

**Kentucky Public Pensions Authority
Annual Meeting
April 27, 2023 at 10:00 a.m. EST
Live Video Conference/Facebook Live
AGENDA**

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|---|--|
| 1. Call to Order | Jerry Powell |
| 2. Legal Opening Statement | Michael Board |
| 3. Roll Call | Sherry Rankin |
| 4. Public Comment | Sherry Rankin |
| 5. Approval of Minutes – March 14, 2023* | Jerry Powell |
| 6. Election of Chair* | David Eager |
| 7. Election of Vice Chair and Committee Assignments* | Board Chair |
| 8. Implementation of HB 587* | Michael Board |
| 9. Administrative Regulation 105 KAR 1:220* | Jillian Hall
Jessica Beaubien |
| 10. KPPA Update | David Eager |
| 11. KPPA Service Recognition Awards | David Eager |
| 12. New Business* | Board Chair |
| 13. Closed Session** | Board Chair |
| 14. Adjourn* | Board Chair |

**Board Action Required*

***Board Action May Be Required*

**MINUTES OF MEETING
KENTUCKY PUBLIC PENSIONS AUTHORITY
MEETING VIA LIVE VIDEO TELECONFERENCE
MARCH 14, 2023, AT 10:00 AM ET**

At the meeting of the Board of the Kentucky Public Pensions Authority held on March 14, 2023, the following members were present: Jerry Powell (Chair), Prewitt Lane, William O’Mara, Betty Pendergrass, Dr. Merl Hackbart, Lynn Hampton, Keith Peercy, and William Summers, V. Staff members present were KRS CEO John Chilton, CERS CEO Ed Owens, III, David Eager, Rebecca Adkins, Erin Surratt, Michael Board, Steve Willer, Michael Lamb, Connie Davis, Kristen Coffey, D’Juan Surratt, Ashley Gabbard, Victoria Hale, Leigh Ann Davis, Elizabeth Smith, Liza Welch, Ann Case, Shaun Case, Katie Park, and Sherry Rankin. Others presented included Allen Norvell with Blue and Co.

Mr. Powell called the meeting to order.

Mr. Board read the Legal Public Statement.

Ms. Rankin called roll.

There being no **Public Comment**, Mr. Powell introduced agenda item **Approval of Meeting Minutes – December 7, 2022** (Video 00:06:47 to 00:07:23). Ms. Hampton made a motion and was seconded by Mr. Lane to approve the minutes as presented. The motion passed unanimously.

Mr. Powell introduced agenda item **Joint Audit Committee Report and Recommendations** (Video 00:07:24 to 00:10:42). Ms. Kristen Coffey reported that the Joint Audit Committee met on February 28, 2023. Ms. Connie Davis provided background information on the results of the GASB 68 and GASB 75 Proportionate Share Audit for Fiscal Year Ended June 30, 2022. She announced that Blue and Co. had submitted an unmodified/clean opinion. The results of the GASB 68 and GASB 75 Proportionate Share Audit were accepted as presented by the CERS and KRS Boards of Trustees, said Ms. Davis. Ms. Pendergrass made a motion to approve the results of the GASB 68 and GASB 75 Proportionate Share Audit for Fiscal Year Ended June 30, 2022, and to order publication of the reports on KPPA’s website. Ms. Hampton seconded the motion and the motion passed unanimously. The KPPA Board of Trustees had no additional questions regarding the items discussed at the Joint Audit Committee meeting.

Mr. Powell introduced agenda item **Quarterly Financial Statements** (Video 00:10:43 to 00:18:09). Mr. Mike Lamb presented the quarterly financial reports to the KPPA Board of Trustees. He reviewed the Combining Statement of Fiduciary Net Position of the Pension Funds as of December 31, 2022. Next, Mr. Lamb briefly reviewed the Combining Statement of Changes in Fiduciary Net Position of the Pension Funds for the six-month period ending December 31, 2022, Combining Statement of Fiduciary Net Position of Insurance Funds as of December 31, 2022, and the Combining Statement of Changes in Fiduciary Net Position of Insurance Funds for the six-month period ending December 31, 2022, with the KPPA Board of Trustees. Mr. Lamb went on to present the CERS, KERS, and SPRS Pension and Insurance Funds Contribution Reports for six-month period ending December 31, 2022. Lastly, he briefly presented the KPPA Administrative Budget FY 2022-2023 for the six-month period ending December 31, 2022, CERS Outstanding Invoices by Type and Employer, and Penalty Invoices Report.

****Dr. Hackbart entered the meeting****

Mr. Powell introduced agenda item **Investment Department Update** (Video 00:18:10 to 00:42:51). Mr. Willer presented the Investment Review and Update for the quarter ending December 31, 2022. He reported that both the CERS and KRS Investment Committees approved three new real return mandates. These actions were ratified by the CERS and KRS Board of Trustees. Additionally, the Investment Committees approved the “re-up” investment of \$250 million (KRS) and \$75 million (CERS) into the Adams Street Partners Senior Private Credit Fund III, and up to an additional total up to \$250 million (KRS) and \$75 million (CERS) investment into a co-investment side car vehicle to be allocated proportionally across plans. Mr. Willer also gave a brief update on proxy policy implementation and the impact of Silicon Valley Bank (SVB).

Mr. Powell introduced agenda item **Election Services RFP** (Video 00:42:52 to 00:44:42). Ms. Coffey stated that KPPA has worked with an election services vendor for the past 3 years to administer the Trustee election. She advised that the current contract for election vendor services expires in August 2023. To ensure a new contracted vendor is in place prior to the start of the next election cycle, KPPA staff is preparing a Request for Proposal (RFP) for an election vendor. The estimated posting date of the RFP is August or September 2023, with an estimated award date of January 2024, said Ms. Coffey.

Mr. Powell introduced agenda item **MMRO Analysis** (*Video 00:44:43 to 01:07:17*). Ms. Erin Surratt presented the informational MMRO Analysis. She noted several areas of concern within the KPPA Medical Review process. To resolve these areas of concern, KPPA issued a Request for Information (RFI) in January 2019 to explore the option of outsourcing the disability review process. After a thorough review of the responses submitted, it was decided that it would be beneficial to move forward with issuing a Request for Proposal (RFP) which was posted in October 2019. After the RFP process, a two-year contract was awarded to MMRO on August 17, 2020, said Ms. Surratt. Ms. Surratt presented a cost-benefit analysis and highlighted the major functions to be outsourced, pre-MMRO challenges, and the benefits of MMRO implementation. The total savings is \$1,181,016 and cost of the vendor after savings is \$418,984, said Ms. Surratt. She assured the KPPA Board of Trustees that KPPA Staff were not negatively impacted by the MMRO contract.

Mr. Powell introduced agenda item **Budget Planning** (*Video 01:07:18 to 01:10:45*). Ms. Rebecca Adkins reported that the Board of Trustees defined a work group of one CERS Trustee and one KRS Trustee to work with KPPA Staff and the CERS and KRS CEOs on budget items for FY2023. Ms. Adkins asked the KPPA Board of Trustees if they would like to establish a similar work group for the upcoming fiscal year. Recommendations to the KPPA Board of Trustees are needed in June 2023 for the FY2024 Administrative and Investment Budgets, FY2023 Separation Expenses, Biennial Budget Request for FY2025 and FY2026, and Budget Policy. Mr. Powell wished to appoint Ms. Lynn Hampton (KRS) and Mr. Bill O'Mara (CERS) to the Budget Planning work group.

Mr. Powell introduced agenda item **KPPA Update** (*Video 01:11:46 to 01:27:18*). Mr. Eager provided the KPPA Board of Trustees with a written KPPA Update report. During the meeting, he briefly reviewed staffing, retirements, 2023 Employee Survey, Invalid Address Project, Milliman Actuarial Audit update, legislative update, and Strategic Plan RFP update.

Mr. Powell wished to discuss agenda item **New Business** (*Video 01:27:19 to 01:27:30*) – None.

Mr. Powell introduced agenda item **Closed Session** (*Video 01:27:31 to 01:28:32*). Mr. Powell asked the KPPA Board of Trustees if there were any questions regarding the Closed Session materials. There were no questions; therefore, Mr. Peercy made a motion and was seconded by Ms. Pendergrass to table closed session discussions. The motion passed unanimously.

Mr. Powell opened the floor for *adjournment*. Mr. Peercy made a motion and seconded by Mr. O'Mara to adjourn the meeting. The motion passed unanimously.

Copies of all documents presented are incorporated as part of the Minutes of the KPPA Board held March 14, 2023, except documents provided during a closed session conducted pursuant to the open meetings act and exempt under the open records act.

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CERTIFICATION

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

Recording Secretary

We, the Chair of the Board of Kentucky Public Pensions Authority and Executive Director, do certify that the Minutes of Meeting held on March 14, 2023, were approved on April 27, 2023.

KPPA Board Chair

Executive Director

I have reviewed the Minutes of the March 14, 2023, Kentucky Public Pensions Authority Meeting for content, form, and legality.

Executive Director, Office of Legal Services



KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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



To: David Eager, KPPA Executive Director
Rebecca Adkins, Deputy Executive Director
Erin Surratt, Executive Director of Benefits
Steve Willer, Executive Director, and Chief Investment Officer
Mike Lamb, Chief Financial Officer
John Chilton, KRS Chief Executive Officer
Ed Owens, CERS Chief Executive Officer
KRS Board of Trustees
CERS Board of Trustees

From: Michael Board, Executive Director, Office of Legal Services

Date: April 4, 2023

Re: Implementation of 23 RS HB 587

House Bill 587 was introduced in the House of Representatives on February 22, 2023, passed both the House and Senate, and was signed by the Governor on March 20, 2023. Per Section 55 of the Kentucky Constitution, HB 587 will become effective ninety (90) days after adjournment of the legislative session. Thus, HB 587 will become effective on June 28, 2023.

HB 587 amends KRS 61.505(8) in the following ways:

- a. The KPPA Board appoints or contracts for an internal auditor
 - i. Previously, as with all other employees of KPPA, the internal auditor was appointed by the KPPA Executive Director
- b. The KPPA Board sets the compensation and other terms of employment for the internal auditor
 - i. The internal auditor is not subject to KRS 18A or KRS 64.640
- c. The internal auditor reports directly to the KPPA Board
- d. The KPPA Board must conduct an annual performance evaluation of the internal auditor
- e. The internal auditor shall work cooperatively with the CEOs of KRS/CERS
- f. The internal auditor has the authority to appoint the employees under their direct supervision

As a result of the changes from this legislation, several things must happen. First and foremost, the CERS/KRS Joint Audit Committee will no longer exist, as the KPPA internal auditor will report directly to the KPPA Board. This will require amendments to the CERS and KRS By-laws to remove the language forming the Joint Audit Committee.

Second, the KPPA Board is faced with several tasks: they must appoint the internal auditor and set the compensation and terms of employment for the internal auditor. The terms of employment should include a position description. The KPPA Board is free to adopt the position description and compensation currently in place, making changes where necessary to reflect the removal of the internal auditor from the provision of KRS 18A, or they may adopt an entirely new position description and compensation. Adoption of a position description is important because the KPPA Board is required to perform an annual performance evaluation of the internal auditor.

