

**KENTUCKY PUBLIC PENSIONS AUTHORITY  
STATEMENT OF BYLAWS AND COMMITTEE ORGANIZATION**

Effective June 28, 2023

**Section 1.1 GENERAL ADMINISTRATION.**

This Statement of Bylaws and Committee Organization of the Kentucky Public Pensions Authority Board is adopted pursuant to the authority of KRS 61.505(3)(b). State and Federal law shall control any inconsistency that exists or may exist between the law and this Statement of Bylaws and Committee Organization.

**I. Definitions.**

1. KPPA: “The KPPA” refers to the Kentucky Public Pensions Authority.
2. KPPA member: “KPPA member” used in reference to the KPPA means the eight (8) members of the KPPA Board pursuant to Kentucky Revised Statutes 61.505(2).
3. KPPA Board: “KPPA Board” refers to the eight-member board tasked with administering and operating the KPPA in accordance with Kentucky Revised Statutes 61.505.
4. Committee member: “Committee member” or “member” used in relation to a Committee refers to a member of the KPPA Board serving on an *ad hoc* or Standing Committee.
5. Board Year: The Board Year shall be from April 1 of each calendar year through March 31 of the following year.
6. Bylaws: “Bylaws” refers to the Statement of Bylaws and Committee Organization.
6. Executive Director: “Executive Director” refers to the KPPA Executive Director, as outlined in KRS 61.505(8).
7. CEO: “CEO” refers to the Chief Executive Officer of the Kentucky Retirement Systems and/or the Chief Executive Officer of the County Employees Retirement System.
8. KRS: “KRS” refers to the Kentucky Revised Statutes.
9. Retirement Office: “Retirement Office” refers to the offices of the KPPA located at 1260 Louisville Road, Frankfort, Kentucky 40601.
10. Take action: “Take action” used in relation to the KPPA Board refers to a motion being made, seconded, and voted upon by the KPPA Board in compliance with Robert’s Rules of Order. [RONR (11<sup>th</sup> ed., as amended)].

**II. Quorum; Parliamentary Authority.**

1. KPPA Board quorum. As required by KRS 61.505(7)(c), a majority of the KPPA members shall constitute a quorum and all actions taken by the KPPA Board shall be by affirmative vote of a majority of the KPPA members present.

2. KPPA Committee quorum. A majority of the KPPA members on any *ad hoc* or Standing Committee shall constitute a quorum and all actions taken by the Committee shall be by affirmative vote of a majority of the Committee members present.
3. Parliamentary authority. The most recent edition of Robert's Rules of Order shall be the parliamentary authority. [RONR (11<sup>th</sup> ed., as amended)]

III. Meetings. Meetings of the KPPA 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.

1. Annual Meeting. The annual meeting of the KPPA Board shall be held on the fourth (4<sup>th</sup>) Wednesday of April of each Board Year.
2. Regular Meetings. The Board shall determine and approve, on an annual basis in advance, no later than the preceding December Board meeting, the following years' regular Board and Standing Committee meeting schedule.
3. Special Meetings.
  - A. Special meetings of the KPPA Board shall be held upon the call of the Chair of the KPPA Board or the Executive Director.
  - B. Special meetings of an *ad hoc* or Standing Committee of the KPPA Board shall be held upon the call of the Committee Chair, Chair of the KPPA, or the Executive Director.
  - C. A KPPA member may request that the Executive Director, Chair of the KPPA Board (in the case of a special meeting of the KPPA), or Committee Chair (in the case of a special meeting of an *ad hoc* or Standing 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 KPPA members, the Executive Director, KPPA Board Chair, or Committee Chair shall call the requested special meeting.
4. Notice of Meetings.

- A. Regular Meetings. Notice of a regular meeting of the KPPA Board or Standing Committee 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 KPPA Board or the Chair of the Standing Committee. Changes or revisions to the agenda may be proposed by the Executive Director or a KPPA member, provided such proposed changes 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 prevent a KPPA member 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.
  - B. Special Meetings. When circumstances warrant a special meeting of the KPPA Board or of an *ad hoc* or Standing 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.
  - 5. Change in Meeting Dates. Any regular or special meeting of the KPPA Board or Standing Committee may be changed by following the procedure prescribed in these Bylaws for calling special meetings.
  - 6. Records of Proceedings. All official acts of the KPPA 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. An electronic copy (certified by the Chair and the Executive Director) shall be on file in the Retirement Office for public inspection and posted on the KPPA website. Electronic copies are maintained on the KPPA Website for KPPA Board and Committee actions. Copies that have been archived from the website are available on request.
- IV. **Chair and Vice-Chair of the KPPA.** The KPPA 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 KPPA Board. The Vice-Chair shall not serve more than four (4) consecutive years as Chair or Vice-Chair (in combination) of the KPPA Board. A KPPA member who has served four (4) consecutive years as Chair or Vice-Chair of the KPPA Board may be elected Chair or Vice-Chair of the KPPA after an absence of two (2) years from both positions.

