch. 90, sec. 14, effective July 15, 1986. -- Amended 1984 Ky. Acts ch. 232, sec. 5, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 211, sec. 1, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 186, sec. 9, effective July 15, 1980. -- Amended 1978 Ky. Acts ch. 384, sec. 16, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 321, secs. 21 and 40. -- Amended 1974 Ky. Acts ch. 128, sec. 19. -- Created 1972 Ky. Acts ch. 107, sec. 1.

**Legislative Research Commission Note (6/27/2008).** Two manifest clerical or typographical errors in 2008 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 17 (this statute), have been corrected in codification by the Reviser of Statutes under the authority of KRS 7.136(1)(h).

**61.315 Benefits payable on death of certain peace officers, firefighters, correctional officers, jailers, school resource officers, members of a state National Guard or Reserve component, and emergency medical services personnel -- Administrative regulations -- Estates to be exempted from probate fees -- Funds allotted to a self-insuring account -- Presumption that firefighter's death from cancer resulted from act in the line of duty under certain conditions. (Effective July 15, 2020)**

- (1) As used in this section:
  - (a) "Police officer" means every paid police officer, sheriff, or deputy sheriff, corrections employee with the power of a peace officer pursuant to KRS 196.037, any metropolitan or urban-county correctional officer with the power of a peace officer pursuant to KRS 446.010, any jailer or deputy jailer, any auxiliary police officer appointed pursuant to KRS 95.445, any police officer of a public institution of postsecondary education appointed pursuant to KRS 164.950, any school resource officer as defined in KRS 158.441, or any citation or safety officer appointed pursuant to KRS 83A.087 and 83A.088, elected to office, or employed by any county, airport board created pursuant to KRS Chapter 183, city, local board of education, or by the state;
  - (b) "Firefighter" means every paid firefighter or volunteer firefighter who is employed by or volunteers his or her services to the state, airport board created pursuant to KRS Chapter 183, any county, city, fire district, or any other organized fire department recognized, pursuant to KRS 95A.262, as a fire department operated and maintained on a nonprofit basis in the interest of the health and safety of the inhabitants of the Commonwealth and shall include qualified civilian firefighters employed at Kentucky-based military installations; and
  - (c) "Emergency medical services personnel" means any paid or volunteer emergency medical services personnel who is certified or licensed pursuant to KRS Chapter 311A and who is employed directly by, or volunteering directly for, any:
    1. County;
    2. City;
    3. Fire protection district created under KRS 75.010 to 75.260; or
    4. Emergency ambulance service district created under KRS 108.080 to 108.180;to provide emergency medical services.
- (2) The spouse of any police officer, sheriff, deputy sheriff, corrections employee with the power of a peace officer pursuant to KRS 196.037, any metropolitan or urban-county correctional officer with the power of a peace officer pursuant to KRS 446.010, any jailer or deputy jailer, any auxiliary police officer appointed pursuant to KRS 95.445, any police officer of a public institution of postsecondary education appointed pursuant to KRS 164.950, any school resource officer as defined in KRS 158.441, or any citation or safety officer appointed pursuant to KRS 83A.087 and



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Form 7025
Revised 09/2010

Position Questionnaire

Instructions

- To petition the Board for approval of hazardous duty positions for KERS employees, complete Sections 1 and 3.
To petition for CERS employees with a CERS participation date prior to 9/1/2008, complete Sections 1 and 3.
To petition for CERS employees with a CERS participation date on or after 9/1/2008, complete Sections 2 and 3.

Section 1: For KERS Employees or Employees With a CERS Participation Date Prior to September 1, 2008

Employer: BOURBON COUNTY FISCAL COURT Position Title: Sheriff K-9 Officer

- Is this position required to have Peace Officer Professional Standards and Certification? [X] Yes [ ] No
If no, is this position required to carry a firearm? [ ] Yes [ ] No
Does this position require active fire suppression or prevention? [ ] Yes [X] No

Section 2: For Employees With a CERS Participation Date On or After September 1, 2008

Employer: BOURBON COUNTY FISCAL COURT Position Title: Sheriff K-9 Officer

Please select the appropriate classification and answer all that are applicable.

- [X] Police Officer
[ ] Firefighter Does this position require active fire suppression? [ ] Yes [ ] No
[ ] Paramedic
[ ] Correctional Officer Does this position routinely require face to face contact with inmates? [ ] Yes [ ] No
[ ] Other Specify:
Is this position required to have Peace Officer Professional Standards and Certification? [ ] Yes [ ] No
If no, is this position required to carry a firearm? [ ] Yes [ ] No
[ ] Emergency Medical Technician (If this position is selected please complete the remainder of this page, if not skip to page 2.)
Does this position require frequent exposure to a high degree of danger or peril? [ ] Yes [ ] No
Does this position require a high degree of physical conditioning? [ ] Yes [ ] No
Are the employee's duties primarily clerical or administrative? [ ] Yes [ ] No

Position Duty: Clerical or Administrative (Complete only if EMT is selected):

Percentage of Time Spent: \_\_\_\_\_

Description of Duties: \_\_\_\_\_

Agency Head Signature: Michael R. Williams

Date: August 7, 2020

Agency Head Title: Bourbon County Judge Executive



Employer: **BOURBON COUNTY FISCAL COURT**

Position Title: Sheriff K-9 Officer

**Section 3: For All Positions**

1. List the exact position title as it appears on your job description.
2. List the position's duties (i.e. training, field duties, etc.), the percentage of time spent performing each duty (percentages must equal 100% including the clerical/administrative duties on the first page (for EMT positions), and a description of each duty in the box provided.
3. BE AS DETAILED AS POSSIBLE. The Board of Trustees will use this document in determining if the position meets the definition of hazardous duty per KRS 61.592.

Position Duty: Administrative

Percentage of Time Spent: 10%

Description of Duties:

Writing and filing reports when K-9 is requested or utilized.

Testifying in court in reference to K-9 use or facts as needed.

Position Duty: Field work

Percentage of Time Spent: 75%

Description of Duties:

Responding to calls for service, including emergencies when K-9 can be utilized.

Patrol assigned areas with K-9 present.

Inspecting crime scenes and finding and securing evidence when K-9 is requested or in service of a Deputies regular duties.

Training and handling of K-9.

Position Duty: Support work

Percentage of Time Spent: 15%

Description of Duties:

Daily care of K-9. Including feeding, cleaning, housing, exercising and trips to veterinary.

Agency Head Signature: Michael R. Williams

Date: August 7, 2020

Agency Head Title: Bourbon County Judge Executive

## **BOURBON COUNTY FISCAL COURT**

### JOB DESCRIPTION EFFECTIVE JANUARY 1, 2020

Position: Sheriff K-9 Officer

- Responding to calls for service, including emergencies when K-9 can be utilized.
- Patrol assigned areas with K-9 present.
- Inspecting crime scenes and finding and securing evidence when K-9 is requested or in service of a Deputies regular duties.
- Writing and filing reports when K-9 is requested or utilized.
- Testifying in court in reference to K-9 use or tactics as needed.
- Training and handling of K-9.
- Care of K-9.



**KENTUCKY RETIREMENT SYSTEMS**

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**Form 7025**  
Revised 09/2010

**Position Questionnaire**

**Instructions**  
To petition the Board for approval of hazardous duty positions for KERS employees, complete Sections 1 and 3.  
To petition for GERS employees with a GERS participation date prior to 9/1/2008, complete Sections 1 and 3.  
To petition for GERS employees with a GERS participation date on or after 9/1/2008, complete Sections 2 and 3.

**Section 1: For KERS Employees or Employees With a GERS Participation Date Prior to September 1, 2008**

Employer: BURLINGTON FIRE PROTECTION DISTRICT Position Title: CAPTAIN OF TRAINING

- Is this position required to have Peace Officer Professional Standards and Certification?  Yes  No
- If no, is this position required to carry a firearm?  Yes  No
- Does this position require active fire suppression or prevention?  Yes  No

**Section 2: For Employees With a GERS Participation Date On or After September 1, 2008**

Employer: BURLINGTON FIRE PROTECTION DISTRICT Position Title: CAPTAIN OF TRAINING

Please select the appropriate classification and answer all that are applicable.

- Police Officer
- Firefighter Does this position require active fire suppression?  Yes  No
- Paramedic
- Correctional Officer Does this position routinely require face to face contact with inmates?  Yes  No
- Other Specify: \_\_\_\_\_

- Is this position required to have Peace Officer Professional Standards and Certification?  Yes  No
- If no, is this position required to carry a firearm?  Yes  No

Emergency Medical Technician (If this position is selected please complete the remainder of this page, if not skip to page 2.)

- Does this position require frequent exposure to a high degree of danger or peril?  Yes  No
- Does this position require a high degree of physical conditioning?  Yes  No
- Are the employee's duties primarily clerical or administrative?  Yes  No

Position Duty: Clerical or Administrative (Complete only if EMT is selected):

Percentage of Time Spent: 0%

Description of Duties:

THERE IS NO CLERICAL OR ADMINISTRATIVE DUTIES

Agency Head Signature: Jeffrey R. Boulton  
Agency Head Title: FIRE CHIEF

Date: July 17, 2020

Employer: BURLINGTON FIRE PROTECTION DISTRICT

Position Title:

CAPTAIN OF TRAINING

Section 3: For All Positions

1. List the exact position title as it appears on your job description.
2. List the position's duties (i.e. training, field duties, etc.). The percentage of time spent performing each duty (percentages must equal 100%, including the clerical/administrative duties on the first page for EMT positions) and a description of each duty in the box provided.
3. BE AS DETAILED AS POSSIBLE. The Board of Trustees will use this document in determining if the position meets the definition of hazardous duty per KRS 61.592.

Position Duty: TRAINING OF FIREFIGHTERS/EMTS

Percentage of Time Spent: 65% (SIXTY-FIVE PERCENT)

Description of Duties:

SUPERVISES, MANAGES, COORDINATES, AND INSTRUCTS ALL ACTIVITIES ASSOCIATED WITH TRAINING NEW RECRUITS, APPARATUS OPERATORS, AND OFFICERS. SUCH SUPERVISION SHALL INCLUDE IMPLEMENTING TRAINING ACADEMIES, IDENTIFYING SKILLS DEVELOPMENT NEEDS THROUGH FIRST-HAND OBSERVATION AND EVALUATION, AND DEVELOPING PROGRAMS TO PROVIDE NEEDED DEVELOPMENT. INSTRUCT FIREFIGHTERS, EMTs, OFFICERS, AND APPARATUS OPERATORS. KEEP ACCURATE RECORDS OF TRAINING PLANS, BENCHMARKS, AND ACCOMPLISHMENTS FOR INDIVIDUALS AND DEPARTMENT.

Position Duty: SAFETY COMPLIANCE AND EVALUATION

Percentage of Time Spent: 15% (FIFTEEN PERCENT)

Description of Duties:

SERVE AS PRIMARY SAFETY COMPLIANCE OFFICER FOR DEPARTMENT AND MEMBERS. ASSESS ADEQUACY AND EFFECTIVENESS OF SAFETY-RELATED RULES, REGULATIONS, AND STANDARD OPERATING GUIDELINES. PROVIDE REPORTS AND RECOMMENDED CHANGES AS NEEDED TO EXECUTIVE OFFICERS REGARDING SAFETY ISSUES AND COMPLIANCE, AND INSTRUCT/TRAIN MEMBERSHIP IN SAFETY TOPICS FOR COMPLIANCE. KEEP RECORDS OF FINDINGS, TRAINING COMPLETED, AND SAFETY PROGRAMS.

Position Duty: EMERGENCY RESPONSE

Percentage of Time Spent: 20% (TWENTY PERCENT)

Description of Duties:

RESPOND TO EMERGENCY CALLS FOR QUALITY ASSURANCE OF SKILLS AND OPERATIONS. POSITION WILL REQUIRE PERSONAL PROTECTIVE EQUIPMENT AND SCBA QUALIFICATION/USE AS NEEDED ON EMERGENCY SCENES. CAPTAIN OF TRAINING MAY BE DEPLOYED ON SCENE AS NEEDED FOR FIREFIGHTING, EMS CARE, EMERGENCY VEHICLE OPERATION, INCIDENT COMMAND-LEVEL ASSIGNMENTS, AND WILL BE IN AN "ON-CALL" ROTATION FOR EMERGENCY RESPONSE DUTIES.

Agency Head Signature: Jeff Burton

Date: July 17, 2020

Agency Head Title: FIRE CHIEF



Board Approved: July 13, 2020  
(Replaces 10/2008 version)

**POSITION DESCRIPTION –CAPTAIN of TRAINING– VOLUNTEER/CAREER**

**Purpose**

Serves at the pleasure of the Chief and Board of Trustees as a staff officer with direct responsibility for planning, organizing and directing the training functions of the Fire Department. Duties include providing oversight to all training activities, evaluating program effectiveness, recommending equipment purchases, evaluating emergency preparedness and planning procedures, researching and developing new methods of fire/rescue/EMS service delivery, preparing and administering training budget, tracking expenditures, working with computer programs, assist in setting organizational goals, assists in development of training related policies and procedures. The position will interact with community and governmental agencies to foster high standards of performance, training, and morale of Burlington personnel.

**Supervision Received**

Works under the direct supervision of either the Assistant Chief of Paramedicine or Assistant Chief of Planning/Logistics, as designated by the Fire Chief.

**Supervision Exercised**

This individual supervises other certified instructors within the department in relation to instructor duties only.

**FLSA Classification**

Non-exempt, hourly

**CERS Retirement Classification**

CERS Hazardous duty retirement pending Kentucky Retirement System approval

**District Employee Benefits Classification**

Full-time employment will include full medical, dental, disability, vacation, sick time, and longevity benefits as offered to all other full-time employees.

Part-time employment, consisting of regularly scheduled work for less than thirty (30) hours per week repetitively, there are no medical, dental, or disability benefits offered however part-time employees are provided workers' compensation insurance and CERS retirement contributions as required by the Kentucky Retirement System.

**Essential Duties and Responsibilities**

- A. Supervises, manages and coordinates all activities associated with the development of new recruit firefighters, engineer development programs,

- company officer, and executive fire officer level programs. The coordination and supervision of these programs shall include but are not limited to coordinating entrance examinations, scheduling and implementing training academies, developing quarterly training packets, and maintaining all associated training files and records for the entire department.
- B Ensures compliance with generally accepted standards and/or operational requirements or recommendations by OSHA, I S O and NFPA as well as federally mandated programs and requirements
  - C Identifies skills development needs and coordinates training and professional development programs internally and with the local community college, other agencies, and state and regional organizations
  - D Supervises, manages, develops and coordinates activities associated with training such as initiating and scheduling classes, lectures, drills, and providing educational materials at local, county and state levels
  - E Assigns and monitors work of instructors assigned to Training for special projects, training activities, or light duty assignments
  - F Serves as a department Officer and attends all Officers' meetings as necessary
  - G Formulates an annual fire training plan with assistance of Chief, Assistant Chiefs, County Training Standards Committee and Company-level Fire Officers
  - H Administers the annual fire training plan including development and administration of training budget
  - I Formulates and recommends county-wide fire training policies (minimum training requirements, etc ) with assistance of Chief, Assistant Chiefs, County Training Standards Committee and Company-level Fire Officers
  - J Keeps abreast of fire training trends and practices and informs Chief, Chief Officers, Company Officers, and members of same
  - K Attends County Training Committee meetings to discuss training problems, needs, future plans, and strategies
  - L Respond to emergency scenes / calls as needed for the purpose of observing and assessing quality of performance and determining areas of training need. May also perform firefighting/rescue/EMS duties with firefighters as assigned by Incident Commander
  - M Will be required to be on call as assigned and may be required to respond to emergencies, as needed, to assume any role necessary within the National Incident Management System (NIMS) including command staff, general staff, or other incident management system roles, as appropriate, using established incident command procedures
  - N Assists Lieutenants and assigned instructors in planning, facilitating and/or instructing all fire training classes to include the Firefighter Academy
  - O Operate and instruct others in the temperature monitoring system for the live fire burn building property
  - P Assists company Fire Training personnel as requested in planning, facilitating, and/or instructing company level/monthly training classes
  - Q Shall serve as primary safety compliance officer and periodically report to the Chief and/or Assistant Chief on the adequacy and effectiveness of and compliance with the safety-related rules, regulations, and standard operating guidelines

- R Analyzes data and prepares technical reports regarding divisional activities
- S Other duties/responsibilities as assigned by the assigned Assistant Chief direct supervisor
- T Other duties/responsibilities as assigned by the Fire Chief

**Peripheral Duties:**

- A Interacts with, supports, and assists members as directed within the chain-of-command
- B Serves as a member of various district committees
- C Assist executive staff with complex fire prevention inspection and plan review issues as needed, including assessment of company-level inspection effectiveness

**Minimum Qualifications:**

- A High school graduate or GED equivalent, prefer college degree
- B Kentucky certified or IFSAC certified Instructor Level II
- C Kentucky certified EMT or equivalent
- D Possess a valid driver's license
- E Clean driving record for the previous two years

**Minimum Requirements**

- A Preference will be given to individuals residing within Boone County
- B Must be a citizen of the United States of America
- C Must be able to pass a complete health screen process including drug and alcohol testing which is provided by the official medical physician of the district before appointment
- D Minimum age requirement is 18 years of age
- E Must be able to speak, read, and write the English language

**Training/Incident Response Requirements:**

- A EMT's must maintain Kentucky State EMT-B Certification, in accordance with Kentucky State EMS Regulations
- B EMT's must maintain Boone County SAED certification as required by the district
- C Must maintain Fire instructor certification
- D Must teach a minimum of 32 hours annually to the department

**Selection Guidelines:**

May include any or all of the following Formal application, written test, practical skills examination, physical ability test, oral examination, background/driver's license verification and check, hiring list, offer of membership, post-offer physical examination, including drug screen

**Tools and Equipment Used**

Emergency medical apparatus, fire apparatus, fire pumps, hoses, and other standard firefighting equipment, ladders, emergency medical equipment, radio, pager, personal computer, projector, demonstration props, fax machine, telephone


**Physical Demands.**


The physical demands described here are representative of those that must be met by any member to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. While performing the duties of this job, the member is frequently required to stand, sit, walk, talk or hear, use hands to finger, handle, or operate objects, tools, controls, and reach with hands and arms. The member is frequently required to climb or balance, stoop, kneel, crouch, or crawl, and taste or smell. The member must frequently lift and/or move up to 50 pounds and occasionally lift and/or move up to 175 pounds. Specific vision abilities required by this job include close, distance, color, and peripheral vision, depth perception, and the ability to adjust focus.

**Work Environment.**

The work environment characteristics described here are representative of those a member encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. Work is performed primarily in office, vehicle, and outdoor settings, in all weather conditions, including temperature extremes, during day and night shifts. Work is often performed in emergency and stressful situations. Individual is exposed to sirens and hazards associated with fighting fires and rendering emergency medical assistance, including infectious substances, smoke noxious odors, fumes, chemicals, liquid chemicals, solvents, and oils. The member occasionally works near moving mechanical parts and in high, precarious places and is occasionally exposed to wet and/or humid conditions, fumes or airborne particles, toxic or caustic chemicals, radiation, risk of electrical shock, and vibration. The noise level in the work environment is usually moderate, except during certain firefighting or EMS activities when noise levels may be loud.

APPROVED by action of the Burlington Fire Protection District Board on 7/13/20

  
\_\_\_\_\_  
District Board Chair

  
\_\_\_\_\_  
District Board Secretary



Board Meeting - September 10, 2020 - Audit Committee Report

**KENTUCKY RETIREMENT SYSTEMS**  
**COMBINING STATEMENTS OF FIDUCIARY NET POSITION**  
**PENSION FUNDS**  
**As of June 30, 2020**  
**(Unaudited)(In Whole Dollars)**

	CERS	CHAZ	KERS	KHAZ	SPRS	2020	2019		
<b>ASSETS</b>									
Cash and Short-term Investments									
Cash Deposits	\$ 231,247	\$ 59,141	\$ 211,173	\$ 52,440	\$ 55,069	\$ 609,070	\$ 1,740,865	-65%	1
Short-term Investments	\$ 468,447,315	\$ 166,616,591	\$ 226,586,258	\$ 50,897,943	\$ 23,105,758	\$ 935,653,864	\$ 623,853,270	50%	2
Total Cash and Short-term Investments	\$ 468,678,562	\$ 166,675,732	\$ 226,797,431	\$ 50,950,383	\$ 23,160,826	\$ 936,262,934	\$ 625,594,135		
<b>RECEIVABLES</b>									
Accounts Receivable	\$ 68,394,979	\$ 19,199,313	\$ 47,509,902	\$ 3,666,498	\$ 8,566,466	\$ 147,337,158	\$ 197,424,840	-25%	3
Accounts Receivable - Investments	\$ 81,309,831	\$ 26,739,608	\$ 28,854,430	\$ 8,035,321	\$ 3,711,453	\$ 148,650,643	\$ 270,796,478	-45%	4
Total Receivables	\$ 149,704,810	\$ 45,938,922	\$ 76,364,332	\$ 11,701,819	\$ 12,277,919	\$ 295,987,801	\$ 468,221,318		
<b>INVESTMENTS, AT FAIR VALUE</b>									
Core Fixed Income	\$ 1,222,625,793	\$ 420,017,664	\$ 547,394,243	\$ 127,471,781	\$ 70,179,703	\$ 2,387,689,184	\$ 2,315,962,341	3%	
Public Equities	\$ 2,722,499,673	\$ 918,211,343	\$ 771,378,361	\$ 268,570,012	\$ 99,429,359	\$ 4,780,088,748	\$ 4,817,425,884	-1%	
Specialty Credit	\$ 1,124,021,026	\$ 373,349,054	\$ 347,365,084	\$ 109,738,893	\$ 43,748,649	\$ 1,998,222,706	\$ 1,968,701,589	1%	
Private Equities	\$ 597,906,040	\$ 201,344,595	\$ 180,312,211	\$ 54,980,937	\$ 17,339,556	\$ 1,051,883,339	\$ 1,180,776,338	-11%	5
Absolute Return	\$ 99,837,667	\$ 31,624,982	\$ 32,082,953	\$ 8,370,630	\$ 3,473,069	\$ 175,389,301	\$ 218,572,402	-20%	6
Real Estate	\$ 325,908,316	\$ 104,278,256	\$ 99,663,992	\$ 30,658,762	\$ 12,804,148	\$ 573,313,474	\$ 471,448,444	22%	7
Real Return	\$ 405,754,611	\$ 137,350,603	\$ 95,871,632	\$ 36,602,909	\$ 14,662,917	\$ 690,242,672	\$ 1,078,889,721	-36%	8
Opportunistic	\$ 179,780,818	\$ 59,432,753	\$ 52,570,457	\$ 16,298,368	\$ 6,493,476	\$ 314,575,871	\$ 117,663,130	167%	9
Derivatives	\$ 3,772,515	\$ 1,278,770	\$ 1,069,163	\$ 351,162	\$ 133,580	\$ 6,605,190	\$ (912,456)	824%	10
Total Investments, at Fair Value	\$ 6,682,106,458	\$ 2,246,888,020	\$ 2,127,708,095	\$ 653,043,455	\$ 268,264,457	\$ 11,978,010,485	\$ 12,168,527,393		
Security Lending Collateral Invested	\$ 130,998,205	\$ 44,230,826	\$ 42,772,723	\$ 12,851,288	\$ 5,302,235	\$ 236,155,277	\$ 339,779,026		
<b>CAPITAL/INTANGIBLE ASSETS</b>									
Capital Assets	\$ 1,700,704	\$ 153,235	\$ 929,074	\$ 91,375	\$ 11,003	\$ 2,885,391	\$ 2,885,391		
Intangible Assets	\$ 9,960,922	\$ 826,734	\$ 5,919,584	\$ 493,581	\$ 100,005	\$ 17,300,826	\$ 17,300,826		
Accumulated Depreciation	\$ (1,666,089)	\$ (149,906)	\$ (909,777)	\$ (89,216)	\$ (11,402)	\$ (2,826,390)	\$ (2,745,765)		
Accumulated Amortization	\$ (9,081,462)	\$ (772,487)	\$ (5,326,766)	\$ (452,230)	\$ (108,296)	\$ (15,741,242)	\$ (14,763,669)		
Total Capital Assets	\$ 914,076	\$ 57,576	\$ 612,114	\$ 43,510	\$ (8,691)	\$ 1,618,585	\$ 2,676,783	-40%	11
Total Assets	\$ 7,432,402,111	\$ 2,503,791,076	\$ 2,474,254,694	\$ 728,590,455	\$ 308,996,745	\$ 13,448,035,081	\$ 13,604,798,655		
<b>LIABILITIES</b>									
Accounts Payable	\$ 7,333,525	\$ 1,041,864	\$ 3,631,906	\$ 340,263	\$ 253,673	\$ 12,601,232	\$ 13,243,157	-5%	
Investment Accounts Payable	\$ 183,181,239	\$ 62,829,997	\$ 65,619,480	\$ 18,033,306	\$ 8,396,938	\$ 338,060,961	\$ 317,444,212		
Securities Lending Collateral	\$ 130,998,205	\$ 44,230,826	\$ 42,772,723	\$ 12,851,288	\$ 5,302,235	\$ 236,155,277	\$ 339,779,026	-30%	12
Total Liabilities	\$ 321,512,970	\$ 108,102,687	\$ 112,024,109	\$ 31,224,857	\$ 13,952,845	\$ 586,817,469	\$ 670,466,395		
Total Fiduciary Net Position Restricted for Pensions	\$ 7,110,889,142	\$ 2,395,688,389	\$ 2,362,230,585	\$ 697,365,598	\$ 295,043,899	\$ 12,861,217,612	\$ 12,934,332,260		

**NOTE - Variance Explanation**

- 1 Variance is a result of continuous fluctuation of deposits and transactions that flow through the cash account.
- 2 Short Term Investments is primarily comprised of the cash on hand with the custodial bank along with any small amounts of cash managers and brokers may have; therefore, the variance is driven by cash flow.
- 3 The decrease in accounts receivable is due to the accrual of a budget surplus in FY 19; no budget surplus received for FY 20;
- 4 Variance is a result of transaction activity which is based on each individual manager.
- 5 The decline in private equity is due to the maturing/payout of current managers. Distributions almost \$800M for FY20
- 6 The decline in Absolute Return is due to the continued redemptions of multiple managers.
- 7 The increase in Real Estate is a result of additional funding to current managers and unrealized gains.
- 8 The decrease in Real Return is a result of distributions used to fund new investments and unrealized losses due to the declining market.
- 9 The increase in Opportunistic is due to additional funds invested in current manager.
- 10 The increase in Derivatives is primarily due to an increase in foreign exchange derivatives.
- 11 The decrease in total Fixed Assets is due to the increase in the amortization of the fixed assets.
- 12 The Security Lending Collateral Invested is the cash collateral that is received in return for the securities we have on loan. This can vary because through the program we can receive either cash or securities as collateral.

