

**Kentucky Public Pensions Authority
Board of Trustees Meeting
September 8, 2021, 10:00 a.m. EST
Live Video Conference/Facebook Live
AGENDA**

- | | |
|---|---------------------------|
| 1. Call to Order | Keith Percy |
| 2. Legal Public Statement | Office of Legal Services |
| 3. Roll Call/Public Comment | Sherry Rankin |
| 4. Approval of Minutes of May 26, 2021 Meeting* | Keith Percy |
| 5. Approval of KPPA ByLaws* | Michael Board |
| 6. Approval of KPPA Conflict of Interest Policy* | Michael Board/Carrie Bass |
| 7. Discussion of CERS and KRS Investment Policies | Steven Herbert |
| 8. Ratification of the Joint Audit Committee Charters* | Kristen Coffey |
| 9. Ratification of the Amendments of the following regulations* | Carrie Bass |
| a. 105 KAR 1:210, Disability procedures | |
| b. 105 KAR 1:310, Fred Capps Memorial Act | |
| c. 105 KAR 1:330, Purchase of service credit | |
| 10. Administrative Expenses Methodology | Rebecca Adkins |
| a. Allocation of Administrative Expenses | |
| b. Allocation of Board Separation Expenses | |
| 11. Quarterly Financial Reports | Rebecca Adkins |
| a. FYE Financial Statements | Connie Davis |
| b. Contribution Report | |
| c. FYE Administrative Expenses to Budget | |
| d. Outstanding Invoices | |
| e. Penalty Waiver | |
| 12. Legislative Updates | David Eager |
| 13. KPPA Updates | David Eager |
| 14. New Business | Keith Percy |
| 15. Closed Session** | Keith Percy |
| 16. Adjourn* | Keith Percy |

**Board Action Required*

***Board Action May Be Required*

**MINUTES OF MEETING
KENTUCKY PUBLIC PENSIONS AUTHORITY
SPECIAL CALLED MEETING MAY 26, 2021 AT 10:00A.M.
VIA LIVE VIDEO TELECONFERENCE DUE TO SB 150,
SIGNED INTO LAW BY THE GOVERNOR ON MARCH 30, 2020,
AND EXECUTIVE ORDER 2020-215 DECLARING A STATE OF EMERGENCY
EFFECTIVE MARCH 6, 2020 DUE TO COVID-19**

At the meeting of the Board of the Kentucky Public Pensions Authority held on May 26, 2021 the following members were present: Keith Peercy, Betty Pendergrass, Jerry Powell, Dr. Merl Hackbart, William O'Mara, Campbell Connell, John Cheshire and Prewitt Lane. Staff members present were David Eager, Rebecca Adkins, Erin Surratt, Kathy Rupinen, Carrie Bass, Victoria Hale, Kristen Coffey, Ann Case, Elizabeth Smith, Steven Herbert, Shaun Case, Phillip Cook, and Alane Foley.

Mr. Peercy called the meeting to order.

Ms. Alane Foley called roll and advised that no *Public Comment* was submitted.

Mr. Peercy introduced agenda item *Approval of Minutes – April 28, 2021*. Mr. Powell made a motion and Ms. Pendergrass seconded to approve the minutes as presented. The motion passed unanimously.

Mr. Peercy introduced agenda item *KRS 61.661 Interpretation*. Mr. David Eager provided insight regarding the issue of agencies wanting specific information regarding employees whose liability has been assigned to them and the agencies are indicating that they do not belong to their agency. The concern lies with the possible misuse of the information by these employers. Ms. Rebecca Adkins gave an overview of KRS 61.661 being the guiding principal that the agency has used regarding what kind information can be given out to anyone who asks. The main premise of this statute is that we have to administer these accounts in a confidential manner. Mr. Eager provided the following as solutions to this issue: get authorization from the member/employee to provide the information requested; provide the information to an actuary and/or accountant; and provide liabilities in groupings. Ms. Adkins also advised that we have had multiple open records requests

that they want more information than what we are able to provide due to our fiduciary duty to our members. Dr. Hackbart suggested that perhaps we develop some guidelines in terms of our interpretations of when it would be deemed necessary for the employers and under what circumstances the employers may request the information and would be able to receive a favorable response to their request. Proposal was made for a recommendation to give the information to the employers if they get authorization from employee, will provide to actuary and accountant, do groupings of certain employees, provide liabilities for groups of employees they contest, and to provide special audits. Ms. Betty Pendergrass spoke advocating for two audits, the annual audit which covers the employers and an additional audit, not necessarily annually, on a liability calculation. Mr. Eager indicated that discussions will be made with the entities that have requested the information to see if a compromise and agreement can be made to resolve this issue. The legislature could also weigh in on this subject and change the wording from “may” to “shall” and this would make it mandatory that the information be provided. This matter is passed awaiting a report for the outcome of discussions with the agencies and with legislators.

Mr. Peercy introduced agenda item *Investment Performance*. Mr. Steven Herbert gave the Investment Returns Report of the Retirement Trust and the Healthcare Fund, through the end of March. Going forward, a new format for giving the report will be used making these reports easier to read. These reports were for informational purposes only.

Mr. Peercy introduced agenda item *Executive Director Contract Modification*. Mr. Eager advised that he was misinformed regarding the term of his contract that he presented to the board at the last meeting. The Finance Cabinet indicated that he could enter into a 2-year contract and he is asking the board to modify the approved contract to extend it to a 2-year contract, with the exact same terms. Mr. Lane made a motion and Mr. Cheshire seconded to approve the contract modification Mr. David Eager. The motion passed unanimously.

Mr. Peercy announced that the agenda item *KPPA Bylaw Amendments* was no longer needed and would be passed. Kathy Rupinen agreed.

Mr. Peercy introduced agenda item *PPW Discussion*. Ms. Rebecca Adkins began by giving an overview of Perimeter Park West, Inc., a 501C 25 Corporation. Advised that all of the shares have been corrected to say Kentucky Retirement Systems, but now that the boards have splint, additional work will be needed. Both County Employees Retirement System and Kentucky Retirement Systems will need to nominate board members to be the shareholders of the PPW. They will give their nominees to the proxy, Mr. Steven Herbert, who will then vote for one member for each retirement system.

Mr. Peercy introduced agenda item *Administrative Expenses Calculation (Plan Split)*. Mr. David Eager stated that historically the allocation of expenses had taken a simple approach, by head count, and each system was responsible for their share. However, some areas, such as Healthcare and Legal, were found to have more of a separation in the direct versus indirect expenses. Ms. Rebecca Adkins indicated that the KPPA staff is asking for permission to continue the allocation as it has been done prior to April 1, with changes being made going forward, after the end of this fiscal year. Ms. Betty Pendergrass suggested that a written policy be developed going forward that will assist the KPPA staff in the splitting of direct and indirect expenses between the systems. Mr. Keith Peercy suggested possibly forming an Ad Hoc Committee to assist KPPA staff in determining the direct and indirect expenses that need to be allocated to each system, and to assist in developing a written policy going forward. Mr. Bill O'Mara and Mr. Prewitt Lane accepted their placements on the Ad Hoc Committee. Ms. Betty Pendergrass made a motion to continue the current practice for fiscal year ending June 30, 2021, with the exception of addressing the unique costs in 2020 House Bill 484. Dr. Merl Hackbart seconded the motion. The motion passed unanimously.

Mr. Peercy introduced agenda item *Quarterly Financial Reports*. Ms. Rebecca Adkins reviewed the Fiduciary Net Position of the Pension Funds and Insurance Funds through March 31, 2021. Ms. Adkins then reviewed the Administrative Expenses Third Quarter Budget to Actual Analysis chart noting that we have spent a little over 60% thus far this fiscal year. Ms. Adkins indicated that she plans to give system-specific reports to each of the systems, and wanted feedback from the Board if they would like to continue to receive the totals as a whole, or if they were interested in seeing the system-specific totals. The Board agreed that they would like to receive the full total,

with footnotes regarding any out-of-ordinary changes. Ms. Adkins then reviewed the Pension and Insurance Funds Contribution Reports for each of the systems. Ms. Adkins then reviewed the Outstanding Invoices Report. Ms. Adkins then reviewed the Penalty Waivers Report.

Mr. Keith Percy introduced agenda item – *KPPA Update*. Mr. David Eager announced that the Governor has allowed the state office buildings to reopen after June 11, 2021, so we will be looking to take steps to open our doors for in-person services. Ms. Erin Surratt is working with her team to create servicing models for retirees to resume in-person counseling services. We are looking at “hoteling” our current office spaces, where one person uses an office on Monday, Wednesday, and Friday, while another person uses it on Tuesday and Thursday. We are getting responses from employee survey indicating their preferences for working from home versus working in the office. The employees will work through their supervisors to create a return to work plan. Our goal is to have our staff model in place by September 7, 2021. Once you choose a plan, there is no flexibility, unless you are reassigned to a different plan. For the House Bill 484 update, we are 82% completed. This has put a tremendous strain on the staff. There are currently 18 vacancies, some have been posted and some are on hold, but the two most recent postings include the Executive Director of Legal Services and Division Director of Real Return. Ms. Rebecca Adkins indicated that there are two contracts that were included in the material for the Board’s review, but no action is required.

Ms. Betty Pendergrass made a motion and was seconded by Mr. Powell 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 April 28, 2021 except documents provided during a closed session conducted pursuant to the open meetings act and exempt under the open records act.

CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the 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 May 26, 2021 were approved on September 8, 2021.

KPPA Board Chair

Executive Director

I have reviewed the Minutes of the May 26, 2021 Kentucky Public Pensions Authority Board Meeting for content, form, and legality.

Executive Director
Office of Legal Services

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

Effective September 8th, 2021

Section 1.1 GENERAL ADMINISTRATION.

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

I. Definitions.

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

II. Quorum; Parliamentary Authority.

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

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

III. **Meetings**. Meetings of the KPPA Board and its Committees shall be conducted consistent with the Open Meetings Act, KRS 61.805 to 61.850. The Open Meetings Act shall control if any inconsistency exists between the Open Meetings Act and these Bylaws.

1. Annual Meeting. The annual meeting of the KPPA Board shall be held on the fourth (4th) Wednesday of April of each Board Year.
2. Regular Meetings. Regular meetings of the KPPA Board shall be held on the fourth (4th) Wednesday of February and May, the third (3rd) Wednesday of September and November.
3. Special Meetings.
 - A. Special meetings of the KPPA Board shall be held upon the call of the Chair of the KPPA Board or the Executive Director.
 - B. Special meetings of an *ad hoc* Committee of the KPPA Board shall be held upon the call of the Committee Chair, Chair of the KPPA, or the Executive Director.
 - C. A KPPA member may request that the Executive Director, Chair of the KPPA Board (in the case of a special meeting of the KPPA), or Committee Chair (in the case of a special meeting of an *ad hoc* Committee) call a special meeting by email or other written means. Upon receipt of email or other written requests to call a special meeting from a majority of the KPPA members, the Executive Director, KPPA Board Chair, or Committee Chair shall call the requested special meeting.
4. Notice of Meetings.
 - A. Regular Meetings. Notice of a regular meeting of the KPPA Board shall be posted at least ten (10) days (inclusive of weekends and holidays) before the meeting is scheduled. The notice of a regular meeting shall include the date, time, and location of the meeting, and the agenda for the meeting. The agenda shall be determined under the direction of and approval by the Chair of the KPPA Board. Changes or revisions to the agenda may be proposed by the Executive Director or a KPPA member, provided such proposed changes shall be delivered to the Chair for approval not less than ninety-six (96) hours before the meeting is scheduled and further provided that nothing in this sentence shall prevent a KPPA member from introducing new items of business during a regular meeting. Approved changes or revisions to the agenda shall be posted not less than seventy-two (72) hours before the meeting is scheduled.

- B. Special Meetings. When circumstances warrant a special meeting of the KPPA Board or of an *ad hoc* Committee, notice shall be posted as soon as reasonably possible, but not less than twenty-four (24) hours before the meeting is scheduled. The notice of a special meeting shall include the date, time, and location of the special meeting and the agenda for the meeting. Discussions and action at the meeting shall be limited to items listed on the agenda in the notice.
- 5. Change in Meeting Dates. Any regular or special meeting of the KPPA Board may be changed by following the procedure prescribed in these Bylaws for calling special meetings.
- 6. Records of Proceedings. All official acts of the KPPA Board shall be recorded in the minutes of the regular or special meeting at which the action was approved or adopted. The Executive Director shall cause the minutes to be transcribed and presented for approval or amendment at the next regular meeting. An electronic copy (certified by the Chair and the Executive Director) shall be on file in the Retirement Office for public inspection and posted on the KPPA website. Electronic copies are maintained on the KPPA Website for KPPA Board and Committee actions. Copies that have been archived from the website are available on request.
- IV. Chair and Vice-Chair of the KPPA. The KPPA Board shall elect a Chair and a Vice-Chair at each annual meeting to hold office for the ensuing Board Year or until their successors are elected. The Chair shall not serve more than four (4) consecutive years as Chair or Vice-Chair (in combination) of the KPPA Board. The Vice-Chair shall not serve more than four (4) consecutive years as Chair or Vice-Chair (in combination) of the KPPA Board. A KPPA member who has served four (4) consecutive years as Chair or Vice-Chair of the KPPA Board may be elected Chair or Vice-Chair of the KPPA after an absence of two (2) years from both positions.
- V. Committees. The KPPA Board may create *ad hoc* Committees with such powers and duties as established by the KPPA Board. The Chair of the KPPA Board, unless otherwise stipulated or determined by the KPPA Board, shall appoint the members of each *ad hoc* Committee, and such appointments shall be recorded in the minutes of the current or next-following regular KPPA Board meeting. The Chair shall also appoint a Chair for each *ad hoc* Committee and may appoint a Vice Chair for each *ad hoc* Committee, unless otherwise determined by the KPPA Board. Committee members, Committee Chair, and Committee Vice Chair, if applicable, shall serve concurrently with the appointing Chair.
- VI. Conflicts of Interest.
 - 1. KPPA members shall file a statement of financial disclosure with the Executive Branch Ethics Commission within thirty (30) days of taking office and provide a copy to the KPPA legal staff.

2. KPPA members shall also file a statement of financial disclosure by April 15 of each calendar year, and within thirty (30) days following departure from office as a KPPA member, or as otherwise provided by law, with the Executive Branch Ethics Commission and provide a copy to the KPPA legal staff.
 3. KPPA members shall also file a written conflict of interest statement as required pursuant to the KPPA Conflict of Interest Policy.
- VII. **Confidentiality.** KPPA members shall file a written confidentiality statement as required by the KPPA Confidentiality Policy.
- VIII. **Travel Policy Guidelines.**
1. All travel for official business of KPPA must be done in accordance with the requirements of and be consistent with KRS Chapter 45A and the KPPA Per Diem and Reimbursement Policy.
 2. No more than three (3) KPPA members may be passengers in the same common carrier. A maximum of one (1) executive staff of the KPPA may be a passenger in the same common carrier.
 3. To avoid an accidental violation of Kentucky Open Meetings Laws, other than for scheduled meetings, no more than four (4) KPPA members may attend the same off-site conference, training, etc., at the same time. The Executive Director, or his or her designee, shall review KPPA member travel requests to coordinate attendance and avoid noncompliance with Kentucky Open Meetings Laws.
- IX. **Violations of KPPA Policies and Guidelines.** If a complaint is made that a KPPA member violated these Bylaws or any policy approved by the KPPA Board, the KPPA Board shall follow the procedure found in the KPPA Conflict of Interest and the KPPA Confidentiality Policies in investigating the complaint.

Section 1.2 KPPA MEMBER REQUIREMENTS.

- I. A vacancy on the KPPA Board shall be filled by the Kentucky Retirement Systems or the County Employees Retirement System, as appropriate, in the same manner provided for the selection of the particular KPPA member position in KRS 61.505(2).
- II. No person shall serve in more than one (1) position as a KPPA member and if a person holds more than one (1) position as a KPPA member, he or she shall resign a position.
- III. Membership on the KPPA Board shall not be incompatible with any other office unless a constitutional incompatibility exists.
- IV. An KPPA member shall be removed from office upon conviction of a felony or for a finding of a violation of any provision of KRS 11A.020 or 11A.040 by a court of competent jurisdiction.

- V. KPPA members are expected to comply with the Trustee Education Policy of the Board of Trustees of the Kentucky Retirement Systems or the Trustee Education Policy of the County Employees Retirement System, as applicable. The Executive Director may schedule additional KPPA member education at any Annual Meeting or Regular Meeting of the KPPA Board. If a KPPA member fails to comply with the Trustee Education Policy of either the Board of Trustees of the Kentucky Retirement Systems or the Board of Trustees of the County Employees Retirement System (as applicable), or fails to attend additional KPPA member education scheduled by the Executive Director, then any reimbursement or per diem of the KPPA member shall not be paid until the KPPA member is in compliance with the applicable Trustee Education Policy or receives the additional KPPA member education.

Section 1.3 KPPA BOARD RESPONSIBILITIES.

- I. The KPPA Board shall make and maintain Bylaws.
- II. The KPPA Board shall appoint an Executive Director and fix the Executive Director's salary.
- III. The KPPA Board may act on contracts for rental of office space, and professional services, including, but not limited to, the auditor, legal counsel, medical examiners, and hearing officers, in accordance with the requirements of the Commonwealth of Kentucky Model Procurement Act (KRS Chapter 45A).
- IV. The KPPA Board shall consider and take action on changes to administrative regulations proposed by the staff of the KPPA.
- V. The KPPA Board shall take action on the audited financial statements of the KPPA, which includes the Kentucky Retirement Systems and the County Employees Retirement System plans.
- VI. The KPPA Board shall consider and take action on the recommendations of all of its Committees.
- VII. The KPPA Board shall receive reports from the joint Audit Committee of the Kentucky Retirement Systems and the County Employees Retirement System, and shall be responsible for ensuring that the recommendations of the joint Audit Committee are implemented.
- VIII. The KPPA Board shall, in compliance with KRS Chapter 45A, issue a Request for Proposal and through KPPA staff select and contract with the actuary, who shall be a Fellow of the Conference of Consulting Actuaries or a member of the American Academy of Actuaries, pursuant to KRS 61.505(1)(e), KRS 61.645(2)(d), and KRS 78.782(2)(d) in order to allow the Kentucky Retirement Systems and the County Employees Retirement System to carry out their obligations in accordance with KRS 61.670 and KRS 78.784. The KPPA may also consult with the actuary as needed in accordance with KRS 61.505(12)(c)2.
- IX. The KPPA Board shall provide oversight concerning programs and services for Kentucky Retirement Systems' and County Employees Retirement System's members, beneficiaries, recipients, and participating employers.

- X. The KPPA Board, and individual KPPA members, should ordinarily refer all news media inquiries to the Executive Director and/or the KPPA Board Chair, and should not speak on behalf of the KPPA with the news media. However, nothing in this subsection is intended to prevent individual KPPA members from speaking to the media concerning their actions, opinions, and decisions as individual KPPA members.
- XI. The KPPA Board shall review and approve the KPPA biennial administrative budget and necessary budget amendments. The Executive Director (or designee) will schedule meetings, prepare budget documents and supporting schedules, and present them to KPPA members prior to the date of a meeting. The KPPA biennial administrative budget will include the budgets of the Kentucky Retirement Systems and the County Employees Retirement Systems.

Section 1.4 EXECUTIVE DIRECTOR RESPONSIBILITIES.

- I. The Executive Director shall appoint all employees deemed necessary to transact the business of the KPPA, and shall be responsible for oversight and implementation of agency-related human resources management, e.g., affirmative action and similar matters. All employees of the KPPA, except for the Executive Director, the Executive Director of the Office of Investments, and the Deputy Executive Director of the Office of Investments shall be subject the state personnel system established pursuant to KRS 18A.005 to 18A.204 and shall have their salaries determined by the secretary of the Personnel Cabinet.
- II. The Executive Director shall seek appropriate input from the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System and the Investment Committee Chairs of the Board of Trustees of the Kentucky Retirement Systems and the Board of Trustees of the County Employees Retirement System regarding the hiring, firing, and performance evaluations of the Executive Director of the Office of Investments. The Executive Director shall also have personnel authority over all employees of the Office of Investments. However, all Office of Investments employees, including the Executive Director of the Office of Investments, shall take direction on investment management and performance from the Investment Committees of the Board of Trustees of the Kentucky Retirement Systems and the Board of Trustees of the County Employees Retirement System.
- III. The Executive Director will coordinate with the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System to develop a biennial budget and necessary budget amendments for approval by the KPPA, and shall submit the budget to the Governor's office. The KPPA biennial administrative budget will include the budgets of the Kentucky Retirement Systems and the County Employees Retirement Systems. The Executive Director (or designee) shall present a budget-to-actual expenditure analysis to the KPPA at each regular quarterly meeting of the KPPA.
- IV. The Executive Director shall ensure that information and records management is comprehensive and efficient, and shall ensure that a disaster recovery plan, continuity of operations plan, and policies to ensure cyber-security are developed and maintained.

- V. The Executive Director shall develop recommendations for improvements and revisions of KPPA Board policies and submit such revisions for KPPA Board approval. The Executive Director shall ensure that approved policies are implemented in conformance with statutes, regulations, and relevant policies of the Kentucky Retirement Systems and the County Employees Retirement System.
- VI. The Executive Director shall collaborate with the KPPA Office of Legal Services to monitor litigation affecting the KPPA and the Kentucky Retirement Systems, and the County Employees Retirement System, jointly. The Executive Director shall report significant relevant developments to the KPPA Board. Litigation affecting only the Kentucky Retirement Systems or only the County Employees Retirement System shall not be reported to the KPPA.
- VII. The Executive Director shall collaborate with the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System in acting as legislative liaison, and represent the KPPA at legislative hearings and other legislative meetings. The Executive Director will review proposed legislation that is likely to affect the KPPA, the Kentucky Retirement Systems, and the County Employees Retirement System and advise the KPPA Board about pending legislation.
- VIII. The Executive Director shall collaborate with the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System to provide technical assistance to the members of the General Assembly, the Governor's office, and state and local government officials.
- IX. The Executive Director shall collaborate with the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System to recommend legislative or regulatory changes and propose draft language.
- X. The Executive Director shall implement any statutory or regulatory changes and take appropriate action to conform to state and federal law.
- XI. The Executive Director shall sign all documents necessary to promulgate or amend an administrative regulation on behalf of the KPPA in accordance with KRS 13A.220 and KRS 61.505(1)(f).
- XII. The Executive Director shall collaborate with the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System to communicate with the mass media and other agencies, entities, or institutions, including responding to correspondence or inquiries addressed to the KPPA.
- XIII. The Executive Director shall assist the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System in coordinating reciprocal benefits with the other state administered retirement systems in Kentucky.

- XIV. In the case of emergency conditions that threaten the functioning of the KPPA, the Kentucky Retirement Systems, or the County Employees Retirement System; the preservation or protection Kentucky Retirement Systems' property or assets or the County Employees Retirement System's property or assets; vital data; or the health and safety of any person, and where a quorum of the KPPA Board is unavailable, the Executive Director may take actions necessary to prevent or mitigate the threat, even if a vote of the KPPA Board would otherwise be necessary to take such action. When a quorum of the KPPA Board becomes available, any such actions taken by the Executive Director shall be reviewed and ratified as necessary.
- XV. The Executive Director shall designate KPPA staff to act as the Records Custodian for the KPPA, the Kentucky Retirement Systems, and the County Employees Retirement System, and shall ensure compliance with Kentucky's Open Records Act, KRS 61.870, et seq.
- XVI. The Executive Director shall ensure that all Board and/or Committee meeting materials are distributed to Trustees at least one week in advance of the meeting to allow Trustees ample time to review documents.

Section 2.1 AD HOC COMMITTEES.

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

Section 2.2 DELEGATIONS OF AUTHORITY BY THE KPPA BOARD.

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

Section 2.3 LIMITATIONS ON AUTHORITY.

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

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

Section 2.4 AMENDMENT OF BYLAWS.

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

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

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

Section 4.0 CERTIFICATION OF STATEMENT OF BYLAWS AND COMMITTEE ORGANIZATION.