- V. **Committees.** As specified in Sections 2.1 through 2.3 below, the KPPA Board may create *ad hoc* or Standing Committees with such powers and duties as established by the KPPA Board. The Chair of the KPPA Board also has the authority to create an *ad hoc* Committee. The Chair of the KPPA Board, unless otherwise stipulated or determined by the KPPA Board, shall appoint the members of each *ad hoc* or Standing Committee, and such appointments shall be recorded in the minutes of the current or next-following regular KPPA Board meeting. The Chair shall also appoint a Chair for each *ad hoc* or Standing Committee and may appoint a Vice Chair for each *ad hoc* or Standing Committee, unless otherwise determined by the KPPA Board. Committee members, Committee Chair, and Committee Vice Chair, if applicable, shall serve concurrently with the appointing Chair.
- VI. **Conflicts of Interest.**
1. KPPA members shall file a statement of financial disclosure with the Executive Branch Ethics Commission within thirty (30) days of taking office and provide a copy to the KPPA legal staff.
  2. KPPA members 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 KPPA member, or as otherwise provided by law, with the Executive Branch Ethics Commission and provide a copy to the KPPA legal staff.
  3. KPPA members shall also file a written conflict of interest statement as required pursuant to the KPPA Conflict of Interest Policy.
- VII. **Confidentiality.** KPPA members shall file a written confidentiality statement as required by the KPPA Confidentiality Policy.
- VIII. **Travel Policy Guidelines.**
1. All travel for official business of KPPA must be done in accordance with the requirements of and be consistent with KRS Chapter 45A and the KPPA Per Diem and Reimbursement Policy.
  2. No more than three (3) KPPA members may be passengers in the same common carrier. A maximum of one (1) executive staff of the KPPA may be a passenger in the same common carrier.
  3. To avoid an accidental violation of Kentucky Open Meetings Laws, other than for scheduled meetings, no more than four (4) KPPA members may attend the same off-site conference, training, etc., at the same time. The Executive Director, or his or her designee, shall review KPPA member travel requests to coordinate attendance and avoid noncompliance with Kentucky Open Meetings Laws.
- IX. **Violations of KPPA Policies and Guidelines.** If a complaint is made that a KPPA member violated these Bylaws or any policy approved by the KPPA Board, the KPPA Board shall follow the procedure found in the KPPA Conflict of Interest and the KPPA Confidentiality Policies in investigating the complaint.

**Section 1.2 KPPA MEMBER REQUIREMENTS.**

- I. A vacancy on the KPPA Board shall be filled by the Kentucky Retirement Systems or the County Employees Retirement System, as appropriate, in the same manner provided for the selection of the particular KPPA member position in KRS 61.505(2).
- II. No person shall serve in more than one (1) position as a KPPA member and if a person holds more than one (1) position as a KPPA member, he or she shall resign a position.
- III. Membership on the KPPA Board shall not be incompatible with any other office unless a constitutional incompatibility exists.
- IV. An KPPA member shall be removed from office upon conviction of a felony or for a finding of a violation of any provision of KRS 11A.020 or 11A.040 by a court of competent jurisdiction.
- V. KPPA members are expected to comply with the Trustee Education Policy of the Board of Trustees of the Kentucky Retirement Systems or the Trustee Education Policy of the County Employees Retirement System, as applicable. The Executive Director may schedule additional KPPA member education at any Annual Meeting or Regular Meeting of the KPPA Board. If a KPPA member fails to comply with the Trustee Education Policy of either the Board of Trustees of the Kentucky Retirement Systems or the Board of Trustees of the County Employees Retirement System (as applicable), or fails to attend additional KPPA member education scheduled by the Executive Director, then any reimbursement or per diem of the KPPA member shall not be paid until the KPPA member is in compliance with the applicable Trustee Education Policy or receives the additional KPPA member education.