The KPPA Board may choose to form an Audit Committee and delegate these tasks to that committee. The members of any KPPA Audit Committee must come from the eight (8) members of the KPPA Board. Forming a KPPA Audit Committee would require amending the KPPA By-laws. In creating the Audit Committee and amending the By-laws, the KPPA Board must decide the level of authority given to the Audit Committee: Are they able to act on behalf of the Board and then report their actions, or will their votes require ratification by the Board before action can be taken?

Once the KPPA Board has decided how it will carry out its responsibilities relating to internal audit, either the KPPA Board Chair or the Audit Committee Chair (if there is one) will be required to approve the internal auditor's timesheet on a weekly basis. This person will also be responsible for approving the internal auditor's leave requests, approving a flex schedule, determining if the internal auditor may work from home and, if so, on what days, and approving travel and/or ongoing educational opportunities. The most efficient and effective way to handle these approvals is for the KPPA Board or Audit Committee to delegate this limited authority to the KPPA Executive Director.

There are several action items that must be completed to fully implement this legislation. Due to the number of action items, the KPPA Office of Legal Services proposes the following timeline:

- I. April Annual Meetings
 - a. All Boards review this memo
 - b. The KPPA Board should make initial decisions regarding whether they want to create an Audit Committee and, if so, its membership, and what authority it will have
- II. Between April Annual Meetings and June Board meetings
 - a. Staff will draft proposed amendments to By-Laws and Charters, and create a proposed position description for the internal auditor
- III. June Board Meetings
 - a. KPPA needs to decide how the hiring/appointment of an internal auditor will happen
 - b. KPPA will approve a position description and set the compensation for the internal auditor or delegate this to the Audit Committee
 - c. KRS and KPPA will vote on the By-law amendments
 - d. CERS will have the 1st reading of the By-law amendments
 - i. It is not a problem if the CERS By-laws are not fully amended when this legislation becomes effective
 - e. KPPA will vote on the Audit Charters

- f. KPPA will schedule the first meeting of the Audit Committee

This is a lot of information to digest, and lot of work to accomplish. We should move through this process slowly while ensuring we accomplish every step. There are also several internal questions to be answered while implementing this legislation. Staff will continue to work through those as well. One example of these internal issues is defining a process for the internal auditor to request new positions. While the internal auditor has the authority to appoint the positions that report directly to them, those positions are still subject to KRS 18A and KRS 64.640 and must still fit within the KPPA employee cap and the KPPA administrative budget.

MEMORANDUM

TO: Board of the Kentucky Public Pensions Authority (“Board”)

FROM: Carrie Bass, Staff Attorney Supervisor, Non-Advocacy Division, Office of Legal Services
Jillian Hall, Staff Attorney, Non-Advocacy Division, Office of Legal Services
Jessica Beaubien, Policy Specialist, Non-Advocacy Division, Office of Legal Services

DATE: April 27, 2023

RE: Board approval and authorization of staff to file an amended administrative regulation, 105 KAR 1:220, Periodic Disability Review, with the Office of the Regulations Compiler at the Legislative Research Commission (“Regulations Compiler”)

Purpose of amended administrative regulation:

Kentucky Revised Statutes 61.505(1)(g) authorizes the Board to promulgate and amend administrative regulations “on behalf of the Kentucky Retirement Systems and the County Employees Retirement System, individually or collectively” as long as the regulations are consistent with the provisions of Kentucky Revised Statutes 16.505 to 16.652, 61.510 to 61.705, 78.510 to 78.852, and 61.505. 105 KAR 1:220, Periodic Disability Review, is consistent with these provisions of the Kentucky Revised Statutes.

105 KAR 1:220 is an amended administrative regulation detailing the process for employment and medical staff reviews for recipients of a disability retirement allowance to determine if the recipient’s disability retirement allowance should be continued or discontinued. This regulation also details time periods for medical and employment review requirements, reporting gainful employment, and appeal rights.

Definitions for commonly used language found in this administrative regulation can be found in 105 KAR 1:001, Definitions for KAR Title 105, which shall be in effect prior to the amendment of 105 KAR 1:220; therefore, definitions contained within shall be applicable.

Finally, this new administrative regulation incorporates the following forms:

- Form 8101, Employment and Medical Staff Review Certification, that recipients use to complete their periodic disability review;
- Form 8102, Employment and Medical Staff Review Certification Reinstatement, that recipients whose disability retirement allowance was discontinued, use to apply for reinstatement of his or her disability retirement allowance.
- Form 8130, Disability Retiree Employment Reporting, that recipients use to report employment.
- Form 8191, Authorization to Release Medical Records, that recipients use to authorize an independent medical or psychological examination and who may review his or her medical records;
- Form 8525, Informed Consent and Authorization: Disability Retirement Applications and Review, All Plans, recipients use to authorize disclosure of his or her medical records to the third-party vendor; and
- Form 8846, Travel Voucher for Independent Examination, recipients use to request reimbursement for travel expenses when an independent medical or psychological examination is provided by and required by the agency.

105 KAR 1:220 was presented to the Ad Hoc Regulations Committee for the Board on April 18, 2023. The Committee approved sending to the full Board for approval.

Staff Recommendation:

The Office of Legal Services requests that the Board review the attached materials and authorize 105 KAR 1:220, Periodic Disability Review, to be filed with the Regulations Compiler.

List of attached materials:

1. 105 KAR 1:220, Periodic Disability Review.
2. 105 KAR 1:001, Definitions for KAR Title 105.
3. Form 8101, Employment and Medical Staff Review Certification.
4. Form 8102, Employment and Medical Staff Review Certification Reinstatement.
5. Form 8130, Disability Retiree Employment Reporting.
6. Form 8191, Authorization to Release Medical Records.
7. Form 8525, Informed Consent and Authorization: Disability Retirement Applications and Review, All Plans.
8. Form 8846, Travel Voucher for Independent Examination.

1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Retirement Systems

3 (Amendment)

4 105 KAR 1:220. **Periodic** [~~Annual~~] disability review.

5 RELATES TO: KRS 16.577, 16.583, 16.645, 61.592, 61.600, 61.610, 61.615, 61.630,
6 61.637, 61.559, 61.597, 61.665, 78.545, 78.5510, 78.5512, 78.5514, 78.5516, 78.5522,
7 78.5524, 78.5526, 78.5528, and 78.5540

8 STATUTORY AUTHORITY: KRS 61.505(1)(g) [~~61.645(9)(e)~~]

9 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.505(1)(g) authorizes the
10 Kentucky Public Pensions Authority to promulgate all administrative regulations on
11 behalf of the Kentucky Retirement Systems and the County Employees Retirement
12 System that are consistent with KRS 16.505 to 16.652, 61.510 to 61.705, and 78.510 to
13 78.852. [~~KRS 61.645(9)(e) authorizes the Board of Trustees of Kentucky Retirement Systems~~
14 ~~to promulgate all administrative regulations necessary or proper in order to carry out the~~
15 ~~provisions of KRS 61.515 to 61.705, 16.510 to 16.652, and 78.520 to 78.852.] KRS 61.610, [and]
16 61.615, 78.5526, and 78.5528 provide for the employment and medical [staff] review of a
17 recipient of a disability retirement allowance to determine if the recipient's disability retirement
18 allowance should be continued or discontinued. This administrative regulation establishes the
19 process for employment and medical [staff] reviews.~~

20 Section 1. **Definitions.**

1 **(1) “Approved employment” means work in any capacity found by the agency to**
2 **not require the same, similar, or greater duties, residual functional capacity, or physical**
3 **exertion as the position from which the recipient was found disabled.**

4 **(2) “Effective retirement date” means the date upon which a member’s disability,**
5 **early, or normal retirement benefits began, whichever occurs first.**

6 **(3) “Employer” means a person, agency, company, organization, or other entity**
7 **that directs or leads a recipient’s work, whether or not for pay.**

8 **(4) “Trial basis” means a period of time not to exceed nine (9) months during which**
9 **a recipient works in a non-approved employment position to allow him or her time to**
10 **determine if he or she is able to maintain employment; employment during this time**
11 **period will not affect the recipient’s disability retirement.**

12 **Section 2. Use of Third-party Vendors.**

13 **(1) The agency may contract with third-party vendors to act on its behalf**
14 **throughout the disability retirement application and review process. The agency may also**
15 **contract with third-party vendors to act on its behalf throughout the periodic review,**
16 **reinstatement review, and employment review processes.**

17 **(2) The agency may utilize independent, licensed physicians provided by third-**
18 **party vendors to serve as medical examiners pursuant to KRS 61.665 and 78.545. Third-**
19 **party vendors may provide additional persons to fulfill non-physician roles throughout**
20 **the disability retirement application, periodic review, reinstatement review, and**
21 **employment review processes.**

22 **(3) Third-party vendors may act on behalf of the agency and the systems with all**
23 **the rights and responsibilities therein.**

24 **Section 3. Periodic Review.**

1 **(1) A recipient of a disability retirement allowance shall have a periodic review of**
2 **his or her disability status pursuant to KRS 61.610 and 78.5526.**

3 **(2)(a) When provided by the agency and in accordance with KRS 61.610 and**
4 **78.5526, recipients shall complete:**

5 **1. Form 8101, Employment and Medical Staff Review Certification;**

6 **2. Form 8525, Informed Consent and Authorization: Disability Retirement**
7 **Applications and Reviews, All Plans; and**

8 **3. Form 8130, Disability Retiree Employment Reporting, for each of the following**
9 **that is applicable:**

10 **a. The recipient is currently gainfully employed; or**

11 **b. The recipient has gainful employment not previously reported since his or her**
12 **disability retirement benefits began or since his or her last employment review.**

13 ~~[(1) The review form prescribed by the board to be completed and filed by the recipient at~~
14 ~~the retirement office in accordance with KRS 61.610 is the "Form 8101, Employment and~~
15 ~~Medical Staff Review Certification".]~~

16 **(b)1. Recipients shall file with the agency or its third-party vendor the completed**
17 **forms indicated in paragraph (a) of this subsection, and all relevant medical and**
18 **employment information, by the end of day one hundred eighty (180) calendar days from**
19 **the day the Form 8101, Employment and Medical Staff Review Certification, is mailed to**
20 **the recipient's address on file at the retirement office.**

21 ~~[(a) The time periods prescribed in KRS 61.610 and 61.615 shall begin on the day the~~
22 ~~"Form 8101, Employment and Medical Staff Review Certification" or the notification of the~~
23 ~~recommendation of the medical examiners is mailed and shall end at close of business on the~~
24 ~~last day of the prescribed time period.]~~

1 2.[(b)] If the last day of the one hundred eighty (180) day time period is a Saturday,
2 Sunday, or state or federal holiday, then the submission [application] shall be valid if filed with
3 the agency or its third-party vendor [at the retirement systems] by the end of day on [close
4 of] the next business day following the weekend or holiday.

5 (3) If the recipient fails to complete the requirements of subsection (2) of this
6 section, his or her disability retirement benefits shall be discontinued on the first day of
7 the month following the expiration of the one hundred eighty (180) day time period.

8 (4) If the recipient completes the requirements of subsection (2) of this section, the
9 agency or its third-party vendor shall:

10 (a) Review and evaluate the medical information and documentation submitted in
11 accordance with Section 4 of this administrative regulation; and

12 (b) Review and evaluate the employment information and documentation submitted
13 in accordance with Section 6 of this administrative regulation.

14 (5) A recipient who has reached his or her normal retirement age shall not be
15 subject to a periodic review.

16 (6) A recipient's disability retirement status that is continued by the Teachers'
17 Retirement System may exempt the retiree from the agency's periodic review.