We, the Chair of the Kentucky Public Pensions Authority Board and the Executive Director of the Kentucky Public Pensions Authority, do certify that this Statement of Bylaws and Committee Organization was approved and adopted by the KPPA Board on the 9th day of September, 2021.

Keith Peercy, Chair
Kentucky Public Pensions Authority

Date

Executive Director
Kentucky Public Pensions Authority

Date

KENTUCKY PUBLIC PENSIONS AUTHORITY STATEMENT OF BYLAWS AND COMMITTEE ORGANIZATION

Effective **September 9th**, 2021

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

II. Quorum; Parliamentary Authority.

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

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

III. **Meetings**. Meetings of the KPPA Board and its Committees shall be conducted consistent with the Open Meetings Act, KRS 61.805 to 61.850. The Open Meetings Act shall control if any inconsistency exists between the Open Meetings Act and these Bylaws.

1. Annual Meeting. The annual meeting of the KPPA Board shall be held on the fourth (4th) Wednesday of April of each Board Year.
2. Regular Meetings. Regular meetings of the KPPA Board shall be held on the fourth (4th) Wednesday of February and May, the third (3rd) Wednesday of September and November.
3. Special Meetings.
 - A. Special meetings of the KPPA Board shall be held upon the call of the Chair of the KPPA Board or the Executive Director.
 - B. Special meetings of an *ad hoc* Committee of the KPPA Board shall be held upon the call of the Committee Chair, Chair of the KPPA, or the Executive Director.
 - C. A KPPA member may request that the Executive Director, Chair of the KPPA Board (in the case of a special meeting of the KPPA), or Committee Chair (in the case of a special meeting of an *ad hoc* Committee) call a special meeting by email or other written means. Upon receipt of email or other written requests to call a special meeting from a majority of the KPPA members, the Executive Director, KPPA Board Chair, or Committee Chair shall call the requested special meeting.
4. Notice of Meetings.
 - A. Regular Meetings. Notice of a regular meeting of the KPPA Board shall be posted at least ten (10) days (inclusive of weekends and holidays) before the meeting is scheduled. The notice of a regular meeting shall include the date, time, and location of the meeting, and the agenda for the meeting. The agenda shall be determined under the direction of and approval by the Chair of the KPPA Board. Changes or revisions to the agenda may be proposed by the Executive Director or a KPPA member, provided such proposed changes shall be delivered to the Chair for approval not less than ninety-six (96) hours before the meeting is scheduled and further provided that nothing in this sentence shall prevent a KPPA member from introducing new items of business during a regular meeting. Approved changes or revisions to the agenda shall be posted not less than seventy-two (72) hours before the meeting is scheduled.

- B. Special Meetings. When circumstances warrant a special meeting of the KPPA Board or of an *ad hoc* Committee, notice shall be posted as soon as reasonably possible, but not less than twenty-four (24) hours before the meeting is scheduled. The notice of a special meeting shall include the date, time, and location of the special meeting and the agenda for the meeting. Discussions and action at the meeting shall be limited to items listed on the agenda in the notice.
- 5. Change in Meeting Dates. Any regular or special meeting of the KPPA Board may be changed by following the procedure prescribed in these Bylaws for calling special meetings.
- 6. Records of Proceedings. All official acts of the KPPA Board shall be recorded in the minutes of the regular or special meeting at which the action was approved or adopted. The Executive Director shall cause the minutes to be transcribed and presented for approval or amendment at the next regular meeting. An electronic copy (certified by the Chair and the Executive Director) shall be on file in the Retirement Office for public inspection and posted on the KPPA website. Electronic copies are maintained on the KPPA Website for KPPA Board and Committee actions. Copies that have been archived from the website are available on request.
- IV. **Chair and Vice-Chair of the KPPA**. The KPPA Board shall elect a Chair and a Vice-Chair at each annual meeting to hold office for the ensuing Board Year or until their successors are elected. The Chair shall not serve more than four (4) consecutive years as Chair or Vice-Chair (in combination) of the KPPA Board. The Vice-Chair shall not serve more than four (4) consecutive years as Chair or Vice-Chair (in combination) of the KPPA Board. A KPPA member who has served four (4) consecutive years as Chair or Vice-Chair of the KPPA Board may be elected Chair or Vice-Chair of the KPPA after an absence of two (2) years from both positions.
- V. **Committees**. The KPPA Board may create *ad hoc* Committees with such powers and duties as established by the KPPA Board. The Chair of the KPPA Board, unless otherwise stipulated or determined by the KPPA Board, shall appoint the members of each *ad hoc* Committee, and such appointments shall be recorded in the minutes of the current or next-following regular KPPA Board meeting. The Chair shall also appoint a Chair for each *ad hoc* Committee and may appoint a Vice Chair for each *ad hoc* Committee, unless otherwise determined by the KPPA Board. Committee members, Committee Chair, and Committee Vice Chair, if applicable, shall serve concurrently with the appointing Chair.
- VI. **Conflicts of Interest**.
 - 1. KPPA members shall file a statement of financial disclosure with the Executive Branch Ethics Commission within thirty (30) days of taking office and provide a copy to the KPPA legal staff.

2. KPPA members shall also file a statement of financial disclosure by April 15 of each calendar year, and within thirty (30) days following departure from office as a KPPA member, or as otherwise provided by law, **with the Executive Branch Ethics Commission and provide a copy to the KPPA legal staff.**
 3. KPPA members shall also file a written conflict of interest statement as required pursuant to the KPPA Conflict of Interest Policy.
- VII. **Confidentiality.** KPPA members shall file a written confidentiality statement as required by the KPPA Confidentiality Policy.
- VIII. **Travel Policy Guidelines.**
1. All travel for official business of KPPA must be done in accordance with the requirements of and be consistent with KRS Chapter 45A and the KPPA Per Diem and Reimbursement Policy.
 2. No more than three (3) KPPA members may be passengers in the same common carrier. A maximum of one (1) executive staff of the KPPA may be a passenger in the same common carrier.
 3. To avoid an accidental violation of Kentucky Open Meetings Laws, other than for scheduled meetings, no more than four (4) KPPA members may attend the same off-site conference, training, etc., at the same time. The Executive Director, or his or her designee, shall review KPPA member travel requests to coordinate attendance and avoid noncompliance with Kentucky Open Meetings Laws.
- IX. **Violations of KPPA Policies and Guidelines.** If a complaint is made that a KPPA member violated these Bylaws or any policy approved by the KPPA Board, the KPPA Board shall follow the procedure found in the KPPA Conflict of Interest and the KPPA Confidentiality Policies in investigating the complaint.

Section 1.2 KPPA MEMBER REQUIREMENTS.

- I. A vacancy on the KPPA Board shall be filled by the Kentucky Retirement Systems or the County Employees Retirement System, as appropriate, in the same manner provided for the selection of the particular KPPA member position in KRS 61.505(2).
- II. No person shall serve in more than one (1) position as a KPPA member and if a person holds more than one (1) position as a KPPA member, he or she shall resign a position.
- III. Membership on the KPPA Board shall not be incompatible with any other office unless a constitutional incompatibility exists.
- IV. An KPPA member shall be removed from office upon conviction of a felony or for a finding of a violation of any provision of KRS 11A.020 or 11A.040 by a court of competent jurisdiction.

- V. KPPA members are expected to comply with the Trustee Education Policy of the Board of Trustees of the Kentucky Retirement Systems or the Trustee Education Policy of the County Employees Retirement System, as applicable. The Executive Director may schedule additional KPPA member education at any Annual Meeting or Regular Meeting of the KPPA Board. If a KPPA member fails to comply with the Trustee Education Policy of either the Board of Trustees of the Kentucky Retirement Systems or the Board of Trustees of the County Employees Retirement System (as applicable), or fails to attend additional KPPA member education scheduled by the Executive Director, then any reimbursement or per diem of the KPPA member shall not be paid until the KPPA member is in compliance with the applicable Trustee Education Policy or receives the additional KPPA member education.

Section 1.3 KPPA BOARD RESPONSIBILITIES.

- I. The KPPA Board shall make and maintain Bylaws.
- II. The KPPA Board shall appoint an Executive Director and fix the Executive Director's salary.
- III. The KPPA Board may act on contracts for rental of office space, and professional services, including, but not limited to, the auditor, legal counsel, medical examiners, and hearing officers, in accordance with the requirements of the Commonwealth of Kentucky Model Procurement Act (KRS Chapter 45A).
- IV. The KPPA Board shall consider and take action on changes to administrative regulations proposed by the staff of the KPPA.
- V. The KPPA Board shall take action on the audited financial statements of the KPPA, which includes the Kentucky Retirement Systems and the County Employees Retirement System plans.
- VI. The KPPA Board shall consider and take action on the recommendations of all of its Committees.
- VII. The KPPA Board shall receive reports from the joint Audit Committee of the Kentucky Retirement Systems and the County Employees Retirement System, and shall be responsible for ensuring that the recommendations of the joint Audit Committee are implemented.
- VIII. The KPPA Board shall, in compliance with KRS Chapter 45A, issue a Request for Proposal and through KPPA staff select and contract with the actuary, who shall be a Fellow of the Conference of Consulting Actuaries or a member of the American Academy of Actuaries, pursuant to KRS 61.505(1)(e), KRS 61.645(2)(d), and KRS 78.782(2)(d) in order to allow the Kentucky Retirement Systems and the County Employees Retirement System to carry out their obligations in accordance with KRS 61.670 and KRS 78.784. The KPPA may also consult with the actuary as needed in accordance with KRS 61.505(12)(c)2.
- IX. The KPPA Board shall provide oversight concerning programs and services for Kentucky Retirement Systems' and County Employees Retirement System's members, beneficiaries, recipients, and participating employers.

- X. The KPPA Board, and individual KPPA members, should ordinarily refer all news media inquiries to the Executive Director and/or the KPPA Board Chair, and should not speak on behalf of the KPPA with the news media. However, nothing in this subsection is intended to prevent individual KPPA members from speaking to the media concerning their actions, opinions, and decisions as individual KPPA members.
- XI. The KPPA Board shall review **and approve** the KPPA biennial administrative budget and necessary budget amendments. The Executive Director (or designee) will schedule meetings, prepare budget documents and supporting schedules, and present them to KPPA members prior to the date of a meeting. The KPPA biennial administrative budget will include the budgets of the Kentucky Retirement Systems and the County Employees Retirement Systems.

Section 1.4 EXECUTIVE DIRECTOR RESPONSIBILITIES.

- I. The Executive Director shall appoint all employees deemed necessary to transact the business of the KPPA, and shall be responsible for oversight and implementation of agency-related human resources management, e.g., affirmative action and similar matters. All employees of the KPPA, except for the Executive Director, the Executive Director of the Office of Investments, and the Deputy Executive Director of the Office of Investments shall be subject the state personnel system established pursuant to KRS 18A.005 to 18A.204 and shall have their salaries determined by the secretary of the Personnel Cabinet.
- II. The Executive Director shall seek appropriate input from the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System and the Investment Committee Chairs of the Board of Trustees of the Kentucky Retirement Systems and the Board of Trustees of the County Employees Retirement System regarding the hiring, firing, and performance evaluations of the Executive Director of the Office of Investments. The Executive Director shall also have personnel authority over all employees of the Office of Investments. However, all Office of Investments employees, including the Executive Director of the Office of Investments, shall take direction on investment management and performance from the Investment Committees of the Board of Trustees of the Kentucky Retirement Systems and the Board of Trustees of the County Employees Retirement System.
- III. The Executive Director will coordinate with the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System to develop a biennial budget and necessary budget amendments for approval by the KPPA, and shall submit the budget to the Governor's office. The KPPA biennial administrative budget will include the budgets of the Kentucky Retirement Systems and the County Employees Retirement Systems. The Executive Director (or designee) shall present a budget-to-actual expenditure analysis to the KPPA at each regular quarterly meeting of the KPPA.
- IV. The Executive Director shall ensure that information and records management is comprehensive and efficient, and shall ensure that a disaster recovery plan, continuity of operations plan, and policies to ensure cyber-security are developed and maintained.

- V. The Executive Director shall develop recommendations for improvements and revisions of KPPA Board policies and submit such revisions for KPPA Board approval. The Executive Director shall ensure that approved policies are implemented in conformance with statutes, regulations, and relevant policies of the Kentucky Retirement Systems and the County Employees Retirement System.
- VI. The Executive Director shall collaborate with the KPPA Office of Legal Services to monitor litigation affecting the KPPA and the Kentucky Retirement Systems, and the County Employees Retirement System, jointly. The Executive Director shall report significant relevant developments to the KPPA Board. Litigation affecting only the Kentucky Retirement Systems or only the County Employees Retirement System shall not be reported to the KPPA.
- VII. The Executive Director shall collaborate with the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System in acting as legislative liaison, and represent the KPPA at legislative hearings and other legislative meetings. The Executive Director will review proposed legislation that is likely to affect the KPPA, the Kentucky Retirement Systems, and the County Employees Retirement System and advise the KPPA Board about pending legislation.
- VIII. The Executive Director shall collaborate with the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System to provide technical assistance to the members of the General Assembly, the Governor's office, and state and local government officials.
- IX. The Executive Director shall collaborate with the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System to recommend legislative or regulatory changes and propose draft language.
- X. The Executive Director shall implement any statutory or regulatory changes and take appropriate action to conform to state and federal law.
- XI. The Executive Director shall sign all documents necessary to promulgate or amend an administrative regulation on behalf of the KPPA in accordance with KRS 13A.220 and KRS 61.505(1)(f).
- XII. The Executive Director shall collaborate with the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System to communicate with the mass media and other agencies, entities, or institutions, including responding to correspondence or inquiries addressed to the KPPA.
- XIII. The Executive Director shall assist the CEOs of the Kentucky Retirement Systems and the County Employees Retirement System in coordinating reciprocal benefits with the other state administered retirement systems in Kentucky.

- XIV. In the case of emergency conditions that threaten the functioning of the KPPA, the Kentucky Retirement Systems, or the County Employees Retirement System; the preservation or protection Kentucky Retirement Systems' property or assets or the County Employees Retirement System's property or assets; vital data; or the health and safety of any person, and where a quorum of the KPPA Board is unavailable, the Executive Director may take actions necessary to prevent or mitigate the threat, even if a vote of the KPPA Board would otherwise be necessary to take such action. When a quorum of the KPPA Board becomes available, any such actions taken by the Executive Director shall be reviewed and ratified as necessary.
- XV. The Executive Director shall designate KPPA staff to act as the Records Custodian for the KPPA, the Kentucky Retirement Systems, and the County Employees Retirement System, and shall ensure compliance with Kentucky's Open Records Act, KRS 61.870, et seq.
- XVI. The Executive Director shall ensure that all Board and/or Committee meeting materials are distributed to Trustees at least one week in advance of the meeting to allow Trustees ample time to review documents.

Section 2.1 AD HOC COMMITTEES.

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

Section 2.2 DELEGATIONS OF AUTHORITY BY THE KPPA BOARD.

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

Section 2.3 LIMITATIONS ON AUTHORITY.

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

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

Section 2.4 AMENDMENT OF BYLAWS.

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

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

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

Section 4.0 CERTIFICATION OF STATEMENT OF BYLAWS AND COMMITTEE ORGANIZATION.

We, the Chair of the Kentucky Public Pensions Authority Board and the Executive Director of the Kentucky Public Pensions Authority, do certify that this Statement of Bylaws and Committee Organization was approved and adopted by the KPPA Board on the 9th day of September, 2021.

Keith Peercy, Chair
Kentucky Public Pensions Authority

Date

Executive Director
Kentucky Public Pensions Authority

Date

MEMORANDUM

TO: Kentucky Public Pensions Authority Board (“KPPA Board”)

FROM: Michael Board, Executive Director, Office of Legal Services
Carrie Bass, Staff Attorney Supervisor, Division of Non-Advocacy, Office of Legal Services

DATE: September 1, 2021

RE: KPPA Conflict of Interest Policy

The KPPA Conflict of Interest Policy incorporates a Conflict of Interest Statement that must be completed annually by members of the KPPA Board and select KPPA staff. The KPPA Conflict of Interest Policy further outlines standards of conduct to avoid conflicts of interest and describes the process for reporting suspected conflicts of interest in violation of law and policy.

While the Kentucky Retirement Systems Board of Trustees and the County Employees Retirement System Board of Trustees may adopt separate conflict of interest policies, the KPPA Conflict of Interest Policy addresses distinct requirements for the KPPA Board to avoid and report conflicts of interest that may arise relevant to both the Kentucky Retirement Systems and County Employees Retirement System. *See* Kentucky Revised Statute 61.505(12).

Staff Recommendation:

The Office of Legal Services recommends that the KPPA Board review and adopt the KPPA Conflict of Interest Policy and KPPA Conflict of Interest Statement.

KENTUCKY PUBLIC PENSIONS AUTHORITY BOARD CONFLICT OF INTEREST POLICY

Effective September 8, 2021

INTRODUCTION

Adoption of Conflict of Interest Policy:

Pursuant to the provisions of Kentucky Revised Statutes (KRS) 61.505, the Kentucky Public Pensions Authority Board (KPPA Board) is permitted to adopt policies and procedures necessary to conduct the business of the Kentucky Public Pensions Authority (KPPA).

Statement of Conflict of Interest Policy:

Pursuant to KRS 61.505(12), KPPA Board members are required to perform their duties in good faith, on an informed basis, and in a manner he or she honestly believes to be in the best interest of the County Employees Retirement System and the Kentucky Retirement Systems, as applicable. Furthermore, no KPPA Board members or KPPA employees shall have any interest, direct or indirect, in the gains or profits of any investment or any other legal, business, or financial transaction that comes before the KPPA Board. Likewise, certain independent contractors, vendors, and service providers of the KPPA shall not have any interest, direct or indirect, in the gains or profits of any investment or any other legal, business, or financial transaction conducted by KPPA. The law shall control if any inconsistency exists between the law and this policy.

Purpose:

The purpose of this Conflict of Interest Policy ("Policy") is to: a) establish what individuals are subject to the conflict of interest provisions of this Policy; and b) establish the specific standards of conduct with regard to conflicts of interest.

PROCEDURES REGARDING CONFLICTS OF INTEREST POLICY

Section 1: Application of Policy

1. This Policy shall apply to all individuals who have a statutory, contractual, or working relationship with KPPA.
2. Individuals affected by this Policy shall include, but are not limited to:
 - a. Employees of the KPPA;
 - b. KPPA Board members;
 - c. Independent contractors of KPPA, if required by the KPPA Board; and
 - d. Vendors and service providers of KPPA with whom a contractual obligation to KPPA exists, if required by the KPPA Board.

Section 2: Standards of Conduct Regarding Conflicts of Interest

1. Individuals have an obligation to diligently identify, disclose, avoid and manage conflicts of interest or potential conflicts of interest.

2. Potential conflicts of interest exist when an individual or an individual's family, as defined in KRS Chapter 11A.010¹, may be directly or indirectly financially impacted, whether favorably or detrimentally, by a decision made or considered by the KPPA or the KPPA Board in which the individual participates or would participate.
3. Individuals and their family members should not enter into any contract with KPPA for financial gain without full disclosure and satisfactory management of any potential conflict of interest in accordance with the Executive Branch Code of Ethics provisions, as set forth in KRS Chapter 11A.
4. Individuals should not be involved in the decision to hire or in the supervision of any member of their family as defined in KRS 11A.010.
5. Individuals shall not conduct business or participate in decisions with a company or organization in which the individual or family member as defined in KRS 11A.010 is employed or is actively seeking employment.
6. Individuals shall not accept gifts, loans, gratuities, discounts, favors, hospitality, services, or other compensation under circumstances from which it could reasonably be inferred that a major purpose of the donor is to influence the individual in the performance of their duties.
7. Individuals must avoid all conduct, which in any way might lead the public to believe that the individual is using his or her position with the KPPA or on the KPPA Board to further a professional or private interest.
8. Individuals not covered by the conflict of interest provisions under KRS Chapter 11A must not violate any conflict of interest statute or principle by the performance of their duties with or for the KPPA. These individuals must not engage directly or indirectly in any financial or other transaction with a KPPA employee or KPPA Board member that would violate the standards of the Executive Branch Ethics provisions, as set forth in KRS Chapter 11A.

Section 3: Written Statements of Conflict of Interest

1. KPPA Board Conflict of Interest Statement:

- a. No later than December 1st of each calendar year, a blank Conflict of Interest Statement form approved by the KPPA Board shall be provided by the KPPA Executive Director, or designee, to all of the following individuals:

- i. The KPPA Executive Director,

¹ KRS 11A.010(4) defines "family" as "spouse and children, as well as a person who is related to a public servant as any of the following, whether by blood or adoption: parent, brother, sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister[.]"

- ii. The KPPA Executive Director of the Office of Investments,
 - iii. The KPPA Executive Director of the Office of Operations,
 - iv. The KPPA Executive Director of the Office of Benefits,
 - v. The KPPA Executive Director of the Office of Legal Services,
 - vi. All employees of the KPPA Office of Investments, and
 - vii. All KPPA Division Directors.
- b. A blank Conflict of Interest Statement form approved by the KPPA Board shall be provided to all KPPA Board members along with the materials for the December regular meeting of the KPPA Board by the KPPA Executive Director, or designee.
- c. Completed Conflict of Interest Statement forms must be completed and turned in no later than December 31st of each calendar year to the KPPA Executive Director or designee. The KPPA Executive Director shall also provide a copy of his or her completed Conflict of Interest Statement to the KPPA Board Chair no later than December 31st of each calendar year. For KPPA employees, these forms shall be retained in the personnel files for each employee maintain by the KPPA Office of Human Resources.
- d. If the KPPA Executive Director fails to file a completed Conflict of Interest Statement on the form approved by the KPPA Board on or prior to December 31st of a calendar year, the Chair of the Board shall be responsible for bringing this to the attention of the KPPA Board to decide the appropriate course of action for reprimanding the KPPA Executive Director.
- e. If any KPPA Board member fails to file a completed Conflict of Interest Statement on the form approved by the KPPA Board on or prior to December 31st of a calendar year, the KPPA Executive Director is authorized to decline to pay any per diems and travel expenses due to the KPPA Board member until the board member has filed a completed Conflict of Interest Statement on the form approved by the KPPA Board with the KPPA Executive Director. The KPPA Board member will forfeit all per diems and travel expense reimbursements due to the KPPA Board member for the period during which the KPPA Board member had failed to timely file a completed Conflict of Interest Statement.
- f. If any of the following KPPA employees fail to file a completed Conflict of Interest Statement on the form approved by the Board on or prior to December 31st of a calendar year, the supervisor of the employee shall file a written reprimand to be stored in the personnel file of the employee:
 - i. The KPPA Executive Director of the Office of Investments,
 - ii. The KPPA Executive Director of the Office of Operations,
 - iii. The KPPA Executive Director of the Office of Benefits,
 - iv. The KPPA Executive Director of the Office of Legal Services,

- v. All employees of the KPPA Office of Investments, and
- vi. All KPPA Division Directors.

Section 4: Violations of Conflict of Interest Policy

1. Any person who suspects that an employee of the KPPA, a KPPA Board member, or a contractor, vendor, or service provider has violated this Policy, the KPPA Bylaws, or any KPPA Board policy, may file a complaint in writing at the offices of the KPPA.
2. The written complaint shall be in the form of a letter addressed to the Chair of the KPPA, or if the complaint is about the Chair of the KPPA, the complaint shall be addressed to the Vice Chair of the KPPA. A complaint may be filed anonymously. Employees of the KPPA filing a complaint may be protected by the Kentucky Whistleblower Statute, Kentucky Revised Statutes 61.102.
3. A complaint shall include the name of the person or organization against whom the complaint is made and include a detailed description of the alleged violation including the time, date, and place, if known. The complainant should attach to the complaint all evidence in his or her possession regarding the alleged violation.
4. If the complaint is against an employee of the KPPA (other than the KPPA Executive Director), the complaint shall be forwarded to the KPPA Executive Director (or delegate) for investigation, or in the discretion of the KPPA Executive Director (or delegate) may be referred to the Executive Branch Ethics Commission. If the alleged violation is found to be true by the KPPA Executive Director (or delegate), the employee shall be disciplined in accordance with procedures established by the Personnel Cabinet.
5. If the complaint is against a contractor, vendor, or service provider of the KPPA, the complaint shall be forwarded to the KPPA Executive Director (or delegate) for investigation. If the alleged violation is found to be true, any action taken shall be consistent with the contract between the KPPA and the contractor, vendor, or service provider.
6. If the complaint is against the KPPA Executive Director, the complaint shall be referred to the KPPA Board to decide the appropriate course of action.
7. If the complaint is against a KPPA Board member, the Chair or, if the complaint is against the Chair, the Vice Chair shall, in consultation with the KPPA Board members not implicated in the complaint:
 - a. Appoint an *ad hoc* special committee ("Special Committee") in accordance with the Board Bylaws, to investigate the complaint and report its conclusions and recommendations to the rest of the KPPA Board, or
 - b. If the complaint alleges a violation of the Executive Branch Code of Ethics (Kentucky Revised Statutes Chapter 11A), refer the complaint to the Executive

Branch Ethics Commission (KRS 11A.060), the Kentucky Attorney General or other appropriate entity.