**Section 1.3 KPPA BOARD RESPONSIBILITIES.**

- I. The KPPA Board shall make and maintain Bylaws.
- II. The KPPA Board shall appoint an Executive Director, fix the Executive Director's salary, and perform an annual evaluation of the Executive Director.
- III. The KPPA Board shall appoint a Chief Auditor, fix the Chief Auditor's salary, and perform an annual evaluation of the Chief Auditor.
- IV. The KPPA Board may act on contracts for rental of office space, and professional services, including, but not limited to, the auditor, legal counsel, medical examiners, and hearing officers, in accordance with the requirements of the Commonwealth of Kentucky Model Procurement Act (KRS Chapter 45A).
- V. The KPPA Board shall consider and take action on changes to administrative regulations proposed by the staff of the KPPA.
- VI. The KPPA Board shall take action on the audited financial statements of the KPPA, which includes the Kentucky Retirement Systems and the County Employees Retirement System plans.

- VII. The KPPA Board shall consider and take action on the recommendations of all of its Committees.
- VIII. The KPPA Board shall receive reports from the KPPA Audit Committee, and shall be responsible for ensuring that the recommendations of the KPPA Audit Committee are implemented.
- IX. The KPPA Board shall, in compliance with KRS Chapter 45A, issue a Request for Proposal and through KPPA staff select and contract with the actuary, who shall be a Fellow of the Conference of Consulting Actuaries or a member of the American Academy of Actuaries, pursuant to KRS 61.505(1)(e), KRS 61.645(2)(d), and KRS 78.782(2)(d) in order to allow the Kentucky Retirement Systems and the County Employees Retirement System to carry out their obligations in accordance with KRS 61.670 and KRS 78.784. The KPPA may also consult with the actuary as needed in accordance with KRS 61.505(12)(c)2.
- X. The KPPA Board shall provide oversight concerning programs and services for Kentucky Retirement Systems' and County Employees Retirement System's members, beneficiaries, recipients, and participating employers.
- XI. The KPPA Board, and individual KPPA members, should ordinarily refer all news media inquiries to the Executive Director and/or the KPPA Board Chair, and should not speak on behalf of the KPPA with the news media. However, nothing in this subsection is intended to prevent individual KPPA members from speaking to the media concerning their actions, opinions, and decisions as individual KPPA members.
- XII. The KPPA Board shall review and approve the KPPA 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 KPPA members prior to the date of a meeting. The KPPA biennial administrative budget will include the budgets of the Kentucky Retirement Systems and the County Employees Retirement Systems.

**Section 1.4 EXECUTIVE DIRECTOR RESPONSIBILITIES.**

- I. The Executive Director shall appoint all employees deemed necessary to transact the business of the KPPA, except for the employees who report directly to the KPPA Chief Auditor. The KPPA Executive Director shall be responsible for oversight and implementation of agency-related human resources management, e.g., affirmative action and similar matters. All employees of the KPPA, except for the Executive Director, the Chief Auditor, the Executive Director of the Office of Investments, and the Deputy Executive Director of the Office of Investments shall be subject to 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.

- II. The Executive Director shall seek appropriate input from the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System and the Investment Committee Chairs of the Board of Trustees of the Kentucky Retirement Systems and the Board of Trustees of the County Employees Retirement System regarding the hiring, firing, and performance evaluations of the Executive Director of the Office of Investments. The Executive Director shall also have personnel authority over all employees of the Office of Investments. However, all Office of Investments employees, including the Executive Director of the Office of Investments, shall take direction on investment management and performance from the Investment Committees of the Board of Trustees of the Kentucky Retirement Systems and the Board of Trustees of the County Employees Retirement System.
- III. The Executive Director will coordinate with the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System to develop a biennial budget and necessary budget amendments for approval by the KPPA and shall submit the budget to the Governor's office. The KPPA biennial administrative budget will include the budgets of the Kentucky Retirement Systems and the County Employees Retirement Systems. The Executive Director (or designee) shall present a budget-to-actual expenditure analysis to the KPPA at each regular quarterly meeting of the KPPA.
- IV. The Executive Director shall ensure that information and records management is comprehensive and efficient, and shall ensure that a disaster recovery plan, continuity of operations plan, and policies to ensure cyber-security are developed and maintained.
- V. The Executive Director shall develop recommendations for improvements and revisions of KPPA Board policies and submit such revisions for KPPA Board approval. The Executive Director shall ensure that approved policies are implemented in conformance with statutes, regulations, and relevant policies of the Kentucky Retirement Systems and the County Employees Retirement System.
- VI. The Executive Director shall collaborate with the KPPA Office of Legal Services to monitor litigation affecting the KPPA and the Kentucky Retirement Systems, and the County Employees Retirement System, jointly. The Executive Director shall report significant relevant developments to the KPPA Board. Litigation affecting only the Kentucky Retirement Systems or only the County Employees Retirement System shall not be reported to the KPPA.
- VII. The Executive Director shall collaborate with the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System in acting as legislative liaison and represent the KPPA at legislative hearings and other legislative meetings. The Executive Director will review proposed legislation that is likely to affect the KPPA, the Kentucky Retirement Systems, and the County Employees Retirement System and advise the KPPA Board about pending legislation.