Board Meeting - September 10, 2020 - Audit Committee Report

**KENTUCKY RETIREMENT SYSTEMS**  
**COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION FUNDS**  
**For the Year Ended June 30, 2020**  
**(Unaudited)(In Whole Dollars)**

	CERS	CHAZ	KERS	KHAZ	SPRS	2020	2019	
<b>ADDITIONS</b>								
Member Contributions	\$ 168,994,360	\$ 63,235,913	\$ 96,593,955	\$ 19,768,552	\$ 4,767,065	\$ 353,359,846	\$ 333,663,002	6%
Employer Contributions	\$ 475,311,165	\$ 168,201,117	\$ 948,577,604	\$ 59,095,800	\$ 58,357,647	\$ 1,709,543,333	\$ 1,594,011,923	7%
General Fund Appropriations	\$ -	\$ -	\$ -	\$ -	\$ 1,086,200	\$ 1,086,200	\$ 76,943,950	-99% 1
Pension Spiking Contributions	\$ 105,150	\$ 242,276	\$ (5,777)	\$ 19,114	\$ 8,912	\$ 369,674	\$ 676,051	-45% 2
Northern Trust Settlement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,888	-100% 3
Health Insurance Contributions (HB1)	\$ 4,767	\$ 1,158	\$ 1,123	\$ 4,488	\$ -	\$ 11,537	\$ 21,331,730	-100% 4
Employer Cessation Contributions	\$ -	\$ -	\$ 19,966	\$ -	\$ -	\$ 19,966	\$ 10,642,662	-100% 5
<b>Total Contributions</b>	<b>\$ 644,415,442</b>	<b>\$ 231,680,463</b>	<b>\$ 1,045,186,872</b>	<b>\$ 78,887,954</b>	<b>\$ 64,219,824</b>	<b>\$ 2,064,390,556</b>	<b>\$ 2,037,370,205</b>	
<b>INVESTMENT INCOME</b>								
From Investing Activities								
Net Appreciation in FV of Investments	\$ (77,193,184)	\$ (30,359,184)	\$ 14,968,858	\$ (6,540,969)	\$ 1,044,784	\$ (98,079,695)	\$ 484,717,247	-120% 6
Interest/Dividends	\$ 162,986,319	\$ 55,097,652	\$ 47,805,000	\$ 16,062,946	\$ 6,571,426	\$ 288,523,342	\$ 286,295,741	1%
<b>Total Investing Activities Income</b>	<b>\$ 85,793,135</b>	<b>\$ 24,738,467</b>	<b>\$ 62,773,858</b>	<b>\$ 9,521,977</b>	<b>\$ 7,616,210</b>	<b>\$ 190,443,647</b>	<b>\$ 771,012,988</b>	
Investment Expense	\$ 29,425,949.76	\$ 9,257,686.80	\$ 8,183,550.70	\$ 2,727,998.44	\$ 1,144,329.31	\$ 50,739,515.01	\$ 52,505,663.65	-3%
Performance Fee/Carried Interest	\$ 943,283.95	\$ (88,804.51)	\$ 1,243,905.38	\$ 108,458.12	\$ 160,068.37	\$ 2,366,911.31	\$ 26,563,486.05	-91% 7
<b>Net Income from Investing Activities</b>	<b>\$ 55,423,901</b>	<b>\$ 15,569,585</b>	<b>\$ 53,346,402</b>	<b>\$ 6,685,520</b>	<b>\$ 6,311,812</b>	<b>\$ 137,337,221</b>	<b>\$ 691,943,838</b>	
From Securities Lending Activities								
Securities Lending Income	\$ 3,184,665	\$ 1,070,570	\$ 891,029	\$ 303,765	\$ 125,915	\$ 5,575,944	\$ 10,190,410	
Securities Lending Expense	\$ 1,740,238	\$ 585,266	\$ 488,272	\$ 166,505	\$ 71,852	\$ 3,052,133	\$ 7,756,216	
Securities Lending Borrower Rebates	\$ 186,452	\$ 62,704	\$ 53,167	\$ 17,792	\$ 7,141	\$ 327,257	\$ 364,793	
Securities Lending Agent Fee	\$ 1,257,974	\$ 422,600	\$ 349,590	\$ 119,468	\$ 46,921	\$ 2,196,554	\$ 2,069,401	6%
<b>Net Income from Securities Lending</b>	<b>\$ 56,681,876</b>	<b>\$ 15,992,185</b>	<b>\$ 53,695,992</b>	<b>\$ 6,804,988</b>	<b>\$ 6,358,733</b>	<b>\$ 139,533,775</b>	<b>\$ 694,013,239</b>	
<b>Total Investment Income</b>	<b>\$ 701,097,318</b>	<b>\$ 247,672,649</b>	<b>\$ 1,098,882,864</b>	<b>\$ 85,692,942</b>	<b>\$ 70,578,558</b>	<b>\$ 2,203,924,330</b>	<b>\$ 2,731,383,444</b>	
<b>DEDUCTIONS</b>								
Benefit Payments	\$ 795,959,951	\$ 275,802,305	\$ 999,813,083	\$ 71,860,803	\$ 62,423,347	\$ 2,205,859,488	\$ 2,144,054,310	3%
Refunds	\$ 14,918,517	\$ 3,813,939	\$ 11,522,750	\$ 3,167,915	\$ 87,568	\$ 33,510,689	\$ 32,429,163	3%
Administrative Expenses	\$ 22,304,507	\$ 1,980,824	\$ 11,941,243	\$ 1,175,931	\$ 266,295	\$ 37,668,800	\$ 36,424,309	3%
<b>Total Deductions</b>	<b>\$ 833,182,975</b>	<b>\$ 281,597,068</b>	<b>\$ 1,023,277,076</b>	<b>\$ 76,204,648</b>	<b>\$ 62,777,210</b>	<b>\$ 2,277,038,978</b>	<b>\$ 2,212,907,781</b>	
<b>Net Increase (Decrease) in Fiduciary Net Position</b>	<b>\$ (132,085,657)</b>	<b>\$ (33,924,420)</b>	<b>\$ 75,605,787</b>	<b>\$ 9,488,294</b>	<b>\$ 7,801,348</b>	<b>\$ (73,114,648)</b>	<b>\$ 518,475,663</b>	
<b>FIDUCIARY NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>								
Beginning of Period	\$ 7,242,974,797	\$ 2,429,612,808	\$ 2,286,624,798	\$ 687,877,305	\$ 287,242,561	\$ 12,934,332,269	\$ 12,415,856,606	
End of Period	\$ 7,110,889,139	\$ 2,395,688,389	\$ 2,362,230,585	\$ 697,365,599	\$ 295,043,909	\$ 12,861,217,621	\$ 12,934,332,269	

**NOTE - Variance Explanation**

- 1 General Fund Appropriations have significantly decreased in FY 2020.
- 2 Pension Spiking contributions decreased due to a change in statute. Pension spiking is now the member's responsibility.
- 3 The Northern Trust Settlement has been paid in full
- 4 Health Insurance Contributions will continue to decrease in the Pension Funds, as they are now qualified in the Insurance Fund.
- 5 FY2019 reflects the Kentucky Bar Association Employer Cessation invoice payment.
- 6 The decline in Net Appreciation in Fair Value of Investments is a result of unrealized losses across the entire portfolio with the exception of Real Estate and Opportunistic.
- 7 The decline in Performance fees is an effect of the down market and pay out of KRS's private equity managers. The private equity portfolio has distributed almost \$800M during FY20.

Board Meeting - September 10, 2020 - Audit Committee Report

**KENTUCKY RETIREMENT SYSTEMS**  
**COMBINING STATEMENTS OF FIDUCIARY NET POSITION**  
**INSURANCE FUNDS**  
**As of June 30, 2020**  
**(Unaudited)(In Whole Dollars)**

	CERS	CHAZ	KERS	KHAZ	SPRS	2020	2019		
<b>ASSETS</b>									
Cash and Short-Term Investments									
Cash Deposits	\$ 79,001	\$ 18,458	\$ 80,992	\$ 18,362	\$ 9,116	\$ 205,929	\$ 348,311	-41%	1
Short-term Investments	\$ 147,356,025	\$ 72,173,853	\$ 62,668,094	\$ 27,255,642	\$ 11,140,564	\$ 320,594,179	\$ 293,312,785	9%	
Total Cash and Short-term Investments	\$ 147,435,026	\$ 72,192,311	\$ 62,749,087	\$ 27,274,004	\$ 11,149,680	\$ 320,800,107	\$ 293,661,095		
<b>RECEIVABLES</b>									
Accounts Receivable	\$ 16,382,711	\$ 4,987,870	\$ 16,364,106	\$ 843,380	\$ 1,207,558	\$ 39,785,626	\$ 37,619,733	6%	
Investment Accounts Receivable	\$ 21,220,957	\$ 11,149,054	\$ 8,903,777	\$ 4,365,525	\$ 1,676,137	\$ 47,315,450	\$ 104,918,138	-55%	2
Total Receivables	\$ 37,603,668	\$ 16,136,923	\$ 25,267,883	\$ 5,208,905	\$ 2,883,696	\$ 87,101,075	\$ 142,537,871		
<b>INVESTMENTS, AT FAIR VALUE</b>									
Fixed Income	\$ 440,742,357	\$ 234,174,142	\$ 182,407,909	\$ 89,908,322	\$ 36,272,773	\$ 983,505,502	\$ 853,576,438	15%	3
Public Equities	\$ 937,802,689	\$ 480,717,246	\$ 430,591,231	\$ 198,754,109	\$ 75,830,052	\$ 2,123,695,326	\$ 2,135,611,427	-1%	
Specialty Credit	\$ 397,175,286	\$ 205,864,560	\$ 159,324,340	\$ 81,694,516	\$ 29,025,517	\$ 873,084,220	\$ 808,131,344	8%	
Private Equities	\$ 243,616,819	\$ 136,615,186	\$ 50,110,237	\$ 46,029,664	\$ 20,863,481	\$ 497,235,387	\$ 567,530,625	-12%	4
Absolute Return	\$ 32,188,672	\$ 18,034,252	\$ 11,339,061	\$ 7,529,372	\$ 2,823,556	\$ 71,914,914	\$ 89,589,819	-20%	5
Real Estate	\$ 110,333,633	\$ 60,465,713	\$ 34,585,778	\$ 25,434,638	\$ 9,716,127	\$ 240,535,890	\$ 197,044,207	22%	6
Real Return	\$ 137,499,283	\$ 71,935,043	\$ 47,586,025	\$ 28,796,958	\$ 10,120,379	\$ 295,937,687	\$ 457,897,009	-35%	7
Opportunistic	\$ 72,591,663	\$ 39,547,087	\$ 25,953,478	\$ 16,133,982	\$ 5,957,761	\$ 160,183,971	\$ 59,914,790	167%	8
Derivatives	\$ 845,151	\$ 436,492	\$ 315,371	\$ 175,474	\$ 59,706	\$ 1,832,194	\$ (369,615)	596%	9
Total Investments, at Fair Value	\$ 2,372,795,554	\$ 1,247,789,722	\$ 942,213,428	\$ 494,457,034	\$ 190,669,353	\$ 5,247,925,091	\$ 5,168,926,045		
Security Lending Collateral Invested	\$ 53,821,722	\$ 28,290,338	\$ 21,249,192	\$ 11,169,718	\$ 4,326,911	\$ 118,857,880	\$ 160,115,396		
Total Assets	\$ 2,611,655,970	\$ 1,364,409,294	\$ 1,051,479,590	\$ 538,109,661	\$ 209,029,639	\$ 5,774,684,154	\$ 5,765,240,408		
<b>LIABILITIES</b>									
Accounts Payable	\$ 204,590	\$ 61,867	\$ 95,530	\$ 6,899	\$ 8,963	\$ 377,850	\$ 830,198	-54%	10
Investment Accounts Payable	\$ 59,578,670	\$ 30,924,806	\$ 23,636,883	\$ 12,193,818	\$ 4,448,214	\$ 130,782,390	\$ 123,655,824	6%	
Securities Lending Collateral	\$ 53,821,722	\$ 28,290,338	\$ 21,249,192	\$ 11,169,718	\$ 4,326,911	\$ 118,857,880	\$ 160,115,396	-26%	11
Total Liabilities	\$ 113,604,982	\$ 59,277,011	\$ 44,981,604	\$ 23,370,435	\$ 8,784,088	\$ 250,018,120	\$ 284,601,419		
Total Fiduciary Net Position Restricted for Insurance	\$ 2,498,050,988	\$ 1,305,132,283	\$ 1,006,497,986	\$ 514,739,226	\$ 200,245,551	\$ 5,524,666,034	\$ 5,480,638,989		

**NOTE - Variance Explanation**

- 1 Variance is a result of continuous fluctuation of deposits and transactions that flow through the cash account.
- 2 Variance is a result of transaction activity which is based on each individual manager.
- 3 The increase in Core Fixed Income is a result of an additional \$600M invested in Lord Abbett.
- 4 The decline in private equity is due to the maturing/payout of current managers. Distributions almost \$90M for FY20
- 5 The decline in Absolute Return is due to the continued redemptions of multiple managers.
- 6 The increase in Real Estate is a result of additional funding and unrealized gains.
- 7 The decrease in Real Return is a result of distributions used to fund new investments and unrealized losses due to the declining market.
- 8 The increase in Opportunistic is due to additional funds invested in current manager.
- 9 The increase in Derivatives is primarily due to an increase in foreign exchange derivatives.
- 10 The decrease in Accounts Payable is due to an effort to resolve outstanding employer invoices.
- 11 The Security Lending Collateral Invested is the cash collateral that is received in return for the securities we have on loan. This can vary because through the program we can receive either cash or securities as collateral.

Board Meeting - September 10, 2020 - Audit Committee Report

**KENTUCKY RETIREMENT SYSTEMS**  
**COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**INSURANCE FUNDS**  
**For the Year Ended June 30, 2020**  
**(Unaudited)(In Whole Dollars)**

	CERS	CHAZ	KERS	KHAZ	SPRS	2020	2019	
<b>ADDITIONS</b>								
Employer Contributions	\$ 124,739,830	\$ 56,739,342	\$ 170,479,554	\$ 4,482,348	\$ 13,133,320	\$ 369,574,395	\$ 387,261,265	-5%
Medicare Drug Reimbursement	\$ 3,936	\$ 58	\$ 1,578	\$ 956	\$ 8	\$ 6,536	\$ 8,912	-27%
Insurance Premiums	\$ 596,418	\$ (32,169)	\$ 183,453	\$ (5,912)	\$ (11,592)	\$ 730,199	\$ 714,491	2%
Humana Gain Share Payment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,514,065	
Retired Reemployed Healthcare	\$ 4,527,615	\$ 1,157,661	\$ 4,501,858	\$ 1,294,074	\$ -	\$ 11,481,208	\$ 10,497,303	9%
Employer Cessation Contributions	\$ -	\$ -	\$ 25,306	\$ -	\$ -	\$ 25,306	\$ 1,391,354	-98%
Health Insurance Contributions (HB1)	\$ 12,959,222	\$ 2,760,438	\$ 6,126,575	\$ 1,100,251	\$ 195,616	\$ 23,142,102	\$ -	3
Northern Trust Settlement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,598	4
<b>Total Contributions</b>	<b>\$ 142,827,023</b>	<b>\$ 60,625,329</b>	<b>\$ 181,318,325</b>	<b>\$ 6,871,717</b>	<b>\$ 13,317,352</b>	<b>\$ 404,959,746</b>	<b>\$ 407,408,988</b>	
<b>INVESTMENT INCOME</b>								
From Investing Activities								
Net Appreciation in FV of Investments	\$ (39,026,691)	\$ (22,761,279)	\$ (8,322,001)	\$ (9,246,224)	\$ (2,561,805)	\$ (81,918,000)	\$ 195,957,299	-142%
Interest/Dividends	\$ 56,864,932	\$ 29,621,264	\$ 22,802,575	\$ 11,843,267	\$ 4,434,480	\$ 125,566,518	\$ 128,953,401	-3%
<b>Total From Investing Activities</b>	<b>17,838,240</b>	<b>6,859,985</b>	<b>14,480,575</b>	<b>2,597,043</b>	<b>1,872,674</b>	<b>43,648,518</b>	<b>324,910,700</b>	
Investment Expense								
Performance Fee	\$ 863,251	\$ 300,753	\$ 151,851	\$ 103,883	\$ 64,020	\$ 1,483,758	\$ 13,170,974	-89%
<b>Net Income from Investing Activities</b>	<b>\$ 8,257,614</b>	<b>\$ 2,028,408</b>	<b>\$ 10,458,112</b>	<b>\$ 553,230</b>	<b>\$ 1,076,957</b>	<b>\$ 22,374,321</b>	<b>\$ 287,399,820</b>	
From Securities Lending								
Securities Lending Income	\$ 1,054,768	\$ 553,892	\$ 438,279	\$ 224,858	\$ 83,864	\$ 2,355,661	\$ 3,913,737	
Securities Lending Expense								
Security Lending Borrower Rebates	\$ 593,404	\$ 311,816	\$ 245,840	\$ 127,031	\$ 47,676	\$ 1,325,767	\$ 2,862,017	
Security Lending Agent Fees	\$ 63,470	\$ 33,209	\$ 26,303	\$ 13,413	\$ 4,954	\$ 141,349	\$ 157,141	
<b>Net Income from Securities Lending</b>	<b>\$ 397,893</b>	<b>\$ 208,867</b>	<b>\$ 166,137</b>	<b>\$ 84,414</b>	<b>\$ 31,234</b>	<b>\$ 888,545</b>	<b>\$ 894,579</b>	-1%
<b>Total Net Income from Investments</b>	<b>\$ 8,655,508</b>	<b>\$ 2,237,275</b>	<b>\$ 10,624,249</b>	<b>\$ 637,644</b>	<b>\$ 1,108,191</b>	<b>\$ 23,262,867</b>	<b>\$ 288,294,399</b>	
<b>Total Additions</b>	<b>\$ 151,482,531</b>	<b>\$ 62,862,604</b>	<b>\$ 191,942,574</b>	<b>\$ 7,509,361</b>	<b>\$ 14,425,544</b>	<b>\$ 428,222,612</b>	<b>\$ 695,703,387</b>	
<b>DEDUCTIONS</b>								
Healthcare Premiums Subsidies	\$ 135,092,930	\$ 81,849,242	\$ 125,005,974	\$ 19,629,648	\$ 14,215,339	\$ 375,793,133	\$ 371,637,589	1%
Administrative Expense	\$ 903,123	\$ 461,727	\$ 847,044	\$ 123,254	\$ 71,257	\$ 2,406,404	\$ 2,372,154	1%
Self Funded Healthcare Costs	\$ 3,887,398	\$ 228,293	\$ 1,724,064	\$ 125,321	\$ 21,599	\$ 5,986,675	\$ 6,224,200	-4%
Excise Tax Insurance	\$ 6,141	\$ -	\$ 3,172	\$ -	\$ 42	\$ 9,355	\$ 9,290	1%
<b>Total Deductions</b>	<b>\$ 139,889,593</b>	<b>\$ 82,539,261</b>	<b>\$ 127,580,254</b>	<b>\$ 19,878,222</b>	<b>\$ 14,308,236</b>	<b>\$ 384,195,567</b>	<b>\$ 380,243,233</b>	
<b>Net Increase (Decrease) in Fiduciary Net Position</b>	<b>\$ 11,592,938</b>	<b>\$ (19,676,657)</b>	<b>\$ 64,362,319</b>	<b>\$ (12,368,862)</b>	<b>\$ 117,307</b>	<b>\$ 44,027,045</b>	<b>\$ 315,460,154</b>	
<b>FIDUCIARY NET POSITION HELD IN TRUST FOR INSURANCE BENEFITS</b>								
Beginning of Period	\$ 2,486,458,049	\$ 1,324,808,941	\$ 942,135,657	\$ 527,108,088	\$ 200,128,245	\$ 5,480,638,979	\$ 5,165,178,825	
End of Period	\$ 2,498,050,987	\$ 1,305,132,283	\$ 1,006,497,976	\$ 514,739,226	\$ 200,245,552	\$ 5,524,666,024	\$ 5,480,638,979	

**NOTE - Variance Explanation**

- 1 Medicare drug reimbursement payments fluctuate year to year based on claims reviewed.
- 2 FY2019 reflects the Kentucky Bar Association Employer Cessation invoice payment.
- 3 Health Insurance Contributions will continue to increase, as they are now qualified in the Insurance Fund.
- 4 The Northern Trust Settlement has been paid in full
- 5 The decline in Net Appreciation in Fair Value of Investments is a result of unrealized losses across the entire portfolio with the exception of Real Estate and Opportunistic.
- 6 & 7 The decline in Investment Expense and Performance fees is an effect of the down market and pay out of many of KRS's private equity managers. The private equity portfolio has distributed almost \$90M during FY20.