8. Upon appointment of a Special Committee in accordance with number seven (7) above, the Chair of the KPPA Board (or Vice Chair of the KPPA Board) shall appoint a Chair of the Special Committee and shall designate two other KPPA Board members to the Special Committee.
 - a. The Chair of the Special Committee shall forward the complaint to the person against whom the complaint is made. The person may file a written response to the complaint, which should include all evidence in his or her possession regarding the alleged violation.
 - b. The Special Committee shall determine how the investigation of the complaint is to proceed; provided that the investigation and any information gathered in the course of investigation shall be conducted and maintained on a confidential basis.
 - c. The Special Committee may request the KPPA Executive Director assign staff of the KPPA to investigate the alleged violation or may engage a third party to investigate the alleged violation.
 - d. Information obtained during the investigation shall be deemed confidential if it is not subject to public disclosure pursuant to the Kentucky Open Records Act, Kentucky Revised Statutes 61.872 to 61.884, at the time of its disclosure or use.
 - e. If the result of the investigation indicates that the facts are not sufficient to constitute a violation of this (or other applicable) Policy or Bylaws, the Special Committee shall immediately terminate the investigation and report its determination and recommendations to the KPPA Board. If the KPPA Board decides to take no action, the Special Committee shall prepare an explanation of the decisions to take no action and shall maintain a copy of the complaint and the explanation in a confidential file. A copy of the explanation shall be sent to the person against whom the allegations were made and no further disclosure shall be made.
 - f. If the results of the investigation indicate that there is cause to believe that a violation of this (or other applicable) Policy has occurred, the Special Committee shall report its determination to the KPPA Board for its consideration at the next regular or special Board meeting.
 - i. The KPPA Board's discussion of the allegations and the report of the Special Committee, including any proposed disciplinary action, shall be conducted in closed session pursuant to KRS 61.810(1)(f).

- ii. The KPPA's Board's decision regarding disciplinary action shall be made in open session as required by KRS 61.815(1)(c).
 - iii. The KPPA Board's determination that a KPPA Board member violated this (or other applicable) Policy shall require a vote of two-thirds (2/3) of the remaining KPPA Board members who are not alleged to be in violation of this (or other applicable) Policy. If there are not sufficient KPPA Board members present at a meeting, the Chair may pass the matter to the next regular or special meeting of the KPPA Board.
 - iv. If the KPPA Board finds that a KPPA Board member has violated this (or other applicable) Policy, the remaining KPPA Board members who are not alleged to be in violation of this (or other applicable) Policy may impose any or all of the following disciplinary actions:
 - 1. Remove the KPPA Board member from any or all committees to which the board member is assigned;
 - 2. Verbal public reprimand; and/or
 - 3. Written public reprimand.
9. If the Board becomes aware of violations of its Conflict of Interest Policy, no provision of this (or other applicable) Policy shall be interpreted to limit the Board's remedies provided pursuant to the terms of an applicable contract, and by state or federal law.

GENERAL STATEMENT CONCERNING EXECUTIVE BRANCH ETHICS

Individuals as set forth above shall conform to the Executive Branch Code of Ethics with regard to conflicts of interest as set forth in KRS Chapter 11A.

CERTIFICATION

We, the Chair of the Board of the Kentucky Public Pensions Authority and the Executive Director of the Kentucky Public Pensions Authority, do hereby certify that this Conflict of Interest Policy was made effective by the Board of the Kentucky Public Pensions Authority on the _____ day of _____, 2021.

Chair
Kentucky Public Pensions Authority

Date

Executive Director
Kentucky Public Pensions Authority

Date

KENTUCKY PUBLIC PENSIONS AUTHORITY CONFLICT OF INTEREST STATEMENT

I, _____ in my position as _____ with the Kentucky Public Pensions Authority (“KPPA”), recognize the need to maintain the public’s confidence and trust in the integrity of the KPPA and the Commonwealth of Kentucky.

I understand that I have the obligation to diligently identify, disclose, avoid and manage conflicts of interest that may arise through my relationship with the KPPA.

I will conduct my activities with the KPPA so that I do not advance or protect my own interests or the private interests of others with whom I have a relationship, in a way that is detrimental to the interests of the KPPA.

In every instance in which I am acting on behalf of the KPPA, I will conduct my activities in a manner to best promote the interests of the KPPA.

I agree not to attempt to influence the KPPA to disregard the interest of the members and beneficiaries of the Kentucky Retirement Systems and the County Employees Retirement System.

In all matters where an official decision must be made that may favorably or detrimentally impact my own financial interests or the financial interests of others with whom I have a relationship, I will reveal that relationship and abstain from involvement in the official decision.

When a conflict of interest arises, or when a potential conflict of interest arises, I will disclose that conflict or potential conflict to my supervisor or contact person at the KPPA and seek resolution of that issue.

I understand that, pursuant to the KPPA Conflict of Interest policy, I am subject to the conflict of interest provisions of the Executive Branch Code of Ethics as set forth in Kentucky Revised Statutes Chapter 11A, and I agree to conform thereto.

To: KPPA Executive Director
KPPA Executive Director Office of Investments
KPPA Executive Director Office of Operations
KPPA Executive Director Office of Benefits
KPPA Executive Director Office of Legal Services
All Employees of KPPA Division of Investments and Investment Operations
All KPPA Division Directors
All KPPA Board members

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CONFLICT OF INTEREST QUESTIONNAIRE

Have you, or any family member as defined in Kentucky Revised Statutes 11A.010(4) or business associate of yours directly or indirectly:

1. **Interests and Investments:** Knowingly acquired any interest in or received any type of payment or remuneration from any business that does business with the KPPA, the Kentucky Retirement Systems, or the County Employees Retirement System? If your answer is yes, please list the business, the type of payment or remuneration, and the date of the payment in the space provided at the end of this statement.

☐ Yes ☐ No

2. **Past Work Relationships:** Knowingly been involved in any work relationships in the past that would either constitute or create the appearance of a conflict of interest with the KPPA, the Kentucky Retirement Systems, or the County Employees Retirement System? If your answer is yes, please list the person and the work relationship in the space provided at the end of this statement.

☐ Yes ☐ No

3. **Gifts and Entertainment:** Knowingly received any gifts, entertainment or other thing of value from any business that does business with or is seeking to do business with the KPPA, the Kentucky Retirement Systems, or the County Employees Retirement System? If your answer is yes, please list the gift, entertainment or other thing of value, the person or business from which you received the gift, entertainment, or other thing of value, and the date of receipt in the space provided at the end of this statement.

☐ Yes ☐ No

4. **Improper Activities:** Knowingly engaged in any activity or have any interest or arrangement that might appear to involve a conflict of interest pursuant to the KPPA Conflict of Interest Policy or the Executive Branch Code of Ethics? If your answer is yes, please list the activity, interest, or arrangement in the space provided at the end of this statement.

☐ Yes ☐ No

If any "Yes" box is checked in answer to any of the above questions, please explain in the space provided on the next page. Use additional sheets if necessary.

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I have read the Kentucky Public Pensions Authority Conflict of Interest Policy, as well as the Executive Branch Code of Ethics, and agree to report, in writing, to the Chair of the Kentucky Public Pensions Authority Board any situation which either poses or may pose a possible conflict of interest.

Agreed this the _____ day of _____, 202_.

Signature

Name

Title



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

From: Betty Pendergrass, CPA, CGFM, Chair
Joint Audit Committee
Kristen N. Coffey, CICA *KNC*
Division Director, Internal Audit Administration

Date: September 8, 2021

Subject: Summary of Joint Audit Committee Meeting

The County Employees Retirement System and Kentucky Retirement Systems Joint Audit Committee held a regularly scheduled meeting on August 26, 2021.

1. **The following items were approved by the Joint Audit Committee and are being forwarded to the Kentucky Public Pensions Authority for ratification***
 - a. **Charter for the Joint Audit Committee** – *minor changes were made and have already been incorporated; passed unanimously.*
 - b. **Charter for the Division of Internal Audit Administration** – *minor changes were made and have already been incorporated; passed unanimously*

RECOMMENDATION: The Joint Audit Committee requests the Kentucky Public Pensions Authority ratify the actions taken by the Joint Audit Committee.

2. **The following items were also discussed that may need action from Kentucky Public Pensions Authority management:**
 - a. Reconciliation of eMARS to Great Plains audit – *Four findings, all indicate they have been implemented.*
 - b. Custodial Fee Payment Process audit – *Two findings, both indicate they have been implemented.*
 - c. Results of the Security Infrastructure audit.

***Kentucky Public Pensions Authority Action Required**

Kentucky Public Pensions Authority

Charter for the Division of Internal Audit Administration

I. Charter

This Charter establishes the authority and responsibility of the Division of Internal Audit Administration (Internal Audit).

II. Mission of Internal Audit

Internal Audit serves the Kentucky Public Pensions Authority (KPPA) as well as the Board of Trustees (Board) of the County Employees Retirement System (CERS) and the Kentucky Retirement Systems (KRS) by enhancing and protecting organizational value with risk-based and objective assurance, advice, and insight.

III. Core Principles of Internal Audit

1. Remain independent, which is objective and free from undue influence.
2. Demonstrate competence and due professional care.
3. Demonstrate integrity.
4. Support the strategies, objectives, and risks of the organization.
5. Remain adequately resourced.
6. Promote quality and continuous organizational improvement by communicating effectively; providing risk-based assurance; and remaining insightful, proactive, and future-focused.

IV. Audit Standards

Internal Audit shall adhere to the *International Standards for the Professional Practice of Internal Auditing* (Standards). Where applicable, Internal Audit will observe standards and statements issued by other accounting and auditing organizations located within the United States of America. Internal Audit is expected to abide by the Institute of Internal Auditors (IIA) Code of Ethics (Exhibit A).

Internal Audit will adhere to the IIA's Mandatory Guidance, which includes the Core Principles for the Professional Practice of Internal Auditing (see section III), the Code of Ethics (see Exhibit A), the *Standards*¹, and the definition of internal auditing (see section VI). The Mandatory Guidance constitutes the fundamental requirements for the professional practice of internal auditing and the principles against which to evaluate the effectiveness of the Internal Audit's performance.

V. Joint Audit Committee

The purpose, authority, composition, and responsibilities of the Joint Audit Committee are outlined in the Charter for the Joint Audit Committee.

¹ <https://na.theiia.org/standards-guidance/Pages/Standards-and-Guidance-IPPF.aspx>

VI. The Internal Audit Function

Definition

As defined by the Institute of Internal Auditors, internal auditing is *an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. The goal of internal auditing is to help the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes.*

Purpose and Objective

Internal Audit was established to assist the KPPA; the Boards of Trustees of CERS and KRS; and the Executive Management teams of KPPA, CERS, and KRS in their governance role. Internal Audit also assists in achieving sound managerial control over all financial and operational aspects including, but not limited to, accounting, investments, benefits, legal compliance, asset management, and information management and control systems. The primary objective of Internal Audit is to assist all levels of management in achieving the effective discharge of their assigned responsibilities by providing independent analysis, appraisals, advice, and recommendations concerning the activities reviewed. Internal Audit helps the KPPA and the systems it is tasked with administering and operating, CERS and KRS, accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control, and governance processes. Accomplishment of the Internal Audit objective may involve:

1. Evaluating the adequacy and effectiveness of the system of internal controls.
2. Evaluating the relevance, reliability, and integrity of management, financial and operating data, and reports.
3. Evaluating the systems established to ensure compliance with those policies, plans, procedures, statutory requirements, and regulations which could have a significant impact on operations.
4. Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
5. Evaluating the economy, efficiency, and effectiveness with which resources are employed.
6. Evaluating operations or programs to ascertain whether results are consistent with objectives and goals established by KPPA, CERS, and KRS as well as evaluating whether the operations or programs are being carried out as planned.
7. Assessing the adequacy of established systems and procedures.
8. Conducting special assignments and investigations on behalf of the Joint Audit Committee, KPPA, CERS, or KRS into any matter or activity affecting the probity, interests, and operating efficiency of KPPA, CERS and KRS.

Independence

Internal Audit is an advisory function having independent status within KPPA. The Internal Audit Director:

1. Shall be independent of any other office, division, branch, or section.
2. Shall have direct access, as deemed necessary, to the Joint Audit Committee and/or KPPA, CERS, and KRS Executive Management teams.
3. Shall have no managerial powers, functions, or duties except those relating to the management of the Division of Internal Audit Administration.
4. Shall not be involved in the day-to-day operation of the KPPA, CERS, or KRS.

5. Shall not be responsible for the detailed development and/or implementation of new systems, but should be consulted during the system development process on the control measures to be incorporated in new or amended systems, and be advised of approved variations or new developments.

Authority

The Internal Audit Director will report functionally to the Joint Audit Committee. Functionally meaning the Joint Audit Committee approves items including, but not limited to the Audit Plan, various Charters, the audit budget, and organizational structure of the internal audit function.

The Internal Audit Director will report administratively to the KPPA Office of Operations Executive Director. Administratively meaning the Internal Audit Director and KPPA Office of Operations Executive Director work together on day-to-day activities including, but not limited to leave reporting, training, travel, development of the Audit Plan, and staffing requirements. It is incumbent that all KPPA, CERS, and KRS employees render assistance to the Internal Audit Director in carrying out his/her audit duties. The KPPA Internal Audit Director shall:

1. Have access, at all reasonable times, to all books, documents, accounts, property, vouchers, records, correspondence, and other data of KPPA, CERS, and KRS necessary for the proper performance of the internal audit function.
2. Have the right, at all reasonable times, to enter any premises of KPPA and to request and promptly receive from any KPPA, CERS, or KRS employee all information and such explanations deemed necessary for the Internal Audit Director to formulate an opinion on the probity of action, adequacy of systems, and/or of controls.

Activities

The Internal Audit Director shall be responsible to the Joint Audit Committee for the functional control of audit activities in relation to:

1. Development, implementation, and oversight of internal audit methods and procedures.
2. Development and control of an efficient Audit Plan.
3. Scope and boundaries of internal audits.
4. Documentation of audit findings.
5. Assistance in the investigation of significant suspected fraudulent activities and promptly notifying the Joint Audit Committee; KPPA; and the KPPA, CERS, and KRS Executive Management teams of the results of any findings and conclusions.
6. Maintenance of certain records such as, but not limited to, records related to internal audits and CERS and KRS Board elections.
7. Considering the scope of work of the external auditors and regulators, as appropriate, for providing optimal audit coverage at a reasonable overall cost.
8. Fulfilling the objectives of the Division of Internal Audit Administration.
9. Utilizing Internal Audit resources to maximize the efficiency and effectiveness of the internal audit function.
10. Adherence to appropriate auditing standards, including, but not limited to, International Standards for the Professional Practice of Internal Auditing, Generally Accepted Government Auditing Standards, and Standards for Internal Controls in the Federal Government (these standards can be applied to state government).
11. Review of the Independent Auditor's Report, Management's Discussion and Analysis, Financial Statements (including footnotes), and the other various sections of the Annual

Report for both CERS and KRS prior to presentation to the Joint Audit Committee. Internal Audit staff will identify any perceived errors and discrepancies within the Annual Report. However, the KPPA Executive Management team, not Internal Audit, is responsible for the substantive content, accuracy, consistency, and completeness of Management's Discussion and Analysis, Financial Statements (including footnotes), and other sections of the Annual Report.

Relationship with External Auditors

Upon request, the Internal Audit Director shall make available to the external auditors all internal audit working papers, programs, flowcharts, and reports. The Internal Audit Director shall work with the external auditors to foster a cooperative working relationship, reduce the incidence of duplication of effort, ensure appropriate sharing of information, and ensure coordination of the overall audit effort.

VII. Internal Audit Staff and Responsibilities

Internal Audit was established in July 2003 and is currently comprised of four positions:

Division Director

1. Oversees the day-to-day operations of Internal Audit.
2. Ensures policies, programs, and procedures are in place to achieve strategic, risk management, and operational objectives.
3. Performs risk assessment.
4. Develops the Audit Plan to address items noted in the risk assessment and in accordance with specifications from the Joint Audit Committee and the KPPA, CERS, and KRS Executive Management teams.
5. Performs audit, consulting, and assurance services as well as special projects in support of the Audit Plan and in compliance with Internal Audit procedures.
6. Submits results of audit, consulting, and assurance services as well as results of special projects to the Joint Audit Committee and applicable members of the KPPA, CERS, and KRS Executive Management teams. Results of audit, consulting, and assurance services or special projects related to investments will also be submitted to the Investment Committee.

Internal Auditor

1. Supports the Division Director in completion of daily activities.
2. Performs non-investment related audit, consulting, and assurance services in compliance with Internal Audit procedures.
3. Completes non-investment related special projects, upon request, in compliance with Internal Audit procedures.
4. Communicates the results of non-investment related audit, consulting, and assurance services as well as results of special projects to the Internal Audit Director.
5. As needed, assists in the completion of investment related activities.
6. Serves as first level reviewer on non-investment related projects performed by Auditor.

Retirement Investment Specialist

1. Supports the Division Director in completion of daily activities.
2. Performs investment related audit, consulting, and assurance services in accordance with Internal Audit procedures.

3. Completes investment related special projects, upon request, in accordance with Internal Audit procedures.
4. Communicates the results of investment related audit, consulting, and assurance services as well as results of special projects to the Internal Audit Director.
5. As needed, assists in the completion of non-investment related activities.
6. Serves as first level reviewer on investment related projects performed by Auditor.

Auditor

1. Supports the Internal Auditor and Retirement Investment Specialist in completion of daily activities.
2. Performs both non-investment and investment related audit, consulting, and assurance services in compliance with Internal Audit procedures.
3. Completes both non-investment and investment related special projects, upon request, in compliance with Internal Audit procedures.
4. Communicates the results of audit, consulting, and assurance services as well as results of special projects to the Internal Audit Director.

Specific Areas of Expertise

Since Internal Audit has limited resources and specialized requirements are needed to administer a complex public pension system, Internal Audit may request third-party expertise to assist in fulfilling audit goals (e.g. information technology and data security). Outsourced third party audits will be approved by the Joint Audit Committee. The findings, recommendations, and management comments will be presented to the Joint Audit Committee for approval and for subsequent ratification by the CERS Board and KRS Board.

VIII. Internal Audit Practices

Conflicts of Interest

Internal auditors shall be objective and free from undue influence in performing their job. Objectivity requires internal auditors to have an impartial and unbiased attitude, to avoid conflicts of interest, and to perform audits in such a manner that no significant quality compromises occur. To help ensure that internal auditors are not placed in an environment impeding their ability to make objective, professional judgments, Internal Audit will take the following precautionary measures:

1. All Internal Audit staff will be required to complete an annual Independence Statement certifying that auditors have no actual or perceived conflict that would impair their objectivity or independence. This statement will be signed by the auditor's direct supervisor.
2. Staff assignments will be made so that potential and actual conflicts of interest and bias are avoided. If a conflict of interest or bias is present, the auditor(s) will be reassigned.
3. Staff assignments will be rotated periodically, if practicable to do so.
4. Internal Audit staff will not assume operational responsibilities.
5. For a period of no less than one year, Internal Audit staff will refrain from assessing specific operations for which they were previously responsible.

Due Professional Care

Internal auditors shall apply the care and skill expected of a reasonably prudent and competent auditor. Due professional care does not imply infallibility and internal auditors must exercise due professional care, with consideration of the following:

1. Extent of work needed to achieve the engagement's objectives.

2. Relative complexity, materiality, or significance of matters to which assurance procedures are applied.
3. Adequacy and effectiveness of risk management, control, and governance processes.
4. Probability of significant errors, irregularities, or noncompliance.
5. Cost of assurance in relation to potential benefits.
6. Use of various software tools including, but not limited to Excel, Access, Word, Interactive Data Evaluation and Analysis (IDEA), Tableau, and Gravity Software

Proficiency and Continuous Professional Education (CPE)

Internal Audit staff shall collectively possess the knowledge, skills, attributes, and other competencies essential to the practice of internal auditing within the organization. Educational and work experience criteria have been established for the various positions within Internal Audit. In order to maintain their proficiency, all auditors are encouraged to continue their education and will be provided adequate opportunities to do so. Such continuing education ensures that internal auditors remain current on professional techniques and standards. If an auditor holds a certification, continuing education hours necessary to meet certification requirements should be obtained. If no certification requirements are necessary, a minimum of 16 hours of continuing auditor education shall be obtained annually. Continuing education may be obtained through membership and participation in professional societies, attendance at conferences, college courses, and in-house training. KPPA may reimburse an auditor for the cost of obtaining continuing education; however, the employee should obtain approval prior to registering for any course or seminar.

Internal Audit staff are encouraged to obtain professional certification(s). Accreditation is an important indicator of an auditor's technical proficiency. The following certifications are some of those available to auditors (this list is not all inclusive):

1. Certified Internal Auditor,
2. Certified Fraud Examiner,
3. Certified Government Financial Manager,
4. Certified Information Systems Auditor, and
5. Certified Public Accountant.

Performance Evaluations

Performance evaluations for merit employees shall be conducted as outlined in the Commonwealth of Kentucky Personnel Policies and Kentucky Revised Statutes Chapter 18A. The Joint Audit Committee Chair and KPPA Office of Operations Executive Director shall review the performance for non-merit employees.

Quality Assessment and Improvement Program

Internal Audit will maintain a quality assurance and improvement program that covers all aspects of the Internal Audit function. The program will include an evaluation of Internal Audit's conformance with the *International Standards for the Professional Practice of Internal Auditing* and an evaluation of whether internal auditors apply the IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of Internal Audit and identify opportunities for improvement.

Internal Assessments

1. Ongoing Internal Assessments – Ongoing internal assessments for routine internal audit activities are an integral part of the day-to-day supervision, review, and measurement of the internal audit activity. The measurement tools for assessment are engagement supervision, feedback from audit customers, audit plan completion, and analysis of other performance

metrics such as recommendations accepted. Conclusions and planned corrective action will be developed and presented to the Joint Audit Committee and KPPA Executive Management team.

2. Periodic Assessments – Periodically, Internal Audit will conduct a Self-Assessment as outlined by the IIA. The Director of Internal Audit will disclose the results of the Self-Assessment and any needed corrective action to the Joint Audit Committee and KPPA Executive Management team.

External Assessments

Internal Audit should strive to have a qualified, independent assessor (or assessment team) conduct an external assessment at least once every five years. This can be completed as either a Self-Assessment with Independent External Validation or a full external assessment.

Records Retention and Disposition

Internal Audit shall retain a complete file of each audit report and each report of other audit and consulting services made under its authority in accordance with the KPPA records retention policy or policies of the Kentucky Department for Libraries and Archives for a period of seven (7) years. The file shall include audit work papers and other supportive material directly pertaining to the report. After seven (7) years, the work papers and other supportive material directly pertaining to the audit report can be destroyed. An electronic copy of all final reports should be maintained indefinitely. To guard against identity theft and fraud, destruction of business records and materials shall be done in a secured manner such as through use of the on-site Division of Waste Management recycle containers. All CD/DVD materials shall be submitted to the KPPA Information Security Officer.