- VIII. The Executive Director shall collaborate with the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System to provide technical assistance to the members of the General Assembly, the Governor's office, and state and local government officials.
- IX. The Executive Director shall collaborate with the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System to recommend legislative or regulatory changes and propose draft language.
- X. The Executive Director shall implement any statutory or regulatory changes and take appropriate action to conform to state and federal law.
- XI. The Executive Director shall sign all documents necessary to promulgate or amend an administrative regulation on behalf of the KPPA in accordance with KRS 13A.220 and KRS 61.505(1)(f).
- XII. The Executive Director shall collaborate with the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System to communicate with the mass media and other agencies, entities, or institutions, including responding to correspondence or inquiries addressed to the KPPA.
- XIII. The Executive Director shall assist the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System in coordinating reciprocal benefits with the other state administered retirement systems in Kentucky.
- XIV. In the case of emergency conditions that threaten the functioning of the KPPA, the Kentucky Retirement Systems, or the County Employees Retirement System; the preservation or protection Kentucky Retirement Systems' property or assets or the County Employees Retirement System's property or assets; vital data; or the health and safety of any person, and where a quorum of the KPPA Board is unavailable, the Executive Director may take actions necessary to prevent or mitigate the threat, even if a vote of the KPPA Board would otherwise be necessary to take such action. When a quorum of the KPPA Board becomes available, any such actions taken by the Executive Director shall be reviewed and ratified as necessary.
- XV. The Executive Director shall designate KPPA staff to act as the Records Custodian for the KPPA, the Kentucky Retirement Systems, and the County Employees Retirement System, and shall ensure compliance with Kentucky's Open Records Act, KRS 61.870, et seq.
- XVI. The Executive Director shall ensure that all Board and/or Committee meeting materials are distributed to Trustees at least one week in advance of the meeting to allow Trustees ample time to review documents.

**Section 1.5 CHIEF AUDITOR RESPONSIBILITIES**

- I. The Chief Auditor shall report directly to the KPPA Board in the performance of internal audit functions.
- II. The Chief Auditor shall appoint the employees who report directly to them.
- III. The Chief Auditor shall work cooperatively with the CEOs of the County Employees Retirement System and the Kentucky Retirement Systems.



- IV. The remainder of the Chief Auditor's responsibilities are detailed in the Internal Audit Charter.

### **Section 2.1 AD HOC COMMITTEES.**

The Chair or the KPPA Board may at any time establish an *ad hoc* Committee of the KPPA Board and fix its duties and responsibilities for any purpose which, in the judgment of the Chair or the KPPA Board, is served by an *ad hoc* Committee. The Chair shall appoint the members of each *ad hoc* Committee. Each *ad hoc* Committee shall consist of two (2) KPPA members who also serve on the Board of Trustees of the Kentucky Retirement Systems and two (2) KPPA members who also serve on the Board of Trustees of the County Employees Retirement System. The Chair shall also appoint a Chair for each *ad hoc* Committee and may appoint a Vice Chair, unless otherwise determined by the KPPA Board.

### **Section 2.2 STANDING COMMITTEES**

The Board shall have the Standing Committees specified in Section 2.3, 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 members to Committees as specified in Section 2.3, 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, if one is not appointed by the Chair of the KPPA Board. A Vice-Chair so elected shall preside at meetings of the Committee in the absence or inability to act of the Committee Chair. Any member may attend any meeting of any Committee of which he or she is not a Committee member but shall not have a vote.

