

**KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES
PER DIEM AND REIMBURSEMENT POLICY**

Approval Date: April 15, 2021

Section 1: Scope

- A. This policy is enacted pursuant to Kentucky Revised Statutes (“KRS”) 61.645, which provides that 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. As well, this policy is enacted consistent with the Bylaws of the Board, which provide for reimbursement of the Board in their official duties for the Systems.
- B. Previous revisions to the policies governing the payment of per diems and travel expenses were adopted on August 17, 1995, February 11, 1999, November 18, 1999, August 19, 2004 and February 20, 2020. This policy shall replace all previous versions, whether specifically named or not.
- C. Pursuant to KRS 16.640 and 61.645(7), Trustees who do not otherwise receive a salary from the State Treasury shall receive a per diem for each day they are in session or on official duty, and shall be reimbursed for their actual and necessary expenses in accordance with state administrative regulations and standards.¹
- D. All payments of per diem and/or reimbursement under this policy shall be made consistent with the Model Procurement Code as set forth in KRS Chapter 45A, 200 KAR 2:006, and the Executive Branch Code of Ethics as set forth in KRS Chapter 11A.
- E. In every event, Trustees shall endeavor to conduct the official affairs of the Systems in such a manner as to minimize the cost of providing efficient guidance and administration of the funds entrusted to the Board.
- F. Nothing in this Policy shall be interpreted so as to prohibit or discourage Trustees from attending all official functions of the Board or its Committees, or legislative or other functions, which such Trustee wishes to attend at his or her own expense.

Section 2: Official Duty

- A. “In Session” shall include the following:
 - (1) Meetings of the full Board;
 - (2) Meetings of Committees of which the Trustee is a member or alternate (if needed to make a quorum); and
- B. “Official Duty” shall include the following:
 - (1) Preparation for Board or Committee meetings;
 - (2) New Trustee Orientation at the Kentucky Public Pensions Authority office building in Frankfort or by virtual platform;

¹ Pursuant to OAG 80-10 the Board of Trustees may receive per diem payments from each of the retirement systems, for a total of \$110.00 “providing they have acted for each of those systems at a particular Board meeting and such is specifically reflected in the minutes thereof.”

- (3) Self-selected training and training seminars in an amount not to exceed the training requirements in the Board Trustees Education Policy;
 - (4) Sessions of the General Assembly, the Legislative Research Commission, or another legislative subcommittee at the invitation of the Legislature, or a Legislator limited to the Chair or Vice Chair only.
- C. The following are not considered to be “in session” or “on official duty” in order to permit the Trustee to seek a per diem reimbursement, unless specific permission is given by the Chair and the Chief Executive Officer or designee:
- (1) Group or Association meetings;
 - (2) Membership meetings;
 - (3) Other constituent meetings; and
 - (4) When requested to appear by a court or other government entity.
- D. Trustees attending functions as described in Section 2, subsection (C) above shall only be considered to be on official duty when attendance is at the written request, invitation or permission of the Chair of the Board and the Chief Executive Officer or designee. Approval will only be granted for a reasonable number of these functions per year.
- E. If the Chair requests authorization for functions as provided under Section 2, subsections (C) and (D) above, the Vice Chair shall approve such requests.

Section 3: Authorization

- A. Prior to attending a non-Systems and/or non-State (e.g. industry conference) function, a Trustee shall obtain authorization to be reimbursed for attending such a function on official business of the Systems by the Chief Executive Officer or designee.
- B. Authorization shall be obtained through written or e-mailed communication, and should contain the following information:
- (1) Name of Trustee requesting authorization;
 - (2) Purpose of the function;
 - (3) Vicinity and length of time of travel;
 - (4) Estimated cost of travel;
 - (5) Signature of person requesting authorization; and
 - (6) Signature of Chief Executive Officer or designee.
- C. Attendance at full Board meetings or Committee meetings of which the Trustee is a member requires no separate authorization.