IX. Internal Audit Services

The scope of Internal Audit shall be sufficiently comprehensive to enable the effective and regular review of all operational, financial, and related activities. Coverage may extend to all areas of KPPA, CERS, and KRS and include financial, accounting, investments, benefits, administrative, computing, and other operational activities. The extent and frequency of internal audits will depend upon varying circumstances such as results of previous audits, relative risk associated with activities, materiality, the adequacy of the system of internal control, and resources available to Internal Audit.

Internal Audit provides independent audit, consulting, and assurance services to assist management in balancing operational efficiency with risk identification, assessment, and control. Internal Audit reports to the Joint Audit Committee and collaborates with the KPPA, CERS, and KRS Executive Management teams to enhance assurance and accountability at all levels of KPPA, CERS, and KRS. In order to meet the responsibilities and objectives as set forth in the Internal Audit Charter, it is necessary for Internal Audit to perform varying types of services depending on the circumstances and requests. Services can be requested by the Joint Audit Committee; KPPA; or any member of the KPPA, CERS, or KRS Executive Management team. Other KPPA employees can also request services. In these instances, the Internal Audit Director will seek approval from the KPPA Office of Operations Executive Director and the Joint Audit Committee before engaging in the service. Internal Audit provides the following types of audit, consulting, and assurance services.

Audits

1. Performance Audits – Most audits conducted by Internal Audit are performance audits. These audits provide an independent assessment of the performance of a government organization, program, activity, or function in order to provide information to improve public accountability and facilitate decision-making by parties with responsibility to oversee or initiate corrective action. During a Performance Audit, the auditor completes both a Compliance Audit and a Process Review (both explained below). A Policy Review (explained below) may also be included as part of a Performance Audit.
2. Compliance Audits – Compliance audits determine whether a division has complied with KPPA, CERS, and/or KRS agency policies and procedures, divisional policies and procedures, [Kentucky Administrative Regulations](#), [Kentucky Revised Statutes](#), and federal law.
3. Operational Audits – Operational audits analyze how effectively and efficiently business units achieve organization and/or division goals. Effectiveness is measured by how successful a business unit is at achieving organization and/or division goals. Efficiency is measured by how well the business unit uses resources in order to achieve organization and/or division goals.
4. Investment Audits – Investment audits may be performed to review movement of funds (e.g. purchases, sales, and income), cash management, manager fees, and other investment related activities. Investment audits may also be performed to ensure compliance with procurement regulations, contracts, internal policies and procedures as well as to ensure proper internal controls exist over the investment function.
5. Investigative Audits – Investigative audits may result from findings during a routine audit or from information received from personnel. These audits are normally requested by a member of the KPPA, CERS, or KRS Executive Management team, the Joint Audit Committee, or the KPPA as a result of information received from an anonymous tips. These audits focus on alleged, irregular conduct. Reasons for investigative audits may include internal theft, misuse of State property, and/or conflicts of interest. These audits should be conducted immediately in order to collect and preserve as much relevant evidence as possible. It is essential that the records in question be removed from the division/employee under investigation or otherwise safeguarded. Investigative audits will be conducted in accordance with Internal Audit procedures and may include expertise from internal and external experts in fields, such as but not limited to, legal, information technology, human resources, and accounting. A draft investigative audit report will be provided to the Joint Audit Committee. The Joint Audit Committee will determine if further actions are needed. The Joint Audit Committee will control any internal or external report distribution.
6. Information Technology Audits – Audits of information systems and technology may be performed to determine whether existing or new computer applications and hardware function in an accurate and efficient manner and include adequate internal controls. Internal Audit involvement in a new system may include the review of system development methodology and the effectiveness and efficiency of the system being implemented. These audits could include reviews of general controls which affect all computer applications. Examples may include computer security, disaster recovery, program change controls, and quality control procedures.

7. Financial Audits – A financial audit is a review intended to serve as a basis for expressing an opinion regarding the fairness, consistency, and conformity of financial information with generally accepted accounting principles (GAAP). Financial audits can be comprehensive or limited in scope depending on the objectives.
 - a. A comprehensive financial audit consists of a review of the financial statements of an entity over a specific duration of time to accurately express an opinion on those statements. Such an audit is conducted in accordance with generally accepted auditing standards (GAAS) as adopted by the American Institute of Certified Public Accountants (AICPA). For CERS and KRS, an external auditor performs this type of audit annually.
 - b. A limited financial audit concentrates on a review of specific financial transactions. The primary concerns include determining accuracy of data and evaluation of controls by reviewing the following items:
 - i. Physical control over assets,
 - ii. System of authorization and approval,
 - iii. Separation of duties between operations and custody of assets.

Process Reviews

A process review is specific to a single business process. These reviews assess the effectiveness of internal controls over the process as well as test the efficiency of the process. These reviews also help ensure the business process is operating the way management intended. These reviews are typically performed in conjunction with a new business process being developed or immediately after a new business process is implemented. These reviews may be performed as needed in response to particular findings identified during the course of performing other types of services within a particular division.

Policy Reviews

During a policy review, Internal Audit analyzes either a new or established policy. Internal audit will ensure the policy complies with applicable [Kentucky Administrative Regulations](#), [Kentucky Revised Statutes](#), and federal laws. Internal Audit will also determine if the policy establishes sufficient internal controls in relation to the related business process. For example, during a review of a policy related to invoice payment, Internal Audit would ensure internal controls have been designed to ensure timely payment, prevent duplicate payment, establish segregation of duties, etc.

Agreed Upon Procedures

An Agreed upon Procedures engagement is performed only upon request. During these engagements, the requestor specifies exactly what the auditor is to do. The auditor then performs only the requested procedures. An opinion is not expressed in these reviews. For example, a request could be made to review all expenditures posted to a particular account(s) during a specific time-frame to determine if any expenditures were improperly coded to the account(s). Internal Audit would review the requested account(s) over the specified time-frame and issue a report indicating how many expenditures were posted incorrectly. These engagements are beneficial if there is an area a division wants to review, but does not have the resources or time to perform the review themselves.

Annual Report Review

Each year, KPPA personnel prepares an Annual Report for the County Employees Retirement System and Kentucky Retirement Systems. Prior to presentation to the CERS Board and KRS Board, Internal Audit will review the Independent Auditor's Report, Management's Discussion and Analysis, and the various sections of the Annual Report – Financial Statements (including footnotes), Actuarial, and Statistical. Internal Audit staff will identify any perceived errors or discrepancies within the Annual

Report. However, the KPPA Executive Management team, not Internal Audit, is responsible for the substantive content, accuracy, consistency, and completeness of Management's Discussion and Analysis, Financial Statements (including footnotes), and other sections of the Annual Report.

External Audit Assistance

Assistance may be provided to the External Auditor during the annual audit of the KPPA financial statements or other audit engagements. The Internal Audit Director will work with the external auditors to foster a cooperative working relationship, reduce the incidence of duplication of effort, ensure appropriate sharing of information, and ensure coordination of the overall audit effort. Upon request, the Internal Audit Director will make available to the external auditors all internal audit working papers, programs, flowcharts, and reports. The Internal Audit Director will review the resulting audit findings and management letter comments to determine any impact upon the Audit Plan.

Referencing

During the course of various types of audit, consulting, and assurance services, the Internal Audit Director may identify continuing patterns of conduct or reoccurring "themes" (e.g. the same type of problem is noted in multiple divisions). For example, findings for two divisions within an office, which identify a broader office finding (e.g. lack of controls, need for increased communication, absence of performance criteria, insufficient data processing policy, etc.). When developing the Audit Plan, Internal Audit always considers these themes when scheduling audits for the next period, particularly when these items impact the KPPA mission.

Board of Trustee Elections

Internal Audit assists in both CERS and KRS Board elections. Detailed Internal Audit procedures related to the Board elections can be found on the [KPPA Process Documentation SharePoint](#) site.

Other Services

Internal Audit staff may conduct other services as deemed necessary to meet the responsibilities and objectives as set forth in the Charter for Internal Audit Administration. Internal Audit staff may participate on the KPPA Information Technology Governance team, the Continuity of Operations team, and other similar KPPA, CERS, or KRS teams.

X. Risk Assessment and Audit Plan

Consistent with the long-term strategic plan, the Internal Audit Director shall prepare an Audit Plan providing for the review of significant operations of KPPA, CERS, and KRS based on an assessment of risks pertaining to the achievement of objectives. The Audit Plan shall be presented to the Joint Audit Committee for deliberation and finalization. Upon approval by the Joint Audit Committee, the Audit Plan will be presented to both the CERS Board and the KRS Board for ratification.

Risk Assessment

The Audit Plan is based on a risk assessment methodology, as well as requests from management. Internal Audit assesses KPPA, CERS, and KRS by seeking input from the Joint Audit Committee; key members of KPPA, CERS, and KRS management; and other personnel. Internal Audit also reviews the results of past internal and external audits. Internal Audit then considers organizational risks, such as established internal controls, current management, control environment, staffing, system changes, regulatory and legal changes, and impact to the financial statements. Based on the information

gathered, an Audit Plan is developed weighting each risk according to the significance to the overall mission and objective of KPPA, CERS, and KRS.

The Risk Assessment methodology is based upon the following five-part process:

1. Identifying KPPA, CERS, and KRS activities/processes (these become the “audit universe”).
2. Scoring the organizational risks for each process identified in the audit universe.
3. Ranking the processes by overall risk.
4. Developing the Audit Plan.
5. Submitting the Audit Plan to the Joint Audit Committee for review and approval.

Organizational risks are scored using a point value with one (1) representing the lowest level of risk and five (5) the highest. The individual factor scores are then multiplied by the risk weight factor. The weighted risk factor elements are collectively totaled to obtain the respective aggregate risk rating for each auditable area. The overall risk scores for all KPPA activities are then ranked highest to lowest. After ranking, an Audit Plan is developed.

Audit Plan

Based upon the results of the Risk Assessment, Internal Audit develops the Audit Plan through a prioritization process that includes scheduling audits for the highest risk areas as well as areas that have not been reviewed in recent years. The Audit Plan represents potential audits to be completed during the upcoming fiscal year. Internal Audit also identifies other potential audit segments such as business processes, expense contracts, and functional areas that may cross over operational units.

The Risk Assessment and Audit Plan are presented to the KPPA, CERS, and KRS Executive Management teams in order to obtain suggestions, concerns, and priorities. After approval of the Audit Plan is obtained from the KPPA Executive Director, the Audit Plan is submitted to the Joint Audit Committee for approval. The Audit Plan is periodically reviewed, evaluated, and modified (e.g. objectives, goals, and strategies) according to the specific risk factors related to KPPA, CERS, and KRS operations, internal controls, and estimated liability exposure to the Commonwealth of Kentucky. Staff is assigned to audits based upon that auditor’s background and experience.

If Internal Audit receives a request to complete an audit not previously identified on the Audit Plan, the request shall be forwarded to the Chair of the Joint Audit Committee for approval. The Chair of the Joint Audit Committee will determine if a special called meeting of the Joint Audit Committee is necessary to discuss the requested audit. If the Chair of the Joint Audit Committee determines that a special called meeting is not warranted, then the requested audit will be added to the Audit Plan and reported to the Joint Audit Committee on the “Status of Current Projects” at the next regularly scheduled Joint Audit Committee meeting.

Tracking Projects

Internal Audit staff continually track audits and other projects using the Audit Status Tracker spreadsheet, which includes dates for significant milestones. If Internal Audit is requested to complete projects not foreseen during risk-assessment/planning, these are also tracked on the Audit Status Tracker spreadsheet. The status of current projects is presented to the Joint Audit Committee at each quarterly meeting. All findings and recommendations, including status and implementation date, are tracked through Gravity Software.

XI. Audit Process

Methodology

For all audit projects, the person responsible for the activity under review shall be advised and given the opportunity to discuss the following:

1. Objectives and scope of the audit to be conducted, prior to the commencement of such audit.
2. Findings and proposed recommendations upon the completion of an audit, including providing an official response to the findings.

Audit Reports

A comprehensive written report will be prepared and issued by Internal Audit at the conclusion of each audit and will be distributed as considered appropriate. A copy of each report is to be made available on a timely basis to the Joint Audit Committee and applicable members of the KPPA, CERS and KRS Executive Management teams. Audit reports will normally explain the scope and objectives of the audit, present findings and or conclusions in an objective manner relevant to the specific user's needs, and make recommendations where appropriate.

XII. Quality Assurance and Improvement Plan

Internal Audit will maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include an evaluation of Internal Audit's conformance with the Standards and an evaluation of whether internal auditors apply the IIA's Code of Ethics (see Exhibit A). The program will also assess the efficiency and effectiveness of Internal Audit and identify opportunities for improvement.

Internal Audit will conduct both ongoing and periodic internal assessments. Internal Audit should strive to have a qualified, independent assessor (or assessment team) conduct an external assessment at least once every five (5) years. The Internal Audit Director will provide the results of the quality assurance and improvement program, including results of internal and external assessments, to the Joint Audit Committee and KPPA Executive Management team.

XIII. Internal Audit Procedures

Detailed Internal Audit procedures can be found on the [KPPA Process Documentation SharePoint](#) site.

XIV. Approvals

We, the undersigned of the Joint Audit Committee, CERS Board of Trustees, KRS Board of Trustees, and KPPA do certify that this Charter was approved on 15th day of September, 2021.

Joint Audit Committee Chair

Date

Board Chair

County Employees Retirement System

Date

Board Chair

Kentucky Retirement Systems

Date

Executive Director

Kentucky Public Pensions Authority

Date

Division Director

KPPA Division of Internal Audit Administration

Date

History: Approval Date: September 15, 2021
 Amended:

EXHIBIT A

{ **CODE of ETHICS...** }// **PRINCIPLES**

Internal auditors are expected to apply and uphold the following principles:

- **Integrity**

The integrity of internal auditors establishes trust and thus provides the basis for reliance on their judgment.

- **Objectivity**

Internal auditors exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors make a balanced assessment of all the relevant circumstances and are not unduly influenced by their own interests or by others in forming judgments.

- **Confidentiality**

Internal auditors respect the value and ownership of information they receive and do not disclose information without appropriate authority unless there is a legal or professional obligation to do so.

- **Competency**

Internal auditors apply the knowledge, skills, and experience needed in the performance of internal audit services.

// **RULES OF CONDUCT**

1. **Integrity**

Internal Auditors:

- 1.1. Shall perform their work with honesty, diligence, and responsibility.
- 1.2. Shall observe the law and make disclosures expected by the law and the profession.
- 1.3. Shall not knowingly be a party to any illegal activity, or engage in acts that are discreditable to the profession of internal auditing or to the organization.
- 1.4. Shall respect and contribute to the legitimate and ethical objectives of the organization.

2. **Objectivity**

Internal Auditors:

- 2.1. Shall not participate in any activity or relationship that may impair or be presumed to impair their unbiased assessment. This participation includes those activities or relationships that may be in conflict with the interests of the organization.
- 2.2. Shall not accept anything that may impair or be presumed to impair their professional judgment.
- 2.3. Shall disclose all material facts known to them that, if not disclosed, may distort the reporting of activities under review.

3. **Confidentiality**

Internal Auditors:

- 3.1. Shall be prudent in the use and protection of information acquired in the course of their duties.
- 3.2. Shall not use information for any personal gain or in any manner that would be contrary to the law or detrimental to the legitimate and ethical objectives of the organization.

4. **Competency**

Internal Auditors:

- 4.1. Shall engage only in those services for which they have the necessary knowledge, skills, and experience.
- 4.2. Shall perform internal audit services in accordance with the *International Standards for the Professional Practice of Internal Auditing*.
- 4.3. Shall continually improve their proficiency and the effectiveness and quality of their services.



Kentucky Public Pensions Authority

Internal Audit Administration



To: Members of the Joint Audit Committee

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

Date: August 26, 2021

Subject: Final Audit Report Released

Please find attached the final audit report entitled Custodial Fee Payment Process. The report is dated July, 29, 2021. The Division of Internal Audit Administration noted two findings, which are summarized below. The detailed findings and recommendations as well as management's responses are attached for your review. A separate management letter was not issued.

Audit Results

1. From June 2019 to December 2020, Kentucky Public Pensions Authority (KPPA) made payments totaling \$25,875 for Private IQ services that had an effective ending date of March 2019.
2. Procedures related to the custodial fee payment process do not include the due date for the fees.

No action is required of the Committee

Attachment



KPPA
Kentucky Public Pensions Authority

Investment Custodial Fee Payment Process As of June 30, 2021

July 29, 2021

Executive Summary

The following findings were noted during our review of the Investment Custodial Fee Payment process. The related recommendations can be found in the Audit Results section of the report.

1. From June 2019 to December 2020, Kentucky Public Pensions Authority (KPPA) made payments totaling \$25,875 for Private IQ services that had an effective ending date of March 2019.
2. Procedures related to the custodial fee payment process do not include the due date for the fees.

Commendations

The procedures created by Investment Operations staff related to the reviewing and paying of custodial fees are thorough and well documented. We appreciate the time the Division of Accounting Assistant Director over Investment Operations and the Retirement Systems Investment Branch Manager took to explain this process and their cooperation in answering our questions. We also appreciate the time that the Investment Research Analyst and Office of Investments Directors took to explain the services provided by the custodial bank, including the services utilized by the Office of Investments.

During testing, we noted several areas that working effectively and efficiently:

- Invoices were supported by proper backup documentation.
- All payment confirmation documents were signed and approved by the appropriate, authorized persons.
- All payments were made to the custodial bank before incurring late fees.
- The trending analysis spreadsheet is efficiently and effectively monitoring all fees.
- Users have the appropriate access in Nexen.

Background

Bank of New York (BNY) Mellon entered a custodial contract with KPPA in 2013. KPPA receives quarterly invoices for the pension and insurance plans. The total charges on the invoice are supported by an excel document that lists each individual transaction for the quarter. Staff from Investment Operations (a branch within the Division of Accounting) receive the invoices and compare the charges on the supporting documents to the contract with BNY Mellon to ensure accuracy. For some charges, a trend analysis is performed to ensure any fluctuation in charges is reasonable. After Investment Operations staff completes their review, the invoices are sent to the Office of Investments for approval. Once approved, an Investment Operations staff member enters the payment information into the BNY Mellon system and another staff member reviews the information and releases the payment.

When an employee needs to have access to Nexen (the BNY Mellon system) granted or revoked, the Division of Accounting Assistant Director over Investment Operations contacts BNY Mellon and makes the request.

Objective

The objectives of our Investment Custodial Fee Payment process audit were to ensure internal controls were in place and operating efficiently, and to ensure compliance with applicable state regulations as well as policies and procedures established by the boards and management of the County Employees Retirement System (CERS), Kentucky Retirement Systems (KRS), and KPPA.

Scope and Sampling

The scope of this audit encompassed custodial fee invoices for pension and insurance funds for quarters ending between September 2019 and December 2020. For the period of September 2019 – December 2020, KPPA received 12 quarterly invoices – six for pension and six for insurance. For those 12 invoices, there were 6,690 individual transactions. Auditor selected a statistical sample of 144 items using a 99% confidence level with a 1.50% sampling error and a .50% maximum expected error rate. In addition, all 12 invoices were reviewed for proper payment and approval.

Auditor also obtained a security access report through Nexen, which lists all users with Nexen access. Auditor reviewed access levels for 100% of the users.

Methodology

The following steps were performed to ensure the Investment Custodial Fee Payment process complied with state regulations as well as policies and procedures established by the boards and management of the County Employees Retirement System, Kentucky Retirement Systems, and KPPA.

1. Reviewed current Investment Operations policies and procedures to determine if they were accurate and properly reflected the actual processes being followed.
2. Ensured invoices were properly approved, had supporting documentation on file, and were paid timely.
3. Ensured invoice charges agreed to the BNY Mellon Fee Schedule.
4. Compiled data sets for the pensions and insurance transactions and graphed each fee type. Analyzed the data for specific trends. Please see Exhibit A for the complete analysis and regression testing results:
 - a. Used graphs to determine if seasonality was a component in fee fluctuations.
 - i. If seasonality was not a component of the fee type data set then the simple mean on the trending analysis spreadsheet was deemed an appropriate metric for modeling and predicting future fees.

- ii. If seasonality was component then regression analysis was used to test the theory. If the analysis produced statistically significant results, a predictive model was built.
- b. Reviewed the graphs for extreme irregularities.
- 5. Ensured KPPA staff has proper access to Nexen.
- 6. Reviewed services provided by custodial bank to determine if KPPA was paying for unutilized and/or duplicative services.

This report is intended solely for use by the Office of Investments; Division of Accounting; Joint Audit Committee; the Boards of Trustees for CERS and KRS; and the Executive Management teams for KPPA, CERS, and KRS. This report is not intended to be, and should not be, used by anyone other than the specified parties. All reports are subject to Open Records Requests.

Audit Results**Item #1 Fee Charged for Cancelled Service**

| | |
|----------------------------|--|
| Condition | One of the 144 fees in the statistical sample did not match the fee schedule. |
| Criteria | BNY Mellon provided a letter date July 12, 2019 that shows when Private IQ services were canceled. An updated listing of services that would continue after the date on the letter. Private IQ was not one of the services listed. |
| Cause | The former Executive Director of the Office of Investments did not communicate the termination of the Private IQ services to the Investment Operations team in a timely manner. |
| Effect | KPPA was charged \$25,875 for Private IQ services from September 2019 to December 2020. |
| Recommendation | <ol style="list-style-type: none"> 1. The Retirement Systems Investment Branch Manager should continue working with the custodial bank to recover this overpayment. 2. The Retirement Systems Investment Branch Manager should continue working with the custodial bank to have this fee removed from future invoices. 3. The Executive Director of the Office of Investments should immediately communicate any changes to services, including the effective date of the changes, to the entire Investment Operations team. 4. The Executive Director of the Office of Investments should save correspondence related to vendor services in a centralized location. Please note, this may be in the process with the new investment vendor that was hired in June 2021. |
| Management Response | <p>Response from Investment Operations: Management concurs with the recommendation. BNY Mellon has confirmed the reimbursement will be returned to us in the form of a reduction in our 6/30/2021 Custodial Fee Invoice.</p> <p>Response from Office of Investments: Office of Investments agrees with the recommendations and you are correct on number four, we now have a central repository for all correspondence related to investment vendor services.</p> |
| Implementation Date | 6/10/2021 |

Item #2 Custodial Fee Due Date

| | |
|----------------------------|--|
| Condition | Procedures related to the payment of the custodial bank fee do not include the deadline for paying the fees. |
| Criteria | The Custodial Bank Fee Schedule Section V (page 13, bullet 11) states, "All amounts due will be payable within 30 days of invoice date. Fees not paid within 60 days of the date of the invoice will be subject to a late charge of 1.5% per month. Any objections, corrections, or adjustments to a bill must be raised within 12 months of the billing date." |
| Cause | The Investment Operations team was not aware of the deadlines included in the custodial bank fee schedule. |
| Effect | New employees completing this task may not be aware of the deadline. If the deadline is missed, KPPA would incur an additional 1.5% charge, per month. |
| Recommendation | <p>The Retirement Systems Investment Branch Manager should update the custodial fee payment procedures to include the deadline of 30 days of the invoice date. The procedures should note the penalty for fees not paid within 60 days of the invoice date.</p> <p>Note: On July 15, 2021 the Retirement Systems Investment Branch Manager posted updated procedures on the Investment Operations SharePoint site. The new procedures state that invoices are payable within 30 days and are due in 60 days of invoice date.</p> |
| Management Response | Management concurs with recommendation. The deadline to pay the invoice has been added to the procedures. |
| Implementation Date | 7/15/2021 |

Exhibit A: Trending Analysis Study

Purpose:

The purpose of this study is to determine how well the trending analysis worksheet monitors fees.

Source:

Our data comes from the trending analysis worksheet compiled by Investment Operations staff by inputting grand totals for each fee from invoices provided by Bank of New York Mellon (Mellon). The spread sheet breaks the fees down into funds (pension and insurance) and 5 types of fees: Ancillary, structural admin, asset admin, transactions and additional. Additional fees are the sum of out of pocket expenses and custody fees. This analysis will use all the data available for 9/2013-12/2020 quarters.