**KRS ADMINISTRATIVE BUDGET 2019-2020  
YEAR END BUDGET-TO-ACTUAL ANALYSIS**

Fiscal 20					
Acc't #	Account Name	Budgeted	Actual Expenditures	Remaining	% Remaining
	<b>PERSONNEL</b>				
111	Salaries	\$16,151,700	\$14,084,665	\$2,067,035	12.80%
115	Wages (Overtime)	\$594,500	\$210,939	\$383,561	64.52%
119	Wages (Block 50)	\$120,000	\$25,687	\$94,313	78.59%
121	Emp Paid FICA	\$1,200,000	\$1,020,471	\$179,529	14.96%
122	Emp Paid Retirement	\$12,000,000	\$11,350,048	\$649,952	5.42%
123	Emp Paid Health Ins	\$3,000,000	\$2,189,619	\$810,381	27.01%
124	Emp Paid Life Ins	\$12,000	\$3,005	\$8,995	74.96%
126	Health Insurance Admin Fee	\$18,100	\$0	\$18,100	100.00%
128	Emp Paid Sick Leave	\$75,000	\$41,240	\$33,760	45.01%
111A	Escrow For Admin Fees	\$0	(\$98,667)	(\$98,667)	
131	Workers Compensation	\$50,400	\$11,719	\$38,681	76.75%
132	Unemployment	\$10,000	\$6,105	\$3,895	38.95%
133	Tuition Assistance	\$35,000	\$11,906	\$23,094	65.98%
133I	Investment Tuition Assistance	\$5,000	\$0	\$5,000	100.00%
133T	Audit Tuition Assistance	\$2,500	\$0	\$2,500	100.00%
135	Bonds	\$3,000	\$0	\$3,000	100.00%
141	<b>LEGAL &amp; AUDITING SERVICES</b>				
141A	Legal Hearing Officers	\$350,000	\$82,831	\$267,169	76.33%
141B	Legal (Stoll, Keenon)	\$1,200,000	\$191,692	\$1,008,308	84.03%
141C	Polsinelli Shugart	\$100,000	\$0	\$100,000	100.00%
141D	Frost Brown	\$120,000	\$103,870	\$16,130	13.44%
141E	Reinhart	\$500,000	\$31,837	\$468,164	93.63%
141F	Ice Miller	\$500,000	\$169,741	\$330,259	66.05%
141L	Legal Expense	\$150,000	\$114,045	\$35,955	23.97%
142	Auditing	\$360,000	\$160,351	\$199,649	55.46%
146	<b>CONSULTING SERVICES</b>				
146A	Medical Reviewers	\$400,000	\$248,966	\$151,034	37.76%
146B	Medical Reports	\$10,000	\$0	\$10,000	100.00%
146C	Medical Exams	\$35,000	\$0	\$35,000	100.00%
146E	Escrow for Actuary Fees	\$12,000	(\$44,159)	(\$32,159)	
150	<b>CONTRACTUAL SERVICES</b>				
150C	Miscellaneous Contracts	\$275,000	\$19,758	\$255,242	92.82%
150D	Health Consultant	\$130,000	\$0	\$130,000	100.00%
150G	Human Resources Consulting	\$100,000	\$6,767	\$93,233	93.23%
159	Actuarial Services	\$780,000	\$556,123	\$223,877	28.70%
162	Facility Security Charges	\$78,000	\$73,108	\$4,892	6.27%
193	Tuition Assistance	\$5,000	\$0	\$5,000	100.00%
	<b>PERSONNEL SUBTOTAL</b>	<b>\$38,382,200</b>	<b>\$30,571,666</b>	<b>\$7,524,882</b>	<b>19.61%</b>

**KRS ADMINISTRATIVE BUDGET 2019-2020  
YEAR END BUDGET-TO-ACTUAL ANALYSIS**

Acc't #	Account Name	Budgeted	Actual Expenditures	Remaining	% Remaining
	<b>OPERATIONAL</b>				
211	Natural Gas	\$48,000	\$20,430	\$27,570	57.44%
212	Electric	\$190,000	\$160,423	\$29,577	15.57%
221	Rent-NonState Building	\$70,000	\$65,043	\$4,957	7.08%
222	Building Rental - PPW	\$759,400	\$934,317	(\$174,917)	-23.03%
223	Equipment Rental	\$15,000	\$0	\$15,000	100.00%
224	Copier Rental	\$100,000	\$66,334	\$33,666	33.67%
226	Rental Carpool	\$10,000	\$8,251	\$1,749	17.49%
232	Vehicle/Equip. Mainten.	\$29,000	\$1,204	\$27,796	95.85%
241	Postage	\$525,000	\$411,514	\$113,486	21.62%
242	Freight	\$1,200	\$41	\$1,159	96.55%
251	Printing (State)	\$12,000	\$10,616	\$1,384	11.54%
252	Printing (non-state)	\$300,000	\$93,357	\$206,643	68.88%
254	Insurance	\$250,000	\$10,556	\$239,444	95.78%
256	Garbage Collection	\$20,000	\$4,919	\$15,081	75.40%
259	Conference Expense	\$40,000	\$16,516	\$23,484	58.71%
259I	Conference Exp. Investment	\$12,600	\$0	\$12,600	100.00%
259T	Conference Exp. Audit	\$1,500	\$420	\$1,080	72.00%
300	MARS Usage	\$84,000	\$46,600	\$37,400	44.52%
302	COVID-19 Expenses	\$0	\$ 133,419.43	(\$133,419)	
321	Office Supplies	\$150,000	\$84,582	\$65,418	43.61%
343	Motor Fuels & Lubricants	\$3,000	\$0	\$3,000	100.00%
346	Furniture & Office Equipment	\$0	\$22,793	(\$22,793)	
361	Travel (In-State)	\$75,000	\$26,925	\$48,075	64.10%
361I	Travel (In-State) Investment	\$1,500	\$137	\$1,363	90.88%
361T	Travel (In-State) Audit	\$500	\$0	\$500	100.00%
362	Travel (Out of State)	\$20,000	\$18,317	\$1,683	8.41%
362I	Travel (Out of State) Invest	\$50,000	\$35,168	\$14,833	29.67%
362T	Travel (Out of State) Audit	\$2,500	\$398	\$2,102	84.07%
381	Dues & Subscriptions	\$85,000	\$56,023	\$28,977	34.09%
381I	Dues & Subscriptions Invest	\$15,000	\$1,250	\$13,750	91.67%
381T	Dues & Subscriptions Audit	\$5,000	\$0	\$5,000	100.00%
399	Miscellaneous	\$75,100	\$2,445	\$72,655	96.74%
399I	Miscellaneous Investment	\$20,000	\$185	\$19,815	99.08%
399T	Miscellaneous Audit	\$2,000	\$0	\$2,000	100.00%
802	COT Charges	\$90,000	\$20,200	\$69,800	77.56%
814	Telephone - Wireless	\$8,000	\$4,635	\$3,365	42.06%
815	Telephone - Other	\$250,000	\$108,014	\$141,986	56.79%
847	Computer Equip./Software	\$6,000,000	\$3,023,406	\$2,976,594	49.61%
	<b>OPERATIONAL SUBTOTAL</b>	<b>\$9,320,300</b>	<b>\$5,388,438</b>	<b>\$3,931,861</b>	<b>42.19%</b>
	<b>TOTALS</b>	<b>\$47,702,500</b>	<b>\$35,960,105</b>	<b>\$11,456,744</b>	<b>24.02%</b>



# Fiscal Year 2020 Highlights

## PENSION:

### CERS/CHAZ

- Member contributions are relatively flat compared to FY19; however, employer contributions continue to grow as the full actuarial required contribution (ARC) is phased in.
- Outflows increase slightly as retirements continue.
- Net contributions were negative for both plans but the shortfall continues to decline as the full ARC is phased in.

### KERS/KHAZ/SPRS

- Inflows are relatively flat compared to FY19 with the exception of KERS. KERS received \$77M in appropriations due to a budget surplus and \$11M in employer cessation in FY19.
- Outflows increase slightly as retirements continue.
- Net Contributions are positive for all plans.



## Fiscal Year 2020 Highlights (cont'd)

### INSURANCE:

#### CERS/CHAZ

- Inflows are up across all plans primarily due to the Health Insurance Contribution is now deposited directly into the insurance fund.
- Outflows remain in line with FY20.
- Net Contributions are positive for all plans.



#### KERS/KHAZ/SPRS

- Inflows are up across all plans primarily due to the Health Insurance Contribution is now deposited directly into the insurance fund.
- Outflows remain in line with FY20.
- Net Contributions are positive for all plans except KHAZ. KHAZ is overfunded and has a reduced rate to bring the funding down.







**Pension Fund Contribution Report**  
**(CERS-Non Hazardous and CERS-Hazardous)**  
**June 30, 2020 (compared to June 30, 2019)**  
 (\$ in millions)

				
	FY19	FY20	FY19	FY20
<b>Contributions</b>				
<i>Member Contributions</i>	\$170.9	\$169.0	\$61.1	\$63.2
<i>Employer Contributions</i>	393.4	475.4	138.1	168.4
<i>Net Investment Income</i>	119.8	133.9	40.7	46.4
<b>Contribution Inflows</b>	<b>684.1</b>	<b>778.3</b>	<b>239.9</b>	<b>278.0</b>
<i>Benefit Payments/Refunds</i>	780.6	810.9	261.9	279.6
<i>Administrative Expenses</i>	21.7	22.3	1.7	2.0
<b>Contribution Outflows</b>	<b>802.3</b>	<b>833.2</b>	<b>263.6</b>	<b>281.6</b>
<b>NET Contributions</b>	<b>(118.2)</b>	<b>(54.9)</b>	<b>(23.7)</b>	<b>(3.6)</b>
<i>Realized and Unrealized Gain/(Loss)</i>	274.8	(77.2)	92.2	(30.4)
<b>Change in Net Position</b>	<b>156.6</b>	<b>(132.1)</b>	<b>68.5</b>	<b>(34.0)</b>
<i>Beginning of Period</i>	7,086.3	7,242.9	2,361.1	2,429.6
<i>End of Period</i>	<b>\$7,242.9</b>	<b>7,110.8</b>	<b>\$2,429.6</b>	<b>\$2,395.6</b>





**Pension Fund Contribution Report**  
**(KERS Non Hazardous, KERS Hazardous & SPRS)**  
**June 30, 2020 (compared to June 30, 2019)**  
 (\$ in millions)

						
	FY19	FY20	FY19	FY20	FY19	FY20
<b>Contributions</b>						
<i>Member Contributions</i>	\$99.7	\$96.6	\$18.0	\$19.8	\$5.2	\$4.8
<i>Employer Contributions</i>	1,035.5	948.6	55.3	59.1	60.0	59.4
<i>Net Investment Income</i>	32.5	38.7	11.4	13.3	4.9	5.3
<b>Contribution Inflows</b>	<b>\$1,167.7</b>	<b>1,083.9</b>	<b>84.7</b>	<b>92.2</b>	<b>70.1</b>	<b>69.5</b>
<i>Benefit Payments/Refunds</i>	1,000.7	1,011.4	72.2	75.0	61.1	62.5
<i>Administrative Expenses</i>	11.7	11.9	1.1	1.2	0.2	0.3
<b>Contribution Outflows</b>	<b>1,012.4</b>	<b>1,023.3</b>	<b>73.3</b>	<b>76.2</b>	<b>61.3</b>	<b>62.8</b>
<b>NET Contributions</b>	<b>155.3</b>	<b>60.6</b>	<b>11.4</b>	<b>16.0</b>	<b>8.8</b>	<b>6.7</b>
<i>Realized and Unrealized Gain/(Loss)</i>	82.4	15.0	25.3	(6.5)	10.0	1.1
<b>Change in Net Position</b>	<b>237.7</b>	<b>75.6</b>	<b>36.7</b>	<b>9.5</b>	<b>18.8</b>	<b>7.8</b>
<i>Beginning of Period</i>	<b>2,048.9</b>	<b>2,286.6</b>	<b>651.2</b>	<b>687.9</b>	<b>268.4</b>	<b>287.2</b>
<i>End of Period</i>	<b>\$2,286.6</b>	<b>\$2,362.2</b>	<b>\$687.9</b>	<b>\$697.4</b>	<b>\$287.2</b>	<b>\$295.0</b>




**Insurance Fund Contribution Report**  
**(CERS Non Hazardous and CERS Hazardous)**  
**June 30, 2020 (compared to June 30, 2019)**  
 (in \$millions)



				
	FY19	FY20	FY19	FY20
<b>Contributions</b>				
<i>Employer Contributions</i>	\$135.6	\$124.7	\$61.1	\$56.7
<i>Insurance Premiums</i>	4.2	0.6	0.4	-
<i>Retired Reemployed Healthcare</i>	4.1	4.5	1.2	1.2
<i>Health Insurance Contributions (HB1)</i>	-	13.0	-	2.7
<i>Net Investment Income</i>	41.6	47.7	21.9	25.0
<b>Contribution Inflows</b>	<b>185.5</b>	<b>190.5</b>	<b>84.6</b>	<b>85.6</b>
<i>Healthcare Premiums</i>	137.0	139.0	78.3	82.1
<i>Administrative Expenses</i>	0.9	0.9	0.4	0.4
<b>Contribution Outflows</b>	<b>137.9</b>	<b>139.9</b>	<b>78.7</b>	<b>82.5</b>
<b>NET Contributions</b>	<b>47.6</b>	<b>50.6</b>	<b>5.8</b>	<b>3.1</b>
<i>Realized and Unrealized Gain/(Loss)</i>	92.0	(39.0)	50.6	(22.8)
<b>Change in Net Position</b>	<b>139.6</b>	<b>11.6</b>	<b>56.5</b>	<b>(19.7)</b>
<i>Beginning of Period</i>	2,346.8	2,486.4	1,268.3	1,324.8
<i>End of Period</i>	<b>\$2,486.4</b>	<b>\$2,498.0</b>	<b>\$1,324.8</b>	<b>\$1,305.1</b>



**CASH FLOW – Insurance Fund**  
**(KERS Non-Haz, KERS Haz & SPRS)**  
**June 30, 2020 (compared to June 30, 2019)**  
 (\$ in millions)

						
	FY19	FY20	FY19	FY20	FY19	FY20
<b>Contributions</b>						
<i>Employer Contributions</i>	\$175.0	\$170.5	\$3.7	\$4.5	\$13.3	\$13.1
<i>Insurance Premiums</i>	3.3	0.2	0.2	-	0.1	-
<i>Retired Reemployed Healthcare</i>	4.0	4.5	1.2	1.3	-	-
<i>Health Insurance Contributions (HB1)</i>	-	6.1	-	1.1	-	0.2
<i>Net Investment Income</i>	16.6	18.9	8.9	9.9	3.2	3.7
<b>Contribution Inflow</b>	<b>198.9</b>	<b>200.2</b>	<b>14.0</b>	<b>16.8</b>	<b>16.6</b>	<b>17.0</b>
<i>Healthcare Premiums</i>	129.2	126.7	19.4	19.8	14.0	14.2
<i>Administrative Expenses</i>	0.9	0.8	0.1	0.1	0.1	0.1
<b>Contribution Outflow</b>	<b>130.1</b>	<b>127.5</b>	<b>19.5</b>	<b>19.9</b>	<b>14.1</b>	<b>14.3</b>
<b>NET Contributions</b>	<b>68.8</b>	<b>72.7</b>	<b>(5.4)</b>	<b>(3.1)</b>	<b>2.6</b>	<b>2.7</b>
<i>Realized and Unrealized Gain/(Loss)</i>	26.5	(8.3)	19.1	(9.3)	7.6	(2.6)
<b>Change in Net Position</b>	<b>95.3</b>	<b>64.4</b>	<b>13.7</b>	<b>(12.4)</b>	<b>10.1</b>	<b>0.1</b>
<i>Beginning of Period</i>	846.8	942.1	513.4	527.1	190.0	200.1
<i>Ending of Period</i>	\$942.1	\$1,006.5	\$527.1	\$514.7	\$200.1	\$200.2

## MEMORANDUM

TO: Board of Trustees of the Kentucky Retirement Systems

FROM: Justin McNeil, Staff Attorney, Division of Non-Advocacy, Office of Legal Services

DATE: September 8, 2020

RE: Amendment to Administrative Regulation 105 KAR 1:149, Quasi-governmental employer cessation window

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The Office of Legal Services has prepared certain amendments to the current administrative regulation 105 KAR 1:149 in response to Senate Bill 249 (Section 3) from the 2020 legislative session, which extended nearly all of the deadlines for quasi-governmental entities to cease participation as an employer in the Kentucky Retirement Systems through amendments to KRS 61.522. The statutory deadlines in the previous language of KRS 61.522 allowed all quasi-governmental employers to voluntarily cease participation within a window which ranged from April 1, 2020 to April 30, 2020.

The deadline to elect cessation was extended for one year for most quasi-governmental employers, and they now have from April 1, 2020 to April 30, 2021. The deadline was not extended by the same length for universities and community colleges, which now have a window from April 1, 2020 to December 31, 2020. Other deadlines which were extended include:

- The date by which the Board must accept quasi-governmental employer's resolution to cease — changed from June 30, 2020 to June 30, 2021
- Effective cessation date for employers who elected — changed from June 30, 2020 to June 30, 2021
- Deadline for quasi-governmental employers to elect lump-sum payment for actuarial cost of cessation — changed from June 30, 2020 to June 30, 2021

- The full lump-sum payment deadline for those employers who elected — changed from June 30, 2021 to June 30, 2022
- Date on which interest begins to accrue on the payment by lump-sum — changed from July 1, 2020 to July 1, 2021
- Installment payment start date — changed from July 1, 2020 to July 1, 2021
- Date on which interest begins to accrue on installment payments — changed from July 1, 2020 to July 1, 2021

However, the deadline for a quasi-governmental employer to request an estimate of the cost to voluntarily cease participation was not changed. This request must have been completed prior to December 31, 2019. The deadline for KRS to provide an estimate to the requesting employer within sixty (60) days of the request was likewise not changed.

Aside from the cost estimate deadline, which did not change, and the new, shorter deadline for universities and community colleges discussed prior, the rest of the deadlines in the statute were extended by one year. Finally, the Office of Legal Services has been in contact with LRC regarding the options for fulfilling the public hearing requirement of the process, and will continue to finalize those plans.

The Office of Legal Services recommends that the Board approve the Amendment to Administrative Regulation 105 KAR 1:149 in order to comply with the statutory changes mandated by the passage of SB 249.

1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Retirement Systems

3 (Amendment to an Administrative Regulation)

4 105 KAR 1:149. Quasi-governmental employer cessation window.

5 RELATES TO: KRS 18A.205, 18A.225, 61.510 to 61.705, 26 U.S.C. 401, 402, 403

6 STATUTORY AUTHORITY: KRS 61.522(9), 61.645(9)(e)

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.645(9)(e) requires the Board  
8 of Trustees of Kentucky Retirement Systems to promulgate administrative regulations  
9 necessary or proper in order to carry out the provisions of KRS 61.510 to 61.705. KRS  
10 61.522(6) authorizes certain quasi-governmental employers in the Kentucky Employees  
11 Retirement System to cease participation of its nonhazardous employees under the  
12 provisions and requirements of KRS 61.522(8). The ceased quasi-governmental  
13 employer shall pay the full actuarial cost of benefits accrued by its current and former  
14 nonhazardous employees through June 30, 2021[2020], except as provided by KRS  
15 61.522(8)(g)4. KRS 61.522(9) requires the Board to promulgate administrative  
16 regulations to administer the provisions of the statute. This administrative regulation  
17 establishes the temporary procedures and requirements for quasi-governmental  
18 employer cessation from participation in the Kentucky Employees Retirement System  
19 pursuant to KRS 61.522.

20 Section 1. Definitions. (1) "Alternative retirement program" means a plan provided by  
21 a ceased quasi-governmental employer, which meets the qualification requirements of

1 26 U.S.C. 401(a) or 26 U.S.C. 403(b), is eligible to receive direct trustee-to-trustee  
2 transfers of pre-tax and post-tax contributions, and does not include a defined benefit  
3 plan.

4 (2) "Ceased employer" means a quasi-governmental employer who, on or after April  
5 1, 2021[2020], but prior to May 1, 2021, or in the case of university or community college  
6 employers it shall be prior to January 1, 2021[2020], submits a resolution to cease  
7 participation in Kentucky Employees Retirement System ("KERS"), which is accepted by  
8 the Board on or before June 30, 2021[2020].

9 (3) "Employer", for the purposes of this administrative regulation, means a quasi-  
10 governmental employer including local and district health departments governed by KRS  
11 Chapter 212, state-supported universities and community colleges, the Kentucky Higher  
12 Education Student Loan Corporation, and any other agency otherwise eligible to  
13 voluntarily cease participating in KERS pursuant to KRS 61.522.

14 (4) "Employer election" means an election by ceasing employers set forth in the  
15 resolution to cease participation in KERS regarding whether nonhazardous employees  
16 hired prior to June 30, 2021[2020], who began participating in KERS prior to January 1,  
17 2014, will continue to participate in KERS after June 30, 2021[2020]. Nonhazardous  
18 employees of employers who do not elect for their employees to continue participating in  
19 KERS will not accrue additional service credit or benefits with KERS through the ceased  
20 employer after June 30, 2021[2020].

21 (5) "Nonhazardous employee" means a regular full-time employee participating in  
22 KERS in a position other than a position classified as hazardous by the board pursuant  
23 to KRS 61.592.



1 Section 2. (1) An employer may request an estimate of the actuarial cost of ceasing  
2 participation in KERS of its nonhazardous employees prior to December 31, 2019. The  
3 request shall be made by completing the Form 7726, Request for Estimated Cost of  
4 Voluntary Cessation from KERS under KRS 61.522(8).

5 (2) Kentucky Retirement Systems (hereafter "Systems") shall provide the estimate of  
6 the cost within sixty (60) days of receipt of the Form 7726, however, no estimate shall be  
7 required to be provided prior to January 31, 2020.

8 (3) Systems shall provide the estimate of the cost based on the information currently  
9 in its database and projecting the service and creditable compensation of all  
10 nonhazardous employees as if they remain employed in a regular full-time position  
11 through June 30, 2020.

12 (4) The estimated actuarial cost of ceasing participation shall not be binding on the  
13 Systems.

14 (5) The employer shall not rely on the estimated actuarial cost of ceasing participation.

15 (6) Systems shall notify the employer of the administrative cost to process the Form  
16 7726. The administrative cost shall be calculated as follows:

17 (a) If the number of employees and former employees to be submitted to the actuary  
18 for purposes of determining the estimated actuarial cost of cessation equals one (1) to  
19 100 employees, the administrative cost shall be \$1,500.

20 (b) If the number of employees and former employees to be submitted to the actuary  
21 for purposes of determining the estimated actuarial cost of cessation equals 101 or more  
22 employees, the administrative cost shall be \$4,000.

1 (7) Systems shall process the Form 7726 after the employer has remitted its payment  
2 for the administrative cost.

3 Section 3. (1) The governing body of an employer seeking to cease participation in  
4 KERS through KRS 61.522(8) shall pass a resolution to cease participation and submit  
5 the resolution to the board on or after April 1, 2021[2020], but prior to May 1, 2021, or  
6 January 1, 2021, in the case of university or community college employers[2020].

7 (2) The resolution shall contain the following statements:

8 (a) That the employer has decided to voluntarily cease participation in KERS;

9 (b) The employer election and acknowledgement as to whether nonhazardous  
10 employees hired prior to June 30, 2021[2020], who began participating in the Systems  
11 prior to January 1, 2014, will, as a result of the employer election, either continue to  
12 participate or cease earning service credit and benefits after June 30, 2021[2020];

13 (c) That the employer acknowledges it is unable to rescind the resolution to cease  
14 participation after April 30, 2021, or after December 31, 2020 in the case of university or  
15 community college employers[2020];

16 (d) That the employer acknowledges it is subject to the requirements and restrictions  
17 of KRS 61.522 and this administrative regulation;

18 (e) That the employer acknowledges that in order to cease participation in KERS  
19 pursuant to KRS 61.522(8), the employer shall pay the actuarial cost of ceasing  
20 participation and all administrative costs associated therewith;

21 (f) That the employer agrees to cooperate with the Systems to educate its employees  
22 about the effect of cessation and the employer election on the employees' retirement  
23 accounts and the employees' options regarding their retirement accounts;

1 (g) That the employer shall not mandate, force, or require its employees to take a  
2 refund of their accumulated account balance as defined by KRS 61.510(41), or retaliate  
3 against its employees who chose not to take refunds of their accumulated account  
4 balance as defined in KRS 61.510(41); and

5 (h) That the employer shall hold the Commonwealth and the Systems, including  
6 board members and employees of the Systems, harmless from damages, attorney's fees  
7 and costs from legal claims for any cause of action brought by any member or retired  
8 member of the ceasing employer related to the cessation of the employer.

9 (3) The Board shall accept the resolution on or before June 30, 2021~~[2020]~~, in order  
10 for the employer to cease participation.

11 (4) If a resolution to cease participation in the KERS is not received by the board prior  
12 to May 1, 2021, or January 1, 2021 in the case of university or community college  
13 employers~~[2020]~~, the employer shall continue to participate in the KERS and pay the full  
14 actuarially determined contributions for fiscal years occurring on or after July 1,  
15 2021~~[2020]~~.

16 Section 4. (1) An employer shall file a completed Form 7727, Actuarial Study for Quasi-  
17 Governmental Employer Cessation with its resolution on or after April 1, 2021~~[2020]~~, but  
18 prior to May 1, 2021, or January 1, 2021 in the case of university or community college  
19 employers~~[2020]~~, with the executive director of the Systems.

20 (2) The employer shall submit the following documents with its Form 7727:

21 (a) Documentation of the alternative retirement program created by or being created  
22 by the employer for its employees, such as the determination letter issued by the Internal  
23 Revenue Service or a written description of the alternative retirement program;

1 (b) The employer's most recent five (5) audited financial statements and independent  
2 auditor's reports; and

3 (c) The employer's most recent five (5) Comprehensive Annual Financial Reports, if  
4 applicable.

5 (3) The employer shall submit with its Form 7727, an encrypted electronic file in a  
6 format prescribed by the Systems listing each current and former nonhazardous  
7 employee, employed in a full-time position as defined by KRS 61.510(21), who was  
8 employed during any period the employer participated in KERS, containing:

9 (a) Full name;

10 (b) Last known address;

11 (c) Date of birth;

12 (d) Social security number or Systems member identification number;

13 (e) Beginning date of employment;

14 (f) Date employment ended, if applicable;

15 (g) Sick leave balance;

16 (h) Beginning and ending dates of any active duty military service when the employee  
17 was not employed by the employer filing the Form 7727, if available; and

18 (i) Beginning and ending dates of any active duty military service when the employee  
19 was employed by the employer filing the Form 7727.

20 Section 5. (1) The employer shall pay the administrative costs incurred by the Systems  
21 for the actuarial study completed in accordance with the Form 7727 to determine the final  
22 cost, as well as all other administrative costs incurred for ceasing participation pursuant  
23 to KRS 61.522(3)(a).

1 (2) The employer shall pay \$10,000 as a deposit with the Form 7727.

2 (3) Systems shall place the deposit in a designated account and shall utilize the funds  
3 to pay the administrative costs of processing the employer's Form 7727.