### **Section 2.3 STANDING COMMITTEES; DUTIES AND RESPONSIBILITIES.**

The Standing Committees of the Board are, and shall have respective duties and responsibilities, as follows:

- a. **Audit Committee.** The Audit Committee shall consist of four (4) members total, two (2) Trustees from the County Employees Retirement System Board and two (2) Trustees from the Kentucky Retirement Systems Board. The Audit Committee shall recommend actions to the KPPA Board in fulfilling its oversight responsibilities for 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. **Audit Committee Responsibilities.** The Audit Committee will meet quarterly, with authority to convene additional meetings, as circumstances require. The Audit Committee shall have the authority to review reports by the Chief Auditor and to recommend appropriate policies and procedures. Additional responsibilities are enumerated in the Audit Committee Charter
  2. **Chief Auditor Responsibilities.** The KPPA Chief Auditor will be responsible for the planning, implementation, and reporting of audits and internal audit plans. The Chief Auditor will also be responsible for the functional control and audit activities in the relation to the objectives of the KPPA Division of Internal Audit.

Additional responsibilities are enumerated in the KPPA Division of Internal Audit Charter.

3. **Audit Charters.** The Audit Committee Charter and the KPPA Division of Internal Audit Charter are hereby incorporated by reference.

#### **Section 2.4 DELEGATIONS OF AUTHORITY BY THE KPPA BOARD.**

**Delegation of Authority.** Except as may be prohibited by or inconsistent with law, the KPPA Board may delegate to any *ad hoc* or Standing Committee of the KPPA any power, authority, duty, or responsibility conferred on the KPPA Board by law. In the case of any such delegation, the decision or action of the *ad hoc* or Standing Committee within the scope of its delegated authority shall constitute the decision or action of the KPPA Board and shall be reported to the KPPA Board at its next regularly scheduled meeting. The KPPA Board may at any time rescind the delegated authority as a whole or in part.

#### **Section 2.5 LIMITATIONS ON AUTHORITY.**

No *ad hoc* or Standing Committee shall have any power or authority, nor shall the KPPA Board delegate to itself, power or authority, as to any of the following:

I. The amendment or repeal of any KPPA Board resolution.

Action on other matters committed by KPPA Board resolution or by Kentucky law (including the common law of trusts respecting the delegation or the non-delegation of fiduciary responsibilities) to the KPPA Board under terms or provisions that make such action non-delegable.

#### **Section 2.6 AMENDMENT OF BYLAWS.**

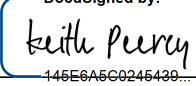
These Bylaws may be amended at any regular or special meeting of the KPPA Board by a vote of a majority of the entire membership of the KPPA Board.

#### **Section 3.0 LITIGATION DEFENSE FOR TRUSTEES AND EMPLOYEES OF KPPA, COUNTY EMPLOYEES RETIREMENT SYSTEMS AND KENTUCKY RETIREMENT SYSTEMS.**

The KPPA shall provide and pay for the defense of any current or former Board Member or employee of the KPPA, or trustee County Employees Retirement Systems and Kentucky Retirement Systems who is named in any action arising out of an act or omission occurring within the scope of the Trustee or employee's duty as a member or employee of one of those Boards and to pay any judgment, compromise or settlement of the action provided that the Trustee or employee notifies in writing the KPPA within 10 days of receipt of service. The KPPA shall not pay a judgement or settlement or may recover payments made on behalf of a Trustee or employee if it is determined through the course of litigation that the Trustee or employee: acted or failed to act because of malice, fraud or corruption; the actions are clearly outside the actual or apparent scope of the Trustee or employee's duties; the Trustee or employee willfully failed or refused to assist in the defense of the cause of action; or the Trustee or employee compromised or settled the claim without the approval of the KPPA. If the Trustee or employee obtains private counsel KRS 78.782 and KRS 61.645 shall apply.

**Section 4.0 CERTIFICATION OF STATEMENT OF BYLAWS AND COMMITTEE ORGANIZATION.**

We, the Chair of the Kentucky Public Pensions Authority Board and the Executive Director of the Kentucky Public Pensions Authority, do certify that this Statement of Bylaws and Committee Organization was approved and adopted by the KPPA Board on the 28<sup>th</sup> day of June, 2023.

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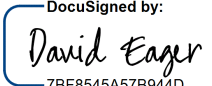
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Keith Percy, Chair  
Kentucky Public Pensions Authority

7/13/2023

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Date

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David L. Eager, Executive Director  
Kentucky Public Pensions Authority

7/13/2023

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Date