Background:

From 9/2019-12/2020 the average number of transactions that make up invoices for insurance and pension funds is 557 transactions. Due to this large volume of line items, the trend analysis spreadsheet was created to help Investment Operations staff efficiently monitor custodial fees. Investment Operations staff are generally aware of how active KPPA managers have been in any particular quarter and this knowledge, along with professional intuition, informs their expectations of how certain fees should be moving over time. For example, if KPPA managers have been more active in quarter 2 than they were in quarter 1, then it would be reasonable to expect that asset admin fees to increase in quarter 2 compared to quarter 1.

The staff member who has reviewed these fees since 2017 saves her questions about fees in the folder of whichever quarter she is working on. There aren't any emails saved for 2017-2020 which tells me that the trending analysis spreadsheet hasn't detected any irregularities big enough to cause concern for Investment Operations staff.

The spreadsheet's function takes the fees from the current year minus the prior year for each quarter and each fee type. This outcome is labeled "variance". The spreadsheet also calculates each fee's quarterly average and the total yearly average for the variance and grand totals. These measurements are showing the short term trends.

Objective:

Showing the short term trend is helpful to detect large irregularities but does little to detect small irregularities that can make a big difference over time.

The aim of this study is to build a predictive model based on past trends to Investment Operations staff detect these small differences with substantial impact.

Methodology:

Generally, quarterly data has an inherent trend so the simple mean used in the trending worksheet is not a recommended statistic to describe or predict this type of data over a long period of time because natural seasonality trends violate the assumption of normality and independence due to autocorrelation.

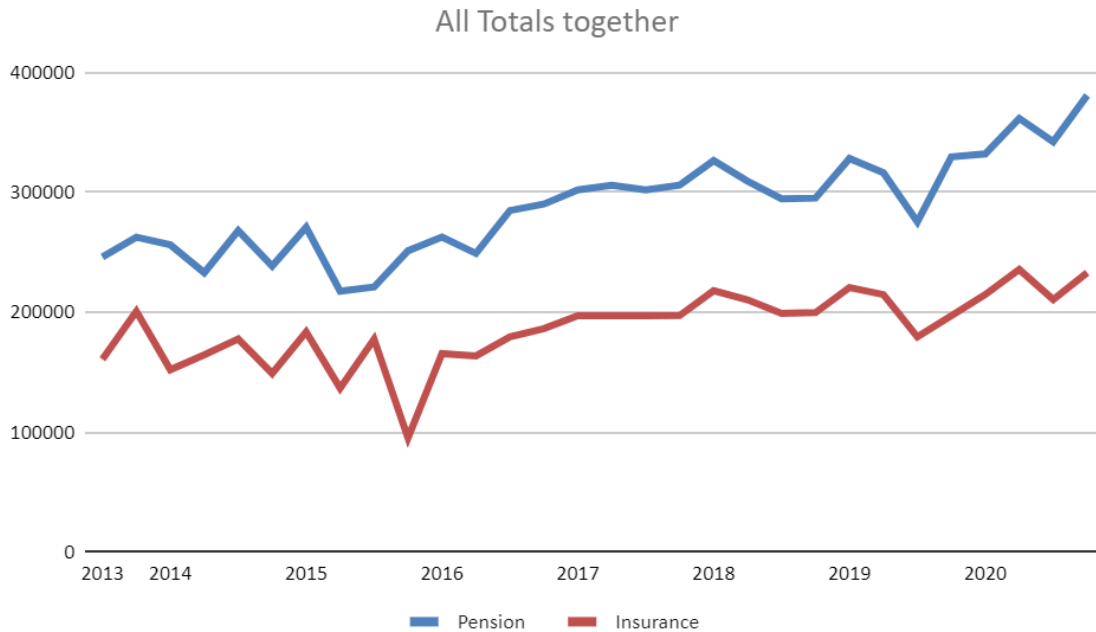
Many of the fees in the transaction, asset admin, custody and expense tabs are charged per line item, per LP, or per account basis. Line items on the back up excel spreadsheet are created because of money movement due to trades which usually follow cyclical patterns like the S&P 500 therefore, it would be reasonable to expect some of the fee types to have a seasonality component. If some of the fee types have a seasonality component, then this needs to be taken into consideration when building a predictive model.

On the other hand, our contract with Mellon has a few fixed flat fees that should not change over time. For example, we would expect the structural admin fee to stay at \$2,500 per our contract. For these types of fees, the simple mean and difference in a quarter from one year to the next is a good way to model the data and detect abnormalities.

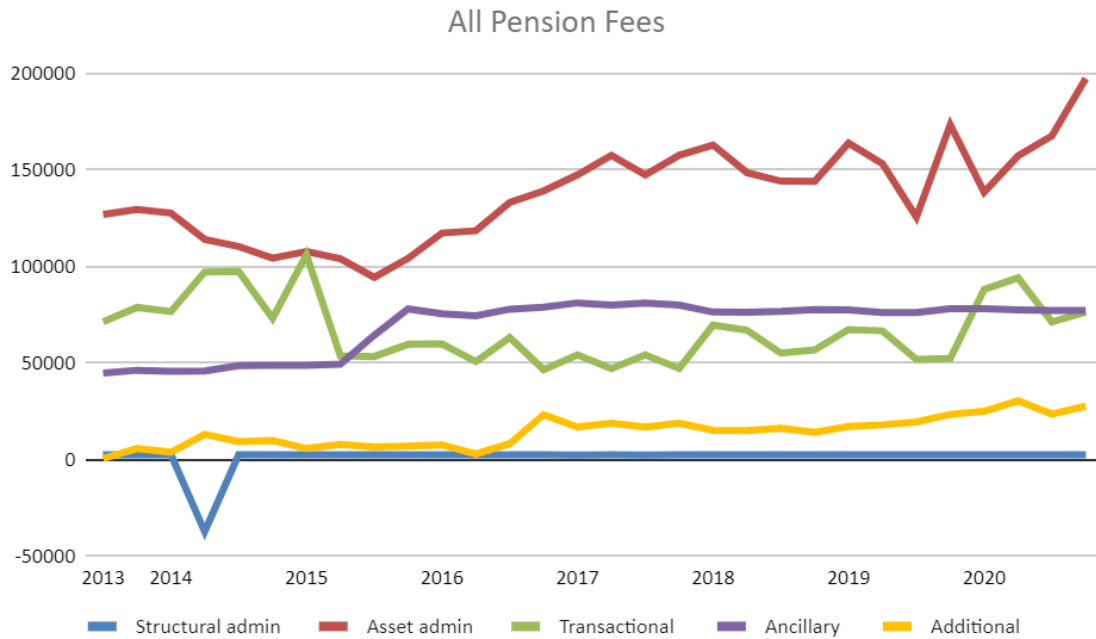
To tackle these problems, this analysis will be using time series analysis and regression testing techniques.

Data summary:

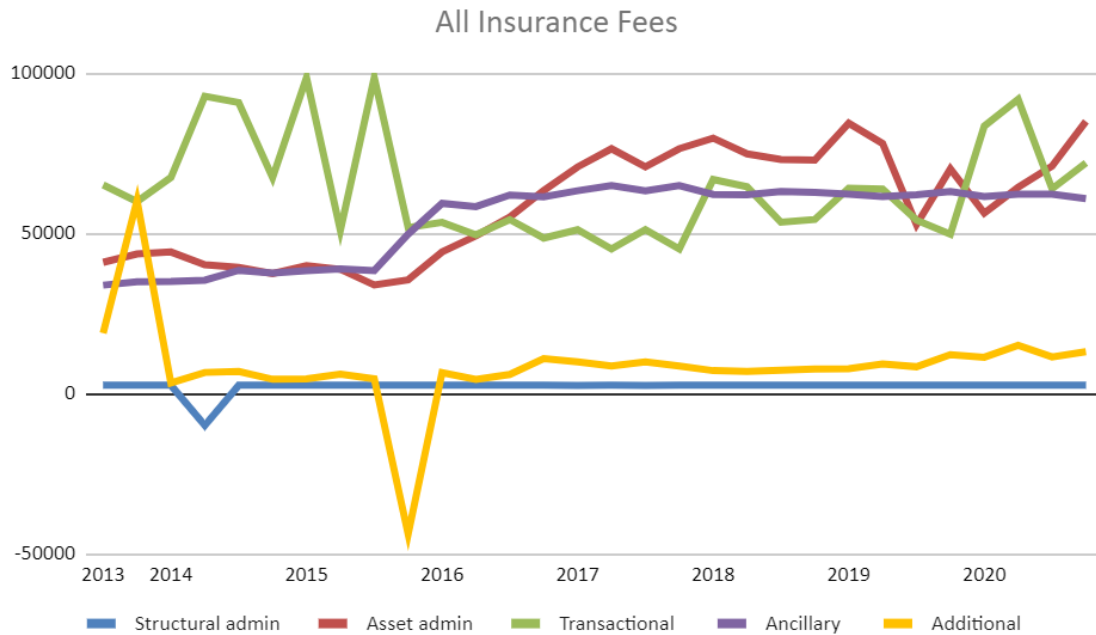
First, we need to graph the data to see how the grand totals act over time. If there is a cyclical pattern of consistent highs and lows, then this will signal that there is a seasonality component.



This graph shows the grand total for all fees split up between the pension and insurance funds. There may be a slight seasonality component from 2013-2015 and again mid 2019 to the end of 2020. Keep in mind that there are fixed fees captured in this graph so this should not be used to describe the trends in all fee types. What we can conclude from this graph is that there is an overall upward trend and the two funds seem to mirror each other with the insurance fund constantly being lower than pension. Next, we will investigate each fund and fee type more closely on its own.



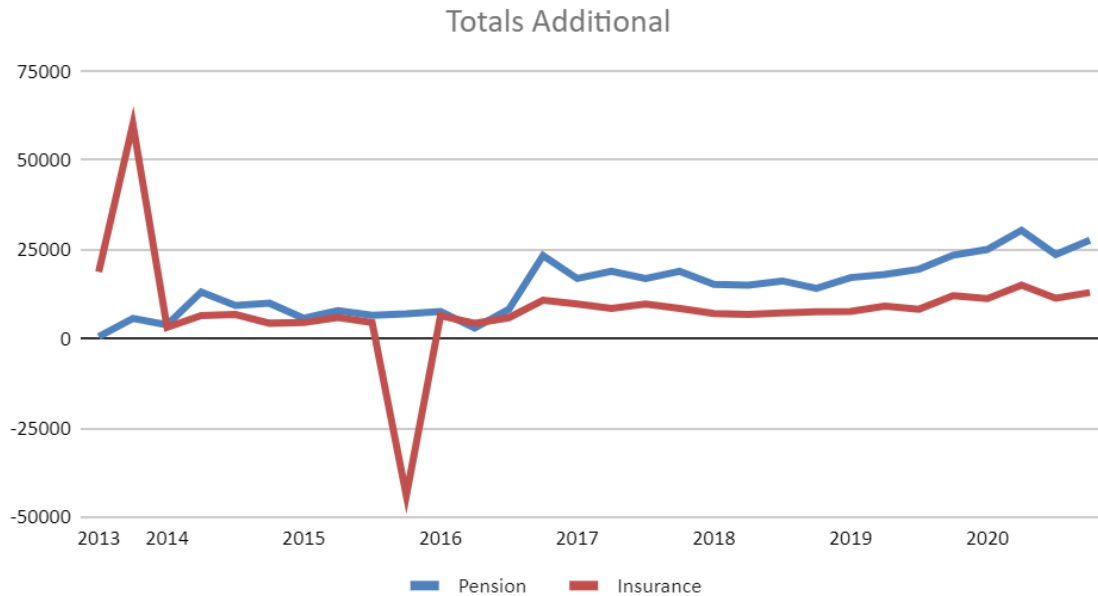
If we break down all the pension fees into their individual categories, it seems to clear up that seasonality is not a component for all fee types. We expected structural admin fees to always be \$2,500. Its flat line appearance is not surprising. There is an odd negative number in 2014 but this falls outside the scope of this audit and it appears to be the only outlier so it will be omitted from future analysis of this fee type. Ancillary and additional fees seem to have a fairly stagnant trend as well so seasonality will not be considered in the analysis of these fee types. Asset admin and transactional fees seem to be the only ones with the potential for seasonality. They also have a faint upward trend and might have a relationship of some nature. This will be tested later.



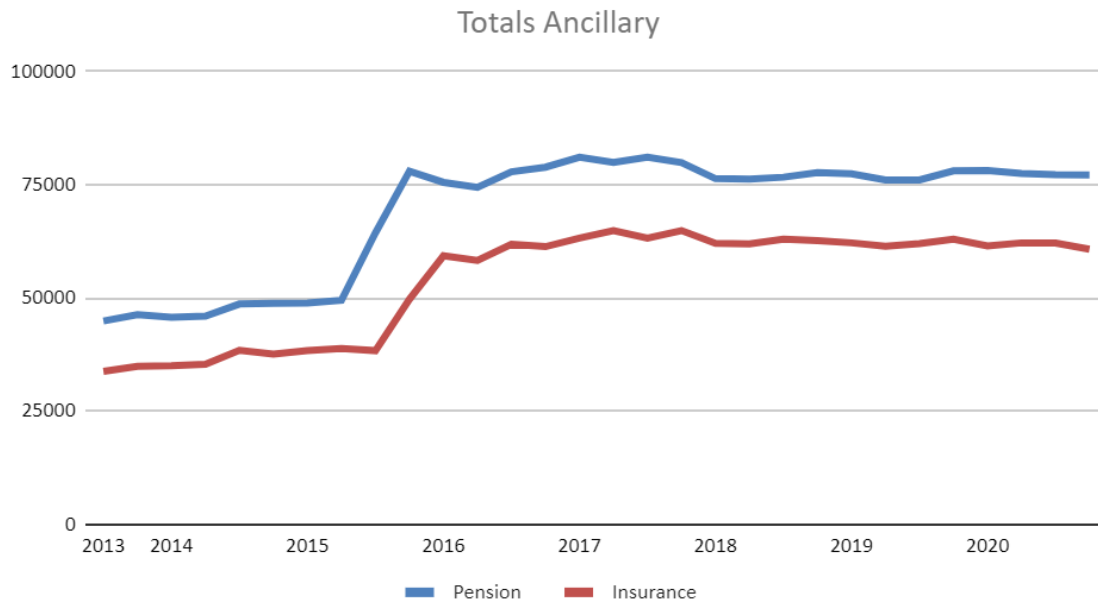
The breakdown of insurance fees tells a similar story. Structural admin, ancillary and additional fees appear to be consistent with a few exceptions in 2013 and 2015 which, again, are isolated events that fall outside the scope of this audit. Asset admin and transactional fees aren't acting like they do with pension. Asset admin fees tended to be higher than transactional fees for the pension fund but that is not the case for the insurance fund. This relationship will be tested later. Transactional fees look more volatile for insurance than pension but keep in mind that the range of values on this graph is shorter than on the pension graph which will cause differences to look more exaggerated in insurance than they are in pension. Transactional fees for pension and insurance will be graphed together later so we can get a better look at how they compare to each other.

Analysis:

One of the main purposes of the trending analysis spreadsheet is to help Investment Operations staff detect unusual charges that aren't specified in the fee schedule. These unspecified charges usually fall into the "Additional" category which is the sum of custody and out of pocket expenses. Many fees that fall into these categories are pass-through fees that Mellon incurs from managers who are working with KPPA money.



Other than the two spikes in 2013 and 2015 for the insurance fund, it looks like additional fees have been fairly stagnant since the beginning of our contract with Mellon. Using the simple mean to describe and predict this fee type is appropriate since seasonality doesn't seem to be a factor in this data set. The simple mean for insurance would be influenced by the two spikes but as time goes on and this linear trend holds, the impact of these spikes will lessen. There aren't any emails from 2017 onward about additional fees and based on this consistency, I don't find it alarming that nothing has been saved.



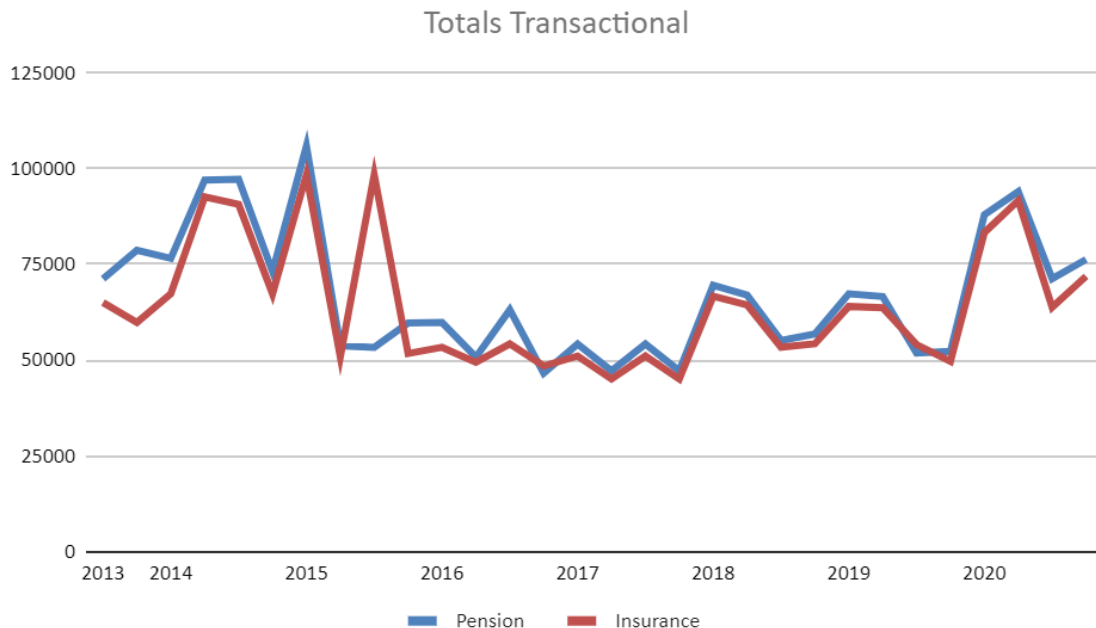
What is surprising is that ancillary fees are essentially flat from 2013 to the end of 2015 and then at the beginning of 2016 to 2020. The increase shown between 2015 to 2016 is from a service being added to this category. Using the simple mean would be appropriate to describe and predict this fee since seasonality does not appear to be a component of this fee.

This was one area of concern for the Executive Director of the Office of Investments. It was conjectured that we may have been charged unnecessarily or unfairly by hidden fees in this category. It has been determined from interviews with Investment Operations and Office of Investment staff that all services in this category are used. Private IQ service had been dropped from Mellon effective 2019 so future auditors or reviewers of this analysis should expect a significant drop in both insurance and pension showing payment for this service being reimbursed and no longer charged but the horizontal trend going forward should continue after this drop.

The staff member in charge of reviewing the invoices hasn't saved any emails about this fee type since she started completing this task in 2017. I don't find it alarming to see that no emails about this fee have been saved. It appears that the trend analysis worksheet is helping Investment Operations staff monitor this fee type efficiently and effectively.

Lastly, we will look at how asset admin and transactional fees act over time and how they relate to each other. If we find that there is a relationship between these two fees, then Investment Operations staff will have another tool to monitor future fees.

Transactional and asset admin fee will be reviewed separately first and then reviewed together.



There's clearly some form of seasonality displayed here. It would not be appropriate to use the simple mean to describe or predict this fee. We will conduct a times series analysis and regression analysis to test this theory and to see if we can build a predictive model. Since the two funds follow each other closely, we will only test the pension fund for seasonality.

If we find that there is a relationship between transaction and asset admin fees, then we may want to talk to Investment Operations staff about why asset admin fees don't act the same way as transactional fees. This is the only fee type where pension and insurance are basically on top of each other instead of insurance mirroring pension at a lower level.

To start testing for seasonality we need to decompose the actual values for each quarterly transactional fee in order to isolate the seasonality component and deseasonalize the actual data. Once we have the decomposition elements, we will use regression testing to see if there is a relationship between the cyclicity of quarters and the deseasonalized data. If we find statistically significant evidence to say that there is a relationship then we can build a multiplicative model and forecast future fees.

The model will be based on the coefficients produced from the regression analysis.

Here are the results from the regression test in excel:

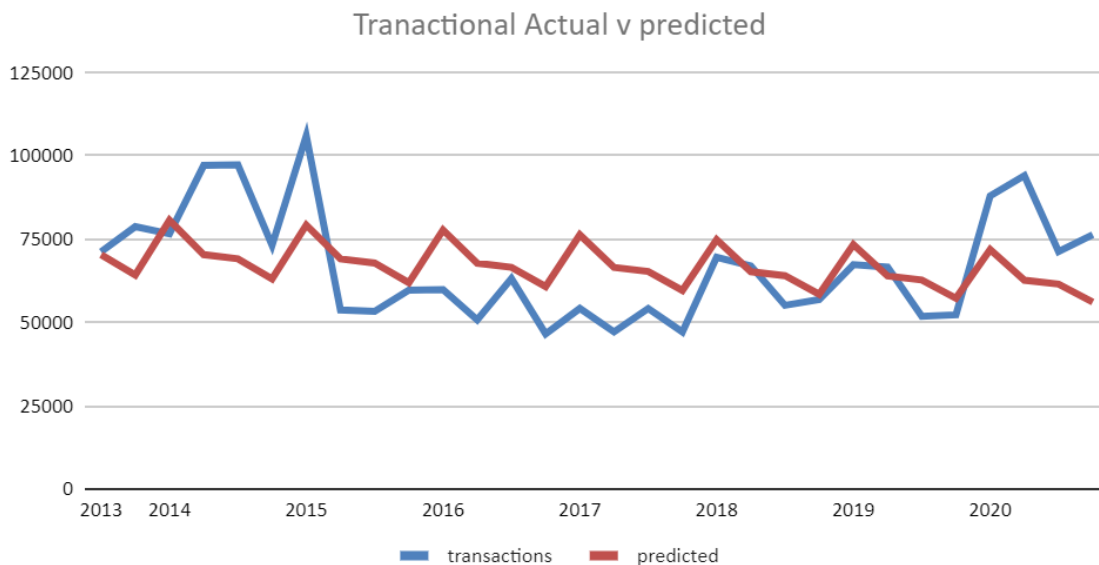
Ho: Transactional data does NOT have an inherent trend

Ha: Transactional data has an inherent trend

$\alpha = .05$, p-value = 0.3402, R squared = 0.0325

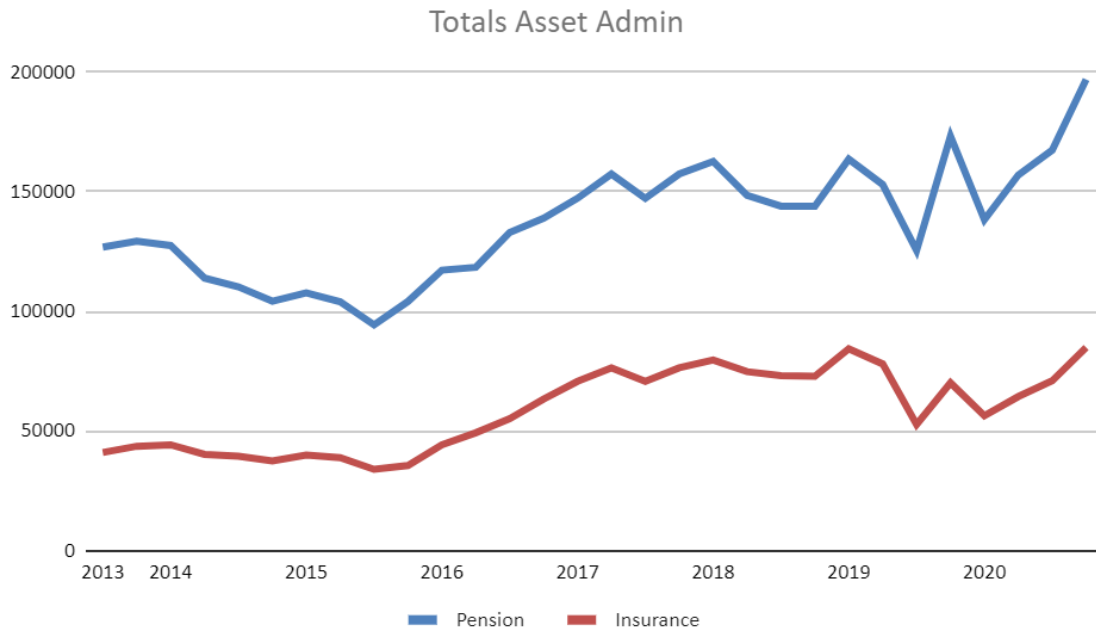
Only 3.25% of the variability in deseasonalized transactional data is explained by the multiplicative model. At the 5% significance level, we fail to reject the null hypothesis. We do not have enough evidence to say that there is an inherent trend in transactional data.