18 Section 4. Periodic Medical Review.

19 (1)(a) The medical examiner will evaluate the submitted medical information and
20 documentation to determine whether the recipient continues to be disabled from the
21 condition(s) for which he or she was initially granted disability retirement. The agency
22 shall notify the recipient of the medical examiner's findings.

23 (b) If the medical examiner finds the documentation fails to provide evidence that
24 the recipient continues to be disabled from the condition(s) for which he or she was

1 initially granted disability retirement and recommends discontinuance of the disability
2 retirement allowance, the notification shall include:

3 1. Form 8101, Employment and Medical Staff Review Certification; and

4 2. Form 8191, Authorization to Release Medical Records, if the medical examiner
5 recommended an independent medical or psychological examination in accordance with
6 KRS 61.665(2)(j) and 78.545 or KRS 61.665(3)(c) and 78.545.

7 (2)(a) If the medical examiner recommended discontinuance of the disability
8 retirement allowance, the recipient shall have sixty (60) calendar days from the date the
9 notification in subsection (1) of this section is mailed to file with the agency or its third-
10 party vendor one of the following:

11 1. The completed Form 8101, Employment and Medical Staff Review Certification,
12 and additional supporting medical information;

13 2. The completed Form 8191, Authorization to Release Medical Records, if
14 applicable; or

15 3. Request a formal hearing to appeal the findings in accordance with Section 8 of
16 this administrative regulation.

17 (b) If, at the end of the prescribed time period, the agency or its third-party vendor
18 does not have on file one of the options detailed in subparagraph (a), (b), or (c) of this
19 paragraph, the recipient's disability retirement allowance shall be discontinued on the
20 first day of the month following the expiration of the prescribed time period.

21 (3)(a) If the recipient completes the requirements of subsection (2)(a)1. of this
22 section, the medical examiner shall review and evaluate the additional supporting
23 medical information.

1 **(b) If the recipient completes the requirements of subsection (2)(a)2. of this section**
2 **the agency shall administer the independent medical or psychological examination in**
3 **accordance with Section 5 of this administrative regulation. The medical examiner shall**
4 **review and evaluate the findings from the independent medical or psychological**
5 **examination.**

6 **(c) Once the medical examiner completes his or her evaluation of the**
7 **documentation provided from the completion of paragraph (a) or (b) of this subsection,**
8 **the agency shall notify the recipient of the medical examiner's findings.**

9 **1. If the medical examiner finds the documentation fails to provide evidence that**
10 **the recipient continues to be disabled from the condition(s) for which he or she was**
11 **initially granted disability retirement and recommends discontinuance, the recipient shall**
12 **have sixty (60) calendar days from the date the notification is mailed to request a formal**
13 **hearing to appeal the findings in accordance with Section 8 of this administrative.**

14 **2. If the recipient fails to file an appeal within the prescribed time period, his or her**
15 **retirement allowance shall be discontinued on the first day of the month following the**
16 **expiration of the prescribed time period.**

17 ~~[(2) The recipient shall file a written notice with the retirement systems immediately upon~~
18 ~~beginning employment in any capacity. The recipient shall identify the employer and include a~~
19 ~~written statement from the employer of a detailed list of the duties of the new position.]~~

20 Section **5 [2]. Independent Medical or Psychological Examinations.**

21 **(1) If the recipient files the Form 8191, Authorization to Release Medical Records,**
22 **with the agency or its third-party vendor in accordance with Section 2(2)(a)2. of this**
23 **administrative regulation, then the agency shall notify the recipient in writing of the date,**
24 **time, and location of the appointment. Records from the examination shall be used to**

1 complete the medical review in accordance with Section 4(3) of this administrative
2 regulation.

3 (2)(a) The agency shall reimburse the recipient for expenses associated with the
4 medical or psychological examination in the same manner as prescribed in 105 KAR
5 1:210, Section 8.

6 ~~{(1) If the retirement systems requires a recipient to submit to a medical or psychological~~
7 ~~examination under KRS 61.615(3)(h), the retirement systems shall reimburse the recipient for~~
8 ~~mileage from the recipient's home address as it is on file at the retirement systems, to the place~~
9 ~~of the examination or evaluation, and returning to the recipient's home address on file at the~~
10 ~~retirement systems. The recipient shall be reimbursed for the most direct and usually traveled~~
11 ~~routes.~~

12 ~~(2) Mileage shall be based on the "Kentucky Official Highway Map", mileage software, or~~
13 ~~the most recent edition of the "Rand McNally Road Atlas". The recipient shall complete and~~
14 ~~submit a Form 8846, Independent Examination Travel Voucher indicating the mileage the~~
15 ~~recipient traveled from the recipient's home address as it is on file at the retirement systems, to~~
16 ~~the place of the examination or evaluation, and returning to the recipient's home address on file~~
17 ~~at the retirement systems. The recipient shall use the most direct and usually traveled routes.~~

18 ~~(3) The mileage certified by the recipient shall not be greater than the mileage indicated~~
19 ~~by the "Kentucky Official Highway Map", mileage software, or the most recent edition of the~~
20 ~~"Rand McNally Road Atlas" for the most direct and usually traveled route from recipient's home~~
21 ~~address as it is on file at the retirement systems, to the place of the examination or evaluation,~~
22 ~~and returning to the recipient's home address on file at the retirement systems. If the mileage~~
23 ~~certified by the recipient is greater than the mileage indicated by the "Kentucky Official Highway~~
24 ~~Map", mileage software, or the most recent edition of the "Rand McNally Road Atlas" the~~

1 retirement systems shall pay the recipient the mileage indicated by the "Kentucky Official
2 Highway Map", mileage software, or the most recent edition of the "Rand McNally Road Atlas".

3 (4) Reimbursement for use of a privately owned vehicle shall be made at the IRS
4 established standard mileage rate which changes periodically; and shall not exceed the cost of
5 commercial coach fare.

6 (5) Actual costs for parking shall be reimbursed upon submission of receipts. The
7 recipient shall submit the originals of the parking receipts along with a written request for
8 reimbursement.

9 (6) Actual bridge and highway toll charges shall be reimbursed if the bridge or highway is
10 on the most direct and usually traveled route. The recipient shall submit the originals of the
11 bridge and highway toll receipts along with a written request for reimbursement.]

12 (b) [(7)] The recipient shall file at the retirement office a completed Form 8846, **Travel**
13 **Voucher for** Independent Examination [Travel Voucher], within fifteen (15) **calendar** days of the
14 date of the examination or evaluation in order to receive reimbursement for **mileage, actual**
15 **parking costs, and any actual bridge or highway toll charges as prescribed in 105 KAR**
16 **1:210, Section 8.** [travel expenses.]

17 **(3) Pursuant to KRS 61.615(3)(h) and 78.5528(3)(h), if the recipient fails or refuses**
18 **to complete the scheduled medical or psychological examination, the system shall send**
19 **a notice of discontinuance. The recipient shall have sixty (60) calendar days from the date**
20 **of the notice to request a formal hearing to appeal the findings in accordance with Section**
21 **8 of this administrative regulation. If the recipient fails to file an appeal within the**
22 **prescribed time period, his or her retirement allowance shall be discontinued on the first**
23 **day of the month following the expiration of the prescribed time period.**

1 **(4) If the recipient fails to appear at the medical or psychological examination, or**
2 **cancel the appointment within the timeframes required in the notice of appointment, the**
3 **recipient shall be responsible for payment of any charges associated with the medical or**
4 **psychological examination.**

5 Section ~~6~~ [3]. **Employment review.**

6 **(1) The agency [retirement systems] may request financial information from other local,**
7 **state, or federal agencies to determine if a recipient is gainfully employed. [receiving income**
8 **or employed in a new position.]**

9 **(2) Recipients may at any time file with the agency or its third-party vendor a**
10 **completed Form 8130, Disability Retiree Employment Reporting, to be reviewed for**
11 **potential gainful employment. The agency or its third-party vendor shall complete an**
12 **employment review in accordance with subsection (5) of this section. The anticipated**
13 **start date of employment indicated on the Form 8130 shall be used to determine time**
14 **period requirements indicated in subsection (5) of this section. If the start date of**
15 **employment was unknown on the Form 8130 and at any time becomes known, or if there**
16 **is a change to the date previously indicated, the recipient shall notify the agency in**
17 **writing.**

18 **(3)(a) Pursuant to KRS 61.615(1) and 78.5528(1), recipients of a disability retirement**
19 **allowance shall notify the agency of any gainful employment. When gainful employment**
20 **is reported to the agency outside of the periodic review, or if gainful employment is**
21 **discovered by any other means, the agency shall provide the recipient with a Form 8130,**
22 **Disability Retiree Employment Reporting. The recipient shall file the completed Form**
23 **8130 with the agency or its third-party vendor within sixty (60) calendar days of beginning**
24 **any gainful employment. The agency or its third-party vendor shall use the completed**

1 Form 8130 to perform an employment review in accordance with subsection (5) of this
2 section.

3 (b)1. If the recipient does not file with the agency or its third-party vendor the Form
4 8130 or written notification that the employment has ceased within nine (9) months of the
5 first date of employment, the agency shall have the authority to discontinue the disability
6 retirement allowance.

7 2. If the agency determines the disability retirement allowance shall be
8 discontinued, the agency shall send notification to the recipient, and he or she shall have
9 sixty (60) calendar days from the date the notice is mailed to request a formal hearing to
10 appeal the findings in accordance with Section 8 of this administrative regulation.

11 3. If the recipient fails to file an appeal within the prescribed time period, his or her
12 retirement allowance shall be discontinued on the first day of the month following the
13 expiration of the prescribed time period.

14 (4)(a) During the periodic review, recipients shall complete Form 8101, Employment
15 and Medical Staff Review Certification, indicating if he or she is gainfully employed or has
16 any previously unreported gainful employment. When indicated, the recipient shall file
17 with the agency or its third-party vendor a completed Form 8130, Disability Retiree
18 Employment Reporting, for each of the following:

19 1. His or her current gainful employment; and

20 2. Any gainful employment not previously reported since his or her disability
21 retirement benefits began, or since his or her last periodic review.

22 (b) The agency or its third-party vendor shall complete an employment review for
23 all employment not previously approved in accordance with subsection (5) of this
24 section.

1 (c) During the periodic medical review as prescribed in Section 4 of this
2 administrative regulation, the agency or its third-party vendor shall consider the
3 employment details when determining whether the recipient continues to be disabled
4 from the condition(s) for which he or she was initially granted disability retirement,
5 regardless of whether or not the employment was approved employment.

6 (5) When gainful employment is reported during or outside of the periodic review,
7 or discovered by any other means, the agency or its third-party vendor shall complete an
8 employment review in accordance with KRS 61.610, 61.615, 78.5526, and 78.5528. The
9 reviewer will evaluate the Form 8130, Disability Retiree Employment Reporting, or any
10 other employment information or documentation available to determine whether the
11 position has similar duties or requires the same or greater physical exertion or functional
12 capacity as the position from which the recipient was found disabled. The agency shall
13 notify the recipient of the findings.