4 (4) Systems shall charge a reasonable fee for its administrative costs associated with  
5 processing of the employer's Form 7727 and send an invoice to the employer upon  
6 completion of the actuarial study.

7 (a) Systems shall apply the deposit received pursuant to subsection (2) of this section  
8 to any administrative costs incurred by the Systems attributable to the employer's  
9 cessation in accordance with KRS 61.522(8).

10 (b) Following the application of the deposit to the outstanding administrative costs,  
11 Systems shall submit an invoice to the employer for the additional administrative costs  
12 and the employer shall pay the invoice for the remaining administrative costs within thirty  
13 (30) days of the date of the invoice.

14 (5) If the total administrative cost is less than the deposit paid by the employer,  
15 Systems shall credit the remaining balance of the deposit to the employer.

16 Section 6. (1) Systems shall attempt to notify each nonhazardous employee identified  
17 on the list provided by the ceased employer that the employer is ceasing participation  
18 pursuant to KRS 61.522(8).

19 (2) For those eligible nonhazardous employees, the Systems shall provide notice  
20 informing the employee of the right to request an irrevocable refund, pursuant to KRS  
21 61.522(3)(a)5., of their accumulated account balance as defined in KRS 61.510(41) by  
22 submitting a completed Form 1500, KRS 61.522 60-Day Transfer Request within sixty

1 (60) days of June 30, 2021[~~2020~~] to Kentucky Retirement Systems. The notice shall be  
2 sent no later than June 19, 2021[~~2020~~].

3 (a) Systems shall send the notice to the active nonhazardous employees listed by the  
4 employer who has filed a Form 7727 on its most recent report required by KRS 61.675  
5 submitted prior to the date the notices are mailed.

6 (b) The employer shall submit the name and contact information of each nonhazardous  
7 employee it hired between the completion of the Form 7727 and before June 30,  
8 2021[~~2020~~], within five (5) days of the date the employee begins working for the employer.

9 (c) A Form 1500 submitted on or before June 30, 2021[~~2020~~], shall be void.

10 (d) A Form 1500 submitted after August 31, 2021[~~2020~~], shall be void.

11 (e) The employee shall be employed by the employer who has filed a Form 7727 on  
12 June 30, 2021[~~2020~~], to be eligible to request a refund of his accumulated account  
13 balance pursuant to KRS 61.522(3)(a)5.

14 (f) An employee who submitted Form 1500 to the Systems may rescind the form by  
15 submitting written notice to the Systems on or before August 31, 2021[~~2020~~].

16 (g) If an employee requests a refund pursuant to KRS 61.522(3)(a)5., the employee's  
17 accumulated account balance shall be transferred to the employer's alternative retirement  
18 program pursuant to this section even if the employee terminates employment with the  
19 employer after June 30, 2021[~~2020~~], unless the employee rescinds the Form 1500 on or  
20 before August 31, 2021[~~2020~~].

21 (3)(a) The employer shall establish an alternative retirement program on or before  
22 August 31, 2021[~~2020~~], as provided in KRS 61.522(3)(a)5.

1 (b) The employer shall submit the final plan documents for its alternative retirement  
2 program as well as an affirmative statement that the alternative retirement program does  
3 not include a defined benefit plan.

4 (c) The employer shall submit verification that it has established an alternative  
5 retirement program qualified under 26 U.S.C. 401(a) or 26 U.S.C. 403(b) that is eligible  
6 to receive direct trustee-to-trustee transfers of pre-tax and post-tax contributions and does  
7 not include a defined benefit plan. Systems shall accept one (1) of the following as  
8 verification that the employer has established a valid alternative retirement program:

9 1. A determination letter from the Internal Revenue Service providing that the  
10 alternative retirement program established by the employer is a qualified plan pursuant  
11 to 26 U.S.C. 401(a) or 26 U.S.C. 403(b) capable of accepting trustee-to-trustee transfers;

12 2. A letter from the employer's legal counsel certifying that the alternative retirement  
13 program satisfies the requirements of 26 U.S.C. 401(a) or 26 U.S.C. 403(b) capable of  
14 accepting trustee-to-trustee transfers; or

15 3. Other reliable verification as determined by the Systems.

16 (d) Refunds requested pursuant to KRS 61.522(3)(a)5. shall be transferred to the  
17 alternative retirement program established by the ceased employer by trustee-to-trustee  
18 transfer after August 31, 2021[~~2020~~].

19 1. The alternative retirement program shall accept and separately account for post-  
20 tax employee contributions.

21 2. The ceased employer's legal counsel shall provide written certification that its  
22 alternative retirement program shall accept and separately account for post-tax employee  
23 contributions.

1 (e) If the ceased employer fails to establish an alternative retirement program pursuant  
2 to paragraph (a) of this subsection, the refund requests pursuant to KRS 61.522(3)(a)5.  
3 shall be void. The employees who filed the refund requests pursuant to KRS  
4 61.522(3)(a)5. shall remain members of the system and shall be included in the full  
5 actuarial cost.

6 (4) Former employees of the ceased employer who are currently participating in the  
7 State Police Retirement System, County Employees Retirement System, or Kentucky  
8 Employees Retirement System, due to employment with a participating agency, shall not  
9 be eligible to take a refund of their accumulated account balance until terminating  
10 employment with the current participating employer.

11 (5) Current employees of the ceased employer who are also employed by another  
12 employer participating in the State Police Retirement System, County Employees  
13 Retirement System, or Kentucky Employees Retirement System shall not be eligible to  
14 take a refund of their accumulated account balance until terminating employment with the  
15 participating employer.

16 (6) Current employees of the ceased employer on June 30, 2021~~[2020]~~, may request  
17 a refund pursuant to KRS 61.522(3)(a)5.

18 (7)(a) Former employees of the ceased employer who are not participating in State  
19 Police Retirement System, County Employees Retirement System, or Kentucky  
20 Employees Retirement System shall not be eligible to take a refund of their accumulated  
21 account balance pursuant to KRS 61.522(3)(a)5.

22 (b) The account balance of former employees of the ceased employer who are not  
23 participating in State Police Retirement System, County Employees Retirement System,



1 or Kentucky Employees Retirement System, but who were employed with the ceased  
2 employer on June 30, 2021[~~2020~~], and who submitted a valid Form 1500 pursuant to this  
3 section, shall be transferred to the employer's alternative retirement program unless the  
4 employee rescinds the Form 1500 on or before August 31, 2021[~~2020~~].

5 (8) The four (4) percent employer pay credit and applicable interest accrued shall vest  
6 as of June 30, 2021[~~2020~~], for those nonhazardous employees who began participating  
7 on or after January 1, 2014, and who request a refund pursuant to KRS 61.522(3)(a)5.

8 Section 7. (1)(a) The employer shall continue to file reports and remit employer  
9 contributions on all employees in accordance with KRS 61.675 and 105 KAR 1:140 for  
10 creditable compensation paid through June 30, 2021[~~2020~~].

11 (b) If the employer elects for nonhazardous employees to continue participation  
12 through the employer election, the employer shall continue to file reports in accordance  
13 with KRS 61.675 and 105 KAR 1:140. In addition, the employer shall continue to report  
14 all applicable pick up installments for pre-tax service purchases pursuant to KRS  
15 61.552(14)(c). However, pursuant to KRS 61.522(8)(d)2., the employer shall not remit  
16 employer contributions for nonhazardous employees after June 30, 2021[~~2020~~], as those  
17 amounts are factored into the cost calculation established by KRS 61.522(7).

18 (c) The employer shall continue to remit employer contributions for all hazardous  
19 employees.

20 (2)(a) If a member who is an employee of a ceased employer files for disability  
21 retirement benefits but does not establish a last day of paid employment prior to June 30,  
22 2021[~~2020~~], and does not continue participation, the Systems shall use June 30,  
23 2021[~~2020~~], as the member's last day of paid employment.

1 (b) If a member who is an employee of a ceased employer continues participation  
2 because of the employer election and files for disability retirement benefits, the member's  
3 last day of paid employment shall be established pursuant to KRS 61.510(32).

4 (3)(a) The ceased employer shall continue to pick-up payments for installment  
5 purchase of service for any employee who is purchasing service pursuant to KRS  
6 61.552(14) and 105 KAR 1:150 through June 30, 2021[2020].

7 (b) An employee that ceases participation in KERS on June 30, 2021[2020], shall  
8 have sixty (60) days from the date of cessation to pay in full any outstanding balance on  
9 the installment purchase agreement pursuant to KRS 61.552(14) and 105 KAR 1:150.

10 Section 8. (1) Employees of a ceased employer shall comply with the provisions of  
11 KRS 61.590, 61.625 and 61.637.

12 (2) Employees of a ceased employer shall terminate employment with all participating  
13 employers of the State Police Retirement System, County Employees Retirement  
14 System, Kentucky Employees Retirement System and the ceased employer prior to  
15 retiring pursuant to KRS 61.590 or taking a refund pursuant to KRS 61.625.

16 (3)(a) Employees of a ceased employer shall comply with KRS 61.637 and 105 KAR  
17 1:390 after retirement.

18 (b) The ceased employer shall certify that the employee seeking to retire or take a  
19 refund is terminating employment or has terminated employment with no prearranged  
20 agreement to return to work for the ceased employer.

21 Section 9. (1) Employees shall receive service credit for sick leave accrued pursuant  
22 to KRS 61.546 as of June 30, 2021[2020].

1 (a) If the ceased employer participates in a sick leave program established in KRS  
2 61.546 the employer shall report to the Systems the number of hours of each employee's  
3 accumulated sick leave as of June 30, 2021[~~2020~~].

4 (b) Systems shall credit the months of sick leave service reported pursuant to this  
5 section to the employee's total service credit to determine the ceased employer's actuarial  
6 cost.

7 (c) If the ceased employer elects that nonhazardous employees hired prior to June  
8 30, 2021[~~2020~~], who began participating in the Systems prior to January 1, 2014, will  
9 continue participation pursuant to KRS 61.522(8)(d), then those employees shall continue  
10 to receive service credit for sick leave accrued pursuant to KRS 61.546 after June 30,  
11 2021[~~2020~~], while participating through the ceased employer.

12 (2)(a) Systems shall credit the months of military service pursuant to KRS 61.555 prior  
13 to June 30, 2021[~~2020~~], and include the months in the calculation of the ceased  
14 employer's actuarial cost.

15 (b) If the ceased employer elects that nonhazardous employees hired prior to June 30,  
16 2021[~~2020~~], who began participating in the Systems prior to January 1, 2014, will continue  
17 participation pursuant to KRS 61.522(8)(d), then those employees shall continue to be  
18 able to obtain military service pursuant to KRS 61.555 if otherwise eligible.

19 Section 10. (1) The ceased employer shall pay or otherwise resolve all its invoices  
20 and correct all reporting in accordance with KRS 61.675 and 105 KAR 1:140 by July 25,  
21 2021[~~2020~~].

22 (2)(a) Systems shall provide the ceased employer with the amount of the full actuarial  
23 cost by sending a notice of actuarial cost and the report of the actuary to the employer.

1 (b) Systems shall provide the ceased employer with the payment amounts required if  
2 the ceased employer elects to pay the actuarial cost in installment payments.

3 (3)(a) The ceased employer shall elect on the Form 7728, Payment Election for Quasi-  
4 Governmental Employer Cessation whether to pay the actuarial cost of cessation by  
5 lump-sum payment or in installment payments not to exceed thirty (30) years from June  
6 30, 2021[2020].

7 (b) The Form 7728 shall be received in the retirement office on or before thirty (30)  
8 days after the date on which the Systems mailed the notice of actuarial cost and the report  
9 of the actuary to the ceased employer.

10 (c) A ceased employer intending to pay the full actuarial cost by lump-sum shall submit  
11 with the Form 7728 documentation of the source of the funds the employer intends to use  
12 to pay the full actuarial cost.

13 (d) A ceased employer intending to pay the actuarial cost by installment payment plan  
14 shall submit with the Form 7728 documentation of:

- 15 1. Source of funds to pay the installment payments;
- 16 2. List of real property owned by the ceased employer, including deeds of  
17 conveyance, title, all liens or encumbrances on the real property, and any current written  
18 contractual lease or rental agreement of the real property identified;
- 19 3. List of liabilities of the ceased employer; and
- 20 4. Inventory of all personal property owned by the ceased employer or in which the  
21 employer has an interest that may be used as collateral by the employer, including chattel  
22 paper, deposit accounts, documents, goods covered by documents, instruments,  
23 investment property, letters of credit rights, and money.

1 (4)(a) Ceased employers who elect to pay the full actuarial cost by lump-sum shall  
2 make the payment by June 30, 2022[~~2024~~], pursuant to KRS 61.522(3)(a)7.

3 (b) If the lump-sum payment is not received by the Systems at the retirement office  
4 on or before June 30, 2022[~~2024~~], then the ceased employer shall make installment  
5 payments and the payment amount shall be recalculated based upon this adjustment with  
6 interest added for fiscal year 2022-2023[~~2024-2022~~]. The ceased employer shall also  
7 remit all outstanding installments payments.

8 (c) Systems shall notify any ceased employer who has not submitted the lump-sum  
9 payment on June 21, 2022[~~2024~~], of the impending deadline and the consequences of  
10 failing to timely pay.

11 (5)(a) If the ceased employer elects to pay the actuarial cost of cessation in installment  
12 payments, the cost shall be financed by the Systems pursuant to KRS 61.522(8)(g).

13 (b) If the ceased employer elects for nonhazardous employees who began  
14 participating in the Systems prior to January 1, 2014, to continue participating in KERS,  
15 and the employer is not projected to pay the full actuarial cost in thirty (30) years, then  
16 the Systems shall adjust the payments so that the full actuarial costs are paid at the end  
17 of the thirty (30) year period.

18 (c) If the ceased employer elects for nonhazardous employees who began  
19 participating in the Systems prior to January 1, 2014 to cease participating in KERS, and  
20 the employer is not projected to pay the full actuarial cost in thirty (30) years, then the  
21 employer shall pay the amount financed through the Systems pursuant to KRS  
22 61.522(8)(g)1. and no adjustments shall be made to the monthly payments nor shall  
23 additional amounts be charged after the thirty (30) year period.

1           (6)(a) Interest shall be assigned to the principal amount annually for both lump-sum  
2 and installment payment plans beginning on July 1, 2021[~~2020~~]. A ceased employer who  
3 elects to pay the actuarial cost by installments may at any time submit payments towards  
4 the remaining balance.

5           (b) If the employer elects to pay the costs in installment payments, the annual  
6 payments beginning on or after July 1, 2021[~~2020~~], including interest will be calculated as  
7 a set dollar value and then divided into monthly installments.

8           (c) If the ceased employer submits more than the required payments for a fiscal year,  
9 the total cost will be reduced but the monthly installment amounts will remain unchanged  
10 because the monthly amounts are based upon the set dollar value of the annual  
11 payments. Pursuant to KRS 61.522(8)(g), interest amounts are separate from total cost  
12 and interest and interest attributable to the actuarial cost will not be calculated until the  
13 cost is finalized. However, any early or additional payments may reduce the number of  
14 payments required if the full actuarial cost is paid in less than thirty (30) years from June  
15 30, 2021[~~2020~~].

16           (7) Payments made prior to the notice of full actuarial cost shall be credited to the  
17 amount and considered early or additional payments pursuant to (6)(c) of this section.

18           Section 11. (1)(a) If a ceased employer elects to make installment payments, the  
19 Systems shall submit invoices to the employer for payments owed, which are not paid  
20 through the normal monthly reports.

21           (b) The employer shall remit payment to the Systems by the due date provided on the  
22 invoice.

1           (2)(a) If a ceased employer that elected to make installment payments is delinquent  
2 for ninety (90) days or more from the due date of an outstanding invoice, and the ceased  
3 employer elected for nonhazardous employees with participation dates prior to January  
4 1, 2014, to continue participating, then the participation of those employees in KERS  
5 through the ceasing employer will be suspended until the ceased employer has remitted  
6 the required payments. The employees shall not earn service credit, including service  
7 credit purchased pursuant to KRS 61.552, or benefits in KERS through the ceased  
8 employer during the suspension period.

9           (b) Any employee contributions provided to the Systems will be held until the ceased  
10 employer remits the required payments.

11           (3) Systems shall notify the Finance and Administration Cabinet of any ceased  
12 employer that is delinquent for ninety (90) days or more in making installment payments  
13 pursuant to KRS 61.675(4)(c).

14           (4) Systems may file an action in Franklin Circuit Court to collect delinquent  
15 installment payments and attach general fund appropriations in order to satisfy the  
16 payments owed.

17           Section 12. (1)(a) Current and former employees of the ceased employer shall not be  
18 eligible to purchase service credit pursuant to KRS 61.552 after June 30, 2021[~~2020~~],  
19 unless the current employee has continued participation in KERS because of the  
20 employer election.

21           (b) A current employee of a ceased employer continuing participation in KERS  
22 because of the employer election may purchase service credit pursuant to KRS 61.552  
23 even if that service is related to employment with the ceased employer.

1 (2) Former employees shall not be eligible to purchase service credit related to  
2 employment with a ceased employer, pursuant to KRS 61.552 after June 30, 2021~~[2020]~~.

3 (3) A person eligible to purchase service credit pursuant to KRS 61.552 related to  
4 employment with the ceased employer, shall either complete the purchase or enter into  
5 a service purchase agreement with the Systems no later than June 30, 2021~~[2020]~~ unless  
6 the individual is a current employee of the ceased employer who has continued  
7 participation in KERS because of the employer election.

8 (4) A person may purchase service credit pursuant to KRS 61.552(20) if the service is  
9 not related to employment with the ceased employer, unless the person is a current  
10 employee that has continued participation in KERS because of the employer election.

11 (5) A former employee of a ceased employer who becomes employed with a  
12 participating employer after terminating employment with the ceased employer may  
13 purchase service credit pursuant to KRS 61.552 that is not related to employment with a  
14 ceased employer.

15 Section 13. If any due date in this administrative regulation or if an installment payment  
16 falls on a Saturday, Sunday, or day that the Systems is closed due to state holiday, the  
17 due date or time period deadline shall extend to the close of business of the next business  
18 day.

19 Section 14. Incorporation by Reference. (1) The following material is incorporated by  
20 reference:

21 (a) Form 7726, "Request for Estimated Cost of Voluntary Cessation from KERS under  
22 KRS 61.522(8)," August 2019;



1 (b) Form 7727, "Actuarial Study for Quasi-Governmental Employer Cessation", June  
2 2020~~[November 2019]~~;

3 (c) Form 1500, "KRS 61.522 60-Day Transfer Request", November 2019; and

4 (d) Form 7728, "Payment Election for Quasi-Governmental Employer Cessation",  
5 June 2020~~[November 2019]~~.

6 (2) This material may be inspected, copied, or obtained, subject to applicable copyright  
7 law, at the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, Kentucky  
8 40601, Monday through Friday, 8 a.m. to 4:30 p.m. (46 Ky.R. 1997, 2391; eff. 6-2-2020.)

APPROVED:

\_\_\_\_\_  
DAVID L. EAGER,  
EXECUTIVE DIRECTOR  
KENTUCKY RETIREMENT SYSTEMS

\_\_\_\_\_  
DATE

**PUBLIC HEARING AND PUBLIC COMMENT PERIOD:** A public hearing on this administrative regulation shall be held on Monday November 23, 2020 at 9:00 a.m. at the Kentucky Retirement Systems, 1270 Louisville Road, Frankfort, Kentucky. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until November 30, 2020. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

**CONTACT PERSON:** Katherine Rupinen, Interim Executive Director Office of Legal Services, Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601, email [Legal.Non-Advocacy@kyret.ky.gov](mailto:Legal.Non-Advocacy@kyret.ky.gov), telephone (502) 696-8800 ext. 8647, facsimile (502) 696-8615.

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation number: 105 KAR 1:149  
Contact person: Katherine Rupinen  
Phone number: 502-696-8800 ext. 8647  
Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the processes and procedures for a quasi-governmental employer participating in the Kentucky Employees Retirement System to voluntarily cease participation in accordance with KRS 61.522(8).

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the processes and procedures for a quasi-governmental employer participating in the Kentucky Employees Retirement System to voluntarily cease participation in accordance with KRS 61.522(8).

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the authorizing statute by establishing the processes and procedures for a quasi-governmental employer participating in the Kentucky Employees Retirement System to voluntarily cease participation in accordance with KRS 61.522(8).

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation will assist in the effective administration of the statutes by establishing the processes and procedures for a quasi-governmental employer participating in the Kentucky Employees Retirement System to voluntarily cease participation in accordance with KRS 61.522(8).

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment will change the dates for deadlines for quasi-governmental employers participating in the Kentucky Employees Retirement System to voluntarily cease participation in accordance with KRS 61.522(8) to correspond with the changes to those deadlines set out in statute.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to conform to the dates which provide deadlines for quasi-governmental employers participating in the Kentucky Employees Retirement System to voluntarily cease participation in KRS 61.522(8), which were changed by legislation and effective April 8, 2020.

(c) How the amendment conforms to the content of the authorizing statutes: This amendment is necessary to conform to the dates which provide deadlines for quasi-governmental employers participating in the Kentucky Employees Retirement System to voluntarily cease participation in KRS 61.522(8), which were changed by legislation and effective April 8, 2020.

(d) How the amendment will assist in the effective administration of the statutes: This amendment will assist in the effective administration of the statutes by conforming the deadlines for voluntary cessation from participation in the Kentucky Employees

Retirement System by quasi-governmental employers with the dates set forth in KRS 61.522(8), which were changed by legislation and effective April 8, 2020.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: Kentucky Retirement Systems and quasi-governmental employers wishing to cease participation in the Kentucky Employees Retirement System.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: This amendment to the regulation will extend the deadlines to correspond with statutory changes effective April 8, 2020. These deadlines provide certain quasi-governmental employers a limited window in which to cease participation in Kentucky Employees Retirement System.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): The quasi-governmental employer would have its internal cost of voluntary ceasing participating, which would vary by employer. As required by the statute, KRS 61.522, the employer must also pay all the administrative costs incurred by Kentucky Retirement Systems. This cost will also vary by employer.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The quasi-governmental employer will be permitted to voluntarily cease participating in the Kentucky Employees Retirement System.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: The cost of filing the application and completing the process of voluntary withdrawal.

(b) On a continuing basis: There will be no continuing cost to the employer.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Administrative expenses of the Kentucky Retirement Systems are paid from the Retirement Allowance Account (trust and agency funds).

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: There is no increase in fees or funding required.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish any fees or directly or indirectly increase any fees. The employer must pay the administrative costs incurred by Kentucky Retirement Systems pursuant to KRS 61.522.

(9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied. All quasi-governmental employers seeking to voluntarily cease participation are subject to the same processes and procedures.

### FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation number: 105 KAR 1:149  
Contact person: Katherine Rupinen  
Phone number: 502-696-8800 ext. 8647  
Email: Legal.Non-Advocacy@kyret.ky.gov

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? Kentucky Retirement Systems and quasi-governmental employers eligible to voluntarily cease participation in the Kentucky Employees Retirement System pursuant to KRS 61.522(6).

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 61.522.

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. The employer will have to pay its internal administrative costs and Kentucky Retirement Systems' administrative costs. The administrative regulation generates no revenue, but will allow employers to cease participation, which will eliminate the requirement for them to pay continuing employer contributions after cessation. The employer is required by statute to pay the actuarial cost of cessation.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? None.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? None.

(c) How much will it cost to administer this program for the first year? Ultimately, the cost to Kentucky Retirement Systems should be negligible, as KRS 61.522 requires voluntary ceasing quasi-governmental employers to pay its internal administrative costs and Kentucky Retirement Systems' administrative costs related to cessation.

(d) How much will it cost to administer this program for subsequent years? KRS 61.522 requires the ceasing quasi-governmental employer to pay its internal administrative costs and Kentucky Retirement Systems' administrative costs so the cost to Kentucky Retirement Systems should be negligible.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation:

105 KAR 1:149

SUMMARY OF  
MATERIAL INCORPORATED BY REFERENCE

The material incorporated by reference consists of the following forms:

(a) Form 7726, "Request for Estimated Cost of Voluntary Cessation from KERS under KRS 61.522(8)," August 2019. This is the form used by employers to request an estimate of the actuarial cost to voluntarily cease participation.

(b) Form 7727, "Actuarial Study for Quasi-Governmental Employer Cessation," June 2020. This is the form used by quasi-governmental employers, which is filed with their resolution, to begin the process to voluntarily cease participation in KERS through KRS 61.522(8).

(c) Form 1500, "KRS 61.522 60-Day Transfer Request", November 2019. This is the form used by employees of ceasing employer to complete a transfer of their account balance to the employer qualified alternate retirement program within sixty (60) days of the effective cessation date pursuant to KRS 61.522(3)(a).

(d) Form 7728, "Payment Election for Quasi-Governmental Employer Cessation", June 2020. This is the form used by ceased quasi-governmental employers in order to elect whether the actuarial cost will be paid in installments or a lump-sum. This form must be submitted to the Systems on or before thirty (30) days after the Systems mailed the notice of actuarial cost and the report of the actuary to the ceased employer.