Since we didn't produce statistically significant results in testing the seasonality we can't use the multiplicative model to describe or predict this fee.



This shows the predicted value using the multiplicative model against the actual values. We can see here that the actual values don't follow the predictive model closely.

If we excluded data from 2013 to 2015, we may have come to a different conclusion since this time period is more volatile than the rest. It also has a little bit of a downward trend while the rest has an upward trend. Future auditors and reviewers of this analysis may consider re-running this test once more quarters are added to the trending spreadsheet. If the slight upward trend from mid-2016 to 2020 continues, we may be able to build a model. However, as it stands, the early volatility may be causing issues that this analysis will not address at this time.



Seasonality is probably an element around 2019-2020. It's not so obvious with the rest of the data. We will use the same technique that we used for transactional fees to test for seasonality and build a model. We will only test the pension fund for now.

Here are the results for regression testing:

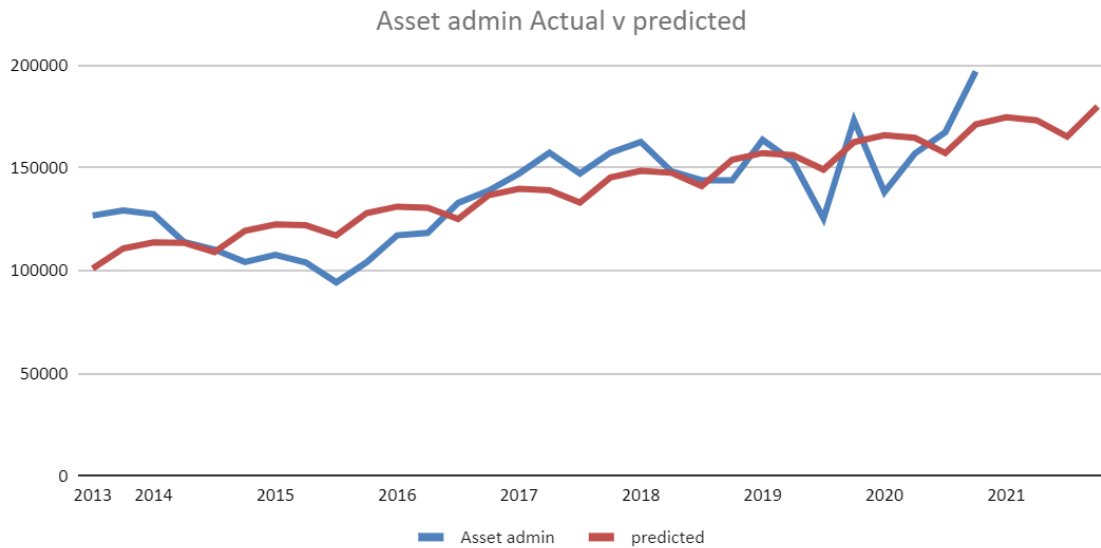
Ho: Asset Admin data does NOT have an inherent trend

Ha: Asset Admin data has an inherent trend

$\alpha = .05$, p-value = .0000, R squared = .59327

59.33% of the variability in deseasonalized Asset admin data is explained by the multiplicative model. At the 5% significance level, we reject the null hypothesis. We have enough evidence to say that there is an inherent trend in asset admin data.

Surprisingly we have statistically significant results telling us that there is in fact a seasonal trend in asset admin fees.



As we can see here, the multiplicative model for predicted values follows the actual values closely. Investment Operations staff may want to consider using the predictive model as an additional tool to monitor this fee type. Fiscal year 2021 has been forecasted on this graph.

Now that we have an understanding of how transactional and asset admin fees act over time, we can test their relationship.

It was originally thought that asset admin fees and transactional fees would have some kind of correlation because transactional fees are created when Mellon handles settled trades and money is added or subtracted from our account. It was thought that if asset admin fees go up then transactional fees would go up as well, but now that we have tests showing that they don't share the same kind of inherit trend, it is possible this theory will hold up in the next few tests. We will test this relationship for pension and insurance since transactional fees don't act like all the other fees where insurance mirrors pension but at a lower level.

Here are the Pension fund regression test result from excel:

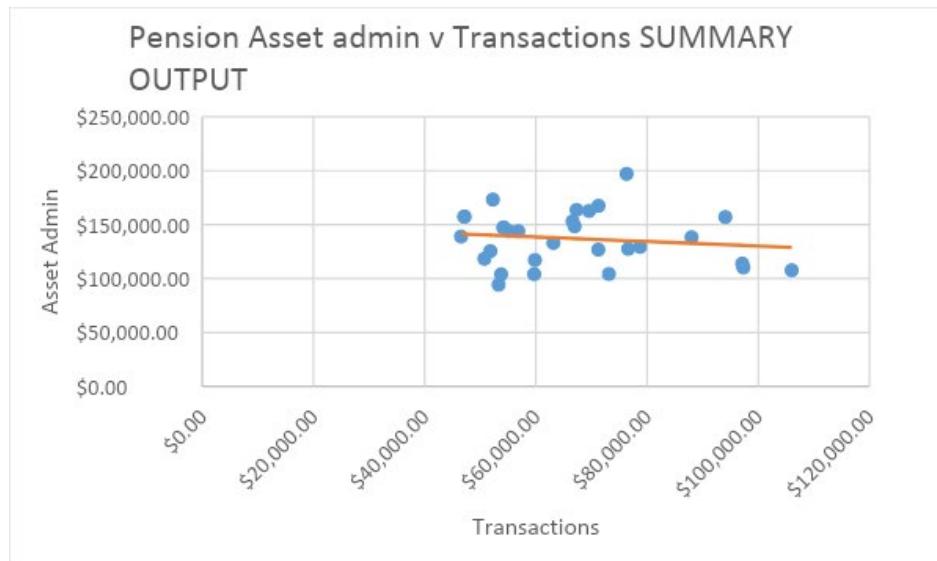
Pension (asset admin v transactions)

Ho: Asset Admin fees are NOT explained by Transactional fees.

Ha: Asset Admin fees are explained by Transactional fees.

$\alpha = .05$, p-value = 0.4589, R squared = 0.0197

Only 1.97% of the variability in asset admin fees is explained by transactional fees which shows a weak relationship between these two variables. Additionally, we are 95% confident that the average difference between Asset admin fees and transactional fee is (\$0.77) and \$0.36 which shows no significant difference because \$0.00 is captured in this interval. In conclusion, at 5% significance level, we fail to reject the null hypothesis. We do NOT have enough evidence to say that Transactional fees have an effect on Asset admin fees.



Here are the Insurance fund regression test results from excel:

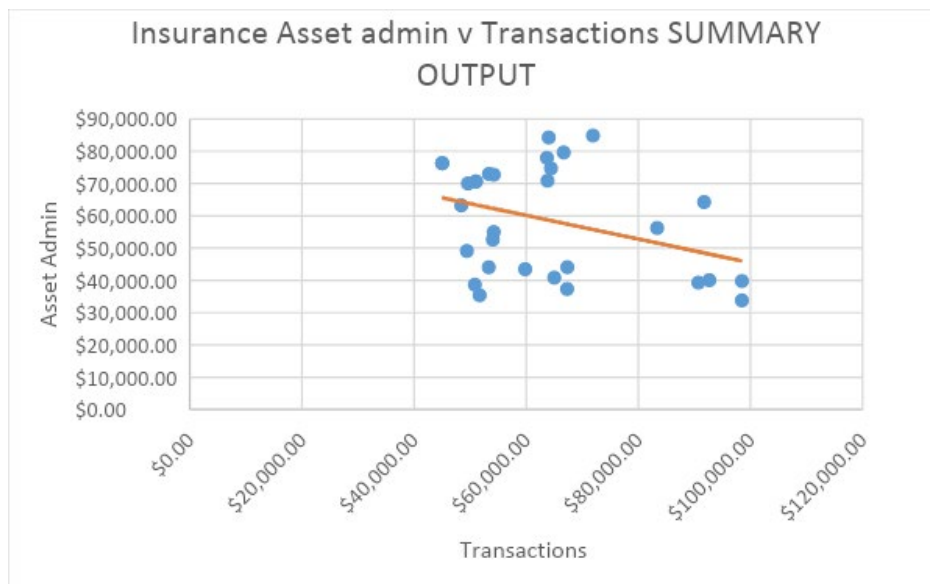
Insurance (asset admin v transactions)

Ho: Asset Admin fees are NOT explained by Transactional fees.

Ha: Asset Admin fees are explained by Transactional fees.

$\alpha = .05$, p-value = 0.0554, R squared = 0.1248

Only 12.49% of the variability in asset admin fees is explained by transactional fees which shows a weak relationship between these two variables. Additionally, we are 95% confident that the average difference between Asset admin fees and transactional fee is (\$0.73) and \$0.09 which shows no significant difference because \$0.00 is captured in this interval. In conclusion, at 5% significance level, we fail to reject the null hypothesis. We do NOT have enough evidence to say that Transactional fees have an effect on Asset admin fees.



The tests above show that asset admin and transaction fees do not have a relationship like initially thought, but this is most likely due to asset admin having a seasonality component and transactional fees not having a seasonality component. Investment Operations staff should not use the movement of transactional fees to judge variability in asset admin fees.

Conclusion:

The goal of this analysis was to determine trends and create models if possible. We found that not only is the structural admin fee constant but ancillary and additional fees are fairly constant as well. Using the simple mean is an appropriate way to describe and predict these fees.

The only model we were able to create was a multiplicative model for asset admin fees that takes seasonality into account. Hopefully this will be a useful tool for Investment Operations staff to use in monitoring this fee. Transactional fees may be modeled better at a later date with more data available.

No emails from 2017 to 2020 have been saved in the custodial fee folder about abnormalities and our analysis didn't find any abnormalities that might cause us to expect there to be an email. There are a few unusual spikes around 2015 and 2016 in structural admin and asset admin fees but these spikes appear to be isolated events. Over all the trending analysis worksheet appears to efficiently monitor all fee types.



Kentucky Public Pensions Authority

Internal Audit Administration



Kentucky Public
Pensions Authority

To: Members of the Joint Audit Committee

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

Date: August 26, 2021

Subject: Final Audit Report Released

Please find attached the final audit report entitled *Reconciliation of Great Plains to eMARS and Coding of Expenditures*. The report is dated March 9, 2021. The Division of Internal Audit Administration noted four findings, which are summarized below. The detailed findings and recommendations as well as management's responses are attached for your review. A separate management letter was not issued.

Audit Results

1. Lunches for Board of Trustees (Board) meetings and various Board Committee meetings were posted to the Office Supplies expense category.
2. Travel expenses were coded improperly.
3. Division of Accounting staff do not have documented procedures related to how to ensure expenditures are properly coded in Great Plains. In addition, there are no documented procedures related to reviewing the expense category of posted expenditures.
4. The reconciliation between Great Plains and eMARS (enhanced Management Administrative Reporting System) is only performed at the overall cash level and not at the individual expense category level.

Attachment

No action is required of the Committee.



RECONCILIATION OF GREAT PLAINS TO EMARS
AND CODING OF EXPENDITURES
As of February 11, 2021

March 9, 2021

Executive Summary

The following findings were noted during our review of the Reconciliation of Great Plains to the enhanced Management Administrative Reporting System (eMARS) and Coding of Expenditures processes. The related recommendations can be found in the Audit Results section of the report.

1. Lunches for Board of Trustees (Board) meetings and various Board Committee meetings were posted to the Office Supplies expense category.
2. Travel expenses were coded improperly.
3. Division of Accounting (Accounting) staff do not have documented procedures related to how to ensure expenditures are properly coded in Great Plains. In addition, there are no documented procedures related to reviewing the expense category of posted expenditures.
4. The reconciliation between Great Plains and eMARS is only performed at the overall cash level and not at the individual expense category level.

Objective

The objectives of our Reconciliation of Great Plains to eMARS and Coding of Expenditures audit were to ensure internal controls were in place and operating effectively and to ensure compliance with applicable state regulations as well as policies and procedures established by the Kentucky Retirement Systems (KRS) Board and management.

Background

Accounting staff reconcile the overall cash balance in Great Plains to the KRS eMARS balance on a daily basis. This reconciliation is performed for the five pension funds, five insurance funds, the clearing account, and the administrative expense account. Investment related items are not included in the reconciliation to eMARS. In addition, individual line item balances are not reconciled. The reconciliation is documented on a spreadsheet that is kept on a network drive accessible by Accounting staff. The spreadsheet provides details related to the Great Plains balance, the eMARS balance, and any reconciling items. The most common reconciling items are Cash Receipt documents uploaded to eMARS that are not yet recorded in Great Plains and payments entered in eMARS, but not yet approved and posted by the Finance and Administration Cabinet.

Scope and Sampling

From July 1, 2019 to March 31, 2020, there were 1,369 Great Plains transactions totaling \$4,190,588 and 1,252 eMARS transactions totaling \$5,245,290. For reconciliation and expenditure coding purposes, auditor looked at 100% of these transactions.

From July 1, 2019 to March 31, 2020, there were 187 business days. Auditor judgmentally selected to test the 1st and 15th day of each month from July 1, 2019 to March 16, 2020. For each of these days, auditor compared the cash account balance to the corresponding checkbook balance. If the selected date did not balance, auditor checked all subsequent dates until the account was found to be in balance.

Methodology

The following steps were performed to ensure the Reconciliation of Great Plains to eMARS and Coding of Expenditures processes complied with applicable state regulations as well as policies and procedures established by the KRS Board and management.

- Reviewed current KRS policies and procedures to determine if they were accurate and properly reflected the actual processes being followed.
- Ran a Great Plains report and an eMARS report for July 1, 2019 to March 31, 2020 and performed the following procedures:
 - Reconciled the Great Plains individual line item balances to the corresponding eMARS categories.
 - Ensured expenditures were posted in the same accounting period in Great Plains and eMARS.
 - Ensured expenditures were properly coded in Great Plains and eMARS.
- Compared the daily balance of the pension checkbook to the five pension cash accounts and the clearing account.
- Compared the daily balance of the insurance checkbook to the total of the five insurance cash accounts.

Commendations

We would like to thank Accounting staff for their assistance on this audit. All staff was helpful in addressing questions and was knowledgeable of the processes reviewed.

This report is intended solely for use by Accounting staff, the KRS Executive Management team, the Audit Committee, and the KRS Board, and is not intended to be, and should not be, used by anyone other than the specified parties. All reports are subject to Open Records Requests.

Item #1 Board and Committee Lunches

| | |
|----------------------------|---|
| Condition | At least \$843 related to lunches for Board and Committee meetings was posted to the Office Supplies expense category. |
| Criteria | Finance Administrative Policies and Procedures (FAP) 111-58-00 (4) states, "An agency shall ensure that the proper accounting structure is charged for the purchase." |
| Cause | Accounting staff received guidance from a former employee to post lunches for Board and Committee meetings to the Office Supplies expense category. |
| Effect | The total amount posted to the Office Supplies expense category does not reflect the actual amount spent on office supplies. In addition, an expense category may go over budget if expenses are improperly posted. |
| Recommendation | The Executive Director of Operations should review these expenses and consider if another expense category would be more appropriate for Board and Committee lunches. |
| Management Response | The coding was based on a request from a former Executive Director of Operations. Going forward, these will be coded as 361 travel expenses since they are lunches for the board. |
| Implementation Date | March 2021 |
| Auditor Response | Not Required |

Item #2 Travel Expenses

| | |
|----------------------------|--|
| Condition | Travel expenses were not properly coded. a. \$1,355 related to Out of State travel was posted in eMARS as In-State travel. b. \$492 related to lodging was posted to the Miscellaneous expense category in Great Plains; however, other lodging expenses reviewed during the audit were recorded as travel expenses. c. \$18 related to In-State travel was posted in Great Plains as Out of State travel. |
| Criteria | FAP 111-58-00 (4) states, "An agency shall ensure that the proper accounting structure is charged for the purchase." |
| Cause | Travel expenses are often paid with a Procurement Card. It can be difficult to separate the in-state and out-of-state travel expenses. |
| Effect | The total amount posted to the travel expense categories does not reflect actual travel activity. In addition, a travel expense category may go over budget if expenses are improperly posted. |
| Recommendation | 1. When reviewing posted expenses, the Graduate Accounting Branch Manager should ensure the proper expense category is used. 2. Accounting staff should make adjustments if it is determined that an expense is posted to the wrong account. |
| Management Response | These expenses are typically posted correctly in Great Plains (statements are produced from Great Plains not eMARS). When an error is found in eMARS, it has not been our practice to correct the details as the correcting Journal Voucher will not post without manual intervention. Accounting will begin preparing and posting correcting Journal Vouchers to eMARS when an error occurs, provided the account numbers in eMARS match our account number schematic in Great Plains. We will develop a spreadsheet with account numbers that are used in eMARS but not in Great Plains with a crosswalk of what will be used in Great Plains. |
| Implementation Date | April 2021 |
| Auditor Response | Not Required |

Item #3 Policy and Procedures Manual

| | |
|----------------------------|---|
| Condition | Accounting staff do not have documented procedures related to how to ensure expenditures are properly coded in Great Plans. Procedures related to reviewing the expense category of posted expenditures are also not documented. |
| Criteria | 200 Kentucky Administrative Regulation (KAR) 38:070 states, "Each fiscal officer shall develop and document internal controls to both prevent and detect abuse, unintentional errors, and the fraudulent disbursement of funds or use of state assets...An internal control plan shall include...Detailed procedures to be followed in the performance of job duties and functions to emphasize duties that comprise the overall framework of accountability and internal controls, and to help ensure the continuation of agency operations in the event of staffing changes...Assessment of the control environment, risks, impact of abuse, unintentional errors and potential fraud for...disbursements." |
| Cause | When documenting the reconciliation procedures, Accounting staff did not realize that steps were needed that relate to selecting the expense category in Great Plains or the review process for ensuring the correct expense category was selected. |
| Effect | Staff could post items to the improper accounts. New employees may not be aware of how to select the proper expense categories. Those tasked with reviewing items may not be aware that checking the expense category is something that should be reviewed. |
| Recommendation | Accounting staff should update their procedures to include steps related to ensuring the proper expense category is selected as well as steps related to reviewing posted expenses. |
| Management Response | Accounting staff will add a spreadsheet of expenses and their proper coding to the existing procedures. |
| Implementation Date | June 2021 |
| Auditor Response | Not Required |

Item #4 Reconciliations between eMARS and Great Plains

| | |
|----------------------------|--|
| Condition | Reconciliations are only performed at the overall cash level. |
| Criteria | 200 KAR 38:070 states, "Each fiscal officer shall develop and document internal controls to both prevent and detect abuse, unintentional errors, and the fraudulent disbursement of funds or use of state assets...An internal control plan shall include...Detailed procedures to be followed in the performance of job duties and functions to emphasize duties that comprise the overall framework of accountability and internal controls, and to help ensure the continuation of agency operations in the event of staffing changes...Assessment of the control environment, risks, impact of abuse, unintentional errors and potential fraud for...disbursements." |
| Cause | A former employee reconciled items at the individual account level, but this has not been performed since that employee's departure. |
| Effect | Improper coding of expenses may not be detected during a cash level reconciliation. While the overall balance may reconcile, individual categories could go over budget as a result of expenses posting to the incorrect category. |
| Recommendation | The Executive Director of Operations should consider assigning an employee to perform reconciliations at the individual account levels. Previously, these reconciliations were performed by someone outside of the accounting function, which serves as a separation of duties and allows for an outside review of expenses. These reconciliations should be completed at least quarterly. |
| Management Response | The Executive Director of Operations agrees to assign an employee outside of Accounting to perform reconciliations at the individual account levels. The employee will either be in Procurement or in the Enterprise Project Management Office. |
| Implementation Date | July 2021 |
| Auditor Response | Not Required |

MEMORANDUM

TO: Kentucky Public Pensions Authority Board (“KPPA Board”)

FROM: Michael Board, Executive Director, Office of Legal Services
Carrie Bass, Staff Attorney Supervisor, Division of Non-Advocacy, Office of Legal Services

DATE: September 1, 2021

RE: KPPA Board ratification of filing of amended administrative regulations with the Legislative Research Commission (“LRC”)

Background:

In 2017, the Kentucky General Assembly enacted legislation placing an automatic expiration date on all administrative regulations promulgated pursuant to Kentucky Revised Statutes Chapter 13A (including administrative regulations applicable to the Kentucky Retirement Systems and County Employees Retirement System), unless the promulgating agency takes action to prevent the regulation from expiring. Under this legislation, the following administrative regulations were set to expire at the end of July 2021 unless an amendment to the regulations were filed with LRC before the July 2021 expiration date:

1. 105 KAR 1:210, Disability procedures;
2. 105 KAR 1:310, Fred Capps Memorial Act; and
3. 105 KAR 1:330, Purchase of service credit.

Effective April 1, 2021, Kentucky Revised Statutes 61.505(1)(f) authorizes the KPPA 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 ... KRS [“Kentucky Revised Statutes”] 16.505 to 16.652, 61.510 to 61.705, 78.510 to 78.852, and 61.505.”¹

Due to the July 2021 expiration deadline and to avoid scheduling an additional meeting, the KPPA staff proceeded with filing amendments to 105 KAR 1:210, Disability procedures; 105 KAR 1:310, Fred Capps Memorial Act; and 105 KAR 1:330, Purchase of service credit, with LRC without first

¹ As a reminder, Section 45 of House Bill 484 (2020) provides that administrative regulations promulgated by the Board of Trustees of the Kentucky Retirement Systems prior to April 1, 2021 on behalf of the County Employees Retirement System shall continue to apply to the County Employees Retirement System after the County Employees Retirement System Board separation on April 1, 2021. Additionally, the KPPA Office of Legal Services is in the process of working with the staff of the Legislative Research Commission to reorganize the administrative regulations previously promulgated for the Kentucky Retirement Systems into (1) administrative regulations promulgated by the KPPA for both the Kentucky Retirement Systems and the County Employees Retirement System, (2) administrative regulations promulgated by the Board of Trustees of the Kentucky Retirement Systems for the Kentucky Retirement Systems, and (3) administrative regulations promulgated by the Board of Trustees of the County Employees Retirement System for the County Retirement System. When this reorganization occurs, all three of the foregoing regulations will be listed as administrative regulations promulgated by the KPPA for both the Kentucky Retirement Systems and the County Employees Retirement System.

obtaining KPPA Board approval.² The KPPA staff now request ratification of the amended regulations filed with LRC. Below is an overview of the amended regulations that were filed.

105 KAR 1:210, Disability procedures:

105 KAR 1:210, Disability procedures, addresses purely day-to-day functions necessary to administer disability retirement benefits for both the Kentucky Retirement Systems and the County Employees Retirement System. This regulation details the process of applying for hazardous and nonhazardous disability retirement benefits,³ the process of review by contract medical examiners to determine eligibility to receive disability retirement benefits, the process for appealing a determination of ineligibility, and the processes for payment of disability retirement benefits, when approved. Finally, this regulation incorporates numerous forms by reference that are used by the KPPA Division Disability and Survivor Benefits to facilitate the aforementioned processes.

In the amendment, substantial updates have been made to 105 KAR 1:210, Disability procedures, in order to more clearly outline the process of applying for both nonhazardous and hazardous disability retirement benefits via the KPPA. The amendments to 105 KAR 1:210, Disability procedures, also modernize this regulation to reflect the use of KPPA's Member Self-Service website and the use of electronic communications, where appropriate. The amendments to this regulation further acknowledge the KPPA's use of a third-party vendor, currently MMRO, to facilitate medical examiner reviews of disability retirement applications and accompanying records. Finally, the amendments to 105 KAR 1:210, Disability procedures, include updated and revised forms used in the disability retirement process.