14 (a) If findings indicate that a recipient's employment is not approved employment,
15 then pursuant to KRS 61.615(1) and 78.5528(1), the recipient may begin or continue the
16 employment on a trial basis and the recipient's monthly retirement allowance shall
17 continue during the trial basis. The recipient's monthly retirement allowance shall cease
18 effective the month following the end of the trial basis unless within sixty (60) calendar
19 days of the date the notice is mailed, one of the following occurs:

20 1. The recipient requests a formal hearing to appeal the recommendation in
21 accordance with Section 8 of this administrative regulation;

22 2. The recipient files with the agency or its third-party vendor additional supporting
23 employment information. The agency or agency's third-party vendor shall review and
24 evaluate the additional employment information, and shall notify the recipient of the

1 findings. If the findings indicate the employment is not approved employment, the
2 recipient will have sixty (60) calendar days from the date the notification is mailed to
3 request a formal hearing to appeal the findings in accordance with Section 8 of this
4 administrative regulation; or

5 3. The recipient files a written notice with the agency or its third-party vendor in
6 one of the following ways:

7 a. If the recipient has not yet begun the employment, a written notification with the
8 agency that he or she has elected not to start the employment; or

9 b. If the recipient begins or continues the employment on a trial basis, prior to the
10 conclusion of the trial basis a written notification that he or she has ceased the
11 employment.

12 (b) If the recipient fails to file an appeal within the prescribed time period, his or her
13 retirement allowance shall be discontinued on the first day of the month following the
14 end of the trial basis, or upon the expiration of the sixty (60) day time period, whichever
15 occurs later.

16 (6) Retired members who are reemployed with a participating employer, shall also
17 be subject to the requirements of KRS 61.637, 78.5540, and 105 KAR 1:390.

18 Section 7. Reinstatement Review.

19 (1)(a) A recipient whose disability retirement allowance has been discontinued for
20 any reason other than death is eligible to apply for reinstatement and be reevaluated by
21 the agency or the agency's third-party vendor until his or her normal retirement age. The
22 recipient shall submit new objective medical evidence that was not previously considered
23 with his or her application for reinstatement.

1 **(b) A recipient whose disability retirement allowance was discontinued based upon**
2 **the employment review findings as prescribed in Section 6 of this administrative**
3 **regulation shall also provide:**

4 **1. Employer documentation detailing changes not previously considered that have**
5 **occurred in his or her position if he or she is still employed in the same position; or**

6 **2. Written notification that he or she has ceased the employment that includes the**
7 **date employment ceased.**

8 **(2) Pursuant to KRS 61.615(6)(d) and 78.5528(6)(d), a recipient is only eligible for**
9 **reinstatement for the same bodily injuries, mental illnesses, diseases, or conditions for**
10 **which he or she was originally approved for disability benefits. A recipient cannot be**
11 **reinstated for bodily injuries, mental illnesses, diseases, or conditions for which he or**
12 **she was not approved for disability, or that occurred or became known after his or her**
13 **last day of paid employment prior to the original retirement date.**

14 **(3) A recipient shall apply for reinstatement by filing all of the following:**

15 **(a) A completed Form 8102, Employment and Medical Staff Review Certification**
16 **Reinstatement;**

17 **(b) A completed Form 8525, Informed Consent and Authorization: Disability**
18 **Retirement Applications and Reviews;**

19 **(c) New objective medical evidence not previously considered;**

20 **(d) If filing for reinstatement in accordance with subsection (1)(b) of this section,**
21 **not previously considered employer documentation detailing changes in the position, or**
22 **written notification that the employment has ceased that includes the last date of**
23 **employment; and**

1 (e) If there is any new or previously unreported employment, a completed Form
2 8130, Disability Retiree Employment Reporting.

3 (5) Reinstatement reviews shall be conducted in accordance with KRS 61.615(6)(d)
4 and 78.5528(6)(d), considering only those conditions for which the recipient was granted
5 disability.

6 (6) If the agency or the agency's third-party vendor does not recommend
7 reinstatement of a recipient's disability retirement benefits, the recipient may request a
8 formal hearing to appeal the findings in accordance with Section 8 of this administrative
9 regulation.

10 Section 8. Right to Appeal.

11 (1) Any recipient whose disability benefits have been reduced, discontinued, or
12 denied reinstatement may file an appeal of the findings at the retirement office with a
13 written request for a formal hearing within sixty (60) calendar days of the date the
14 notification of discontinuance was mailed. The hearing shall be conducted in accordance
15 with KRS Chapter 13B.

16 (2) The written request for a formal hearing shall include a short and plain
17 statement of the reason the determination is being contested.

18 (3)(a) The hearing officer presiding over an administrative hearing may allow the
19 appealer to introduce, among other evidence, the determination of other state and federal
20 agencies, such as the Kentucky Department of Workers' Claims and the Social Security
21 Administration, approving the applicant for benefits only when accompanied by
22 underlying objective medical evidence or vocational evidence.

1 **(b) The hearing officer presiding over an administrative hearing shall consider only**
2 **objective medical evidence and vocational records contained within or that accompany a**
3 **determination by another state or federal agency.**

4 **(c) The hearing officer presiding over an administrative hearing shall not consider**
5 **or be bound by factual or legal findings of other state or federal agencies.**

6 **(d) Written statements from medical providers within the administrative record**
7 **shall not themselves be objective medical evidence, but may be relied upon if**
8 **accompanied by, and reviewed in concert with, other supporting objective medical**
9 **evidence.**

10 **(4) During the pendency of an appeal, the recipient shall continue to receive his or**
11 **her disability retirement benefit.**

12 **(5) At the conclusion of the appeal, recipients shall be notified of the final order of**
13 **the Administrative Appeals Committee (AAC) in accordance with KRS 61.615(3)(g) and**
14 **78.5528(3)(g).**

15 **(a)1. If the AAC orders that the disability retirement allowance shall be**
16 **discontinued, then it shall be discontinued on the first day of the month following the**
17 **date of the notification except as provided in subparagraph 2. of this paragraph.**

18 **2. If the recipient's disability retirement allowance is discontinued due to the AAC**
19 **determination that employment was not approved employment, the effective date of**
20 **discontinuance shall be the first day of the month following the end of the nine (9) month**
21 **trial basis or the first day of the month following the date of the notification of the AAC**
22 **order, whichever occurs later.**

23 **(b)1. If the recipient fails to notify the agency of gainful employment in accordance**
24 **with Section 6(3) or (4) of this administrative regulation, then AAC shall have the authority**

1 to decide the period for which the agency shall recover any disability retirement
2 allowance payments, health insurance premiums, or both. The earliest date of the period
3 shall not be earlier than the first day of the month following the end of the nine (9) month
4 trial basis.

5 2. If the agency recovers the disability retirement allowance payments, health
6 insurance premiums paid, or both, it shall be from the recipient or the estate of the
7 recipient only.

8 Section 9. Benefits available after discontinuance of a disability retirement
9 allowance.

10 (1) A member with a participation date on or after January 1, 2014 in one or more
11 of the Systems whose disability retirement allowance is discontinued pursuant to KRS
12 61.615 and 78.5528:

13 (a) Shall begin receiving retirement benefits for which he or she qualifies, if eligible.

14 (b) Shall not be eligible for early retirement benefits.

15 (2)A member with a participation date prior to January 1, 2014 in one or more of the
16 Systems whose disability retirement allowance is discontinued pursuant to KRS 61.615
17 and 78.5528:

18 (a) Shall begin receiving normal retirement benefits, if eligible.

19 (b) If not eligible for normal retirement benefits, shall be given the option to begin
20 receiving early retirement benefits, if eligible.

21 (3) A member who received a disability retirement allowance shall have established
22 an effective retirement date and, accordingly, shall not be eligible to request a refund of
23 any remaining accumulated account balance if the member's disability retirement
24 allowance is discontinued pursuant to KRS 61.615 and 78.5528.

1 ~~[Section 4. The retirement systems may not require a medical review if the recipient's~~
2 ~~disability status is reviewed by the Kentucky Teachers' Retirement System.]~~

3 **Section 10. Recipient's death during the periodic review process.**

4 **(1) If the recipient dies during the periodic review process, the member's**
5 **beneficiary may be entitled to receive disability retirement benefits pursuant to KRS**
6 **61.630, 78.545(6) and 105 KAR 1:240.**

7 **(2) If a recipient dies after the date of discontinuance as enumerated in Sections 3,**
8 **4, 5, or 6 of this administrative regulation, the disability retirement allowance shall remain**
9 **discontinued and there will be no ongoing disability benefit paid to a beneficiary. This**
10 **shall not affect any other benefits to which the beneficiary may be entitled.**

11 **(3) The beneficiary shall not be permitted to apply for reinstatement on behalf of**
12 **the decedent.**

13 Section 11 ~~[5]~~. Incorporation by Reference.

14 (1) The following material is incorporated by reference:

15 (a) Form 8101, "Employment and Medical Staff Review Certification", **February 2023**
16 ~~[May 2008]~~;

17 **(b) Form 8102, "Employment and Medical Staff Review Certification**
18 **Reinstatement", February 2023;**

19 **(c) Form 8130, "Disability Retiree Employment Reporting", February 2023;**

20 **(d) Form 8191, "Authorization to Release Medical Records", April 2023;**

21 **(e) Form 8525, "Informed Consent and Authorization: Disability Retirement**
22 **Applications and Reviews, All Plans", February 2023; and**

23 **(f) Form 8846, "[Kentucky Retirement Systems] Travel Voucher for Independent**
24 **Examination", May 2008.**

1 (2) This material may be inspected, copied, or obtained, subject to applicable copyright
2 law, at the Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort,
3 Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. **This material is also available**
4 **on the agency Web site at ky-ret.ky.gov.**
5 (18 Ky.R. 936; eff. 11-8-1991; Am. 27 Ky.R. 1052; 1445; eff. 12-21-2000; 29 Ky.R. 1866, 2276;
6 3-19-2003; 31 Ky.R. 389; eff. 11-5-2004; 35 Ky.R. 115; 541; eff. 10-3-2008; TAm eff. 6-11-2019;
7 Crt eff. 6-11-2019.)

APPROVED:

DAVID L. EAGER,
EXECUTIVE DIRECTOR
KENTUCKY PUBLIC PENSIONS AUTHORITY

DATE

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing to allow for public comments on this administrative regulation shall be held on Thursday, July 27, 2023, at 10:00 a.m. Eastern Time at the Kentucky Public Pensions Authority (KPPA), 1270 Louisville Road, Frankfort, Kentucky 40601. Individuals interested in presenting a public comment 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 is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. 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 through July 31, 2023. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

KPPA shall file a response with the Regulations Compiler to any public comments received, whether at the public comment hearing or in writing, via a Statement of Consideration no later than the 15th day of the month following the end of the public comment period, or upon filing a written request for extension, no later than the 15th day of the second month following the end of the public comment period.

Contact person: Jessica Beaubien, Policy Specialist, Kentucky Public Pensions Authority, 1260 Louisville Road, Frankfort, KY 40601, email Legal.Non-Advocacy@kyret.ky.gov, telephone (502) 696-8800 ext. 8570, facsimile (502) 696-8615.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation number: 105 KAR 1:220
Contact person: Jessica Beaubien
Phone number: 502-696-8800 ext. 8570
Email: legal.non-advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the process for employment and medical reviews.

(b) The necessity of this administrative regulation: KRS 61.610, 61.615, 78.5526, and 78.5528 provide for the employment and medical staff review of a recipient of a disability retirement allowance to determine if the recipient's disability retirement allowance should be continued or discontinued. This administrative regulation establishes the process for employment and medical reviews.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the authorizing statute because it is necessary to carry out the provisions of KRS 61.610, 61.615, 78.5526, and 78.5528 and establishes the process for employment and medical reviews.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation established the procedures and forms necessary to carry out the provisions of KRS 61.610, 61.615, 78.5526, and 78.5528 for the administration of employment and medical reviews.