There are seven (7) pages incorporated by reference.

## MEMORANDUM

TO: Board of Trustees of the Kentucky Retirement Systems

FROM: Kathy Rupinen, Interim Executive Director, Office of Legal Services

DATE: September 8, 2020

RE: Recommended Revisions to the Kentucky Retirement Systems Board of Trustees Statement of Bylaws and Committee Organization

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The Office of Legal Services has been tasked with reviewing and, where appropriate, making update recommendations for all policies of the Board of Trustees of the Kentucky Retirement Systems (“the Board”), including the Statement of Bylaws and Committee Organization. In the course of this process, the Office of Legal Services has identified a number of recommended revisions to the Statement of Bylaws and Committee Organization, which are summarized below.

1. Addition of a definitions section to address words and phrases used throughout the Bylaws with specific technical meanings.
2. Housekeeping issues. These include general grammatical corrections, changes to promote consistency in phrasing, deletion of inadvertent repetition, and reorganization to promote efficiency.
3. Clarification of the method of calling a special meeting. This section previously indicated that the Chair or Executive Director may call a special Board or Committee meeting upon the request of a majority of its members. This has been modified to require each trustee make the request for a special meeting by email or other written means to the Chair or Executive Director in order to ensure compliance with Open Meetings laws. This subsection has also been modified to state that upon the request by a majority of the members, the special meeting “shall” be called. The previous phrasing of the Bylaws on this point was in essence meaningless, because there was no requirement that a meeting be called upon the request of a majority of the members.
4. Modifications to promote consistency with statutory and regulatory language and other Board Policies.
  - a. Changes are recommended to the subsection entitled “Conflicts of Interest” to conform with the changes to the Executive Branch Code of Ethics in KRS Chapter 11A requiring the filing of a statement of financial disclosure with the Executive Branch Ethics Commission within thirty days of taking office. A reference to the Conflicts of Interest statement required under the Kentucky Retirement Systems’ Conflict of Interest and Confidentiality Policy was added in order to clarify that there are two distinct requirements for a Conflicts of Interest Statement and a Statement of Financial Disclosure.



- b. The subsection referencing “Travel Policy Guidelines” was modified to reflect the Kentucky Retirement Systems’ Per Diem and Reimbursement Policy. The restriction on the number of board members who may be passengers on the same flight was also modified to instead reference the same common carrier.
  - c. Under Section 1.2 Board Responsibilities, subsections (g), (h) and (i) were modified and reorganized to make them more consistent with the statutory language regarding which committees’ actions the Board is required to review and ratify or not. Subsection l was amended to include a reference to 105 KAR 1:440.
5. The subsection referencing the “Independent Adviser” position was modified to reflect that this position may act in a fiduciary role due to the duties assigned and the confidential or proprietary information provided to the Adviser.
  6. Section 1.3(m) was added to state that the Executive Director shall sign all documents necessary to promulgate or amend an administrative regulation. This documents the agency’s current practice.
  7. Section 2.3 (b) referencing a Request for Proposal (RFP) committee was deleted, as this process has never been used. The RFP process is otherwise provided for in KRS Chapter 45A and the Investment Procurement Policy. Furthermore, if this does become necessary in the future, the Chair of the Board may establish such a committee under Section 2.04, which provides for the establishment of *Ad Hoc* Committees.

**KENTUCKY RETIREMENT SYSTEMS  
BOARD OF TRUSTEES**

**STATEMENT OF BYLAWS AND COMMITTEE ORGANIZATION**

[As Amended: September 16, 2020 \_\_\_\_\_]

**Section 1.1 GENERAL ADMINISTRATION.**

This Statement of Bylaws and Committee Organization of the Board of Trustees of the Kentucky Retirement Systems is adopted pursuant to the authority of KRS 61.645. ~~The State and Federal~~ law shall control any inconsistency that exists or may exist between the law and this Statement of Bylaws and Committee Organization ~~of the Board of Trustees.~~

**a. Definitions.**

1. Board: "The Board" refers to the Board of Trustees of the Kentucky Retirement Systems.
2. Board Year: The Board Year shall be from April 1 of each calendar year through March 31 of the following year.
3. Bylaws: "Bylaws" refers to the Statement of Bylaws and Committee Organization.
4. KRS: "KRS" refers to the Kentucky Revised Statutes.
5. Committee member: "Committee member" or "member" used in relation to a Committee refers to a member of the Board of Trustees of the Kentucky Retirement Systems serving its Standing or ad hoc Committees.
6. Member: "Member" or "members" used in relation to individuals participating in a system (or systems) administered by the Kentucky Retirement Systems refers to individuals who are active members (i.e., currently participating as an employee), inactive members (i.e., formerly participated as an employee, but is not currently participating as an employee, has not retired, and has not taken a refund), or retired.
7. Take action on: "Take action on" used in relation to the Board refers a motion being made, seconded, and voted upon by the Board in compliance with Robert's Rules of Order. [RONR (11<sup>th</sup> ed., as amended)].
8. Trustee: "Trustee" refers to a member of the Board of Trustees of the Kentucky Retirement Systems.

**b. Quorum; Parliamentary Authority.**

1. Board of Trustees: As required by KRS 61.645(8)(c), a majority of the trustees shall constitute a quorum and all actions taken by the Board ~~shall~~ be by affirmative vote of a majority of the trustees present.
2. Committees of the Board of Trustees: A majority of the trustees on any Committee of the Board ~~of Trustees~~ appointed pursuant to Sections ~~2.1-2.5~~ of these Bylaws shall constitute a quorum and all actions taken by the Committee shall be by affirmative vote of a majority of the Committee trustees present.

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3. The most recent edition of Robert's Rules of Order shall be the parliamentary authority. [RONR (11<sup>th</sup> ed., as amended)]
- c. **Meetings.** Meetings of the Board and its Committees shall be conducted consistent with the Open Meetings Act, KRS 61.805 to 61.850. The Open Meetings Act shall control if any inconsistency exists between the Open Meetings Act and these Bylaws.
- d. **Annual Meeting.** The annual meeting of the Board shall be held on the third Thursday of April of each Board Year.
- e. **Regular Meetings.** Regular meetings of the Board shall be held on the third Thursday of February and May, the second Thursday of September and November, and on the first Thursday of December.
- f. **Special Meetings.**
  1. Special ~~m~~Meetings of the Board ~~of Trustees~~ shall be held upon the call of the Chair of the Board ~~of Trustees~~ or the Executive Director. ~~Upon the request of a majority of the members of the Board trustees, the Chair of the Board of Trustees or Executive Director may call a special meeting.~~
  2. Special meetings of a Standing or *ad hoc* Committee of the Board of Trustees shall be held upon the call of the Committee Chair or the Executive Director. ~~Upon the request of a majority of the members of the Standing or ad hoc Committee, the Committee Chair or Executive Director may call a special meeting.~~
  - 2.3. A trustee may request that the Executive Director, Chair of the Board (in the case of a special meeting of the Board), or Committee Chair (in the case of a special meeting of a Committee) call a special meeting by email or other written means. Upon receipt of email or other written requests to call a special meeting from a majority of the trustees, the Executive Director, Board Chair, or Committee Chair shall call the requested special meeting.
- g. **Notice of Meetings.**
  1. **Regular Meetings.** Notice of a regular meeting of the Board shall be posted at least ten (10) days (inclusive of weekends and holidays) before the meeting is scheduled. The notice of a regular meeting shall include the date, time, and location of the meeting, and the agenda for the meeting. The agenda shall be determined under the direction of and approval by the Chair of the Board. Changes or revisions to the agenda may be proposed by the Executive Director or a member of the Board trustee; provided such proposal shall be delivered to the Chair for approval not less than ninety-six (96) hours before the meeting is scheduled; and further provided that nothing in this sentence shall deprive a trustee from introducing new items of business during a regular meeting. ~~Approved changes or revisions to the agenda shall be posted not less than seventy-two (72) hours before the meeting is scheduled.~~
  2. **Special Meetings.** When circumstances warrant a special meeting of the Board or of a Committee, notice shall be posted as soon as reasonably possible, but not less than twenty-four (24) hours before the meeting is scheduled. The notice of a special meeting shall include the date, time, and location of the special meeting and the

agenda for the meeting. Discussions and action at the meeting shall be limited to items listed on the agenda in the notice.

h. **Change in Meeting Dates.** Any regular or special meeting of the Board may be changed by following the procedure prescribed in these Bylaws for calling special meetings.

~~h.i.~~ **Records of Proceedings.** All official acts of the Board shall be recorded in the minutes of the regular or special meeting at which the action was approved or adopted. The Executive Director shall cause the minutes to be transcribed and presented for approval or amendment at the next regular meeting. The minutes or a copy certified by the Chair ~~of the Board of Trustees~~ and Executive Director shall be on file in the retirement office and open to public inspection.

~~i.b. **Change in Meeting Dates.** Any regular or special meeting of the Board may be changed by following the procedure prescribed in these Bylaws for calling special meetings.~~

~~i. j.~~ **Chair and Vice-Chair of the Board.** The Board shall elect a Chair and a Vice-Chair at each annual meeting to hold office for the ensuing Board Year or until their successors are elected. The Chair shall not serve more than four (4) consecutive years as Chair or Vice-Chair (in combination) of the Board. The Vice-Chair shall not serve more than four (4) consecutive years as Chair or Vice-Chair (in combination) of the Board. A trustee who has served four (4) consecutive years as Chair or Vice-Chair of the Board may be elected Chair or Vice-Chair of the Board after an absence of two (2) years from ~~the both~~ positions.

~~—~~ **Committees.** The Board may create Committees with such powers and duties as established by the Board ~~may determine~~. The Chair of the Board ~~of Trustees~~, unless otherwise stipulated or determined by the Board, shall appoint the members of each Standing or *ad hoc* Committee, and such appointments shall be recorded in the minutes of the current or next-following regular Board meeting. ~~—~~ Committee members shall serve concurrently with the appointing Chair.

~~k.~~

~~l.)~~

**l. Conflicts of Interest.**

1. ~~Board members~~ Trustees shall file a ~~f~~ statement of financial disclosure ~~inancial disclosure statement~~ with the Executive Branch Ethics Commission within thirty (30) days of taking office.

2. Trustees shall also file a statement of financial disclosure ~~disclosure~~ by April 15 of each calendar year, and or and within thirty (30) days following departure from office as a member of the Board ~~trustee~~, or as otherwise provided by law.

2)3. Trustees shall also file a written conflict of interest statement as required pursuant to the Kentucky Retirement Systems' Conflict of Interest and Confidentiality Policy.

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3)m. **Travel Policy Guidelines.**

1. All travel for official business of Kentucky Retirement Systems must be done in accordance with the requirements of and be consistent with KRS Chapter 45A and the Kentucky Retirement Systems' Board of Trustees Per Diem and Reimbursement Policy.
2. No more than six (6) ~~Board member~~trustees may be passengers in the same common carrier on the same airline flight. A Maximum of two (2) ~~senior executive staff members of the Kentucky Retirement Systems,~~ may be passengers on the same flight in the same common carrier.

4)n. **Election Policy Guidelines.** All elections for elected ~~members~~ trustees of the Board ~~of Trustees of Kentucky Retirement Systems~~ must be conducted in accordance with the provisions of KRS 61.645, 105 KAR 1:445 and the Kentucky Retirement Systems Board of Trustees Election Policy and Procedures adopted by the Board.

5)o. **Violations of Board Policies and Guidelines.** If a complaint is made that a ~~member of the Board~~ trustee violated these Bylaws or any policy approved by the Board, the Board shall follow the procedure found in the Conflict of Interest and Confidentiality Policy in investigating the complaint.

6)p. **Independent Adviser.** The Board ~~of Trustees (including a standing committee of the Board)~~ may appoint an independent Adviser or Advisers (whether as an individual or entity) to provide nonbinding strategic and technical advice and counsel to the Board or Committee on matters related to the Adviser's professional competencies and the requests of the Board or Committee. The Adviser shall have such responsibilities as may be assigned from time to time by the Board or Committee; provided the Adviser shall not be assigned or delegated any powers or authority of the Board or Committee, or act in any ~~fiduciary or~~ managerial capacity for the Board or Committee. The Adviser may be granted access to confidential or proprietary information and data as reasonably necessary or useful to the Adviser, as determined by the Executive Director, the Chair of the Board of Trustees, or the relevant Committee Chair, and may attend and participate in Board or Committee meetings as requested; provided that, in all events, the Adviser shall acknowledge and file a written confidentiality agreement and conflict of interest statement upon appointment, on a form provided by the Board. The Adviser shall not be, nor be deemed to be, an employee, contractor or agent of the Board or Committee for any reason or purpose whatever. Likewise, an Adviser shall not be compensated for services provided as Adviser, except that the Board, at its sole discretion, may pay ~~Agent the Adviser~~ a *per diem* and expenses equivalent to the *per diem* and expenses authorized by KRS 61.645(7).

**Section 1.2 BOARD RESPONSIBILITIES.**

- a. The Board shall make and maintain Bylaws.
- b. The Board shall appoint an Executive Director and fix the Executive Director's salary.
- c. The Board shall authorize the Executive Director to appoint all employees deemed necessary to transact the business of the ~~systems~~ Kentucky Retirement Systems.

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- d. The Board shall act on contracts for rental of office space, and professional services, including, but not limited to, the auditor, actuary, legal counsel, medical examiners, and hearing officers, in accordance with the requirements of the Commonwealth of Kentucky Model Procurement Act (KRS Chapter 45A).
- e. The Board shall consider and act take action on legislative and regulatory changes to administrative regulations proposed by the staff of the KRS-Kentucky Retirement Systems.
- f. The Board shall ratify take action on the audited financial statements.
- g. The Board shall consider and act take action on the recommendations of all of its Committees, with the exception except that:
  - 1. T of the Board's Administrative Appeals Committees and Disability Appeals Committees shall have the authority to act upon the recommendations and reports of the hearing officer on behalf of the Board in accordance with KRS Chapter 13B, and.
  - 2. The Board's Investment Committee shall have the authority to act on behalf of the Board on all investment-related matters, though the Board shall be kept informed of all such matters and shall be responsible for providing oversight on all investment-related matters in compliance with the fiduciary responsibilities of the Board, state and federal law, and the Board's Bylaws and Policies. All investment policies shall be adopted by the Board and the Investment Committee shall implement those policies, and Investment Committee, which may act on behalf of the Board without further ratification regarding specific matters outlined by statute or this Policy.
- ~~g. The Board shall ratify the actions of its Committees.~~
- h. The Board shall contract with an actuary, who shall be a Fellow of the Conference of Consulting Actuaries or a member of the American Academy of Actuaries, that which allows the Board to carry out its obligations in accordance with KRS 61.670. The Board shall consider and act take action on the recommendations of its actuary, including, but not limited to, determining the recommended contribution rates for employers in accordance with KRS 61.510 to 61.692, KRS 16.505 to 16.652, and KRS 78.510 to 78.852 actuary.
- ~~h. The Board shall select and employ an actuary who shall be a Fellow of the Conference of Consulting Actuaries or a member of the American Academy of Actuaries to provide and recommend the actuarial tables and funding methods necessary for the administration of the systems and for the annual determination of actuarial assets and liabilities of the systems.~~
- ~~i. The Board shall consider and act on the recommendations of the Investment Committee and actuary, and shall approve and adopt actuarial assumptions and contribution rates based on the actuarial tables and funding methods adopted by the Board, as revised from time to time.~~
- ~~j.i. The Board shall adopt contribution rates toward medical insurance premiums.~~

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~~k.j.~~ The Board shall provide oversight concerning programs and services for Kentucky Retirement Systems' members, retired members~~memberses~~, beneficiaries, recipients, and participating employers.

~~k.~~ The Board shall select candidates for each trustee ballot as provided in KRS 61.645.

~~m.l.~~ The Board shall establish a formal trustee education program for all trustees of the Board, pursuant to the requirements of KRS 61.645(18) and 105 KAR 1:440, and ensure that designated staff carry out the steps necessary for this trustee education to occur.

~~n.m.~~ The Board, and individual ~~members-trustees of the Board~~, should ordinarily refer all news media inquiries to the Executive Director and/or the Board Chair, and should not speak on behalf of the Board or KRS-Kentucky Retirement Systems with the news media. However, nothing in this subsection is intended to prevent individual ~~Board member-trustees~~ from speaking to the media concerning their actions, opinions, and decisions as individual ~~Board member-trustees~~.

### Section 1.3 EXECUTIVE DIRECTOR RESPONSIBILITIES.

- a. The Executive Director shall appoint all employees deemed necessary to transact the business of the ~~systems~~Kentucky Retirement Systems, and shall be responsible for oversight and implementation of agency-related human resources management, e.g., affirmative action and similar matters. All employees of the ~~systems~~Kentucky Retirement Systems, except for the Executive Director, shall be subject the state personnel system established pursuant to KRS 18A.005 to 18A.204 and shall have their salaries determined by the secretary of the Personnel Cabinet.
- b. The Executive Director shall develop a biennial budget and necessary budget amendments. The Executive Director (or designee) shall present a budget-to-actual expenditure analysis to the Board at each regular quarterly meeting of the Board.
- c. The Executive Director shall be responsible for information and record management, and shall ensure that a disaster recovery plan, continuity of operations plan, and policies to ensure cyber-security are developed and maintained~~a disaster recovery plan.~~
- d. The Executive Director shall be responsible for implementing a formal trustee education program for all trustees of the Board, pursuant to the requirements of KRS 61.645(18).
- e. The Executive Director shall establish and implement policies in conformance with statutes, regulations, and Board policies related to benefits administration.
- f. The Executive Director shall provide oversight of litigation and report significant developments to the Board.
- g. The Executive Director shall be responsible for the operation and administration of the ~~Investment department~~Office of Investments; provided, however, that the Investment Committee of the Board shall have authority to implement the investment policies adopted by the Board and shall act on behalf of the Board on all investment-related matters.

~~h.~~ The Executive Director shall oversee the administrative appeals and disability appeals hearing process.

~~h.i.~~ The Executive Director shall act as legislative liaison, and represent the Board at legislative hearings and other legislative meetings.

~~j.~~ The Executive Director shall provide technical assistance to the members of the General Assembly, Governor's office, and state and local government officials, as well as members, recipients, and beneficiaries of the Kentucky Retirement Systems.

~~i.a.~~ The Executive Director shall oversee the administrative appeals and disability appeals hearing process.

~~j.k.~~ The Executive Director shall recommend legislative or regulatory changes and propose draft language.

~~l.~~ The Executive Director shall implement any statutory or regulatory changes and take appropriate action to conform to federal law.

~~m.~~ The Executive Director shall sign all documents necessary to promulgate or amend an administrative regulation on behalf of the Board as the head of the Kentucky Retirement Systems in accordance with KRS 13A.220.

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~~k.~~ The Executive Director shall provide technical assistance to the members of the General Assembly, Governor's office, state and local government officials, members, retired members, recipients, and beneficiaries of the retirement systems the Kentucky Retirement Systems.

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~~l.a.~~ The Executive Director shall implement any statutory or regulatory changes and take appropriate action to conform to federal law.

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~~m.n.~~ The Executive Director shall communicate with the mass media and other agencies, entities or institutions, including responding to correspondence or inquiries addressed to the Board.

~~n.o.~~ The Executive Director shall coordinate reciprocal benefits with the other state administered retirement systems in Kentucky.

~~p.~~ In the case of emergency conditions that threaten the functioning of ~~KRS~~the Kentucky Retirement Systems, the preservation or protection ~~KRS~~Kentucky Retirement Systems' property or assets, vital data, or the health and safety of any person, and where a quorum of the Board is unavailable, the Executive Director may take actions necessary to prevent or mitigate the threat, even if a vote of the Board of Trustees would otherwise be necessary to take such action. When a quorum of the Board of Trustees becomes available, any such actions taken by the Executive Director shall be reviewed and ratified as necessary.

~~o.~~ The Executive Director shall sign all documents necessary to promulgate or amend an administrative regulation on behalf of the Board as the head of the Kentucky Retirement Systems in accordance with KRS 13A.220.

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~~g. **Independent Adviser.** The Board of Trustees (including a standing committee of the Board) may appoint an independent Adviser or Advisers (whether as an individual or entity) to provide nonbinding strategic and technical advice and counsel to the Board or committee on matters related to the Adviser's professional competencies and the requests of the Board or Committee. The Adviser shall have such responsibilities as may be assigned from time to time by the Board or committee; provided the Adviser shall not be assigned or delegated any powers or authority of the Board or committee, or act in any fiduciary or managerial capacity for the Board or committee. The Adviser may be granted access to confidential or proprietary information and data as reasonably necessary or useful to the Adviser, and may attend and participate in Board or committee meetings as requested; provided that, in all events, the Adviser shall acknowledge and file a written confidentiality agreement and conflict of interest statement upon appointment, on a form provided by the Board. The Adviser shall not be, nor be deemed to be, an employee, contractor or agent of the Board or committee for any reason or purpose whatever. Likewise, an Adviser shall not be compensated for services provided as Adviser, except that the Board, at its sole discretion, may pay Agent a *per diem* and expenses equivalent to the *per diem* and expenses authorized by KRS 61.645(7).~~

**Section 2.1 STANDING COMMITTEES.**

The Board shall have the Standing Committees specified in Section 2.2, each of them to have the duties and responsibilities as therein set forth, together with such other duties and responsibilities as the Board may by resolution determine. In each Board Year, the Chair, elected at the annual meeting, shall appoint ~~Board member~~trustees to Committees as specified in Section 2.2, unless otherwise determined by the Board. Each Committee shall have a Chair and the Board Chair shall appoint the Chair of each Committee, unless otherwise determined by the Board. A Committee may (but is not required to) elect a Vice-Chair from among its Committee members by a majority vote of ~~its membership~~the Committee. A Vice-Chair so elected shall preside at meetings of the Committee in the absence or inability to act of the Committee Chair. Any ~~Board member~~trustee may attend any meeting of any Committee of which he or she is not a Committee member, but shall not have a vote.

**Section 2.2 STANDING COMMITTEES; DUTIES AND RESPONSIBILITIES.**

The Standing Committees of the Board are, and shall have respective duties and responsibilities, as follows:

- a. **Administrative Appeals Committee.** There shall be two (2) Administrative Appeals Committees, which may be combined with the Disability Appeals Committees. Consistent with the provisions of KRS Chapter 13B, the Committees shall meet in alternate months, as needed, to act in matters of administrative appeals. Each Committee shall consist of three (3) members; however, the members appointed to one Committee may also serve from time to time on the other Committee. The Committees shall ensure that the ~~retirement~~-laws governing Kentucky Retirement Systems are administered impartially and uniformly, and that the actions of the Kentucky Retirement Systems resulting in the appeal were correct and fair under the applicable statutes and regulations.

1. Committee Responsibilities. In matters of administrative appeals, the Committee members shall consider the administrative record, including the recommended order and any exceptions filed in compliance with KRS 13B.120. The Committee shall act on behalf of the entire Board as the agency head in making a final order of the Board in accordance with KRS 13B.120. The Committee and it may adopt the hearing officer's recommended order; or it may reject or modify, in whole or in part, the recommended order; or it may remand the matter, in whole or in part, to the hearing officer for further proceedings as appropriate; or it may act on cases properly remanded by a court of competent jurisdiction. The Committee may also recommend legislative changes to improve the administration of the benefits. Any recommended legislative changes shall be referred to the Executive Director for study.
  2. Executive Director Office of Benefits Responsibilities. The Executive Director Office of Benefits or designated staff, in coordination with ~~KRS legal department~~ Kentucky Retirement Systems' Office of Legal Services staff, will coordinate meeting dates and determine which cases will be reviewed. Designated sStaff will compile the administrative records and distribute the files to the Committee members prior to each meeting. Staff may provide legal or technical advice to the Committee.
- b. Audit Committee. The Committee shall consist of not less than three (3) and not more than seven (7) members and will act on behalf of the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the internal and external audit processes, and the process for monitoring compliance with laws, regulations, and the code of conduct.
1. Committee Responsibilities.
    - A. The Committee will meet quarterly, with authority to convene additional meetings, as circumstances require. The regular quarterly meetings shall be held on the first Thursday of February and May, the fourth Thursday of August, and the first Thursday of November. The Committee shall have the authority to review reports by the Internal Audit ~~Administration~~ and to recommend appropriate policies and procedures. Additional responsibilities are enumerated in the Audit Committee Charter of the Board ~~of Trustees.~~
    - B. Hazardous Duty Subcommittee.
      1. The Chair of the Audit Committee may appoint a Subcommittee of not less than three (3) nor more than five (5) members of the Audit Committee to a Hazardous Duty Subcommittee. One appointed Committee member shall be designated as Chair of the Subcommittee. The Subcommittee will meet as necessary upon call of the Chair of the Subcommittee.
      2. Upon appointment the Subcommittee shall review and investigate the employees whose names have been certified by the applicable authority to meet the criteria of KRS 61.592 and 105 KAR\_1:130 for hazardous duty, and also those employees who have been so certified who are not, or who no longer are, working in a hazardous duty position.