105 KAR 1:310, Fred Capps Memorial Act:

105 KAR 1:310, Fred Capps Memorial Act, likewise addresses purely day-to-day functions necessary to administer duty-related disability and survivor benefits for nonhazardous members of both the Kentucky Retirement Systems and the County Employees Retirement System. This regulation details the process of applying for nonhazardous duty-related disability and survivor benefits, the process of review by contract medical examiners to determine eligibility to receive duty-related disability or survivor benefits, the process for appealing a determination of ineligibility, and the processes for payment of duty-related benefits, when approved. This regulation additionally addresses some areas that differ from disability retirement benefits, such as the payment of dependent child benefits. Finally, this regulation incorporates numerous forms by reference that are used by the KPPA Division Disability and Survivor Benefits to facilitate the aforementioned processes.

In the amendment, substantial updates have been made to 105 KAR 1:310, Fred Capps Memorial Act, in order to more clearly outline the process of applying for nonhazardous duty-related disability and survivor benefits via the KPPA. The amendments to 105 KAR 1:310, Fred Capps Memorial Act, also modernize this regulation to reflect the use of KPPA's Member Self-Service website and the use of electronic communications, where appropriate. The amendments to this regulation further acknowledge the KPPA's use of a third-party vendor, currently MMRO, to facilitate medical examiner reviews of applications for nonhazardous duty-related benefits and accompanying records. Finally, the

² The amended regulations are all signed by the KPPA Executive Director in accordance with Section 1.4(V.) of the KPPA Board Bylaws.

³ Nonhazardous duty-related disability and survivor benefits are addressed in 105 KAR 1:310, discussed below. The KPPA staff is working on a new regulation regarding hazardous duty-related disability and survivor benefits.

amendments to 105 KAR 1:310, Fred Capps Memorial Act, include updated and revised forms used in the nonhazardous duty-related benefit process.

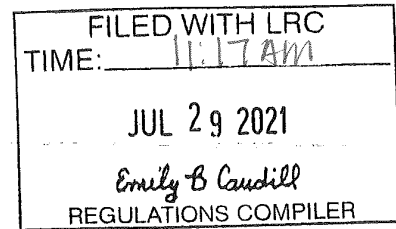
105 KAR 1:330, Purchase of service credit:

105 KAR 1:330, Purchase of service credit, addresses purely day-to-day functions necessary to facilitate service purchases with the Kentucky Retirement Systems and the County Employees Retirement System. This regulation details the process involved in providing service purchase cost estimates and the submission of forms and documents necessary for purchasing various types of service credit. Finally, this regulation incorporates numerous forms by reference that are used by the KPPA Division Member Services for service credit purchases.

In the amendment, updates have been made to 105 KAR 1:330, Purchase of service credit, in order to make this regulation more consistent with recent changes in House Bill 9 (2021) to the statutes governing purchases of service credit with the Kentucky Retirement Systems and the County Employees Retirement System. The amendments to this regulation further reflect the use of KPPA's Member Self-Service website and the use of electronic communications, where appropriate. Finally, the amendments to 105 KAR 1:330, Purchase of service credit, include updated and revised forms used to purchase service credit.

Staff Recommendation:

The Office of Legal Services requests that the KPPA review the attached materials and ratify the amendments to 105 KAR 1:210, Disability procedures; 105 KAR 1:310, Fred Capps Memorial Act; and 105 KAR 1:330, Purchase of service credit, with LRC at the September 8th, 2021 KPPA Board meeting.



1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Retirement Systems

3 (Amendment to Administrative Regulation)

4 105 KAR 1:210. Disability procedures.

5 RELATES TO: KRS 16.505-16.652, 61.505~~[14]~~-61.705, 78.510-78.852, 344.030, 29

6 C.F.R. Part 1630, 42 U.S.C. 12111(9)

7 STATUTORY AUTHORITY: KRS 61.505(1)(f)~~[KRS 61.645(9)(g)]~~

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.505(1)(f)~~[61.645(9)(g)]~~

9 authorizes the Kentucky Public Pensions Authority~~[Board of Trustees of Kentucky~~
 10 ~~Retirement Systems]~~ to promulgate all administrative regulations on behalf of the
 11 Kentucky Retirement Systems and the County Employees Retirement System that are
 12 consistent with~~[necessary or proper in order to carry out the provisions of]~~ KRS
 13 61.510~~[61.515]~~ to 61.705, 16.505~~[16.510]~~ to 16.652, and 78.510~~[78.520]~~ to 78.852. KRS
 14 16.582, 78.5524, 61.600, 78.5522, [and] 61.665, and 78.545 ~~establish~~~~[provide for]~~ a
 15 process for applying for disability retirement benefits to members of the Kentucky
 16 Employees Retirement System, the State Police Retirement System, and the County
 17 Employees Retirement System~~[retirement systems]~~ and a process for administrative
 18 appeal of a denial of an application or reapplication for disability retirement benefits. This
 19 administrative regulation establishes the procedure for filing an application or

1 reapplication for disability retirement benefits and the procedures for filing an
2 administrative appeal of a denial of an application for disability retirement benefits.

3 Section 1. Definitions.

4 (1) Definitions contained in KRS 16.505, 61.510, and 78.510 shall apply to this
5 regulation, unless otherwise defined herein.

6 (2) Prior to April 1, 2021, "the Agency" means the Kentucky Retirement Systems,
7 which administers the State Police Retirement System, the Kentucky Employees
8 Retirement System, and the County Employees Retirement System. Effective April 1,
9 2021, "the Agency" means the Kentucky Public Pension Authority, which is authorized to
10 carry out the day-to-day administrative needs of the Kentucky Retirement Systems
11 (comprised of the State Police Retirement System and the Kentucky Employees
12 Retirement System) and the County Employees Retirement System.

13 (3) "Applicant" means a member or retired member of the State Police Retirement
14 System, the Kentucky Employees Retirement System, or the County Employees
15 Retirement System (or a member or retired member of multiple Systems) who has applied
16 or is applying for disability retirement benefits in accordance with KRS 16.582, 78.5524,
17 61.600, 78.5522, 61.665, and 78.545.

18 (4) Prior to April 1, 2021, "DAC" means the Disability Appeals Committee of the
19 Board of Trustees of the Kentucky Retirement Systems. Effective April 1, 2021, "DAC"
20 means the separate or joint Disability Appeals Committees of the Board of Trustees of
21 the Kentucky Retirement Systems and the Board of Trustees of the County Employees
22 Retirement System in accordance with KRS 61.665(4) and 78.545.

1 (5) "File" means the following methods for delivering or submitting a form or other
2 documents to the retirement office, unless otherwise stated: mail, fax, in-person delivery,
3 secure email, and upload via Self Service on the Web site maintained by the Agency (if
4 available). A form or other document shall not be deemed filed until it has been received
5 at the retirement office.

6 (6) "Participating employers" means employers participating in the State Police
7 Retirement System, the Kentucky Employees Retirement System, and the County
8 Employees Retirement System.

9 (7) "Provide," when used in reference to a form, means the following methods for
10 the Agency to make a form available to a member, retired member, or beneficiary: mail,
11 fax, secure email, and upload via Self Service on the Web site maintained by the Agency
12 (if available).

13 (8) For the purposes of this regulation only, "recipient" means a retired member of
14 the State Police Retirement System, the Kentucky Employees Retirement System, or the
15 County Employees Retirement System (or a retired member of multiple Systems) who is
16 receiving disability retirement benefits in accordance with KRS 16.582, 78.5524, 61.600,
17 78.5522, 61.665, and 78.545.

18 (9) "The Systems" means the State Police Retirement System, the Kentucky
19 Employees Retirement System, and the County Employees Retirement System.

20 (10) "Valid," when used in reference to a form, means that all required sections on
21 a form are completed and all required signatures on a form are executed.

1 (11) "Invalid," when used in reference to a form, means that the form is deficient
2 and shall not be accepted or processed by the Agency. ~~[(1) An application or reapplication~~
3 ~~for disability benefits shall be made on "Form 6000, Notification of Retirement".~~

4 ~~(2)(a) The application or reapplication shall be filed at the retirement systems within~~
5 ~~twenty-four (24) months, which is 730 calendar days, of the applicant's last day of paid~~
6 ~~employment in a regular full-time position.~~

7 ~~(b) The time period for filing an application or reapplication for disability retirement~~
8 ~~benefits shall begin on the day after the applicant's last day of paid employment in the~~
9 ~~regular full-time position and shall end at close of business on the following 730th day.~~

10 ~~(c) If the last day of the period is a Saturday, Sunday, or state or federal holiday, then the~~
11 ~~application shall be valid if filed at the retirement systems by the close of the next business~~
12 ~~day following the weekend or holiday.~~

13 ~~(d) The applicant's employer shall certify the applicant's last day of paid employment.~~

14 ~~(e) An application or reapplication may be submitted prior to the applicant's last day of~~
15 ~~paid employment.]~~

16 Section 2. Use of third-party vendors.

17 (1) The Agency may contract with third-party vendors to act on its behalf
18 throughout the disability retirement application and review process. The Agency may also
19 contract with third-party vendors to act on its behalf throughout the periodic review,
20 reinstatement review, and employment review processes.

21 (2) The Agency may utilize independent, licensed physicians provided by third-
22 party vendors to serve as medical examiners pursuant to KRS 61.665 and 78.545. Third-

1 party vendors may also provide additional persons to fulfill non-physician roles throughout
2 the disability retirement application process.

3 (3) For purposes of this regulation, third-party vendors may act on behalf of the
4 Agency and the Systems with all the rights and responsibilities therein. ~~[(1) If the applicant~~
5 ~~is eligible to begin drawing early retirement benefits, the applicant shall be notified of the~~
6 ~~right to receive a retirement allowance while the disability application is being processed.~~
7 ~~(2) Election of early retirement by the applicant shall not affect the application for disability~~
8 ~~retirement.]~~

9 Section 3. Filing an application or reapplication for disability retirement benefits.

10 (1) An application for disability retirement benefits or a reapplication for disability
11 retirement benefits shall be made on the Form 6000, "Notification of Retirement."

12 (2) (a) 1. A reapplication for disability retirement benefits based on the same claim
13 of incapacity shall be accompanied by new objective medical evidence not previously
14 considered with prior applications.

15 2. An applicant shall have one hundred eighty (180) days from the date the
16 reapplication for disability retirement benefits based on the same claim of incapacity is on
17 file at the retirement office in which to file new objective medical evidence not previously
18 considered with prior applications.

19 3. If the last day of the period described in subparagraph 2. of this paragraph is a
20 Saturday, Sunday, a public holiday listed in KRS 2.110, a day on which the retirement
21 office is actually and legally closed, or any other state or federal holiday that disrupts mail
22 service, then the deadline shall be satisfied if the required forms, certification, information,
23 and/or request are on file at the retirement office by the close of the next business day.

1 4. A reapplication for disability retirement benefits based on the same claim of
2 incapacity that is accompanied by new objective medical evidence shall be reviewed in
3 conjunction with the objective medical evidence, forms, and information filed with all
4 previous applications.

5 (b) A reapplication for disability retirement benefits based on the same claim of
6 incapacity that is unaccompanied by new objective medical evidence that was not
7 considered with previous applications within one hundred eighty (180) days of filing of the
8 reapplication shall be invalid and shall not be accepted or considered by the Agency.

9 (3) A reapplication for disability retirement benefits that is filed subsequent to a
10 prior application for disability retirement benefits and is based on an entirely different
11 claim of incapacity will be treated in the same manner as a reapplication for disability
12 retirement benefits based on the same claim of incapacity under subsection (2) of this
13 Section.

14 (4)(a) Pursuant to KRS 16.582, 78.5524, 61.600, and 78.5522, the twenty-four (24)
15 month period after the applicant's last day of paid employment during which the applicant
16 must have a valid application on file at the retirement office shall consist of seven hundred
17 thirty (730) calendar days.

18 (b) If the 730th day is on a Saturday, Sunday, a public holiday listed in KRS 2.110,
19 a day on which the retirement office is actually and legally closed, or any other state or
20 federal holiday that disrupts mail service, then the application shall be timely if filed at the
21 retirement office by the close of the next business day.

1 (c) If a valid application or reapplication for disability retirement benefits is not on
2 file at the retirement office at the close of business on the 730th day, then the application
3 or reapplication is not timely and the applicant is not qualified to retire on disability.

4 (d)1. The applicant's last day of paid employment shall either be certified by the
5 applicant's employer or filed by the applicant and corroborated by the reporting
6 information received by the Agency from the applicant's employer.

7 2. In accordance with KRS 61.685 and 78.545, the applicant's last day of paid
8 employment may be corrected at any time upon discovery of any error or omission in the
9 Agency's records.

10 (5) An application or reapplication may be filed prior to the applicant's last day of
11 paid employment but no earlier than six (6) months prior to the applicant's last day of paid
12 employment.

13 Section 4. Forms required with disability retirement application or reapplication.

14 (1) In addition to a valid application or reapplication for disability retirement benefits
15 in accordance with Section 3, the applicant shall be required to file the following forms
16 and information with the retirement office prior to review by the medical examiners under
17 KRS 61.665 and 78.545:

18 (a) A valid Form 8035, "Employee Job Description;"

19 (b) A valid Form 8040, "Prescription and Nonprescription Medications;"

20 (c) Supporting medical information; and

21 (d) Once all supporting medical information has been submitted, a valid Form
22 8001, "Certification of Application for Disability Retirement and Supporting Medical
23 Information."

1 (2) The applicant's employer shall complete and submit to the retirement office a
2 Form 8030, "Employer Job Description," for all initial applications for disability retirement
3 benefits.

4 (3) Both the applicant and the employer shall file information regarding the
5 applicant's request for reasonable accommodations as required by KRS 61.665(2)(a),
6 61.665(2)(b), and 78.545.

7 (4) The applicant and the applicant's employer shall file or submit additional
8 information regarding the applicant's job duties and reasonable accommodations upon
9 request by the Agency or a third-party vendor on its behalf.

10 (5) For a reapplication for disability retirement benefits, the applicant's employer
11 shall be required to complete and submit to the retirement office an updated Form 8030,
12 "Employer Job Description," and additional information on reasonable accommodations
13 as described in subsection (3) of this Section only if the applicant's job duties or the
14 reasonable accommodation information have changed since the prior application.

15 (6) The Agency or its contracted third-party vendor shall provide to the medical
16 examiners the application or reapplication for disability retirement benefits and all forms
17 and information listed in subsections (1) and (5) of this Section upon submission of a valid
18 Form 8001, "Certification of Application for Disability Retirement and Supporting Medical
19 Information."

20 (7)(a) The one hundred eighty (180) day period to file all necessary forms,
21 certifications, and information under KRS 61.665(2)(a) and 78.545 and this Section shall
22 begin on the day the applicant's valid Form 6000, "Notification of Retirement," that

1 complies with Section 3 is on file at the retirement office and shall end at close of business
2 on the last day of the prescribed time period.

3 (b) Pursuant to KRS 61.665(2)(f), 61.665(2)(h), 61.665(3)(a), and 78.545, the one
4 hundred eighty (180) day period to appeal the recommended denial of disability
5 retirement benefits by two (2) or more of the three (3) medical examiners reviewing the
6 objective medical evidence shall begin on the day the notification of the recommendation
7 of the medical examiners is mailed by the Agency, or a third-party vendor on its behalf,
8 and shall end at close of business on the last day of the prescribed time period.

9 (c) If the last day of the period described in paragraphs (a) or (b) of this subsection
10 is a Saturday, Sunday, a public holiday listed in KRS 2.110, a day on which the retirement
11 office is actually and legally closed, or any other state or federal holiday that disrupts mail
12 service, then the deadline shall be satisfied if the forms, certification, information, appeals,
13 and/or requests required by KRS 61.665 and 78.545 and this Section are on file at the
14 retirement office by the close of the next business day.

15 Section 5. Effect of subsequent disability retirement reapplication while a prior application
16 or reapplication is still pending.

17 (1) If a subsequent valid reapplication for disability retirement benefits that
18 complies with Section 3 is filed at the retirement office while a prior application or
19 reapplication is pending review by the medical examiners under KRS 61.665 and 78.545,
20 then the subsequent reapplication shall be accepted solely for the purpose of designating
21 a new beneficiary in accordance with KRS 61.542 and 78.545. The subsequent
22 reapplication shall not be submitted for review by the medical examiners.

1 (2)(a) If a subsequent valid reapplication for disability retirement benefits that
2 complies with Section 3 is filed at the retirement office after an applicant has requested
3 an administrative hearing to appeal the denial of an earlier application or reapplication for
4 disability retirement benefits, but prior to a Final Order of DAC regarding the earlier
5 application or reapplication, then the subsequently filed reapplication shall be deemed a
6 notice of intent to dismiss the request for administrative hearing unless the applicant
7 simultaneously files a written statement that the subsequently filed reapplication has been
8 filed solely for the purpose of designating a new beneficiary in accordance with KRS
9 61.542 and 78.545.

10 (b) A subsequently filed reapplication as described in paragraph (a) of this
11 subsection shall not be processed by the Agency until thirty-one (31) days after the entry
12 of a Final Order of DAC dismissing the previously requested administrative appeal, except
13 that a new beneficiary designated on the subsequently filed reapplication in accordance
14 with KRS 61.542 and 78.545 shall be effective immediately.

15 (c) All evidentiary filings made during an administrative hearing process to appeal
16 the denial of an earlier application or reapplication for disability retirement benefits shall
17 be included in the information provided to the medical examiners for review of the
18 subsequently filed reapplication.

19 (3)(a)1. If a subsequent valid reapplication for disability retirement benefits is filed
20 at the retirement office after DAC has issued a Final Order denying a prior application or
21 reapplication for disability retirement benefits and during the statutory time for appeal of
22 the Final Order or after an appeal of the Final Order has been made, then the

1 subsequently filed reapplication shall be accepted solely for the purpose of designating a
2 new beneficiary in accordance with KRS 61.542 and 78.545.

3 2. The subsequent reapplication as described in subparagraph 1. of this paragraph
4 shall not be submitted for review by the medical examiners, unless the applicant
5 simultaneously files a written statement that the applicant will not appeal the Final Order
6 of DAC or has withdrawn any pending appeal of a Final Order of DAC.

7 (b) If a subsequent valid reapplication for disability retirement benefits is filed at
8 the retirement office after DAC has issued a Final Order denying an application or
9 reapplication for disability retirement benefits, all applicable statutory time for appeals of
10 the Final Order have lapsed, and the reapplication complies with KRS 16.582, 78.5524,
11 61.600, 78.5522, and Section 3 of this regulation, then the subsequently filed
12 reapplication for disability retirement benefits shall be valid.

13 Section 6. Eligibility for early or normal retirement benefits at the time of application for
14 disability retirement benefits.

15 (1)(a) If the applicant is eligible to receive early or normal retirement benefits at the
16 time a valid Form 6000, "Notification of Retirement," for disability retirement benefits that
17 complies with Section 3 is filed at the retirement office, the Agency shall treat a valid Form
18 6000, "Notification of Retirement," as also being an application for early or normal
19 retirement benefits.

20 (b) If the applicant becomes eligible to receive early or normal retirement benefits
21 while the application for disability retirement benefits is pending or an appeal of the denial
22 of disability retirement benefits is pending, the Agency shall treat a valid Form 6000,
23 "Notification of Retirement," of the applicant that complies with Section 3 as also being an

1 application for early or normal retirement benefits upon written request by the applicant
2 filed at the retirement office.

3 (2) If the applicant has terminated employment from all participating employers and
4 the applicant's Form 6000, "Notification of Retirement," is also an effective application for
5 early or normal retirement benefits pursuant to subsection (1) of this Section, the Agency
6 shall provide a Form 6010, "Estimated Retirement Allowance," for early or normal
7 retirement benefits to the applicant.

8 (3)(a) An application for disability retirement benefits on the Form 6000, "Notification
9 of Retirement," that is also an effective application for early retirement benefits pursuant
10 to subsection (1) of this Section shall not be affected if the applicant fails to have a valid
11 Form 6010, "Estimated Retirement Allowance," for early retirement benefits on file at the
12 retirement office within six (6) months following termination from all employment with
13 participating employers in accordance with KRS 61.590(5)(b) and 78.545, so long as the
14 application for disability retirement benefits is still pending medical examiner review,
15 administrative action, or judicial review.

16 (b) If the applicant has been provided with a Form 6010, "Estimated Retirement
17 Allowance," for early retirement benefits in accordance with subsection (2) of this Section
18 and the applicant does not have a valid Form 6010, "Estimated Retirement Allowance,"
19 for early retirement benefits on file at the retirement office within six (6) months following
20 termination from all employment with participating employers, then in order to receive
21 early retirement benefits the applicant shall be required to file a new Form 6000,
22 "Notification of Retirement," solely for early retirement benefits in accordance with KRS
23 61.590(5)(b) and 78.545.

1 (c) If the applicant is required to file a new valid Form 6000, "Notification of
2 Retirement," specifically for early retirement benefits as described in paragraph (b) of this
3 subsection and designates a different beneficiary than designated on the original Form
4 6000, "Notification of Retirement," for disability retirement benefits, then the beneficiary
5 designation on the later Form 6000, "Notification of Retirement," specifically for early
6 retirement benefits shall supersede any prior beneficiary designation pursuant to KRS
7 61.542 and 78.545.

8 Section 7. Requests for additional objective medical evidence by the medical examiners.

9 (1) A medical examiner reviewing an application or reapplication for disability
10 retirement benefits pursuant to KRS 61.665 and 78.545 may place their recommendation
11 on hold and request additional objective medical evidence.

12 (2) If two (2) or more of the three (3) medical examiners reviewing an application or
13 reapplication for disability retirement benefits place their recommendation on hold and
14 request additional objective medical evidence, then the Agency, or a third-party vendor,
15 shall notify the applicant of the medical examiner's request for additional objective
16 medical evidence. The applicant shall have sixty (60) days from the date of the notification
17 to file the requested objective medical evidence along with a valid Form 8001,
18 "Certification of Application for Disability Retirement and Supporting Medical Information,"
19 to the retirement office.

20 (3) If there is no majority recommendation by the three (3) medical examiners
21 reviewing an application or reapplication for disability retirement benefits because one (1)
22 medical examiner recommends approval, one (1) medical examiner recommends denial,
23 and one (1) medical examiner requests additional objective medical evidence, then the

1 Agency, or a third-party vendor, shall notify the applicant of the medical examiner's
2 request for additional objective medical evidence. The applicant shall have sixty (60) days
3 from the date of the notification to file the requested objective medical evidence along
4 with a valid Form 8001, "Certification of Application for Disability Retirement and
5 Supporting Medical Information," to the retirement office.

6 (4)(a) Upon receipt of the requested additional objective medical evidence with a
7 valid Form 8001, "Certification of Application for Disability Retirement and Supporting
8 Medical Information," the Agency, or a third-party vendor, shall resubmit the matter,
9 including any additional objective medical evidence submitted in response to the medical
10 examiner's request, to all three (3) medical examiners and the medical examiners shall
11 issue new recommendations.

12 (b) Upon the expiration of sixty (60) days from the date of the notification, if no
13 additional objective medical evidence with a valid Form 8001, "Certification of Application
14 for Disability Retirement and Supporting Medical Information," is on file at the retirement
15 office, the Agency, or a third-party vendor, shall resubmit the matter to only the medical
16 examiner(s) that placed their recommendation on hold and the medical examiner(s) shall
17 issue a new recommendation.

18 Section 8. Medical or psychological examination required at the expense of the Agency.

19 ~~[(1) The applicant shall complete and submit to the retirement systems a "Form 8035,~~
20 ~~Employee's Job Description". The applicant's employer shall complete and submit to the~~
21 ~~retirement systems a "Form 8030, Employer's Job Description". Both the applicant and~~
22 ~~the employer shall provide information regarding applicant's request for reasonable~~

1 accommodations and the reasonable accommodations available to applicant, whether or
2 not the applicant actually accepted the reasonable accommodations.

3 (2) The retirement systems may require additional details from the applicant and the
4 applicant's employer regarding the applicant's job duties, if necessary.