(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 updates the existing administrative regulation to reflect changes in forms used by the Kentucky Public Pensions Authority, and to establish previously omitted processes and procedures for the employment and medical staff reviews. This administrative regulation also clarifies the existing regulation.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to ensure the regulation includes the current forms, processes and procedures that are consistent with authorizing statutes. This administrative regulation also clarifies the existing regulation.

(c) How the amendment conforms to the content of the authorizing statutes: This administrative regulation conforms to the authorizing statute because it is necessary to carry out the provisions of KRS 61.610, 61.615, 78.5526, and 78.5528.

(d) How the amendment will assist in the effective administration of the statutes: The amendment will assist in the effective administration of the statutes because it establishes the forms, processes and procedures required to carry out the provisions of KRS 61.610, 61.615, 78.5526, and 78.5528 and assists the Kentucky Public Pensions Authority with carrying out those provisions.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: The Kentucky Public Pensions Authority,

the Kentucky Retirement Systems, and the County Employees Retirement System, and the members, beneficiaries, and alternate payees of the Kentucky Retirement Systems and the County Employees Retirement System. Number of individuals affected by this administrative regulation is approximately one thousand fifty-eight (1058). Number of businesses, organizations, or state and local governments affected is three (3), the Kentucky Public Pensions Authority, the Kentucky Retirement Systems, and the County 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 regulation establishes the procedures and forms necessary to carry out the provisions of KRS 61.610, 61.615, 78.5526, and 78.5528, and assists the Kentucky Public Pensions Authority, Kentucky Retirement Systems, and County Employees Retirement System in ensuring conformity with these statutes.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): This regulation should not cost any additional funds.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): This regulation establishes the procedures and forms necessary to carry out the provisions of KRS 61.610, 61.615, 78.5526, and 78.5528, and assists the Kentucky Public Pensions Authority, Kentucky Retirement Systems, and County Employees Retirement System in ensuring conformity with the statutes.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: The costs associated with the implementation of this administrative regulation should be negligible.

(b) On a continuing basis: The costs associated with the implementation of this administrative regulation should be negligible.

(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 18 Public Pensions Authority 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.

(9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied. All members are subject to the same processes and procedures.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation number: 105 KAR 1:220
Contact person: Jessica Beaubien
Phone number: 502-696-8800 ext. 8570
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? The Kentucky Public Pensions Authority, the Kentucky Retirement Systems, and the County Employees Retirement System.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. 61.505(1)(g)

(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.

(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? The cost to Kentucky Public Pensions Authority should be negligible.

(d) How much will it cost to administer this program for subsequent years? The cost to Kentucky Public Pensions Authority 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: The cost to Kentucky Public Pensions Authority should be negligible because the administration of the employment and medical staff reviews as detailed in this regulation is not changing from existing practice.

(4) Estimate the effect of this administrative regulation on the expenditures and cost savings of regulated entities for the first full year the administrative regulation is to be in effect.

(a) How much cost savings will this administrative regulation generate for the regulated entities for the first year? None.

(b) How much cost savings will this administrative regulation generate for the regulated entities for subsequent years? None.

(c) How much will it cost the regulated entities for the first year? None.

(d) How much will it cost the regulated entities for subsequent years? None.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Cost Savings (+/-):

Expenditures (+/-):

Other Explanation: This administrative regulation will not add a cost to the regulated entities.

(5) Explain whether this administrative regulation will have a major economic impact, as defined below. "Major economic impact" means an overall negative or adverse economic impact from an administrative regulation of five hundred thousand dollars (\$500,000) or more on state or local government or regulated entities, in aggregate, as determined by the promulgating administrative bodies. [KRS 13A.010(13)]

This administrative regulation will not have a major economic impact.

SUMMARY OF MATERIAL INCORPORATED BY REFERENCE

Form 8101, Employment and Medical Staff Review Certification, revised January 2023, is a 1-page form that members of the Kentucky Employees Retirement System, State Police Retirement System, and County Employees Retirement System who receive a disability retirement allowance use to complete their periodic disability review.

Form 8102, Employment and Medical Staff Review Certification Reinstatement, is a 1-page form that members of the Kentucky Employees Retirement System, State Police Retirement System, and County Employees Retirement System, whose disability retirement allowance was discontinued, use to apply for reinstatement of his or her disability retirement allowance.

The Form 8130, Disability Retiree Employment Reporting, revised November 2022, is a 1-page form that members of the Kentucky Employees Retirement System, State Police Retirement System, and County Employees Retirement System who receive a disability retirement allowance use to report employment.

Form 8191, Authorization to Release Medical Records, is a 1-page form that members of the Kentucky Employees Retirement System, State Police Retirement System, and County Employees Retirement System who receive a disability retirement allowance use to authorize an independent medical or psychological examination and the review of his or her medical records.

Form 8525, Informed Consent and Authorization: Disability Retirement Applications and Review, All Plans, is a 1-page form that members of the Kentucky Employees Retirement System, State Police Retirement System, and County Employees Retirement System who receive a disability retirement allowance use to authorize disclosure of his or her medical records to the medical examiner.

Form 8846, Travel Voucher for Independent Examination, is a 1-page form that members of the Kentucky Employees Retirement System, State Police Retirement System, and County Employees Retirement System who receive a disability retirement allowance use to request reimbursement for travel expenses when he or she completes an evaluation by an independent medical or psychological examination that is provided by and required by the agency.



EMPLOYMENT AND MEDICAL STAFF REVIEW CERTIFICATION REINSTATEMENT

Member Information Please provide your Member ID or Social Security number in the Member ID box below.

Member Name:		Member ID:	
Address:	City:	State:	Zip Code:
Phone (select type) <input type="checkbox"/> Mobile <input type="checkbox"/> Home <input type="checkbox"/> Work		Email:	

Employment Status (You must choose one):

<input type="checkbox"/>	Yes , I have been employed (including work in any capacity that is, or may be, performed with regularity and is, or may be, usually done for pay, whether or not pay is received, including seasonal, volunteer, part-time, and on-call work) since the date I was approved for disability retirement benefits or since my last employment and medical staff review. <u>Must also complete and file Form 8130, Disability Retiree Employment Reporting.</u>
<input type="checkbox"/>	No , I have not been employed (including work in any capacity that is, or may be, performed with regularity and is, or may be, usually done for pay, whether or not pay is received, including seasonal, volunteer, part-time, and on-call work) since the date I was approved for disability retirement benefits or since my last employment and medical staff review.
<input type="checkbox"/>	No , I have not been employed (including work in any capacity that is, or may be, performed with regularity and is, or may be, usually done for pay, whether or not pay is received, including seasonal, volunteer, part-time, and on-call work) since the date I was approved for disability retirement benefits or since my last employment and medical staff review, but I have enclosed a Form 8130, Disability Retiree Employment Reporting, for a position I would like to be reviewed for potential future employment.

Certification of Medical and Employment Information

I, _____, hereby certify that the employment information provided on this form and the attached medical information are true, correct, accurate, and complete, meaning the attached information consists of **all** the existing medical information regarding the bodily injury, mental illness, or disease for which I was approved for disability retirement benefits since my last employment and medical staff review or since my benefits were terminated. I further certify that this form and the attached medical information are complete and ready to be reviewed by the medical staff.

I am aware that I am eligible to apply for the reinstatement of my disability benefits pursuant to KRS 61.615 and 78.5528, and that I am responsible for filing supporting medical information to report my current physical and mental condition pursuant to KRS 61.610 and 78.5526. I am also aware that by signing this certification I am certifying to Kentucky Public Pensions Authority that the enclosed medical records represent all the evaluations, examinations, and treatment I have had for the bodily injury, mental illness, or disease for which I was approved for disability retirement benefits, including all reports of diagnostic medical testing performed on me. Written statements from medical providers alone are not medical information unless accompanied by supporting records as discussed in this paragraph.

I am aware that if I have been employed (including work in any capacity that is, or may be, performed with regularity and is, or may be, usually done for pay, whether or not pay is received, including seasonal, volunteer, part-time, and on-call work) since the date I was approved for disability retirement benefits or since my last employment and medical staff review, I must also attach a Form 8130, Disability Retiree Employment Reporting, even if the position has been previously approved by Kentucky Public Pensions Authority.

I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as KPPA is subject to the penalty of perjury in accordance with KRS 523.010, et seq. I further acknowledge that if I knowingly submit or cause to be submitted a false or fraudulent claim for the payment or receipt of benefit, I may be liable for repayment of benefits I was not entitled to receive, but also liable for civil payments, legal fees, and costs.

Signature: _____ Date: _____

Printed Name: _____



DISABILITY RETIREE EMPLOYMENT REPORTING

Member Information Please provide your Member ID or Social Security number in the Member ID box below.

Member Name:		Member ID:	
Address:	City:	State:	Zip Code:
Date of Birth:	Phone (select type) <input type="checkbox"/> Mobile <input type="checkbox"/> Home <input type="checkbox"/> Work	Email:	

Position Description

A detailed position description must be included with this form in order for the form to be considered complete. The job description attached must be provided to you by the employer, and at a minimum must include:

- the name of the employing company/organization,
- a list of required job duties, and
- the number of hours that will be worked per week.

Position Information

If you have not yet started in the position, complete the form with as much detail as possible about what you anticipate the job duties will be. Attach additional pages if necessary.

Mark your employment status as of the date this form is signed: Working Hired, not yet working Potential future hire

Employer Name:	Job Title:
----------------	------------

Employer Address:

Employer Phone:	Employer Contact Person:
-----------------	--------------------------

Start Date:	Hours per day:	Hours per week:
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Percentage of hours sitting per work day: up to 25% 25% - 50% 50% - 75% 75% - 100%

Percentage of hours standing/walking per work day: up to 25% 25% - 50% 50% - 75% 75% - 100%

In this position, are you able to alternate between sitting and standing/walking as needed? Yes No

Description of job duties:

What specific physical effort (lift, carry, push, pull, stoop, reach, climb, balance, etc.) is required to perform the job duties:

What specific mental effort (make decisions, maintain concentration, adapt to changes, handle stress, understand, remember and carry out instructions, etc.) is required to perform the job duties:

Are you receiving accommodations (modified work schedule, assistive equipment, restructuring, special allowances, etc.), assistance, or help to perform the essential job duties? Yes No **If YES, describe:**

Certification

I certify that all the information completed on this form is true and accurate.
 I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as KPPA is subject to the penalty of perjury in accordance with KRS 523.010, et seq. I further acknowledge that if I knowingly submit or cause to be submitted a false or fraudulent claim for the payment or receipt of benefit, I may be liable for repayment of benefits I was not entitled to receive, but also liable for civil payments, legal fees, and costs.

Employee Signature: _____ Date: _____



KENTUCKY PUBLIC PENSIONS AUTHORITY

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

Print Form

Form 8191
 Revised 04/2023

Authorization for Independent Medical or Psychological Examination and Release of Medical Information

Member Information Please provide your Member ID or Social Security number in the Member ID box below.			
Member Name:		Member ID:	
Address:	City:	State:	Zip Code:
Phone (select type) <input type="checkbox"/> Mobile <input type="checkbox"/> Home <input type="checkbox"/> Work		Email:	

Acknowledgment and Authorization

I hereby acknowledge that the Kentucky Public Pensions Authority, or a third-party vendor on its behalf, has recommended an independent medical or psychological examination in accordance with KRS 61.665 and 78.545.