3. The Subcommittee will report its findings and recommendations of each such investigation and review to the Audit Committee. Upon review and approval, the Audit Committee shall forward the results and its recommendations to the Board ~~of Trustees~~ for approval and ratification.
2. Division of Internal Audit Administration ~~or Responsibilities~~. The Division Director of Internal Audit Administration ~~er~~ will be responsible for the planning, implementation, and reporting of audits and the internal audit plan. The Division Director of Internal Audit Administration ~~Internal Auditor~~ will also be responsible for the functional control of audit activities in relation to the objectives of the Division of Internal Audit Administration. Additional responsibilities are enumerated in the Division of Internal Audit Charter.
  3. Audit Charters. The Audit Committee Charter of the Board ~~of Trustees~~ and the Division of Internal Audit Charter are hereby incorporated by reference.
  4. Budget. The Audit Committee shall review the ~~retirement systems~~ Kentucky Retirement Systems' biennial administrative budget and necessary budget amendments. The Executive Director (or designee) will schedule meetings, prepare budget documents and supporting schedules, and present them to Committee members prior to the date of a meeting.
- c. **Disability Appeals Committee**. There shall be two (2) Disability Appeals Committees, which may be combined with the Administrative Appeals Committees. Consistent with the provisions of KRS Chapter 13B, the Committees shall meet in alternate months, as needed, to act in matters of disability appeals. Each Committee shall consist of three (3) members; however, the members appointed to one Committee may serve from time to time on the other Committee. The Committees shall ensure that the disability retirement laws are administered impartially and uniformly, ~~and~~ that all members of Kentucky Retirement Systems who apply for disability retirement benefits and qualify under the applicable statutes are approved for benefits ~~and that the actions of the Kentucky Retirement Systems resulting in the appeal were correct and fair under the applicable statutes and regulations.~~
1. **Committee Responsibilities**. In matters of disability appeals, ~~the Committee members shall consider the administrative record, including the recommended order and any exceptions filed in compliance with KRS 13B.120. The Committee shall act on behalf of the entire Board as the agency head in making a final order of the Board in accordance with KRS 13B.120. The Committee may adopt the hearing officer's recommended order; or it may reject or modify, in whole or in part, the recommended order; or it may remand the matter, in whole or in part, to the hearing officer for further proceedings as appropriate; or it may act on cases properly remanded by a court of competent jurisdiction. The Committee may also recommend legislative changes to improve the administration of the benefits. Any recommended legislative changes shall be referred to the Executive Director for study.~~ the Committee members shall consider the administrative record including the recommended order and any exceptions filed and it may adopt the hearing officer's recommended order; or it may reject or modify, in whole or in part, the recommended order; or it may remand the matter, in whole or in part, to the

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~~hearing officer for further proceedings as appropriate; or it may act on cases properly remanded by a court of competent jurisdiction. The Committee may also recommend legislative changes to improve the administration of the benefits. Any recommended legislative changes shall be referred to the Executive Director for study.~~

2. Executive Director Office of Benefits Responsibilities. The Executive Director, Office of Benefits, or designated staff, in coordination with ~~KRS legal department~~Kentucky Retirement Systems Office of Legal Services staff, will coordinate meeting dates and determine which cases will be reviewed. Designated ~~s~~Staff will compile the administrative records and distribute the files to the Committee members prior to each meeting. Staff may provide legal or technical advice to the Committee.

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d. Investment Committee. The Committee shall consist of nine (9) members, as follows:  
(i) the six (6) trustees appointed by the Governor pursuant to KRS 61.645(1)(e)(5), and  
(ii) three (3) trustees appointed by the Board Chair.

1. Committee Responsibilities.

A. The Investment Committee shall have authority to implement the investment policies adopted by the Board, ~~including without limitation the Board's Statement of Investment Policy (pensions and health), and to act on behalf of the Board on all investment-related matters, and to acquire, sell, safeguard, monitor, and manage the assets and securities of the several funds.~~

B. The Investment Committee will meet quarterly to review reports from investment staff, investment consultants, and investment managers with authority to convene additional meetings as circumstances require. The regular quarterly meetings shall be held on the first Tuesday of February and May, the fourth Tuesday of August, and the first Wednesday of November.

C. The Committee will monitor investment performance and management practices and make reports and recommendations to the Board. The Committee will approve the selection and termination of service providers. The Committee will evaluate whether the Investment Policy, the investment activities, and management controls and processes continue to be consistent with meeting the ~~retirement systems'~~Kentucky Retirement Systems' goals, and perform other duties specified in the Statement of Investment Policy.

D. Actuarial Subcommittee.

1. The Chair of the Investment Committee shall appoint an Actuarial Subcommittee comprised of seven (7) members ~~of the Board~~, with the concurrence of the Board Chair as to each appointee, as follows: (i) three (3) trustees appointed by the Governor pursuant to KRS 61.645(1)(e)(5); (ii) one (1) trustee elected by members ~~and retired members~~ of the County Employees Retirement System; (iii) one (1) trustee elected by members ~~and retired members~~ of the Kentucky Employees Retirement System; (iv) one (1) trustee elected by members ~~and retired members~~ of the State Police Retirement System; and (v) the Chair of the Audit Committee. The

Investment Committee Chair shall appoint a Chair of the Actuarial Subcommittee. The Actuarial Subcommittee will meet as necessary upon call of the Chair of the Actuarial Subcommittee.

2. Upon appointment, the Subcommittee will review and evaluate actuarial assumptions, funding methods and tables proposed by the actuary (including without limitation all economic, mortality, disability, etc. assumptions) for each system within ~~KRS-Kentucky Retirement Systems~~ that affect: (i) the annual determination of the actuarial valuation of assets and liabilities of the systems within the meaning of KRS 61.670; (ii) the factors that apply to amounts payable to members (e.g., early commencement, commutation, repayment, etc.); and (iii) the actuarially recommended contribution rate for employers required under KRS 61.510 to 61.692, KRS 16.505 to 16.652, and KRS 78.510 to 78.852, except as otherwise determined by law or regulation.
3. The Subcommittee will report its findings and recommendations of each such review or evaluation to the Investment Committee. Upon review and approval, the Investment Committee shall forward the results and its recommendations to the Board ~~of Trustees for ratification to take action on.~~

E. The Investment Committee may also recommend legislative changes to the Board to improve the administration of investment-related matters.

2. **Executive Director Office of Investments Responsibilities.**

~~A. — The Chief Investment Officer (“CIO”) Executive Director, Office of Investments, also known as the Chief Investment Officer (CIO), shall administer the assets of the retirement systems~~ Kentucky Retirement Systems consistent with the policies, guidelines, and limits established by the law, the Investment Committee and the Statement of Investment Policy.

~~B.~~ The CIO ~~will~~ shall provide members of the Investment Committee with assessments of service providers and performance reports.

~~C.~~ The CIO ~~will~~ shall identify issues for consideration by the Investment Committee and prepare recommendations regarding those issues.

~~D.~~ The CIO ~~will~~ shall recommend changes to the Investment Committee regarding service providers, statutes, policies or guidelines, as needed, to maintain a productive relationship between the investment program and its goals.

~~E.~~ The CIO ~~will~~ shall communicate with the mass media and other agencies, entities, or institutions regarding investment related issues.

3. **Investment Policy.** The “Statement of Investment Policy: Pension Funds,” the “Statement of Investment Policy: Insurance,” and the “Investment Procurement Policy” are hereby incorporated by reference.

e. **Retiree Health Plan Committee.** The Committee shall consist of a maximum of seven (7) members and shall assist the Board in providing a group hospital and medical insurance plan for present and future recipients of a retirement allowance from ~~KERS,~~

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~~CERS, and SPRS~~ the systems administered by Kentucky Retirement Systems as required by KRS 61.702.

1. **Committee Responsibilities.**

- A. The Committee will meet quarterly to review reports from ~~retirement~~ Kentucky Retirement Systems staff and retiree health insurance consultants with authority to convene additional meetings, as circumstances require. The regular quarterly meetings shall be held on the second Tuesday of February and May, the first Thursday of September, and the second Tuesday of November.
- B. The Committee will monitor retiree health insurance matters and make reports and recommendations to the Board. The Committee will evaluate retiree health insurance issues and obligations set forth in state and federal law. The Committee may, as deemed necessary, evaluate health insurance companies, health maintenance organizations, self-insurance proposals, and other ways of providing a group hospital and medical insurance plan for retired ~~memberses~~ as provided in KRS 61.702.
- C. The Committee may negotiate and recommend appropriate contracts for execution by the Board, in accordance with the requirements of the Commonwealth of Kentucky Model Procurement Act (KRS 45A). The Committee may solicit reports and actuarial analyses in order to analyze issues regarding retiree health insurance. The Committee may also recommend legislative changes to improve the administration of retiree health insurance related matters. Any recommended legislative changes shall be referred to the Executive Director for study.

- 2. **Executive Director Responsibilities.** The Executive Director and ~~his-designated~~ staff will maintain and provide the Committee with necessary information to execute its responsibilities. The Executive Director ~~and-or his-designated~~ staff will provide advice regarding state and federal laws and regulations. Staff will identify issues for consideration by the Committee and prepare recommendations regarding those issues.

- f. In addition to the duties and responsibilities described in this Section 2.2, each Standing Committee may develop appropriate additional policies and proposals to be ratified by the Board.

**Section 2.3 DELEGATIONS OF AUTHORITY BY THE BOARD.**

~~a-~~ **Delegation of Authority.** Except as may be prohibited by or inconsistent with law, the Board may delegate to any Standing Committee of the Board any power, authority, duty, or responsibility conferred on the Board by law. In the case of any such delegation, the decision or action of the Committee within the scope of its delegated authority shall constitute the decision or action of the Board. The Board may at any time rescind the delegated authority as a whole or in part, except that a rescission of authority with respect to quasi-judicial matters delegated to a Committee shall not operate to affect the proceedings or the final action of any such matter pending before the Committee when the Board acts to rescind. This exception is designed to preclude the Board from using its authority to rescind a delegation to interfere with the process or outcome of a quasi-judicial

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proceeding then in progress before a Committee which had properly commenced the proceeding within the scope of its authority.

~~Request for Proposal (RFP) Process:~~

- ~~0. The Board Chair shall appoint an RFP Committee as needed to ensure that the most appropriate vendors are chosen to provide services to the retirement systems consistent with the KRS Kentucky Retirement Systems' Investment Procurement Policy." An RFP Committee will not have regular meetings, but will meet as a Special Meeting at the call of the Executive Director or the Chair.~~
- ~~0. As directed by the RFP RFP Committee, Kentucky Retirement Systems, Staff will solicit and screen responses for eligibility and completeness. Staff will conduct any preliminary due diligence necessary to assist in the screening of responses and the selection of the finalists presented for consideration by the Committee.~~
- ~~0. The RFP Committee will review and make recommendations for appropriate vendors during the next regularly scheduled Board meeting or at a Special Meeting.~~

**Section 2.04 AD HOC COMMITTEES.**

In addition to the Standing Committees specified in Section 2.2, the Chair or the Board may at any time establish an *ad hoc* Committee of the Board and fix its duties and responsibilities for any purpose which, in the judgment of the Chair or the Board, is better served by a temporary rather than Standing Committee. Each such Committee shall consist of such number of members as the Chair shall determine, and the Chair shall also then appoint the Chair and designate the other members of the Committee, unless otherwise determined by the Board.

**Section 2.05 LIMITATIONS ON AUTHORITY.**

No Committee shall have any power or authority, nor shall the Board delegate to itself, power or authority, as to any of the following:

- a. The amendment or repeal of any Board resolution.
- b. Action on other matters committed by Board resolution or by Kentucky law (including the common law of trusts respecting the delegation or the non-delegation of fiduciary responsibilities) to the Board under terms or provisions that make such action non-delegable.

**Section 2.06 AMENDMENT OF BYLAWS.**

These Bylaws may be amended at any regular or special meeting of the Board of Trustees by a vote of a majority of the entire membership of the Board.

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**Section 3.0 CERTIFICATION OF STATEMENT OF BYLAWS AND COMMITTEE ORGANIZATION.**

We, the Chair of the Board of Trustees and the Executive Director of the Kentucky Retirement Systems, do certify that this Statement of Bylaws and Committee Organization was approved and adopted by the Board on the \_\_\_\_ day of \_\_\_\_\_, September, 2020.

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\_\_\_\_\_  
David L. Harris,  
Chair, Board of Trustees

\_\_\_\_\_  
Date

\_\_\_\_\_  
David L. Eager,  
Executive Director

\_\_\_\_\_  
Date

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**KENTUCKY RETIREMENT SYSTEMS  
BOARD OF TRUSTEES**

**STATEMENT OF BYLAWS AND COMMITTEE ORGANIZATION**

[As Amended: September 16, 2020]

**Section 1.1 GENERAL ADMINISTRATION.**

This Statement of Bylaws and Committee Organization of the Board of Trustees of the Kentucky Retirement Systems is adopted pursuant to the authority of KRS 61.645. State and Federal law shall control any inconsistency that exists or may exist between the law and this Statement of Bylaws and Committee Organization.

a. **Definitions.**

1. **Board:** “The Board” refers to the Board of Trustees of the Kentucky Retirement Systems.
2. **Board Year:** The Board Year shall be from April 1 of each calendar year through March 31 of the following year.
3. **Bylaws:** “Bylaws” refers to the Statement of Bylaws and Committee Organization.
4. **KRS:** “KRS” refers to the Kentucky Revised Statutes.
5. **Committee member:** “Committee member” or “member” used in relation to a Committee refers to a member of the Board of Trustees of the Kentucky Retirement Systems serving its Standing or *ad hoc* Committees.
6. **Member:** “Member” or “members” used in relation to individuals participating in a system (or systems) administered by the Kentucky Retirement Systems refers to individuals who are active members (i.e., currently participating as an employee), inactive members (i.e., formerly participated as an employee, but is not currently participating as an employee, has not retired, and has not taken a refund), or retired.
7. **Take action on:** “Take action on” used in relation to the Board refers a motion being made, seconded, and voted upon by the Board in compliance with Robert’s Rules of Order. [RONR (11<sup>th</sup> ed., as amended)].
8. **Trustee:** “Trustee” refers to a member of the Board of Trustees of the Kentucky Retirement Systems.

b. **Quorum; Parliamentary Authority.**

1. **Board of Trustees:** As required by KRS 61.645(8)(c), a majority of the trustees shall constitute a quorum and all actions taken by the Board shall be by affirmative vote of a majority of the trustees present.
2. **Committees of the Board of Trustees:** A majority of the trustees on any Committee of the Board appointed pursuant to Sections 2.1-2.5 of these Bylaws shall constitute a quorum and all actions taken by the Committee shall be by affirmative vote of a majority of the Committee trustees present.

3. The most recent edition of Robert's Rules of Order shall be the parliamentary authority. [RONR (11<sup>th</sup> ed., as amended)]
- c. **Meetings.** Meetings of the Board and its Committees shall be conducted consistent with the Open Meetings Act, KRS 61.805 to 61.850. The Open Meetings Act shall control if any inconsistency exists between the Open Meetings Act and these Bylaws.
- d. **Annual Meeting.** The annual meeting of the Board shall be held on the third Thursday of April of each Board Year.
- e. **Regular Meetings.** Regular meetings of the Board shall be held on the third Thursday of February and May, the second Thursday of September and November, and on the first Thursday of December.
- f. **Special Meetings.**
  1. Special meetings of the Board shall be held upon the call of the Chair of the Board or the Executive Director.
  2. Special meetings of a Standing or *ad hoc* Committee of the Board of Trustees shall be held upon the call of the Committee Chair or the Executive Director.
  3. A trustee may request that the Executive Director, Chair of the Board (in the case of a special meeting of the Board), or Committee Chair (in the case of a special meeting of a Committee) call a special meeting by email or other written means. Upon receipt of email or other written requests to call a special meeting from a majority of the trustees, the Executive Director, Board Chair, or Committee Chair shall call the requested special meeting.
- g. **Notice of Meetings.**
  1. **Regular Meetings.** Notice of a regular meeting of the Board shall be posted at least ten (10) days (inclusive of weekends and holidays) before the meeting is scheduled. The notice of a regular meeting shall include the date, time, and location of the meeting, and the agenda for the meeting. The agenda shall be determined under the direction of and approval by the Chair of the Board. Changes or revisions to the agenda may be proposed by the Executive Director or a trustee; provided such proposal shall be delivered to the Chair for approval not less than ninety-six (96) hours before the meeting is scheduled; and further provided that nothing in this sentence shall deprive a trustee from introducing new items of business during a regular meeting. Approved changes or revisions to the agenda shall be posted not less than seventy-two (72) hours before the meeting is scheduled.
  2. **Special Meetings.** When circumstances warrant a special meeting of the Board or of a Committee, notice shall be posted as soon as reasonably possible, but not less than twenty-four (24) hours before the meeting is scheduled. The notice of a special meeting shall include the date, time, and location of the special meeting and the agenda for the meeting. Discussions and action at the meeting shall be limited to items listed on the agenda in the notice.
- h. **Change in Meeting Dates.** Any regular or special meeting of the Board may be changed by following the procedure prescribed in these Bylaws for calling special meetings.

- i. **Records of Proceedings.** All official acts of the Board shall be recorded in the minutes of the regular or special meeting at which the action was approved or adopted. The Executive Director shall cause the minutes to be transcribed and presented for approval or amendment at the next regular meeting. The minutes or a copy certified by the Chair of the Board and Executive Director shall be on file in the retirement office and open to public inspection.
- j. **Chair and Vice-Chair of the Board.** The Board shall elect a Chair and a Vice-Chair at each annual meeting to hold office for the ensuing Board Year or until their successors are elected. The Chair shall not serve more than four (4) consecutive years as Chair or Vice-Chair (in combination) of the Board. The Vice-Chair shall not serve more than four (4) consecutive years as Chair or Vice-Chair (in combination) of the Board. A trustee who has served four (4) consecutive years as Chair or Vice-Chair of the Board may be elected Chair or Vice-Chair of the Board after an absence of two (2) years from both positions.
- k. **Committees.** The Board may create Committees with such powers and duties as established by the Board. The Chair of the Board, unless otherwise stipulated or determined by the Board, shall appoint the members of each Standing or *ad hoc* Committee, and such appointments shall be recorded in the minutes of the current or next-following regular Board meeting. Committee members shall serve concurrently with the appointing Chair.
- l. **Conflicts of Interest.**
  - 1. Trustees shall file a statement of financial disclosure with the Executive Branch Ethics Commission within thirty (30) days of taking office.
  - 2. Trustees shall also file a statement of financial disclosure by April 15 of each calendar year, and within thirty (30) days following departure from office as a trustee, or as otherwise provided by law.
  - 3. Trustees shall also file a written conflict of interest statement as required pursuant to the Kentucky Retirement Systems' Conflict of Interest and Confidentiality Policy.
- m. **Travel Policy Guidelines.**
  - 1. All travel for official business of Kentucky Retirement Systems must be done in accordance with the requirements of and be consistent with KRS Chapter 45A and the Kentucky Retirement Systems' Board of Trustees Per Diem and Reimbursement Policy.
  - 2. No more than six (6) trustees may be passengers in the same common carrier. A Maximum of two (2) executive staff of the Kentucky Retirement Systems may be passengers in the same common carrier.
- n. **Election Policy Guidelines.** All elections for elected trustees of the Board must be conducted in accordance with the provisions of KRS 61.645, 105 KAR 1:445 and the Kentucky Retirement Systems Board of Trustees Election Policy and Procedures adopted by the Board.

- o. **Violations of Board Policies and Guidelines.** If a complaint is made that a trustee violated these Bylaws or any policy approved by the Board, the Board shall follow the procedure found in the Conflict of Interest and Confidentiality Policy in investigating the complaint.
- p. **Independent Adviser.** The Board may appoint an independent Adviser or Advisers (whether as an individual or entity) to provide nonbinding strategic and technical advice and counsel to the Board or Committee on matters related to the Adviser's professional competencies and the requests of the Board or Committee. The Adviser shall have such responsibilities as may be assigned from time to time by the Board or Committee; provided the Adviser shall not be assigned or delegated any powers or authority of the Board or Committee, or act in any managerial capacity for the Board or Committee. The Adviser may be granted access to confidential or proprietary information and data as reasonably necessary or useful to the Adviser, as determined by the Executive Director, the Chair of the Board, or the relevant Committee Chair, and may attend and participate in Board or Committee meetings as requested; provided that, in all events, the Adviser shall acknowledge and file a written confidentiality agreement and conflict of interest statement upon appointment, on a form provided by the Board. The Adviser shall not be, nor be deemed to be, an employee, contractor or agent of the Board or Committee for any reason or purpose whatever. Likewise, an Adviser shall not be compensated for services provided as Adviser, except that the Board, at its sole discretion, may pay the Adviser a *per diem* and expenses equivalent to the *per diem* and expenses authorized by KRS 61.645(7).

**Section 1.2 BOARD RESPONSIBILITIES.**

- a. The Board shall make and maintain Bylaws.
- b. The Board shall appoint an Executive Director and fix the Executive Director's salary.
- c. The Board shall authorize the Executive Director to appoint all employees deemed necessary to transact the business of the Kentucky Retirement Systems.
- d. The Board shall act on contracts for rental of office space, and professional services, including, but not limited to, the auditor, actuary, legal counsel, medical examiners, and hearing officers, in accordance with the requirements of the Commonwealth of Kentucky Model Procurement Act (KRS Chapter 45A).
- e. The Board shall consider and take action on changes to administrative regulations proposed by the staff of the Kentucky Retirement Systems.
- f. The Board shall take action on the audited financial statements.
- g. The Board shall consider and take action on the recommendations of all of its Committees, except that:
  - 1. The Board's Administrative Appeals Committees and Disability Appeals Committees shall have the authority to act upon the recommendations and reports of the hearing officer on behalf of the Board in accordance with KRS Chapter 13B, and
  - 2. The Board's Investment Committee shall have the authority to act on behalf of the Board on all investment-related matters, though the Board shall be kept informed

of all such matters and shall be responsible for providing oversight on all investment-related matters in compliance with the fiduciary responsibilities of the Board, state and federal law, and the Board's Bylaws and Policies. All investment policies shall be adopted by the Board and the Investment Committee shall implement those policies.

- h. The Board shall contract with an actuary, who shall be a Fellow of the Conference of Consulting Actuaries or a member of the American Academy of Actuaries, which allows the Board to carry out its obligations in accordance with KRS 61.670. The Board shall consider and take action on the recommendations of its actuary, including, but not limited to, determining the recommended contribution rates for employers in accordance with KRS 61.510 to 61.692, KRS 16.505 to 16.652, and KRS 78.510 to 78.852.
- i. The Board shall adopt contribution rates toward medical insurance premiums.
- j. The Board shall provide oversight concerning programs and services for Kentucky Retirement Systems' members, beneficiaries, recipients, and participating employers.
- k. The Board shall select candidates for each trustee ballot as provided in KRS 61.645.
- l. The Board shall establish a formal trustee education program for all trustees of the Board, pursuant to the requirements of KRS 61.645(18) and 105 KAR 1:440, and ensure that designated staff carry out the steps necessary for this trustee education to occur.
- m. The Board, and individual trustees, should ordinarily refer all news media inquiries to the Executive Director and/or the Board Chair, and should not speak on behalf of the Board or Kentucky Retirement Systems with the news media. However, nothing in this subsection is intended to prevent individual trustees from speaking to the media concerning their actions, opinions, and decisions as individual trustees.

### **Section 1.3 EXECUTIVE DIRECTOR RESPONSIBILITIES.**

- a. The Executive Director shall appoint all employees deemed necessary to transact the business of the Kentucky Retirement Systems, and shall be responsible for oversight and implementation of agency-related human resources management, e.g., affirmative action and similar matters. All employees of the Kentucky Retirement Systems, except for the Executive Director, shall be subject the state personnel system established pursuant to KRS 18A.005 to 18A.204 and shall have their salaries determined by the secretary of the Personnel Cabinet.
- b. The Executive Director shall develop a biennial budget and necessary budget amendments. The Executive Director (or designee) shall present a budget-to-actual expenditure analysis to the Board at each regular quarterly meeting of the Board.
- c. The Executive Director shall be responsible for information and record management, and shall ensure that a disaster recovery plan, continuity of operations plan, and policies to ensure cyber-security are developed and maintained.
- d. The Executive Director shall be responsible for implementing a formal trustee education program for all trustees of the Board, pursuant to the requirements of KRS 61.645(18).