Section 4: Preparation for Meetings

- A. Preparation for a meeting of the Board or a Committee of the Board shall include time spent reviewing written and/or video transcripts of formal administrative hearings or the records, exhibits, documents and memoranda provided to Trustees by the Systems prior to each Board or Committee meeting.
- B. Trustees shall be compensated for preparation for a meeting of the Board or a Committee of the Board as provided under Section 4, subsection (A), at an hourly

rate equal to the per diem divided by seven and one-half (7 ½) hours. Each member of the Board or Committee shall report the number of hours spent in preparation on the Preparation Reimbursement Form provided by the Systems.

- C. Committee Chairs shall review all Preparation and Reimbursement Forms and approve all hours for payment as deemed appropriate for the required task for his or her committee and then forward the approved forms to the Chief Executive Officer or designee for final approval. If a Vice-Chair has been elected for a committee, the Vice-Chair shall review the Preparation and Reimbursement Forms for the Committee Chair and then forward the approved forms to the Chief Executive Officer or designee for final approval. If there is no Vice-Chair, the Chair's Preparation and Reimbursement Forms shall be submitted directly to the Chief Executive Officer or designee for review and approval. The Chief Executive Officer or designee shall review all Preparation and Reimbursement Forms for Board of Trustee meetings and approve all hours for payment as deemed appropriate for the required task. The Chief Executive Officer or designee shall review all Preparation and Reimbursement Forms and approve all hours for payment as deemed appropriate for the required task.

Section 5: Reimbursement

- A. Following the function, all travel expenses should be timely claimed on a Commonwealth of Kentucky Finance and Administration Cabinet Travel Voucher form. In no event shall a Trustee be reimbursed by the Systems for any expenses also claimed reimbursable from another state agency.
- B. Actual and necessary travel expenses shall be paid in accordance with 200 KAR 2:006.
- C. Twice a month, the Chief Executive Officer or designee shall prepare the Per Diem Compensation Schedule and approve such payments.
- D. Reimbursement will be made only for individuals who are doing business on behalf of the Systems.
- E. All reimbursement under this Section must be made consistent with the requirements of the Executive Branch Code of Ethics, KRS Chapter 11A. Please refer to the Executive Branch Ethics Commission web site for more information at: <http://ethics.ky.gov/>.

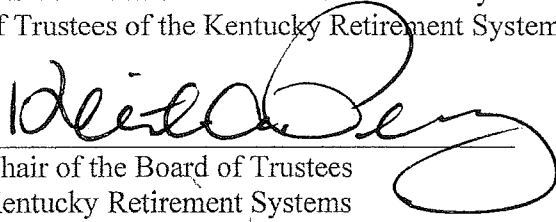
Section 6: Forms

- A. The following forms are attached and are incorporated by reference.
- (1) Preparation Reimbursement Form - General
 - (2) Preparation Reimbursement Form – DAC/AAC
 - (3) Commonwealth of Kentucky Finance and Administration Cabinet Travel Voucher form
 - (4) All forms incorporated by reference in 200 KAR 2:006
 - (5) Per Diem Compensation Schedule

- B. These forms may be updated and amended as necessary without effect to this Policy.

Section 7: Certification

We, the Chair of the Board of Trustees of the Kentucky Retirement Systems, and the Chief Executive Officer of the Kentucky Retirement Systems, do hereby certify that this Per Diem and Reimbursement Policy was amended and made effective by the Board of Trustees of the Kentucky Retirement Systems on the 15th day of April 2021.



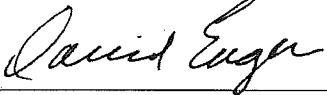
Chair of the Board of Trustees
Kentucky Retirement Systems

5-14-21

Date

Chief Executive Officer
Kentucky Retirement Systems

Date



Executive Director
Kentucky Public Pensions Authority

5/20/2021

Date