I understand that once the appointment for the independent medical or psychological examination has been made, I will be notified by mail of the date, time, and location of the appointment. Records from the examination will be used for my disability retirement allowance periodic review.

I understand that I am eligible to receive reimbursement for mileage, actual parking costs, and any actual bridge or highway toll charges by filing a completed Form 8846, Travel Voucher for Independent Examination, with all the necessary receipts at the retirement office within fifteen (15) calendar days of the date of the examination or evaluation.

I understand that if I fail or refuse to appear at a scheduled appointment, my monthly disability retirement allowance may be discontinued.

I understand that if I fail to appear, cancel, or reschedule within the time frames required in the appointment notice, I shall be responsible for payment of any charges associated with the medical or psychological examination.

I authorize the Kentucky Public Pensions Authority to release my medical records to the medical or mental health professional who will perform an independent medical or psychological examination for the Kentucky Public Pensions Authority.

Signature: _____

Date: _____

Witnessed: _____

Date: _____



Form 8525
Revised 02/2023

Informed Consent and Authorization: Disability Retirement Applications and Reviews, All Plans

Member Information Please provide your Member ID or Social Security number in the Member ID box below.

Member Name:	Member ID:
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NOTICE TO MEMBER: Your Kentucky Public Pensions Authority (KPPA) member ID number, social security number, address, birth date, marital status, designated survivor option information, spouse information, and medical information are classified as private data. KPPA will not share your private data with any person or agency except pursuant to your Authorization, or a valid subpoena or court order. If you do not provide the information requested by KPPA and its disability retirement third party administrator, Managed Medical Review Organization, Inc. (MMRO), the processing of your application for disability retirement benefits or periodic disability review may be delayed.

A photocopy or facsimile of this Informed Consent and Authorization shall be as valid as the original.

Authorization for KPPA and MMRO to release information.

I give my informed consent and authorize KPPA and its disability retirement third party administrator, MMRO, to provide the information in my KPPA disability retirement application or periodic review file to any independent medical examiners and consultants retained by KPPA or MMRO to assist in evaluation of my application for disability retirement benefits or periodic review of benefits. This Authorization shall become effective on the date appearing next to my signature below. This consent will remain effective until the evaluation of my disability retirement application or periodic review and any appeals thereof are complete. I understand that I may request a copy of this Authorization. I understand I have the right to revoke this Authorization at any time by notifying KPPA. I understand that revoking this Authorization may impair the processing of my application for disability retirement benefits or periodic review of disability benefits.

HIPAA Authorization for care providers and consultants to release information to KPPA and MMRO.

I hereby authorize the use and disclosure of protected health information about me as described below.

- i. The following specific person/class of person/facility is authorized to disclose information about me to KPPA, MMRO, and my attorney or authorized agent (if applicable): any health care provider, hospital, medical facility, rehabilitation consultant, or agency, or other organization.
- ii. The following person, class of persons, or entity may receive disclosure of protected health information about me: KPPA, MMRO and any independent medical examiners and consultants retained by KPPA or MMRO to assist in evaluation of my application for disability retirement benefits or periodic review of disability benefits.
- iii. The following information may be disclosed: all information with respect to any physical or mental condition and/or treatment of me, including information regarding AIDS/HIV infection, communicable diseases, alcohol and substance abuse and mental health.
- iv. I understand that the information used or disclosed may be subject to re-disclosure by KPPA and MMRO as necessary to evaluate my application for disability retirement benefits or periodic review of benefits.
- v. I may revoke this authorization by notifying KPPA in writing of my desire to revoke it. I understand that any action already taken in reliance on this authorization cannot be reversed, and my revocation will not affect those actions.
- vi. My purpose/use of the information is for my application for KPPA disability retirement benefits or periodic review of disability benefits.
- vii. This authorization expires one year from the date of my signature or upon the final determination of my eligibility for KPPA disability retirement benefits or periodic review of disability benefits, whichever is later.

Signature: _____ Date: _____

Once signed, please return this form, via mail or fax, to:

Managed Medical Review Organization, Inc.
ATTN: KPPA Claims Liaison
44090 W. 12 Mile Road
Novi, MI 48377

Fax: 248-530-7411



Form 8846
Revised 05/2008

Travel Voucher for Independent Examination

Member Information			
Member Name:		Member ID:	
Address:	City:	State:	Zip Code:

Reimbursement Request: Please enter your mileage, cost of tolls and parking below. Our office will enter the mileage rate and calculate the total payment due. You must attach receipts for tolls and parking.

Mileage _____ x IRS Standard Mileage Rate =	
Cost of Tolls: _____	
Parking: _____	
Total Payment Due: _____	

Certification

Mileage shall be based on the Kentucky Official Highway Map, mileage software or the most recent edition of the Rand McNally Road Atlas, whichever is less. Receipts for cost of tolls and parking must be included and returned with this voucher. Written request and receipts for reimbursement must be submitted and received by our office within 15 days of the date of the examination or evaluation.

I _____ certify that the information set out above is true and correct. I further acknowledge that I have full understanding that any person who provides a false statement, report, or representation is subject to penalty of perjury under KRS 523.010 to KRS 522.110.

Signature: _____ Date: _____



EMPLOYMENT AND MEDICAL STAFF REVIEW CERTIFICATION

Member Information Please provide your Member ID or Social Security number in the Member ID box below.

Member Name:		Member ID:	
Address:	City:	State:	Zip Code:
Phone (select type) <input type="checkbox"/> Mobile <input type="checkbox"/> Home <input type="checkbox"/> Work		Email:	

Employment Status (You must choose one):

Yes, I have been employed (including work in any capacity that is, or may be, performed with regularity and is, or may be, usually done for pay, whether or not pay is received, including seasonal, volunteer, part-time, and on-call work) since the date I was approved for disability retirement benefits or since my last employment and medical staff review. Must also complete and file Form 8130, Disability Retiree Employment Reporting.

No, I have not been employed (including work in any capacity that is, or may be, performed with regularity and is, or may be, usually done for pay, whether or not pay is received, including seasonal, volunteer, part-time, and on-call work) since the date I was approved for disability retirement benefits or since my last employment and medical staff review.

No, I have not been employed (including work in any capacity that is, or may be, performed with regularity and is, or may be, usually done for pay, whether or not pay is received, including seasonal, volunteer, part-time, and on-call work) since the date I was approved for disability retirement benefits or since my last employment and medical staff review, but I have enclosed a Form 8130, Disability Retiree Employment Reporting, for a position I would like to be reviewed for potential future employment.

Certification of Medical and Employment Information

I, _____, hereby certify that the employment information provided on this form and the attached medical information are true, correct, accurate, and complete, meaning the attached information consists of **all** the existing medical information regarding the bodily injury, mental illness, or disease for which I was approved for disability retirement benefits since the date I was approved for disability retirement benefits or since my last employment and medical staff review. I further certify that this form and the attached medical information are complete and ready to be reviewed by the medical staff.

I am aware that, pursuant to KRS 61.610 and 78.5526, I am responsible for filing supporting medical information to report my current physical and mental condition. I am also aware that by signing this certification, I am certifying to Kentucky Public Pensions Authority that the enclosed medical records represent **all** the evaluations, examinations, and treatment I have had for the bodily injury, mental illness, or disease for which I was approved for disability retirement benefits, including all reports of diagnostic medical testing performed on me. Written statements from medical providers alone are not medical information unless accompanied by supporting records as discussed in this paragraph.

I am aware that if I have been employed (including work in any capacity, paid or unpaid, such as self-employment, part-time, on-call, seasonal, occasional, and volunteer work) since the date I was approved for disability retirement benefits or since my last employment and medical staff review, I must also attach a Form 8130, Disability Retiree Employment Reporting, even if the position has been previously approved by Kentucky Public Pensions Authority.

I acknowledge that I have full understanding that any person who provides a false statement, report, or representation to a governmental entity such as KPPA is subject to the penalty of perjury in accordance with KRS 523.010, et seq. I further acknowledge that if I knowingly submit or cause to be submitted a false or fraudulent claim for the payment or receipt of benefit, I may be liable for repayment of benefits I was not entitled to receive, but also liable for civil payments, legal fees, and costs.

Signature: _____

Date: _____

Printed Name: _____

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LEGISLATIVE RESEARCH COMMISSION

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Angie Hatton
Minority Whip

MEMORANDUM

TO: Jessica Beaubien, Policy Specialist, Kentucky Public Pensions Authority

FROM: Emily Caudill, Regulations Compiler

RE: Proposed Amendment or New Regulation –105 KAR 1:001 & 105 KAR 1:360.

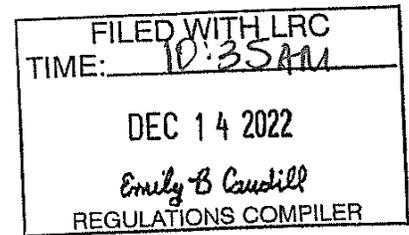
DATE: December 14, 2022

A copy of each administrative regulation listed above is enclosed for your files. These regulations are tentatively scheduled for review by the Administrative Regulation Review Subcommittee at its **MARCH 2023** meeting. We will notify you of the date and time of this meeting once it has been scheduled.

Pursuant to KRS 13A.280, *if* comments are received during the public comment period, a Statement of Consideration or a one-month extension request for these regulations is due **by noon on March 15, 2023**. Please reference KRS 13A.270 and 13A.280 for other requirements relating to the public hearing and public comment period and Statements of Consideration.

If you have questions, please contact us at RegsCompiler@LRC.ky.gov or (502) 564-8100.

Enclosures



1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Retirement Systems

3 (New Administrative Regulation)

4 105 KAR 1:001 Definitions for Title 105 of the Kentucky Administrative Regulations.

5 RELATES TO: KRS 16.505 to 16.652, 61.510 to 61.705, and 78.510 to 78.852

6 STATUTORY AUTHORITY: KRS 61.505(1)(g)

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.505(1)(g) authorizes the
8 Kentucky Public Pension Authority on behalf of the Kentucky Retirement Systems and
9 the County Employees Retirement System to promulgate all administrative regulations
10 that are consistent with the provisions of KRS 16.505 to 16.652, 61.510 to 61.705, and
11 78.510 to 78.852. This administrative regulation establishes definitions for Title 105 of the
12 Kentucky Administrative Regulations.

13 Section 1. Definitions as used in Title 105 of the Kentucky Administrative
14 Regulations, unless otherwise required by context or otherwise defined in a specific
15 administrative regulation:

16 (1) "AAC" means:

17 (a) Prior to April 1, 2021, the Administrative Appeals Committee of the Board of
18 Trustees of the Kentucky Retirement Systems.

19 (b) Beginning April 1, 2021, the separate or joint Administrative Appeals
20 Committees of the Board of Trustees of the Kentucky Retirement Systems and the Board

1 of Trustees of the County Employees Retirement System in accordance with KRS
2 61.645(16) and 78.782(16).

3 (2) "Accumulated employer credit" is defined in KRS 16.505(39), 61.510(40), and
4 78.510(37)

5 (3) "Accumulated account balance" is defined in KRS 16.505(40), 61.510(41), and
6 78.510(38)

7 (4) "Accumulated contributions" is defined in KRS 16.505(7), 61.510(12), and
8 78.510(12).