- e. The Executive Director shall establish and implement policies in conformance with statutes, regulations, and Board policies related to benefits administration.
- f. The Executive Director shall provide oversight of litigation and report significant developments to the Board.
- g. The Executive Director shall be responsible for the operation and administration of the Office of Investments; provided, however, that the Investment Committee of the Board shall have authority to implement the investment policies adopted by the Board and shall act on behalf of the Board on all investment-related matters.
- h. The Executive Director shall oversee the administrative appeals and disability appeals hearing process.
- i. The Executive Director shall act as legislative liaison, and represent the Board at legislative hearings and other legislative meetings.
- j. The Executive Director shall provide technical assistance to the members of the General Assembly, Governor's office, and state and local government officials, as well as members, recipients, and beneficiaries of the Kentucky Retirement Systems.
- k. The Executive Director shall recommend legislative or regulatory changes and propose draft language.
- l. The Executive Director shall implement any statutory or regulatory changes and take appropriate action to conform to federal law.
- m. The Executive Director shall sign all documents necessary to promulgate or amend an administrative regulation on behalf of the Board as the head of the Kentucky Retirement Systems in accordance with KRS 13A.220.
- n. The Executive Director shall communicate with the mass media and other agencies, entities or institutions, including responding to correspondence or inquiries addressed to the Board.
- o. The Executive Director shall coordinate reciprocal benefits with the other state administered retirement systems in Kentucky.
- p. In the case of emergency conditions that threaten the functioning of the Kentucky Retirement Systems, the preservation or protection Kentucky Retirement Systems' property or assets, vital data, or the health and safety of any person, and where a quorum of the Board is unavailable, the Executive Director may take actions necessary to prevent or mitigate the threat, even if a vote of the Board would otherwise be necessary to take such action. When a quorum of the Board becomes available, any such actions taken by the Executive Director shall be reviewed and ratified as necessary.

**Section 2.1 STANDING COMMITTEES.**

The Board shall have the Standing Committees specified in Section 2.2, each of them to have the duties and responsibilities as therein set forth, together with such other duties and responsibilities as the Board may by resolution determine. In each Board Year, the Chair, elected at the annual meeting, shall appoint trustees to Committees as specified in Section 2.2, unless otherwise determined by the Board. Each Committee shall have a Chair and the Board Chair shall appoint the Chair of each Committee, unless otherwise determined by the Board. A Committee may (but is not required to) elect a Vice-Chair from among its Committee members by a majority vote of the Committee. A Vice-Chair so elected shall preside at meetings of the Committee in the absence or inability to act of the Committee Chair. Any trustee may attend any meeting of any Committee of which he or she is not a Committee member, but shall not have a vote.

**Section 2.2 STANDING COMMITTEES; DUTIES AND RESPONSIBILITIES.**

The Standing Committees of the Board are, and shall have respective duties and responsibilities, as follows:

- a. **Administrative Appeals Committee.** There shall be two (2) Administrative Appeals Committees, which may be combined with the Disability Appeals Committees. Consistent with the provisions of KRS Chapter 13B, the Committees shall meet in alternate months, as needed, to act in matters of administrative appeals. Each Committee shall consist of three (3) members; however, the members appointed to one Committee may also serve from time to time on the other Committee. The Committees shall ensure that the laws governing Kentucky Retirement Systems are administered impartially and uniformly, and that the actions of the Kentucky Retirement Systems resulting in the appeal were correct and fair under the applicable statutes and regulations.
  1. **Committee Responsibilities.** In matters of administrative appeals, the Committee members shall consider the administrative record, including the recommended order and any exceptions filed in compliance with KRS 13B.120. The Committee shall act on behalf of the entire Board as the agency head in making a final order of the Board in accordance with KRS 13B.120. The Committee may adopt the hearing officer's recommended order; or it may reject or modify, in whole or in part, the recommended order; or it may remand the matter, in whole or in part, to the hearing officer for further proceedings as appropriate; or it may act on cases properly remanded by a court of competent jurisdiction. The Committee may also recommend legislative changes to improve the administration of the benefits. Any recommended legislative changes shall be referred to the Executive Director for study.
  2. **Executive Director Office of Benefits Responsibilities.** The Executive Director Office of Benefits or designated staff, in coordination with Kentucky Retirement Systems' Office of Legal Services staff, will coordinate meeting dates and determine which cases will be reviewed. Designated staff will compile the administrative records and distribute the files to the Committee members prior to each meeting. Staff may provide legal or technical advice to the Committee.

- b. **Audit Committee.** The Committee shall consist of not less than three (3) and not more than seven (7) members and will act on behalf of the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the internal and external audit processes, and the process for monitoring compliance with laws, regulations, and the code of conduct.
1. **Committee Responsibilities.**
    - A. The Committee will meet quarterly, with authority to convene additional meetings, as circumstances require. The regular quarterly meetings shall be held on the first Thursday of February and May, the fourth Thursday of August, and the first Thursday of November. The Committee shall have the authority to review reports by the Internal Audit Administration and to recommend appropriate policies and procedures. Additional responsibilities are enumerated in the Audit Committee Charter of the Board.
    - B. **Hazardous Duty Subcommittee.**
      1. The Chair of the Audit Committee may appoint a Subcommittee of not less than three (3) nor more than five (5) members of the Audit Committee to a Hazardous Duty Subcommittee. One appointed Committee member shall be designated as Chair of the Subcommittee. The Subcommittee will meet as necessary upon call of the Chair of the Subcommittee.
      2. Upon appointment the Subcommittee shall review and investigate the employees whose names have been certified by the applicable authority to meet the criteria of KRS 61.592 and 105 KAR 1:130 for hazardous duty, and also those employees who have been so certified who are not, or who no longer are, working in a hazardous duty position.
      3. The Subcommittee will report its findings and recommendations of each such investigation and review to the Audit Committee. Upon review and approval, the Audit Committee shall forward the results and its recommendations to the Board for approval and ratification.
  2. **Division of Internal Audit Administration Responsibilities.** The Division Director of Internal Audit Administration will be responsible for the planning, implementation, and reporting of audits and the internal audit plan. The Division Director of Internal Audit Administration will also be responsible for the functional control of audit activities in relation to the objectives of the Division of Internal Audit Administration. Additional responsibilities are enumerated in the Division of Internal Audit Charter.
  3. **Audit Charters.** The Audit Committee Charter of the Board and the Division of Internal Audit Charter are hereby incorporated by reference.
  4. **Budget.** The Audit Committee shall review the Kentucky Retirement Systems' biennial administrative budget and necessary budget amendments. The Executive Director (or designee) will schedule meetings, prepare budget documents and supporting schedules, and present them to Committee members prior to the date of a meeting.



- c. **Disability Appeals Committee.** There shall be two (2) Disability Appeals Committees, which may be combined with the Administrative Appeals Committees. Consistent with the provisions of KRS Chapter 13B, the Committees shall meet in alternate months, as needed, to act in matters of disability appeals. Each Committee shall consist of three (3) members; however, the members appointed to one Committee may serve from time to time on the other Committee. The Committees shall ensure that the disability retirement laws are administered impartially and uniformly, that all members of Kentucky Retirement Systems who apply for disability retirement benefits and qualify under the applicable statutes are approved for benefits and that the actions of the Kentucky Retirement Systems resulting in the appeal were correct and fair under the applicable statutes and regulations. .
1. **Committee Responsibilities.** In matters of disability appeals, the Committee members shall consider the administrative record, including the recommended order and any exceptions filed in compliance with KRS 13B.120. The Committee shall act on behalf of the entire Board as the agency head in making a final order of the Board in accordance with KRS 13B.120. The Committee may adopt the hearing officer's recommended order; or it may reject or modify, in whole or in part, the recommended order; or it may remand the matter, in whole or in part, to the hearing officer for further proceedings as appropriate; or it may act on cases properly remanded by a court of competent jurisdiction. The Committee may also recommend legislative changes to improve the administration of the benefits. Any recommended legislative changes shall be referred to the Executive Director for study.
  2. **Executive Director Office of Benefits Responsibilities.** The Executive Director, Office of Benefits, or designated staff, in coordination with Kentucky Retirement Systems Office of Legal Services staff, will coordinate meeting dates and determine which cases will be reviewed. Designated staff will compile the administrative records and distribute the files to the Committee members prior to each meeting. Staff may provide legal or technical advice to the Committee.
- d. **Investment Committee.** The Committee shall consist of nine (9) members, as follows:
- (i) the six (6) trustees appointed by the Governor pursuant to KRS 61.645(1)(e)(5), and
  - (ii) three (3) trustees appointed by the Board Chair.
1. **Committee Responsibilities.**
    - A. The Investment Committee shall have authority to implement the investment policies adopted by the Board, including without limitation the Board's Statement of Investment Policy (pensions and health), and to act on behalf of the Board on all investment-related matters, and to acquire, sell, safeguard, monitor, and manage the assets and securities of the several funds.
    - B. The Investment Committee will meet quarterly to review reports from investment staff, investment consultants, and investment managers with authority to convene additional meetings as circumstances require. The regular quarterly meetings shall be held on the first Tuesday of February and May, the fourth Tuesday of August, and the first Wednesday of November.

C. The Committee will monitor investment performance and management practices and make reports and recommendations to the Board. The Committee will approve the selection and termination of service providers. The Committee will evaluate whether the Investment Policy, the investment activities, and management controls and processes continue to be consistent with meeting the Kentucky Retirement Systems' goals, and perform other duties specified in the Statement of Investment Policy.

D. Actuarial Subcommittee.

1. The Chair of the Investment Committee shall appoint an Actuarial Subcommittee comprised of seven (7) members, with the concurrence of the Board Chair as to each appointee, as follows: (i) three (3) trustees appointed by the Governor pursuant to KRS 61.645(1)(e)(5); (ii) one (1) trustee elected by members of the County Employees Retirement System; (iii) one (1) trustee elected by members of the Kentucky Employees Retirement System; (iv) one (1) trustee elected by members of the State Police Retirement System; and (v) the Chair of the Audit Committee. The Investment Committee Chair shall appoint a Chair of the Actuarial Subcommittee. The Actuarial Subcommittee will meet as necessary upon call of the Chair of the Actuarial Subcommittee.
2. Upon appointment, the Subcommittee will review and evaluate actuarial assumptions, funding methods and tables proposed by the actuary (including without limitation all economic, mortality, disability, etc. assumptions) for each system within Kentucky Retirement Systems that affect: (i) the annual determination of the actuarial valuation of assets and liabilities of the systems within the meaning of KRS 61.670; (ii) the factors that apply to amounts payable to members (e.g., early commencement, commutation, repayment, etc.); and (iii) the actuarially recommended contribution rate for employers required under KRS 61.510 to 61.692, KRS 16.505 to 16.652, and KRS 78.510 to 78.852, except as otherwise determined by law or regulation.
3. The Subcommittee will report its findings and recommendations of each such review or evaluation to the Investment Committee. Upon review and approval, the Investment Committee shall forward the results and its recommendations to the Board **to take action on.**

E. The Investment Committee may also recommend legislative changes to the Board to improve the administration of investment-related matters.

2. **Executive Director Office of Investments Responsibilities.**

- A. Executive Director, Office of Investments, also known as the Chief Investment Officer (CIO), shall administer the assets of the Kentucky Retirement Systems consistent with the policies, guidelines, and limits established by the law, the Investment Committee and the Statement of Investment Policy.
- B. The CIO shall provide members of the Investment Committee with assessments of service providers and performance reports.

- C. The CIO shall identify issues for consideration by the Investment Committee and prepare recommendations regarding those issues.
  - D. The CIO shall recommend changes to the Investment Committee regarding service providers, statutes, policies or guidelines, as needed, to maintain a productive relationship between the investment program and its goals.
  - E. The CIO shall communicate with the mass media and other agencies, entities, or institutions regarding investment related issues.
3. **Investment Policy**. The “Statement of Investment Policy: Pension Funds,” the “Statement of Investment Policy: Insurance,” and the “Investment Procurement Policy” are hereby incorporated by reference.
- e. **Retiree Health Plan Committee**. The Committee shall consist of a maximum of seven (7) members and shall assist the Board in providing a group hospital and medical insurance plan for present and future recipients of a retirement allowance from the systems administered by Kentucky Retirement Systems as required by KRS 61.702.
1. **Committee Responsibilities**.
- A. The Committee will meet quarterly to review reports from Kentucky Retirement Systems staff and retiree health insurance consultants with authority to convene additional meetings, as circumstances require. The regular quarterly meetings shall be held on the second Tuesday of February and May, the first Thursday of September, and the second Tuesday of November.
  - B. The Committee will monitor retiree health insurance matters and make reports and recommendations to the Board. The Committee will evaluate retiree health insurance issues and obligations set forth in state and federal law. The Committee may, as deemed necessary, evaluate health insurance companies, health maintenance organizations, self-insurance proposals, and other ways of providing a group hospital and medical insurance plan for retired members as provided in KRS 61.702.
  - C. The Committee may negotiate and recommend appropriate contracts for execution by the Board, in accordance with the requirements of the Commonwealth of Kentucky Model Procurement Act (KRS 45A). The Committee may solicit reports and actuarial analyses in order to analyze issues regarding retiree health insurance. The Committee may also recommend legislative changes to improve the administration of retiree health insurance related matters. Any recommended legislative changes shall be referred to the Executive Director for study.
2. **Executive Director Responsibilities**. The Executive Director and designated staff will maintain and provide the Committee with necessary information to execute its responsibilities. The Executive Director or designated staff will provide advice regarding state and federal laws and regulations. Staff will identify issues for consideration by the Committee and prepare recommendations regarding those issues.

- f. In addition to the duties and responsibilities described in this Section 2.2, each Standing Committee may develop appropriate additional policies and proposals to be ratified by the Board.

### **Section 2.3 DELEGATIONS OF AUTHORITY BY THE BOARD.**

**Delegation of Authority.** Except as may be prohibited by or inconsistent with law, the Board may delegate to any Standing Committee of the Board any power, authority, duty, or responsibility conferred on the Board by law. In the case of any such delegation, the decision or action of the Committee within the scope of its delegated authority shall constitute the decision or action of the Board. The Board may at any time rescind the delegated authority as a whole or in part, except that a rescission of authority with respect to quasi-judicial matters delegated to a Committee shall not operate to affect the proceedings or the final action of any such matter pending before the Committee when the Board acts to rescind. This exception is designed to preclude the Board from using its authority to rescind a delegation to interfere with the process or outcome of a quasi-judicial proceeding then in progress before a Committee which had properly commenced the proceeding within the scope of its authority.

### **Section 2.4 AD HOC COMMITTEES.**

In addition to the Standing Committees specified in Section 2.2, the Chair or the Board may at any time establish an *ad hoc* Committee of the Board and fix its duties and responsibilities for any purpose which, in the judgment of the Chair or the Board, is better served by a temporary rather than Standing Committee. Each such Committee shall consist of such number of members as the Chair shall determine, and the Chair shall also then appoint the Chair and designate the other members of the Committee, unless otherwise determined by the Board.

### **Section 2.5 LIMITATIONS ON AUTHORITY.**

No Committee shall have any power or authority, nor shall the Board delegate to itself, power or authority, as to any of the following:

- a. The amendment or repeal of any Board resolution.
- b. Action on other matters committed by Board resolution or by Kentucky law (including the common law of trusts respecting the delegation or the non-delegation of fiduciary responsibilities) to the Board under terms or provisions that make such action non-delegable.

### **Section 2.6 AMENDMENT OF BYLAWS.**

These Bylaws may be amended at any regular or special meeting of the Board of Trustees by a vote of a majority of the entire membership of the Board.

**Section 3.0 CERTIFICATION OF STATEMENT OF BYLAWS AND COMMITTEE ORGANIZATION.**

We, the Chair of the Board of Trustees and the Executive Director of the Kentucky Retirement Systems, do certify that this Statement of Bylaws and Committee Organization was approved and adopted by the Board on the \_\_\_\_ day of **September**, 2020.

\_\_\_\_\_  
David L. Harris,  
Chair, Board of Trustees

\_\_\_\_\_  
Date

\_\_\_\_\_  
David L. Eager,  
Executive Director

\_\_\_\_\_  
Date

## MEMORANDUM

TO: Board of Trustees of the Kentucky Retirement Systems

FROM: Carrie Bass, Staff Attorney Supervisor, Division of Non-Advocacy, Office of Legal Services  
Kathy Rupinen, Interim Executive Director, Office of Legal Services

DATE: September 1, 2020

RE: Withdrawal of three policies of the Board of Trustees of the Kentucky Retirement Systems

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The Office of Legal Services has been tasked with reviewing and, where appropriate, making update recommendations for all policies of the Board of Trustees of the Kentucky Retirement Systems (“the Board”). In the course of this process, the Office of Legal Services has identified the following three Board policies that it recommends the Board withdraw:

- I. Reimbursement of Moving Expenses Policy, last amended June 15, 2011,
- II. Travel Policies and Procedures, last amended September 10, 2015, and
- III. Kentucky Retirement Systems (KRS) Funding Policy 2013, effective July 1, 2013.

The reasoning of the Office of Legal Services is as follows.

### **I. Reimbursement of Moving Expenses Policy, last amended June 15, 2011**

On February 19, 2009, the Board adopted a “Reimbursement of Moving Expenses Policy,” which was subsequently updated only one time thereafter on June 15, 2011. *See attached.* The stated purpose of this policy is “to a) establish the standards by which new employees may be reimbursed for their moving expenses; and b) establish the procedures for the reimbursement of allowable moving expenses made by a new employee of KRS.”

At the time the Reimbursement of Moving Expenses Policy was enacted and amended, the Kentucky Retirement Systems’ (“the Systems”) employees were not subject to KRS Chapter 18A. The employees of the Systems were made subject to KRS Chapter 18A first by Executive Order of the

Governor of Kentucky in 2016, and subsequently by legislative act of the General Assembly in 2017. *See* 2017 Ky. Acts ch. 12, sec. 3. KRS Chapter 18A authorizes the reimbursement of employee moving expenses only in very limited circumstances. *See* 101 KAR 1:335 Section 4(4).

Since nearly all employees of the Systems<sup>1</sup> are presently subject to the provisions of KRS Chapter 18A, and seemingly will continue to be subject to these provisions following the implementation of HB 484 (2020), a separate Reimbursement of Moving Expenses Policy is no longer necessary or appropriate. The Office of Legal Services recommends that the Board vote to withdraw its Reimbursement of Moving Expenses Policy. A substitute policy is not recommended.

## **II. Travel Policies and Procedures, last amended September 10, 2015**

On May 20, 2004, the Board adopted a Travel Policy (titled, “Travel Policies and Procedures”). The Board’s Travel Policy was last updated on September 10, 2015 (“2015 Travel Policy”). *See attached.* The Systems was not subject to the provisions of KRS Chapter 45A during the enactment of the Travel Policy in 2004 or during any of the subsequent revision dates. The Systems was made subject to KRS Chapter 45A first by Executive Order of the Governor of Kentucky in 2016, and subsequently by legislative act of the General Assembly in 2017. *See* 2017 Ky. Acts ch. 12, sec. 3, 2017 Ky. Acts ch. 12, sec. 13. As the 2015 Travel Policy has not been updated since the Systems was made subject to KRS Chapter 45A, and numerous changes have been made to the Kentucky Retirement Systems’ enabling statutes since 2015 (particularly, KRS 61.645), the statutory citations contained in the 2015 Travel Policy are no longer accurate.

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<sup>1</sup> In the event the Board wishes to reimburse the moving expenses of any employee who is not subject to KRS Chapter 18A, namely the executive director, the Board may provide for such reimbursement in the contract for the services of that employee. *See* KRS 61.645(9)(a).

Moreover, travel by trustees, employees, and contractors is addressed elsewhere in legal authority binding on the Systems and in other documents. The Board's Statement of Bylaws and Committee Organization correctly incorporates the statutory changes relevant to travel over the last five years:

- m. **Travel Policy Guidelines.** All travel for official business of Kentucky Retirement Systems must be done in accordance with the requirements of and consistent with KRS Chapter 45.

Bylaws, Section 1.1(m).

Travel by the trustees serving on the Board is further addressed in the Board's Per Diem and Reimbursement Policy recently updated on February 20, 2020. Travel by employees of the Systems is governed by 200 KAR 2:006. Travel by contractors is addressed in the individual contracts between the Systems and the contractors entered in accordance with the procurement process under KRS Chapter 45A.

As travel by the Kentucky Retirement Systems' trustees, employees, and contractors is addressed in other statutes, regulations, and documents, and the 2015 Travel Policy references laws that are no longer in place and forms that are no longer used by the Systems, the Office of Legal Services recommends that the Board vote to withdraw its freestanding Travel Policy. A substitute policy is not recommended.

### **III. Kentucky Retirement Systems (KRS) Funding Policy 2013**

At the August 15, 2013 meeting of the Board, the Board unanimously voted to adopt a KRS Funding Policy ("2013 Funding Policy"), effective as if July 1, 2013. *See* Minutes of Meeting #384, Board of Trustees, Kentucky Retirement Systems, August 15, 2013; *also see attached*. The 2013 Funding Policy contains information that is outdated under the state laws currently governing the Kentucky Retirement Systems, and the laws that will be in effect after the effectuation of HB 484 (2020) on April 1, 2021. Specifically, the amortization period for the unfunded actuarially accrued liability contribution stated in the 2013 Funding Policy is no longer correct. *See* KRS 61.565 (current



version), KRS 61.565 (version in effect as of April 1, 2021), and KRS 78.635 (version in effect as of April 1, 2021).

Furthermore, the 2013 Funding Policy restates the actuarial cost method and the asset smoothing method used to calculate employer contribution rates without referencing the relevant statute. *See* KRS 61.565 (current version), KRS 61.565 (version in effect as of April 1, 2021), KRS 78.635 (version in effect as of April 1, 2021). The Office of Legal Services does not advise duplicating information established by statute, except for good reason and when the statute is specifically referenced, as these overlapping texts increase the likelihood that the statute and policy could come into conflict following statutory changes. Finally, in the seven (7) years since the 2013 Fund Policy was adopted, best practices for governmental retirement plan funding policies may have changed.

As a significant portion of the 2013 Funding Policy is addressed in the statutes governing the Systems or is outdated, the Office of Legal Services recommends that the Board vote to withdraw the 2013 Funding Policy. The Office of Legal Services will work with the Executive Staff of the Kentucky Retirement Systems to present a substitute funding policy at a Board meeting later in this calendar year.

## **KENTUCKY RETIREMENT SYSTEMS REIMBURSEMENT OF MOVING EXPENSES POLICY**

Approval Date: February 19, 2009  
Amended and Readopted: June 15, 2011

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### **INTRODUCTION**

#### Adoption of Reimbursement of Moving Expenses Policy:

Pursuant to the provisions of KRS 61.645, the Board of Trustees ("Board") of the Kentucky Retirement Systems ("KRS") is permitted to adopt procedures necessary to conduct the business of the Retirement Systems as needed. The law shall control if any inconsistency exists between the law and this policy.

#### Statement of Reimbursement of Moving Expenses Policy:

Kentucky Retirement Systems strives to attract the best and brightest candidates to serve the membership of KRS. KRS recognizes that, in certain instances, a factor in the recruitment of these candidates may involve assistance in the relocation process. This policy is intended to provide the procedures and limitations of when such relocation assistance may be made available to new employees of KRS.

#### Purpose:

The purpose of this Reimbursement of Moving Expenses Policy is to: a) establish the standards by which new employees may be reimbursed for their moving expenses; and b) establish the procedures for the reimbursement of allowable moving expenses made by a new employee of KRS.

### **PROCEDURES FOR THE REIMBURSEMENT OF MOVING EXPENSES**

#### Section 1: Approval of Reimbursement of Moving Expenses

1. Any requests for reimbursement of moving expenses must be made in advance, as a part of the recruitment and hiring process.
2. The Executive Director or the Search Committee of the Board of Trustees, if the new employee is appointed by the Search Committee of the Board of Trustees, shall determine whether or not allowable moving expenses shall be reimbursed.
3. Reimbursement of moving expenses shall be reserved for those occasions when it is necessary for the recruitment of the best candidate for a position.
4. KRS is an "accountable plan" as defined by the Internal Revenue Service ("IRS"), and thus, this policy is intended to meet the IRS guidelines with regard to the deduction of moving expenses. Reimbursement will not be allowed for expenses

Kentucky Retirement Systems  
Reimbursement of Moving Expenses Policy  
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that exceed or do not meet the IRS guidelines as this will result in ordinary income to the new employee.

Section 2: Description of Allowable Expenses and Limitations

1. Reimbursement will only be made for reasonable moving expenses.
2. Reimbursement will only be permitted for a move that is closely related to the employee's start to work at KRS.
3. Reimbursement will only be permitted for a move that is equal to or greater than 100 miles in distance.
4. Reimbursement will only be made if the employee is beginning work as a full-time, permanent employee of KRS. If the employee does not remain employed by KRS for a period of time greater than 39 weeks, then the employee must repay all moving expense reimbursement to KRS.
5. No expense that would not be deductible from the individual's tax return will be an allowable expense for reimbursement under this policy.
6. Deductible expenses are defined as the reasonable expenses of moving the employee's household goods and personal effects, and traveling to the new home.
7. The new employee may be reimbursed for the actual cost of allowable expenses in an amount not to exceed a reasonable percentage of the employee's annual salary based on all the facts and circumstances.
8. Allowable expenses include:
  - a. the cost of packing, crating, and transporting household goods and personal effects;
  - b. mileage if traveling by car paid in accordance with the KRS Travel Policy;
  - c. lodging expenses while traveling to the new home;
  - d. in-transit or foreign-move storage costs;
  - e. the cost of insuring household goods and personal effects while in transit; and;
  - f. the cost of temporary living expenses, including a hotel or temporary apartment rental, for a reasonable period, in a reasonable amount based on all the facts and circumstances.
9. Expenses that are specifically not allowable include, but are not limited to:
  - a. meals while traveling;
  - b. expenses of buying or selling a home; including closing costs, mortgage fees and points;
  - c. any part of the purchase price of the employee's new home;

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- d. expenses of entering into or breaking a lease;
- e. security deposits, including any forfeited due to the move;
- f. the cost of home improvements to help sell the employee's previous home;
- g. loss on the sale of the employee's previous home;
- h. mortgage penalties;
- i. pre-moving house-hunting expenses;
- j. real estate taxes;
- k. refitting of carpets and/or draperies;
- l. the cost of car tags or driver's licenses;
- m. losses from disposing of memberships in clubs;
- n. return trips to the employee's former home; and
- o. storage charges, except those incurred in transit and for foreign moves.

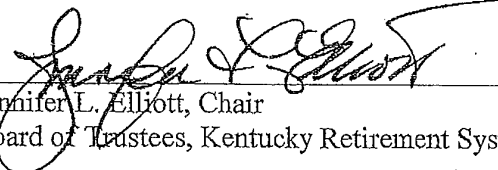
Section 3: Procedures for Reimbursement of Moving Expenses

1. The new employee must receive advance approval for moving expenses.
2. The new employee must account to KRS for these expenses within a reasonable period of time.
3. If the employee wishes to use a moving company to transport his or her personal belongings as provided above, three (3) bids must be obtained and submitted to the Search Committee of the Board of Trustees or designee for approval. The employee will be notified as to which moving company is approved.
4. Receipts for all approved expenses eligible for reimbursement must be submitted with a Travel Payment Voucher as provided for in the KRS Travel Policy to the Search Committee of the Board of Trustees or designee for approval.
5. Any requests for exceptions to the guidelines in this policy must be submitted in writing to the Search Committee of the Board of Trustees for approval prior to the expenses being incurred.

**ETHICS**

Ethics in the reimbursement of moving expenses shall conform to the Executive Branch Code of Ethics as set forth in KRS Chapter 11A.

Amended and Readopted: June 15, 2011

  
\_\_\_\_\_  
Jennifer L. Elliott, Chair  
Board of Trustees, Kentucky Retirement Systems

**KENTUCKY RETIREMENT SYSTEMS  
TRAVEL POLICY AND PROCEDURES**

Approval Date: May 20, 2004

Amended Dates: August 19, 2004; February 15, 2007;

February 19, 2009; August 18, 2011, September 11, 2014, September 10, 2015

**Section 1: Scope**

- A. This policy is enacted pursuant to KRS 61.645(9)(c)(4), which provides that employees of Kentucky Retirement Systems (“KRS”) are to be reimbursed for all reasonable and necessary travel expenses and disbursements made in the performance of their official duties. Additionally, this policy is enacted pursuant to the Bylaws of the Board of Trustees of KRS, which provides for reimbursement of travel expenses of KRS Board of Trustee members which have been incurred in the performance of their official duties. Pursuant to Kentucky Revised Statute 61.645(13), the expenses incurred on or behalf of KRS and the Board during the fiscal year shall be paid from the retirement allowance account.
- B. Pursuant to the provisions of KRS 61.645, the Board of Trustees is permitted to conduct the business of KRS as necessary, limited only by its fiduciary obligations.
- C. Pursuant to KRS Chapter 11A, all actual and necessary reimbursements for any Traveler shall be consistent with the requirements of the Kentucky Executive Branch Code of Ethics.
- D. Employees of KRS are entitled to the minimum protections provided in KRS Chapter 45, but the Board of Trustees may expand upon those provisions under KRS 61.645.
- E. The term “Traveler” as used in this policy shall be construed to mean all KRS Board of Trustees members, employees, or contractors eligible for reimbursement, authorized to conduct business on behalf of the Retirement System.

**Section 2: Authorization and Reimbursement**

- A. Reimbursement under this policy shall only be made for expenses incurred by KRS’ Travelers who have been authorized to conduct business on behalf of KRS. Reimbursement shall be made only for those types of expenses specifically authorized by the terms of this policy. KRS will not pay for or reimburse for a Traveler’s personal expenses; however, if personal expenses are inadvertently paid for or reimbursed by KRS, the Traveler who receives the reimbursement shall repay the amount of personal expense to KRS within ten (10) business days after notice to do so. If the Traveler fails to reimburse KRS, the failure shall be grounds for disciplinary action up to and including dismissal.

- B. Reimbursement under this policy shall only be made up to the most reasonably economical, standard accommodation and transportation available. Reimbursement of expenses without prior authorization shall be at the discretion of the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Retirement Systems Board of Trustees or the Trustee designated by the Chair.
- C. Requests for reimbursement for KRS Trustees and employees shall be made on the appropriate travel voucher designated by KRS Management. Requests for reimbursement shall be made within thirty (30) days of the Traveler's returning from travel. Additionally, requests for reimbursement for travel occurring within the thirty day period prior to the end of the fiscal year, shall be submitted within five (5) business days of the Traveler's return from travel. Approval of requests submitted outside of the reimbursement request submission period may be approved at the discretion of the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Board of Trustees, or the Trustee designated by the Chair.
- D. Prior to travel, a KRS Traveler shall obtain authorization to travel on official business of KRS by a Division Director, Chief Officer and/or the Executive Director, or his or her designee. Prior to or after travel, the Executive Director shall obtain authorization to travel on official business of KRS outside the Commonwealth of Kentucky by the Chair of the Board of Trustees, or the Trustee designated by the Chair to approve travel reimbursements.
  - 1. In the event of travel outside of Franklin County, but within the Commonwealth of Kentucky, the Traveler shall obtain pre-authorization through e-mail documentation, or a Request for Travel Form.
  - 2. In the event of travel outside the Commonwealth of Kentucky, the Traveler shall obtain prior written authorization on a Request for Travel Form.
  - 3. The Request for Travel Form shall contain the following information:
    - a) Name and Title of the Traveler requesting travel authorization;
    - b) Purpose of the travel;
    - c) Vicinity and length of time of travel;
    - d) Estimated cost of travel;
    - e) Signature and date of signature of person requesting authorization;
    - f) Signature and date of signature of Division Director;
    - g) Signature and date of signature of Chief Officer; and
    - h) Signature and date of signature of the Executive Director or person authorized by the Executive Director; or
    - i) If the Traveler is KRS' Executive Director, the signature and date of signature of the Chair of the Board of Trustees or Trustee authorized by the Chair.

- E. A Traveler's "official workstation" shall be the street address of the Retirement System, unless otherwise designated by the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Retirement Systems Board of Trustees, or Trustee designated by the Chair. The "official workstation" for contractors eligible for reimbursement shall be their principal place of business as designed in the contract, unless otherwise designated by the Executive Director.
- F. The "home" of a Traveler shall be the Traveler's principal place of residence, unless otherwise designated by the Executive Director.
- G. "High rate areas" means the city, state, or metropolitan areas designated by the Secretary of the Finance and Administration Cabinet as a high rate area, in effect at the time of travel. A Traveler is eligible for reimbursement at the "high rate area" reimbursement rate, if the Traveler was located within the high rate area for no less than one (1) hour of the applicable mealtime hours.
- H. A Traveler may add vacation days prior to or after travel, but reimbursement shall be limited to the expenses incurred over the time periods and distances required for Agency business.
- I. A Traveler may travel with a companion; however, reimbursement shall be limited to the expenses attributable to the Traveler, excluding the companion, over the time periods and distances required for Agency business.
- J. The Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Retirement Systems Board of Trustees, or Trustee authorized by the Chair, shall make a final determination regarding any controversy over travel reimbursement, including approval of travel without prior written authorization.

**Section 3: Transportation**

- A. *Economy required:*
  - (1) Travelers traveling on official business of KRS shall use the most economical, standard transportation reasonably available and take the most practicable direct and usually traveled routes. Additional expenses incurred by use of other transportation or routes shall be assumed by the Traveler.
  - (2) Round-trip, excursion or other negotiated reduced-rate rail or plane fares shall be obtained, if practicable.
  - (3) Tickets prepaid by KRS shall be purchased through agency business travel accounts provided by a major charge card company or commercial travel agencies.

- (4) Tickets purchased in person, through the Internet, a travel company, or a travel agency shall be paid by the traveler and reimbursed upon the submission of a travel voucher with receipts or purchased with a ProCard issued under the KRS ProCard Policy.
- (5) Change fees shall only be reimbursed to the Traveler if determined necessary by the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Retirement Systems Board of Trustees, or Trustee authorized by the Chair. Items considered change fees shall include, but not be limited to, fees for upgraded seat selection, priority boarding, or upgraded class.
- (6) Exceptions may be made at the discretion of the Executive Director, or in the case of travel by the Executive Director, the Chair of the Board of Trustees, or the Trustee designated by the Chair, if other arrangements will be in the best interest of KRS.

B. *State vehicles:*

State-owned vehicles with their credit cards may be used for KRS business travel when available and feasible. Mileage reimbursement shall not be claimed if a state-owned vehicle is used.

C. *Buses, Shuttles, Subways, Taxis, or similar services:*

For city travel, travelers are encouraged to use buses, shuttles, and subways. Reimbursement for taxi fare or other similar services, such as digital network ridesharing services, shall be allowed when more economical transportation is not feasible.

D. *Airline Travel:*

Commercial airline travel shall be the lowest negotiated coach or tourist class. Additional expense for first-class, business-class, or similar upgrades shall not be reimbursed or paid for by KRS. Payment shall be made in accordance with subsection (A) of this section.

E. *Special Transportation:*

(1) Rental vehicles:

- a. The cost of rental vehicles, hiring cars, or other special conveyances in lieu of ordinary transportation shall be allowed if written justification from the traveler prior to travel is submitted and approved by the Executive Director, his or her designee. The Executive Director shall not be subject to the prior written approval requirement of this subsection.
- b. The cost of renting a vehicles shall be purchased with a KRS ProCard, pursuant to the KRS ProCard Policy



- c. Exceptions may be made to the required pre-approval and method of payment at the discretion of the Executive Director, or in the case of travel by the Executive Director, the Chair of the Board of Trustees, or the Trustee designated by the Chair, if other arrangements will be in the best interest of KRS.

(2) Private Aircraft:

Privately owned aircraft may be used if, prior to travel, it is determined to be to the advantage of KRS, measured both by travel costs and travel time. Reimbursement for use of privately owned aircraft shall be made if, prior to use, written justification was submitted to and approved by the Executive Director, or a designated representative.

G *Mileage Privately Owned Vehicles:*

- (1) Mileage claims for use of privately owned vehicles shall be allowed if a state vehicle was not utilized.
- (2) KRS employees and contractors shall not be reimbursed for mileage from his or her home to workstation/workstation to home.
- (3) KRS Board of Trustee members shall be eligible to receive reimbursement for mileage for the commute between his or her home and workstation.
- (3) If the Traveler's point of origin or point of return for travel is the Traveler's home, mileage shall be reimbursed for the shorter amount of mileage between: the home and travel destination, or workstation and travel destination. Vicinity travel and authorized travel within the area of a Traveler's workstation shall be listed on separate lines on the Voucher document.
- (4) Reimbursement for authorized use of a privately owned vehicle shall be made at the IRS established standard mileage rate which changes periodically. The mileage reimbursement rate includes reimbursement for vehicle use, gas, maintenance, registration, and any personal automobile insurance coverage required by law.
- (5) Calculation for mileage for travel shall be based on the lowest mileage calculation from Google Maps, Apple Maps or Map Quest. A printout documenting the lowest mileage calculation for each section of travel shall be attached to the travel voucher.

**Section 4: Accommodations**

- A. Lodging shall be the most reasonably economical, as determined by considering the reason for the travel as well as the location, state of repair, and amenities of the lodging.
- B. Facilities providing special government rates or commercial rates shall be used, if feasible.
- C. State-owned facilities shall be used for meetings and lodging if available, practicable and economical.
- D. Cost for lodging within forty (40) miles of the Traveler's official workstation or home shall be reimbursed only if approved by the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Board of Trustees, or Trustee designated by the Chair.
- E. *Group lodging, by contract.*
  - (1) KRS may contract with hotels, motels and other establishments for four (4) or more travelers to use rooms on official business. Government rates shall be requested.
  - (2) The contract may also apply to meals and gratuities. The contract rates and the cost of rooms and meals per person shall not exceed limits set in these policies and procedures.
  - (3) A Traveler shall not claim reimbursement or subsistence for room and meals paid directly to an establishment providing these services.
  - (4) Payment shall be made directly to the contracted vendor and shall not include personal charges of travelers or others in the official service of KRS.
  - (5) Contracted group meeting rooms and lodging and meal charges are exempt from Kentucky sales tax. The KRS sales-use tax number assigned by the Revenue Cabinet shall be specified on the payment document.
  - (6) Tax exempt numbers shall not be used by individual travelers to avoid point of sale payment of Kentucky sales tax connected with lodging costs. Sales tax payments shall be reimbursed on a travel voucher.
  - (7) When using state park facilities, reimbursement for rooms and meals may be made by an Interaccount Document subject to the limits of these policies and procedures.

**Section 5: Reimbursement Rates.**

A. The following persons may be exempt from the provisions of this section, subject to the provisions of Section 6:

- (1) Executive Director;
- (2) Board of Trustees members;
- (3) Chief Officers and the General Counsel;
- (4) Investment Division Directors; and/or
- (5) A KRS Traveler, traveling on assignment with the Executive Director, Board of Trustees members, the General Counsel or Chief Officers.

B. *Lodging.*

- (1) A traveler traveling on official KRS business shall be reimbursed for the actual cost of lodging, if the lodging is determined by KRS Controller or Chief Operations Officer to be the most economical; and the traveler has provided the hotel, motel, or other establishment's receipts to be reimbursed for the travel expenses. Reimbursement for lodging shall not exceed the cost of a single room rate or one-half the double rate.
- (2) The request for travel form, if required, the lodging receipts, and any other relevant documentation, shall be attached to the travel voucher for reimbursement. All reasonable and necessary travel expenses shall be reimbursed if the travel was pre-approved as evidenced by a signed and dated request for travel form. Reimbursements shall not be limited by the estimates included on the request for travel form. If the employee or Board member fails to have the travel pre-approved, travel expenses shall not be reimbursed unless it is determined by the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Retirement Systems Board of Trustees, or Trustee authorized by the Chair, that the travel expenses were reasonable and necessary and should be reimbursed.

C. *Subsistence.*

(1) A Traveler traveling on official KRS business shall be eligible for subsistence reimbursement for breakfast, lunch, or dinner expenses while traveling in or outside Kentucky, but within the United States, its possessions or Canada, at the rates established in these policies and procedures, if his or her authorized work requires travel during the mealtime hours established by this policy pursuant to and limited by the following:

(A) The Traveler is in travel status during the entire mealtime. For purposes of this Travel Policy the mealtime periods shall be as follows:

- a. Breakfast mealtime- A Traveler shall be in continuous travel status on or before 6:30 a.m. through 9 a.m.
- b. Lunch mealtime- A Traveler shall be in continuous travel status on or before 11:00 a.m. through 2:00 p.m.
- c. Dinner mealtime- A Traveler shall be in continuous travel status on or before 5:00 p.m. through 9:00 p.m.

(B) The authorize travel requires:

- a. An overnight stay; or
- b. Travel is to a destination more than (40) miles from the Traveler's workstation and home.
  1. Subsistence reimbursement for a Traveler who does not travel overnight is a taxable fringe benefit subject to applicable federal and state reporting and withholding requirements.
  2. A separate designated travel voucher shall be submitted for subsistence reimbursement for travelers who do not travel overnight.

(2) Per diem subsistence reimbursement rates are as follows:

(A) **Non-high rate areas:**

Breakfast:	\$8;
Lunch:	\$10;
Dinner:	\$18.

(B) **High rate areas:**

Breakfast:	\$10;
Lunch:	\$12;
Dinner:	\$24.

(3) Unless otherwise noted below, a Traveler eligible for subsistence reimbursement may request reimbursement of the applicable per diem amount or reimbursement of actual expenses up to the per diem amount.

- (4) Travelers authorized to travel outside the United States, its territories, or Canada shall be reimbursed for their actual and necessary expenses for subsistence.
- (5) If a registration fee entitles the Traveler to subsistence or subsistence is otherwise covered by KRS, no claims for reimbursement for those meals shall be submitted or paid.
- (6) Under no circumstances shall a KRS Traveler be reimbursed for the cost of alcoholic beverages or other substances prohibited by the Kentucky Retirement Systems' Personnel Policy, Kentucky Revised Statutes, or applicable administrative regulation.

E. *Other Reimbursement:*

- (1) Actual costs for parking, or bridge and highway toll charges shall be reimbursed upon submission of receipts with a completed travel voucher.
  - (2) Reimbursement shall be made for reasonable charges for baggage handling, delivery of baggage to or from a common carrier, lodging or storage, and overweight baggage charges, if the charges directly relate to official business.
- (3) Registration fees required for admittance to approved meetings or conventions shall be reimbursed.
- (4) Telephone, fax or electronic device connection costs for necessary official business shall be reimbursed. However, if KRS has provided reasonable access to telephone, fax or electronic device connection for the Traveler, additional unnecessary charges for similar access shall not be reimbursed.
- (5) Telephone calls to KRS offices shall be made through the KRS toll free number, or lowest available service.
- (6) Reasonable gratuities for baggage handling, parking, taxi/shuttle transportation, or concierge services. Taxi/shuttle/parking transportation gratuities are not to exceed 15% of the total cost of the service. Baggage handling and concierge services are reimbursed up to \$3.00 per occurrence not to exceed \$12.00 per day, unless otherwise reimbursed pursuant to this policy.
- (7) Receipts for numerical paragraphs one (1) through six (6), for each cost less than ten dollars (\$10.00), shall not be required; however, the Traveler shall provide written explanation of the items for which he or she is requesting reimbursement, including a brief description item, the date incurred, and the amount of the expense

**Section 6: Actual and Necessary Expenses**

- A. The following persons are eligible for actual and necessary expenses, subject to the provisions of this Section:
- (1) Executive Director;
  - (2) Board of Trustees members;
  - (3) Chief Officers;
  - (4) Investment Division Directors; and/or
  - (5) A KRS Traveler traveling on assignment with the Executive Director, Board of Trustees members, the General Counsel or Chief Officers.
- B. Upon return from travel, travelers specified above must elect to receive either actual and necessary expense reimbursement or the per diem amount for meals as set out in Section 5 above for the entirety of the travel.
- C. Actual and necessary expenses of official business travel shall only be reimbursed upon submission of receipts. Receipts shall contain a line item description of the items or services purchased. It is the Traveler's burden to produce adequate documentations to support a request for actual and necessary expenses. A credit card statement, unsupported by additional documentation, shall not be considered a valid receipt.
- D. Actual and necessary expenses for official business travel shall include:
- (1) Lodging;
  - (2) Meals, (not to exceed twice the amounts provided in Section 5 above);
  - (3) Commercial transportation;
  - (4) Taxes related to actual and necessary expenses; and
  - (5) Reasonable gratuities for baggage handling, parking, taxi/shuttle transportation, or concierge services. Taxi/shuttle/parking transportation gratuities are not to exceed 15% of the total cost of the service. Baggage handling and concierge services are reimbursed up to \$3.00 per occurrence not to exceed \$12.00 per day, unless otherwise reimbursed pursuant to this policy.

**Section 7: Reimbursement documents**

- A. Reimbursement for authorized travel as outlined in these policy and procedures shall be requested for reimbursement on the approved travel voucher by all KRS Board of Trustees members and employees. The travel voucher should include the name of the Traveler, a detailed description of the travel, the amounts to be reimbursed, a description of the expenses to be reimbursed, and the date of preparation of the voucher.
- B. Contractors, authorized to conduct business on behalf of the Retirement System and eligible for reimbursement for authorized travel as outlined in this policy and the applicable contractual agreement, shall submit the approved travel voucher or other documentation that includes the name of the Traveler, a detailed description of the travel, the amounts to be reimbursed, a description of the expenses to be reimbursed, and expense receipts.
- C. A separate designated travel voucher shall be submitted for subsistence reimbursement for all KRS Board of Trustees members and employees who do not travel overnight.
- D. The Traveler shall indicate whether the reimbursement should be in the form of check or direct deposit.
- E. The Traveler, the Traveler's supervisor, and the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Board of Trustees, or Trustee designated by the Chair, shall sign the travel voucher prior to reimbursement.
- F. Necessary travel expenses incurred by a Traveler as a result of circumstances outside of the Traveler's control. Such expenses shall be accompanied by receipts and other relevant documentation, a written detailed explanation of the circumstances resulting in the expenses, and attached to a completed designated travel voucher. These expenses may be reimbursed to the Traveler by the Retirement System at the discretion of the Executive Director, his or her designee, or in the case of travel by the Executive Director, the Chair of the Retirement Systems Board of Trustees, or Trustee authorized by the Chair.

*(Signature Page to Follow)*

**CERTIFICATION**

We, the Chair of the Board of Trustees and the Executive Director, do hereby certify that the Kentucky Retirement Systems Travel Policy and Procedures was amended by the Board of Trustees on this the 10<sup>th</sup> day of September 2015.

*Thomas K. Elliott*

Thomas K. Elliott, Chair

*9/10/15*

Date

*William A. Thielen*

William A. Thielen, Executive Director

*9-10-15*

Date



# Kentucky Retirement Systems (KRS) Funding Policy

*Effective Date July 1, 2013*

The purpose of the funding policy is to state the overall funding goals for KRS, the benchmarks that will be used to measure progress in achieving those goals, and the methods and assumptions that will be employed to develop the benchmarks. Unless otherwise noted below, this policy applies equally to the Kentucky Employees Retirement System (KERS), the County Employees Retirement System (CERS) and the State Police Retirement System (SPRS).

## I. Funding Goals

The objective in requiring employer and member contributions to the Systems is to accumulate sufficient assets during a member's employment to fully finance the benefits the member receives throughout retirement. In meeting this objective, the Systems will strive to meet the following funding goals:

- To reach a 100 percent minimum funded ratio by amortizing the System Unfunded Actuarial Accrued Liability over a 30 year closed period beginning July 1, 2013;
- To maintain adequate asset levels to finance the benefits promised to members;
- To develop a pattern of stable or declining contribution rates when expressed as a percentage of member payroll as measured by valuations prepared in accordance with the principles of practice prescribed by the Actuarial Standards Board, with a minimum employer contribution equal to the lesser of the normal cost determined under the Entry Age Normal funding method or the current active member contribution rate;
- To provide intergenerational equity for taxpayers with respect to System costs; and
- To fund benefit improvements through increases in contribution rates in accordance with statute.

## II. Benchmarks

To track progress in achieving the previously outlined funding goals, the following benchmarks will be measured annually as of the actuarial valuation date (with due recognition that a single year's results may not be indicative of long-term trends):

- **Funded ratio** – The targeted funded ratio of the System is 100%, defined as the actuarial value of System assets divided by the Systems' actuarial accrued liability, before adjustments for changes in benefits, actuarial methods, and/or actuarial assumptions.
- **Contribution rate history** – Employer and member contribution rates as determined by actuarial valuations should be sufficient from year to year when expressed as a percent of active member payroll to adequately fund the promised benefits of the System.

- **Unfunded Actuarial Accrued Liability (UAAL) amortization period** – The amortization period for the Systems' UAAL will be set to 30 years as of July 1, 2013. The period will be closed and will decline one year each year until a funded ratio of 100 percent is reached. The amortization of the UAAL will be developed using the level percent of payroll methodology. Any increase in UAAL due to significant benefit improvements will be financed over a separate 30 year period commencing with the first valuation following the passage of the statutory change producing such benefit improvement.

### **III. Methods and Assumptions**

The actuarial funding method used to develop the benchmarks will be Entry Age Normal. The method used to develop the actuarial value of assets will recognize the underlying market value of the assets by spreading each year's unanticipated investment income (gains and losses) over a five-year smoothing period (1/5th per year), as adopted by the Board.

The employer contribution rates for KERS and SPRS will be set based on the valuation results produced as of the July 1<sup>st</sup> preceding the beginning of each biennium. The employer contribution rates for CERS will reflect the phase-in of insurance rates through fiscal year 2018 as called for in statute.

The actuarial assumptions used will be those last adopted by the Board based upon the advice and recommendation of the Systems' actuary. The actuary shall conduct an investigation into the Systems' experience at least every five years, and utilize the results of the investigation to form the basis for those recommendations.

The Board will have an audit of the Systems' actuarial valuation results conducted by an independent actuary at least every five years. The purpose of such a review is to provide a critique of the reasonableness of the actuarial methods and assumptions in use and the resulting actuarially computed liabilities and contribution rates.

### **IV. Funding Policy Review**

The funding policy components will be reviewed and amended as necessary following each experience investigation conducted by the Board.