9 (5) "Act in line of duty" or "in line of duty" is defined in KRS 16.505(19) and
10 78.510(48).

11 (6) "Active member" means a member who is participating in the systems.

12 (7) "Actuarial equivalent" is defined in KRS 16.505(13), 61.510(17), and
13 78.510(17).

14 (8) "Agency" means:

15 a. Prior to April 1, 2021, the Kentucky Retirement Systems, which administered
16 the State Police Retirement System, the Kentucky Employees Retirement System, and
17 the County Employees Retirement System; and

18 b. Beginning April 1, 2021, the Kentucky Public Pensions Authority, which is
19 authorized to carry out the day-to-day administrative needs of the Kentucky Retirement
20 Systems (comprised of the State Police Retirement System and the Kentucky Employees
21 Retirement System) and the County Employees Retirement System.

22 (9) "Agency reporting official" is defined in KRS 78.510(20).

23 (10) "Alternate payee" is defined in KRS 16.505(38), 61.510(39), and 78.510(36).

1 (11)"Authorized leave of absence" is defined in KRS 16.505(14).

2 (12) "Beneficiary" is defined in KRS 16.505(25), 61.510(26), and 78.510(25).

3 (13) "Boards" means the Board of Trustees of the Kentucky Retirement Systems
4 and the Board of Trustees of the County Employees Retirement System.

5 (14) "Bona fide promotion or career advancement" is defined in KRS 61.598(1)
6 and 78.545(22).

7 (15) "Career threshold" is defined in KRS 61.702(4)(e).9.a. and 78.5536(4)(e)9.a.

8 (16) "County" is defined in KRS 78.510(3).

9 (17) "Creditable compensation" is defined in KRS 16.505(8), 61.510(13), and
10 78.510(13).

11 (18) "Current rate of pay" is defined in KRS 16.505(24), 61.510(25), and
12 78.510(24).

13 (19) "Current service" is defined in KRS 16.505(4), 61.510(10), and 78.510(10).

14 (20) "DAC" means:

15 (a) Prior to April 1, 2021, the Disability Appeals Committee of the Board of
16 Trustees of the Kentucky Retirement Systems.

17 (b) Beginning April 1, 2021, the separate or joint Disability Appeals Committees
18 of the Board of Trustees of the Kentucky Retirement Systems and the Board of Trustees
19 of the County Employees Retirement System in accordance with KRS 61.665(4) and
20 78.545(11).

21 (21) "Department" is defined in KRS 61.510(3).

22 (22) "Dependent child" is defined in KRS 16.505(17) and 78.510(49).

1 (23) "Disability retirement date" is defined in KRS 16.505(16), 61.590(5)(b), and
2 78.510(51).

3 (24) "Duty-related injury" is defined in KRS 61.621(2) and 78.545(20).

4 (25) "Early retirement date" is defined in KRS 16.505(20), 61.590(5)(c), and
5 78.545(4).

6 (26) "Employee" is defined in KRS 61.510(5) and 78.510(6).

7 (27) "Employer" is defined in KRS 16.505(3), 61.510(6), and 78.510(7).

8 (28) "Employer's effective cessation date" is defined in KRS 61.522(1)(c) and
9 78.535(1)(c).

10 (29) "End of day" means 11:59 p.m. Eastern Time, on the date referenced.

11 (30) "Examiner" means the medical examiners as provided in KRS 61.665 and
12 78.545(11).

13 (31) "File" means a form or document has been received at the retirement office
14 by mail, fax, secure email, in-person delivery, or via Self Service on the Web site
15 maintained by the agency (if available).

16 (32) "Final compensation" is defined in KRS 16.505(9), 61.510(14), and
17 78.510(14).

18 (33) "Final rate of pay" is defined in KRS 16.505(10), 61.510(15), and 78.510(15).

19 (34) "Fiscal year" is defined in KRS 16.505(32), 61.510(19), and 78.510(19).

20 (35) "Gainful employment" means work in any capacity that is, or may be,
21 performed with regularity and is, or may be, usually done for pay, whether or not pay is
22 received, including seasonal, volunteer, part-time, and on-call work.

23 (36) "Grandfathered service" is defined in KRS 61.552(9)(b) and 78.545(7).

1 (37) "Hazardous disability" is defined in KRS 16.505(23) and 78.510(47).

2 (38) "Hazardous position" means a regular full-time officer as defined in
3 16.505(22), or a "hazardous position" as defined in 61.592(1)(a), 78.510(42), and
4 78.5520(1).

5 (39) "Hospital and medical insurance plan" is defined in KRS 61.702(1)(a) and
6 78.5536(1)(a).

7 (40) "In line of duty" or "act in line of duty" is defined in KRS 16.505(19) and
8 78.510(48).

9 (41) "Inactive member" means a member who is not participating in the system.

10 (42) "Increment" is defined in KRS 61.510(29) and 78.510(44).

11 (43) "Instructional staff" is defined in KRS 61.510(48).

12 (44) "Invalid," when used in reference to a form, means that the form does not
13 meet the requirements to be valid, and shall not be processed by the agency.

14 (45) "Last day of paid employment" is defined in KRS 16.505(30), 61.510(32), and
15 78.510(45).

16 (46) "Level percentage of payroll amortization method" is defined in KRS
17 61.510(28) and 78.510(43).

18 (47) "Medical information" as used in KRS 61.610, 61.615, 61.665, 78.5526 and
19 78.5528, means reports of examinations or treatments; medical signs which are
20 anatomical, physiological, or psychological abnormalities that can be observed;
21 psychiatric signs which are medically demonstrable phenomena indicating specific
22 abnormalities of behavior, affect, thought, memory, orientation, or contact with reality; or
23 laboratory findings which are anatomical, physiological, or psychological phenomena that

1 can be shown by medically acceptable laboratory diagnostic techniques, including but not
2 limited to chemical tests, electrocardiograms, electroencephalograms, X-rays, and
3 psychological tests. Written statements from medical providers alone are not medical
4 information unless accompanied by supporting contemporaneous records as discussed
5 in this subsection.

6 (48) "Member" is defined in KRS 16.505(21), 61.510(8), and 78.510(8).

7 (49) "Membership date" is defined in KRS 16.505(35), 61.510(36), and 78.510(33).

8 (50) "Month" is defined in KRS 16.505(34), 61.510(35), and 78.510(32).

9 (51) "Monthly average pay" is defined in KRS 16.505(41), 61.510(45), and
10 78.510(52).

11 (52) "Monthly contribution rate" is defined in KRS 61.702(1)(b) and 78.5536(1)(b).

12 (53) "Nominal fee" is defined in KRS 61.510(43) and 78.510(40).

13 (54) "Non-core services independent contractor" is defined in KRS 61.5991(9).

14 (55) "Nonhazardous position" is defined in KRS 61.510(44) and 78.510(41).

15 (56) "Normal retirement age" means the age at which the member meets the
16 requirements for his or her normal retirement date.

17 (57) "Normal retirement date" is defined in KRS 16.505(15), 61.510(18),
18 61.590(5)(a), and 78.510(18).

19 (58) "Objective medical evidence" is defined in KRS 16.505(31), 61.510(33), and
20 78.510(46).

21 (59) "Officers and employees of the General Assembly" is defined in KRS
22 61.510(20).

23 (60) "Optional allowance" is defined in KRS 16.505(18).

1 (61) "Participant" is defined in KRS 16.505(36), 61.510(37), and 78.510(34).

2 (62) "Participating" is defined in KRS 16.505(33), 61.510(34), and 78.510(31).

3 (63) "Participating employer" means any employer that participates in one (1) of
4 the systems operated by the agency.

5 (64) "Participation date" means the earlier of "membership date" as defined in this
6 section or the date on which the member began participating in another state-
7 administered retirement system if the member has not retired or taken a refund from the
8 other state-administered retirement system.

9 (65) "Past service" is defined in KRS 61.552(5)(a) and 78.545(7).

10 (66) "Person" means a natural person.

11 (67) "Premium" means the monthly dollar cost required to provide hospital and
12 medical insurance plan coverage for a recipient, a recipient's spouse, or a disabled or
13 dependent child.

14 (68) "Prior service" is defined in KRS 16.505(5), 61.510(11), and 78.510(11).

15 (69) "Provide," when used in reference to a form or other document, means the
16 agency makes a form or document available on its Web site (if appropriate) or by mail,
17 fax, secure email, or via Self Service on the Web site maintained by the agency (if
18 available).

19 (70) "Qualified domestic relations order" is defined in KRS 16.505(37), 61.510(38),
20 and 78.510(35).

21 (71) "Recipient" is defined in KRS 16.505(26), 61.510(27), and 78.510(26).

22 (72) "Reemployment" means the retired member's first date of employment with a
23 participating employer following his or her most recent retirement date.

1 (73) "Regular full-time officers" is defined in KRS 16.505(22),

2 (74) "Regular full-time position" is defined in KRS 61.510(21) and 78.510(21).

3 (75) "Retired member" is defined in KRS 16.505(11), 61.510(24), and 78.510(23).

4 (76) "Retirement allowance" is defined in KRS 16.505(12), 61.510(16), and
5 78.510(16).

6 (77) "Retirement office" is defined in KRS 16.505(28), 61.510(31), and 78.510(29).

7 (78) "School board" is defined in KRS 78.510(4).

8 (79) "School term or year" is defined in KRS 78.510(28).

9 (80) "Service" is defined in KRS 16.505(6), 61.510(9), and 78.510(9).

10 (81) "State" means the Commonwealth of Kentucky.

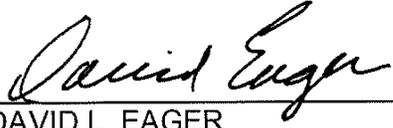
11 (82) "Systems" means the State Police Retirement System (KRS 16.505 to 16.652),
12 the Kentucky Employees Retirement System (KRS 61.510 to 61.705), and the County
13 Employees Retirement System (KRS 78.510 to 78.852).

14 (83) "Total and permanent disability" is defined in KRS 16.582(1)(a) and
15 78.5524(1)(a)1.

16 (84) "Valid," when used in reference to a form, means that all required sections of
17 a form are filled out, the form has been fully executed by the required person or the
18 person's legal representative, and all supporting documentation required by the form is
19 included with the form.

20 (85) "Volunteer" is defined in KRS 61.510(42) and 78.510(39).

APPROVED:



DAVID L. EAGER,
EXECUTIVE DIRECTOR
KENTUCKY PUBLIC PENSION AUTHORITY

12/7/2022

DATE

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing to allow for public comment on this administrative regulation shall be held on Thursday, February 23, 2023, at 2:00 p.m. at the Kentucky Public Pension Authority (KPPA), 1270 Louisville Road, Frankfort, Kentucky 40601. Individuals interested in presenting a public comment at this hearing shall notify this agency in writing no later than 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 Tuesday, February 28, 2023. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

KPPA shall file a response with the Regulations Compiler to any public comments received, whether at the public comment hearing or in writing, via a Statement of Consideration no later than the 15th day of the month following the end of the public comment period, or upon filing a written request for extension, no later than the 15th day of the second month following the end of the public comment period.

CONTACT PERSON: Jessica Beaubien, Policy Specialist, Kentucky Public Pension Authority, 1260 Louisville Road, Frankfort, KY 40601, email Legal.Non-Advocacy@kyret.ky.gov, telephone (502) 696-8800 ext. 8570, facsimile (502) 696-8615.

REGULATORY IMPACT ANALYSIS
AND TIERING STATEMENT

Regulation number: 105 KAR 1:001
Contact person: Jessica Beaubien
Phone number: 502-696-8800 ext. 8570
Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes definitions for Title 105 of the Kentucky Administrative Regulations.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the definitions for Title 105 of the Kentucky Administrative Regulations.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the authorizing statute by establishing definitions for Title 105 of the Kentucky Administrative Regulations, which contains administrative regulations for the Kentucky Public Pensions Authority and the systems for which it provides operations.

(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 definitions for the administrative regulations in Title 105 of the Kentucky Administrative Regulations.

(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 is a new regulation.

(b) The necessity of the amendment to this administrative regulation: This is a new regulation.

(c) How the amendment conforms to the content of the authorizing statutes: This is a new regulation.

(d) How the amendment will assist in the effective administration of the statutes: This is a new regulation.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation may affect over 400,000 members of the systems for which the Kentucky Public Pensions Authority provides operations as well as their spouses, dependent children, and beneficiaries. Additionally, this administrative regulation may affect 1,452 employers that participate in the State Police Retirement System, the Kentucky Employees Retirement System, and the County Employees Retirement System. Finally, this administrative regulation will affect the Kentucky Public Pensions Authority and the three (3) systems for which it provides operations, the State Police Retirement System, the Kentucky Employees Retirement System, and the County 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: None.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): This regulation will not cost any additional funds.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): This administrative regulation will assist all entities identified in question (3) with understanding the administrative regulations in Title 105 of the Kentucky Administrative Regulations.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: None.

(b) On a continuing basis: None.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: There is no funding needed.

(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.

(9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied.

FISCAL NOTE

Regulation number: 105 KAR 1:001
Contact person: Jessica Beaubien
Phone number: 502-696-8800 ext. 8570
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? 1,452 employers that participate in the State Police Retirement System, the Kentucky Employees Retirement System, and the County Employees Retirement System may be impacted by this administrative regulation.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 61.505(1)(g).

(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. None.

(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? None.

(d) How much will it cost to administer this program for subsequent years? None.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): None.

Expenditures (+/-): None.

Other Explanation: There is no fiscal impact associated with this administrative regulation.

(4) Estimate the effect of this administrative regulation on the expenditures and cost savings of regulated entities for the first full year the administrative regulation is to be in effect.

(a) How much cost savings will this administrative regulation generate for the regulated entities for the first year? None.

(b) How much cost savings will this administrative regulation generate for the regulated entities for subsequent years? None.

(c) How much will it cost the regulated entities for the first year? None.

(d) How much will it cost the regulated entities for subsequent years? None.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Cost Savings(+/-): None.

Expenditures (+/-): None.

Other Explanation: There is no fiscal impact associated with this administrative regulation.

(5) Explain whether this administrative regulation will have a major economic impact, as defined below. "Major economic impact" means an overall negative or adverse economic impact from an administrative regulation of five hundred thousand dollars (\$500,000) or more on state or local government or regulated entities, in aggregate, as determined by the promulgating administrative bodies. [KRS 13A.010(13)]. This administrative regulation will not have a major economic impact.



KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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



To: Kentucky Public Pensions Authority Board

From: David Eager, Executive Director

Date: April 27, 2023

Subject: KPPA Update

I. STRATEGIC PLANNING: I sent you an email notifying you about the selection of Provaliant Retirement, Scottsdale Arizona, as the firm we have retained to help with our strategic plan. It contained information about the selection process and background information on Provaliant. If you need me to resend it, please let me know. We have had an introductory call and will host them for our launch meeting on May 4.

II. STAFFING: We continue to hover around 250 staff with no unfilled leadership positions except for three portfolio managers in the investment department. We have decided to look for an executive recruiting firm that specializes in the institutional investment management industry to attempt to fill the Real Estate and perhaps the Real Return portfolio managers due to our lack of success with advertising and networking. We continue to work with roughly 50% of our staff working from home and the rest spending a minimum of three days a week in the office.

III. HOUSEKEEPING BILL: After six years in a row with a housekeeping bill getting passed, this year's bill got through a unanimous vote in the House and two readings in the Senate but it stalled during the last two days of the General Assembly. We have yet to learn the reason for that inaction and were completely surprised by it because there was nothing controversial in the bill.

IV. PPOB: Erin Surratt and I presented at the April 24th meeting of the PPOB. Topics included an investment update, compliance with HB 20 (TikTok prohibition), HB 236 (ESG and Proxies), HB 506 (Partial Lump Sum Option-PLSO), and HB 587 (KPPA Internal Auditor). In addition, we gave an actuarial experience update and a line of duty disability/death benefits update.

IV. CEM BENCHMARKING STUDY: We received the draft of the CEM Benchmarking Study and reviewed it with CEM staff. We are working through a few issues with CEM staff to ensure an "apples to apples" comparison with our peer group. The most significant issue is how to account for the unusually large retirement contribution cost for our staff which adversely affects administrative costs.

V. GOVERNMENT OFFICIALS NEWSLETTER: We are nearly finished with this edition of the Government Officials Newsletter. Having read the draft, I would like to compliment the Communications Staff and Ashley Gabbard for their work on this project. The newsletter is an

extremely efficient communications piece using links and a good layout with effective and succinct prose.

VI. WORKING WITH LEGISLATORS: I have just begun working with Ed Owens and John Chilton to come up with our plan to engage lawmakers for the next General Assembly.

VII. IT SECURITY: The IT Department does an excellent job of keeping IT Security at the forefront for staff and Trustee with routine training and testing. If you ever have a question or concern, please call our help desk at (502) 696-8811.

VIII. ALL EMPLOYEES MEETINGS: We conducted our All-Employee Meetings on March 21st.

IX. MICROSOFT 365 CONVERSION: The conversion to Microsoft 365 is expected to be complete by the end of April.



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Kentucky Public Pensions Authority

To: Kentucky Public Pensions Authority Board

From: David Eager, Executive Director

Date: April 27, 2023

Subject: Service Recognition Awards

In 1988, the Board elected to annually recognize members of the staff for their service to the Board and the members of CERS, KERS, and SPRS. Certificates and pins are given for each five-year period an employee has been on the retirement systems' staff.

The following **19** employees will receive their **five-year** service award:

- | | |
|-------------------|--|
| Jeshua Caudle | Enterprise and Technology Services |
| Sonia Troxell | Enterprise and Technology Services |
| Brittney Williams | Employer Reporting, Compliance & Education |
| Crystal Sorrell | Employer Reporting, Compliance & Education |
| Katelyn Blair | Employer Reporting, Compliance & Education |
| Lucie Duvall | Employer Reporting, Compliance & Education |
| Kristen Coffey | Internal Audit |
| Beth Camic | Office of Legal Services |
| Crystal Smith | Legal Non Advocacy |
| Jenny Jones | Legal Non Advocacy |
| Lisa Tomlin | Member Services |
| Aleesha Brown | Membership Support |
| Carla Turner | Membership Support |
| Karl Eld | Membership Support |
| Sherwin Smitha | Membership Support |
| Cassandra Weiss | Procurement & Office Services |
| Melissa Raine | Procurement & Office Services |
| Betsy Hood | Quality Assurance |
| Sean Baldwin | Retiree Healthcare |

The following **2** employees will receive their **ten-year** service award:

- | | |
|-----------------|--|
| Dan Peters | Employer Reporting, Compliance & Education |
| Matthew Wiggins | Enterprise and Technology Services |

The following **11** employees will receive their **fifteen-year** service award:

Brent Shannon	Enterprise & Technology Services
Chrystal Hughes	Employer Reporting, Compliance & Education
Tracy Chambers	Employer Reporting, Compliance & Education
Ashley Gabbard	Executive
Joe Gilbert	Investments
Kristi Wackowski	Legal Non Advocacy
Shawn Hutton	Member Services
Tracy Thomas	Member Services
Jason Hargis	Membership Support
Brad McGuire	Procurement & Office Services
Debbie Hall	Retiree Healthcare

The following **10** employees will receive their **twenty-year** service award:

Vonda Donoho	Accounting
Amy Fields	Communications
Erin Surratt	Executive
Bethany Shelton	Disability & Survivor Benefits
Phillip Cook	Enterprise & Technology Services
Shannon Bellamy	Membership Support
Anne Baker	Procurement & Office Services
Angela Stevens	Procurement & Office Services
Carolyn Harris	Retiree Payroll
Ellen Collins	Retiree Payroll

The following **8** employees will receive their **twenty five-year** service award:

Kristy Bramblett	Accounting
Jennifer Chesser	Disability & Survivor Benefits
Tracy Allnutt	Employer Reporting, Compliance & Education
Lisa Perry	Legal Non Advocacy
Cheri Collins	Retiree Payroll
Lisa Hilton	Retiree Payroll
Michelle Rodgers	Retiree Payroll
Pamela Spencer	Retiree Payroll



KPPA
Kentucky Public Pensions Authority

Annual Service Recognition Awards

April 27, 2023



Five Years

Jeshua Caudle	Enterprise & Technology Services
Sonia Troxell	Enterprise & Technology Services
Brittney Williams	Employer Reporting, Compliance & Education
Crystal Sorrell	Employer Reporting, Compliance & Education
Katelyn Blair	Employer Reporting, Compliance & Education
Lucie Duvall	Employer Reporting, Compliance & Education
Kristen Coffey	Internal Audit
Beth Camic	Office of Legal Services
Crystal Smith	Legal Non Advocacy
Jenny Jones	Legal Non Advocacy
Lisa Tomlin	Member Services
Aleesha Brown	Membership Support





Carla Turner	Membership Support
Karl Eld	Membership Support
Sherwin Smitha	Membership Support
Cassandra Weiss	Procurement & Office Services
Melissa Raine	Procurement & Office Services
Betsy Hood	Quality Assurance
Sean Baldwin	Retiree Healthcare

Five Years





Ten Years

Dan Peters
Employer, Reporting, Compliance, Education



Matthew Wiggins
Enterprise & Technology Services





Fifteen Years

Brent Shannon	Enterprise & Technology Services
Crystal Hughes	Employer Reporting, Compliance & Education
Tracy Chambers	Employer Reporting, Compliance & Education
Ashley Gabbard	Executive
Joe Gilbert	Investments
Kristi Wackowski	Legal Non Advocacy
Shawn Hutton	Member Services
Tracy Thomas	Member Services
Jason Hargis	Membership Support
Brad McGuire	Procurement & Office Services
Debbie Hall	Retiree Healthcare





Twenty Years

Vonda Donoho	Accounting
Amy Fields	Communications
Erin Surratt	Executive
Bethany Shelton	Disability & Survivor Benefits
Phillip Cook	Enterprise & Technology Services
Shannon Bellamy	Membership Support
Anne Baker	Procurement & Office Services
Angela Stevens	Procurement & Office Services
Carolyn Harris	Retiree Payroll
Ellen Collins	Retiree Payroll





Twenty Five Years

Kristy Bramblett	Accounting
Jennifer Chesser	Disability & Survivor Benefits
Tracy Allnutt	Employer Reporting Compliance & Education
Lisa Perry	Legal Non Advocacy
Cheri Collins	Retiree Payroll
Lisa Hilton	Retiree Payroll
Michelle Rodgers	Retiree Payroll
Pamela Spencer	Retiree Payroll