5 Section 4.]

6 (1) If the Agency~~[retirement systems]~~ requires an applicant to submit to a medical
7 or psychological examination under KRS 61.665(2)(j) and 78.545 or KRS 61.665(3)(c)
8 and 78.545, the Agency~~[retirement systems]~~ shall reimburse the applicant for mileage
9 from the applicant's home address as it is on file at the retirement office[systems], to the
10 place of the examination or evaluation, and returning to the applicant's home address on
11 file at the retirement office[systems]. The applicant shall be reimbursed for the most direct~~[~~
12 ~~and usually traveled]~~ routes.

13 (2)(a)~~[Mileage shall be based on the MapQuest website, Google Maps website,~~
14 ~~the "Kentucky Official Highway Map", mileage software, or the most recent edition of the~~
15 ~~"Rand McNally Road Atlas."]~~ The applicant shall complete and file[submit] a Form 8846,
16 "Independent Examination Travel Voucher," indicating the mileage the applicant traveled
17 from the applicant's home address as it is on file at the retirement office[systems], to the
18 place of the examination or evaluation, and returning to the applicant's home address on
19 file at the retirement office[systems]. The applicant shall also indicate any actual parking
20 costs and any actual bridge or highway toll charges on the most direct route on the Form
21 8846, "Independent Examination Travel Voucher." ~~[The applicant shall use the most direct~~
22 ~~and usually traveled routes.]~~

(b) The applicant shall file the Form 8846, "Independent Examination Travel Voucher" and all necessary receipts at the retirement office within fifteen (15) days of the examination or evaluation in order to be reimbursed for mileage, actual parking costs, and any actual bridge or highway toll charges as described in subsections (3) through (6) of this Section.

(3)(a) Mileage shall be based on the MapQuest Web site, Google Maps Web site, the "Kentucky Official Highway Map," or the most recent edition of the "Rand McNally Road Atlas."

(b) The mileage certified by the applicant on the Form 8846, "Independent Examination Travel Voucher," shall not be greater than the mileage indicated by the MapQuest Web site, Google Maps Web site, the "Kentucky Official Highway Map," [", mileage software,] or the most recent edition of the "Rand McNally Road Atlas" for the most direct[and usually traveled] route from applicant's home address as it is on file at the retirement office[systems], to the place of the examination or evaluation, and returning to the applicant's home address on file at the retirement office[systems].

(c) If the mileage certified by the applicant on the Form 8846, "Independent Examination Travel Voucher," is greater than the mileage indicated by the MapQuest Web site, Google Maps Web site, the "Kentucky Official Highway Map," [", mileage software,] or the most recent edition of the "Rand McNally Road Atlas" for the most direct route, the Agency[retirement systems] shall pay the applicant the mileage indicated by the MapQuest Web site, Google Maps Web site, the "Kentucky Official Highway Map," [", mileage software,] or the most recent edition of the "Rand McNally Road Atlas" ["] for the most direct route.

(4) Reimbursement for use of a privately owned vehicle shall be made at the Internal Revenue Service[IRS] established standard mileage rate applicable at the time of travel~~[which changes periodically; and shall not exceed the cost of commercial coach fare]~~.

(5) Actual costs for parking shall be reimbursed upon submission of receipts.~~[The applicant shall submit the originals of the parking receipts along with a written request for reimbursement].~~

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

~~(7) The applicant shall file at the retirement office a completed Form 8846, Independent Examination Travel Voucher, within fifteen (15) days of the date of the examination or evaluation in order to receive reimbursement for travel expenses.~~

~~Section 5. The applicant shall provide to the retirement system information concerning his continuing status with regard to receipt of Workers' Compensation and Social Security disability benefits.~~

~~Section 6. (1) The applicant shall complete and submit a "Form 8001, Certification of Application for Disability Retirement and Supporting Medical Information." The applicant shall attach all medical information, forms, and other information for review by the medical examiners to the "Form 8001, Certification of Application for Disability Retirement and Supporting Medical Information."~~

~~(2) The retirement systems shall submit the completed "Form 8001, Certification of Application for Disability Retirement and Supporting Medical Information" and all the attached information to the medical examiners upon receipt by the retirement systems.~~

~~(3) The time periods prescribed in KRS 61.600 and 61.665 shall begin on the day the notification of the recommendation of the medical examiners is mailed by the retirement systems and shall end at close of business on the last day of the prescribed time period.~~

~~(4) If the last day of the period is a Saturday, Sunday, or state or federal holiday, then the application shall be valid if filed at the retirement systems by the close of the next business day following the weekend or holiday.~~

~~(5) An applicant's request for a formal hearing shall be made in writing.~~

~~(6) Statements by the physicians shall not be considered medical evidence unless accompanied by documented medical records or test results.~~

~~Section 7. The medical examiner may contact the applicant or the applicant's physicians to request additional medical evidence as necessary.]~~

Section 9. Social Security and Workers' Compensation benefits.

(1) The applicant shall notify the Agency of his or her intent to apply for Workers' Compensation or disability benefits from the Social Security Administration.

(2) The applicant shall file information concerning his or her status with regard to receipt of Workers' Compensation and Social Security disability benefits at the retirement office.

(3) Upon receipt of approval for Workers' Compensation or disability benefits from the Social Security Administration, the applicant shall file at the retirement office a copy of the approval notice containing the amount of the award or payments. For Workers'

1 Compensation settlements, the applicant shall file a copy of the settlement signed by the
2 Administrative Law Judge.

3 (4) To determine the maximum benefit under KRS 61.607 and 78.5530, the following
4 shall be added together:

5 (a) The applicant's gross monthly disability retirement allowance determined in
6 accordance with KRS 61.605 and 78.5522 or 16.582 and 78.5522, excluding payments
7 to dependent children and before any actuarial reduction for purposes of an optional
8 retirement plan under KRS 61.635 and 78.545 or 16.576, converted to an annual amount.

9 (b) The applicant's total gross monthly benefit from Workers' Compensation
10 excluding spouse or dependent benefits and allowances. If the applicant's benefit
11 includes a lump sum payment or a payment for a period less than the applicant's lifetime,
12 then an annualized benefit shall be determined as follows:

13 1. The gross amount of any lump sum payment shall be divided by the applicant's
14 life expectancy, expressed in years, from the applicant's effective date of retirement.

15 2. The total gross amount of all payments paid for any period other than the
16 applicant's lifetime shall be divided by the applicant's life expectancy, expressed in years,
17 from the applicant's effective date of retirement.

18 3. The total determined in subparagraphs 1 and 2 of this paragraph shall be
19 combined and added to the total gross annual amount of the applicant's lifetime benefit,
20 if any.

21 (c) The applicant's gross monthly disability benefit from the Social Security
22 Administration, excluding spouse or dependent benefits converted to an annual amount.

1 (5) If the projected combined monthly benefit exceeds 100 percent of the disabled
2 employee's final rate of pay or final compensation, whichever is greater, the disability
3 retirement allowance from the systems operated by the Agency shall be reduced as
4 follows:

5 (a) The difference shall be divided by twelve (12) and subtracted from the applicant's
6 monthly retirement allowance determined in accordance with KRS 61.605 and 78.5522
7 or 16.582 and 78.5522, excluding payments to dependent children and before any
8 actuarial reduction for purposes of an optional retirement plan under KRS 61.635 and
9 78.545 or 16.576.

10 (b) The actuarial reduction for the applicant's optional plan under KRS 61.635 and
11 78.545 or 16.576 shall be applied to determine the applicant's monthly retirement
12 allowance. The reduction shall apply to all retirement allowances received since the date
13 the combined benefits exceeded 100 percent of the higher of the applicant's final
14 compensation or final rate of pay based on the effective dates of the individual benefits.

15 (6) The disability retirement allowance payable shall not be reduced below an
16 amount that would result from a computation of retirement allowance under early
17 retirement or the disability retirement allowance from the systems operated by the Agency
18 using the applicant's actual total service, whichever is greater.

19 (7)(a) Failure to respond to requests from the Agency for information concerning a
20 recipient's status with regard to receipt of Workers' Compensation and Social Security
21 disability benefits may result in the Agency putting the recipient's monthly benefit on hold.

22 (b) Monthly benefits held for failure to respond to a request for information
23 concerning a recipient's status with regard to receipt of Workers' Compensation and

1 Social Security disability benefits will be paid to the recipient once the recipient files the
2 requested information at the retirement office.

3 Section 10. Administrative hearings concerning the denial of disability retirement
4 benefits.

5 (1)(a) A request by the applicant for an administrative hearing to appeal the denial
6 of disability retirement benefits under KRS 61.665 and 78.545 shall be made in writing
7 and contain a short statement of the issues being appealed.

8 (b) An applicant's written request for an administrative hearing to appeal the denial
9 of disability retirement benefits shall be filed at the retirement office. Email requests shall
10 not be accepted.

11 (2)[Section 8. (1)] The hearing officer presiding over an administrative hearing may
12 allow the applicant to introduce, among other evidence, the determination of other state
13 and federal agencies, including, but not limited to the Kentucky Department of Workers'
14 Claims and the [Workers' Compensation or] Social Security Administration, approving the
15 applicant for [awarding disability] benefits [to the applicant] if accompanied by underlying
16 objective medical evidence.

17 (3)[(2)] The hearing officer presiding over an administrative hearing shall consider
18 only objective medical evidence records contained within the determination and shall not
19 consider or be bound by vocational factors or [be bound by] factual or legal findings of
20 other state or federal agencies.

21 (4) Statements by physicians within the administrative record of the application or
22 reapplication for disability retirement benefits shall not be considered by themselves to

1 be objective medical evidence unless accompanied by documented medical records or
2 test results.

3 Section 11[9]. Provisions applicable to applicants with hazardous and nonhazardous
4 service.

5 (1) ~~[The provisions of this section shall only apply to a member who began~~
6 ~~participating on or before July 31, 2004.~~

7 (2) ~~If an application for disability is approved, the applicant's disability benefit shall~~
8 ~~be paid retroactive to the month following the month of the applicant's last day of paid~~
9 ~~employment.~~

10 (3) ~~The service added for determining the disability retirement allowance shall be~~
11 ~~determined under KRS 16.582 and 78.5524 if the applicant's last day of paid employment~~
12 ~~was in a hazardous position, or under KRS 61.605 and 78.5522 if the applicant's last day~~
13 ~~of paid employment was in a nonhazardous position.~~

14 (2) ~~(4)~~ If the applicant has both hazardous and nonhazardous service in the same
15 system, the added service shall be prorated between hazardous and nonhazardous
16 service based on the proportion of service in each position to the whole, except that all of
17 the added service shall be applied toward the nonhazardous retirement allowance if:

18 (a) The applicant is disabled from a hazardous position as a result of an act in line
19 of duty; and

20 (b) Twenty-five (25) percent of the applicant's final rate of pay is greater than the
21 hazardous disability retirement allowance determined using the prorated added service.

22 (3) ~~(5)~~ If the applicant has service in more than one (1) system administered by
23 the Kentucky Retirement Systems or the County Employees Retirement System, the

1 added service shall be prorated between the systems based on the proportion of service
 2 in each system to the whole, except if the applicant is disabled from a hazardous position
 3 in one (1) system as a result of an act in line of duty and twenty-five (25) percent of the
 4 applicant's final rate of pay is greater than the hazardous disability retirement allowance
 5 determined using the prorated added service:

6 (a) All of the added service shall be applied toward the nonhazardous retirement
 7 system if the applicant is vested for disability retirement benefits from the nonhazardous
 8 system.

9 (b) All of the added service shall be applied toward the hazardous retirement
 10 system if the applicant is not vested for disability retirement benefits from the
 11 nonhazardous system.

12 Section 12[(40)]. Back payment of enhanced disability retirement allowance.

13 (1) If the applicant [who] is awarded disability retirement benefits and did not
 14 receive early or normal retirement benefits, [~~upon the applicant's selection of a payment~~
 15 ~~option,~~] the Agency[retirement systems] shall pay the applicant the total monthly
 16 retirement allowances payable retroactive to the month following the month of the
 17 applicant's last day of paid employment[~~from the effective date of disability retirement~~].

18 (2)(a) If the applicant received early or normal retirement benefits, the
 19 Agency[retirement systems] shall calculate and pay to the applicant the difference
 20 between the early or normal retirement benefit which was paid to the applicant and the
 21 disability retirement benefit.

22 (b) The applicant shall not change the beneficiary named or[his] the payment
 23 option selected upon early or normal retirement except as provided in KRS 61.542(5)(a).

1 ~~61.542(5)(b), and 78.545. [(3) If benefits are payable to dependent children, as defined in~~

2 ~~KRS 16.505(17), the parent or guardian shall provide:~~

3 ~~(a) A completed Form 6456, Designation of Dependent Child;~~

4 ~~(b) A verification of full-time student status of a child age eighteen (18) or over;~~

5 ~~(c) A copy of the birth certificate of each dependent child;~~

6 ~~(d) If a dependent child is a minor, a Form 6110, Affidavit of Authorization to Receive~~

7 ~~Funds on Behalf of Minor. If the minor child has a court appointed guardian or conservator~~

8 ~~and the court appointed guardian or conservator completed the Form 6110, Affidavit of~~

9 ~~Authorization to Receive Funds on Behalf of Minor, the guardian or conservator shall~~

10 ~~submit a copy of the court order appointing the guardian or conservator; and~~

11 ~~(e) Notice of the death or marriage of a dependent child, or if the dependent child ceases~~

12 ~~to be a full-time student.~~

13 ~~(f) A copy of the dependent child's verification of full-time student status shall be filed with~~

14 ~~the retirement system for each semester of study within thirty (30) days following the start~~

15 ~~and within thirty (30) days following the end of each semester.~~

16 ~~(4) An increase provided to recipients under KRS 61.691 shall be applied to the~~

17 ~~applicant's disability benefit and payments to dependent children in determining the total~~

18 ~~retroactive payments owed to the applicant and dependent children.~~

19 ~~Section 11. (1) The applicant shall notify the retirement systems of his intent to apply for~~

20 ~~workers' compensation or benefits from the Social Security Administration. Upon receipt~~

21 ~~of approval for workers' compensation or benefits from the Social Security Administration,~~

22 ~~the applicant shall file at the retirement systems a copy of the approval notice containing~~

23 ~~the amount of the award.~~

1 ~~(2) To determine the maximum benefit under KRS 61.607, the following shall be added~~
2 ~~together:~~

3 ~~(a) The applicant's gross monthly disability retirement allowance determined in~~
4 ~~accordance with KRS 61.605 or 16.582, excluding payments to dependent children and~~
5 ~~before any actuarial reduction for purposes of an optional retirement plan under KRS~~
6 ~~61.635 or 16.576, converted to an annual amount.~~

7 ~~(b) The applicant's total gross annual benefit from workers' compensation. If the~~
8 ~~applicant's benefit includes a lump sum payment or a payment for a period less than the~~
9 ~~applicant's lifetime, then an annualized benefit shall be determined as follows:~~

10 ~~1. The gross amount of any lump sum payment shall be divided by the applicant's life~~
11 ~~expectancy, expressed in years, from the effective date of the award.~~

12 ~~2. The total gross amount of all payments paid for any period other than the applicant's~~
13 ~~lifetime shall be divided by the applicant's life expectancy, expressed in years, from the~~
14 ~~effective date of the award.~~

15 ~~3. The total determined in subparagraphs 1 and 2 of this paragraph shall be combined~~
16 ~~and added to the total gross annual amount of the applicant's lifetime benefit, if any.~~

17 ~~(c) The applicant's gross monthly disability benefit from the Social Security Administration,~~
18 ~~excluding spouse or dependent benefits converted to an annual amount.~~

19 ~~(3) If the projected combined monthly benefit exceeds 100 percent of the disabled~~
20 ~~employee's final rate of pay or final compensation, whichever is greater, the disability~~
21 ~~retirement allowance from the retirement system shall be reduced as follows:~~

22 ~~(a) The difference shall be divided by twelve (12) and subtracted from the applicant's~~
23 ~~monthly retirement allowance determined in accordance with KRS 61.605 or 16.582,~~

1 ~~excluding payments to dependent children and before any actuarial reduction for~~
2 ~~purposes of an optional retirement plan under KRS 61.635 or 16.576.~~

3 ~~(b) The actuarial reduction for the applicant's optional plan under KRS 61.635 or 16.576~~
4 ~~shall be applied to determine the applicant's monthly retirement allowance. The reduction~~
5 ~~shall apply to all retirement allowances received since the date the combined benefits~~
6 ~~exceeded 100 percent of the higher of the applicant's final compensation or final rate of~~
7 ~~pay based on the effective dates of the individual benefits.~~

8 ~~(4) The disability retirement allowance payable shall not be reduced below an amount~~
9 ~~which would result from a computation of retirement allowance under early retirement or~~
10 ~~the disability retirement allowance from the retirement system using the disabled~~
11 ~~employee's actual total service, whichever is greater.]~~

12 Section 13[42]. Direct deposit or payment by check.

13 (1) A recipient shall complete a Form 6130, "Authorization for Deposit of
14 Retirement Payment," and file it at the retirement office, include direct deposit information
15 on the Form 6000, "Notification of Retirement," or authorize direct deposit via Self-Service
16 on the Web site maintained by the Agency to have the monthly retirement allowance
17 deposited to an account in a financial institution.

18 (2) The recipient and the financial institution shall file the information and
19 authorizations required for the electronic transfer of funds from the State Treasurer's
20 office to the designated financial institution.

21 (3)(a) At any time while receiving a retirement allowance, the recipient may change
22 the designated institution by completing a new valid Form 6130, "Authorization for Deposit
23 of Retirement Payment," and filing the form at the retirement office[systems], or by

1 changing their direct deposit information via Self-Service on the Web site maintained by
2 the Agency.

3 (b) The latter of the designation on a valid Form 6000, "Notification of Retirement,"
4 the last valid Form 6130, "Authorization for Deposit of Retirement Payment," after the
5 Form 6000 is on file at the retirement office[systems], or the direct deposit information
6 submitted via Self-Service on the Web site maintained by the Agency shall control the
7 electronic transfer of the recipient's retirement allowance.

8 (4) The recipient may complete a Form 6135, "Request for Payment by Check,"
9 and file it at the retirement office if the recipient does not currently have an account with
10 a financial institution or the member's financial institution does not participate in the
11 electronic funds transfer program.

12 (5) The Agency[retirement systems] shall not process the retirement allowance
13 until the recipient has filed a valid Form 6000, "Notification of Retirement," that complies
14 with Section 3 at the retirement office[a completed Form 6130, Authorization for Deposit
15 of Retirement Payment or filed a completed Form 6135, Request for Payment by Check].
16 Section 14. Death during disability retirement application process.

17 (1)(a) If an applicant has a valid Form 6000, "Notification of Retirement," for
18 disability retirement benefits that complies with Section 3 on file at the retirement office,
19 is not receiving monthly early or normal retirement benefits, and dies prior to being
20 approved for disability retirement benefits by at least a majority of the medical examiners
21 or by a Final Order of DAC, then the beneficiary named on the Form 6000 shall file the
22 following at the retirement office in accordance with any applicable deadlines in KRS

1 61.665 and 78.545 in order to continue with the applicant's application or reapplication
2 for disability retirement benefits:

3 1. A Form 6008, "Beneficiary Election to Continue Disability Application Process
4 on Behalf of Deceased Member,"

5 2. Any outstanding forms required by Section 4 that have not yet been filed by the
6 applicant, and

7 3. Any additional relevant objective medical evidence and a valid Form 8002,
8 "Beneficiary Certification of Application for Disability Retirement and Supporting Medical
9 Information."

10 (b) If there are no applicable deadlines pursuant to KRS 61.665 and 78.545, then
11 the beneficiary named on the Form 6000, "Notification of Retirement," as described in
12 paragraph (a) of this subsection shall file at the retirement office a Form 6008, "Beneficiary
13 Election to Continue Disability Application Process on Behalf of Deceased Member,"
14 within sixty (60) days of the date of the applicant's death.

15 (c) A beneficiary as described in paragraphs (a) or (b) of this subsection that does
16 not want to continue with the applicant's application or reapplication may file at the
17 retirement office a Form 6008, "Beneficiary Election to Continue Disability Application
18 Process on Behalf of Deceased Member."

19 (d) If the beneficiary named on the Form 6000, "Notification of Retirement," as
20 described in paragraphs (a) or (b) of this subsection does not timely file the required
21 documentation, then the Form 6000 shall be invalid and the disability application or
22 reapplication shall not be processed by the Agency.

1 (2)(a) If an applicant has a valid Form 6000, "Notification of Retirement," for
2 disability retirement benefits that complies with Section 3 on file at the retirement office,
3 is receiving monthly early or normal retirement benefits, and dies prior to being approved
4 for disability retirement benefits by at least a majority of the medical examiners or by a
5 Final Order of DAC, and no monthly or lump-sum benefits are payable to the beneficiary
6 listed on the Form 6000, then the executor, administrator, or other representative of the
7 applicant's estate shall file the following at the retirement office in accordance with any
8 applicable deadlines in KRS 61.665 and 78.545 in order to continue with the applicant's
9 application or reapplication for disability retirement benefits:

10 1. An order appointing the executor, administrator, or other representative of the
11 applicant's estate from a court with jurisdiction that has been entered by the Clerk of the
12 Court or certified by the Clerk of the Court,

13 2. A written statement that the application or reapplication for disability retirement
14 benefits should continue,

15 3. Any outstanding forms required by Section 4 that have not yet been filed by the
16 applicant, and

17 4. Any additional relevant objective medical evidence and a valid Form 8002,
18 "Beneficiary Certification of Application for Disability Retirement and Supporting Medical
19 Information."

20 (b) If none of the deadlines in KRS 61.665 and 78.545 apply, within sixty (60) days
21 of their appointment, the executor, administrator, or other representative of the applicant's
22 estate as described in paragraph (a) of this subsection shall file the following at the

retirement office in order to continue with the applicant's application or reapplication for disability retirement benefits:

1. A copy of the order appointing the executor, administrator, or other representative of the applicant's estate from a court with jurisdiction that has been entered by the Clerk of the Court or certified by the Clerk of the Court, and

2. A written statement that the application or reapplication for disability retirement benefits should continue.

(c) An executor, administrator, or other representative of the applicant's estate as described in paragraphs (a) or (b) of this subsection that does not want to continue with the applicant's application or reapplication may file the following at the retirement office:

1. A copy of the order appointing the executor, administrator, or other representative of the applicant's estate from a court with jurisdiction that has been entered by the Clerk of the Court or certified by the Clerk of the Court, and

2. A written statement that the application or reapplication for disability retirement benefits is withdrawn.

(d) If the executor, administrator, or other representative of the applicant's estate as described in paragraphs (a) or (b) of this subsection does not timely file the required documentation, then the application or reapplication for disability retirement benefits shall be invalid and shall not be processed by the Agency.

(3)(a) If an applicant has a valid Form 6000, "Notification of Retirement," for disability retirement benefits that complies with Section 3 on file at the retirement office, is receiving monthly early or normal retirement benefits, and dies prior to being approved for disability retirement benefits by at least a majority of the medical examiners or by a

Final Order of DAC, and lump sum or monthly benefits are payable to the beneficiary listed on the Form 6000, then the beneficiary named on the Form 6000 shall file the following at the retirement office in accordance with any applicable deadlines in KRS 61.665 and 78.545 in order to continue with the applicant's application or reapplication for disability retirement benefits:

1. A Form 6008, "Beneficiary Election to Continue Disability Application Process on Behalf of Deceased Member,"

2. Any outstanding forms required by Section 4 that have not yet been filed by the applicant, and

3. Any additional relevant objective medical evidence and a valid Form 8002, "Beneficiary Certification of Application for Disability Retirement and Supporting Medical Information."

(b) If there are no applicable deadlines pursuant to KRS 61.665 and 78.545, then the beneficiary named on the Form 6000, "Notification of Retirement," as described in paragraph (a) of this subsection shall file at the retirement office a Form 6008, "Beneficiary Election to Continue Disability Application Process on Behalf of Deceased Member," within sixty (60) days of the date of the applicant's death.

(c) A beneficiary as described in paragraphs (a) or (b) of this subsection that does not want to continue with the applicant's application or reapplication may file at the retirement office a Form 6008, "Beneficiary Election to Continue Disability Application Process on Behalf of Deceased Member."

(d) If the beneficiary named on the Form 6000, "Notification of Retirement," as described in paragraphs (a) or (b) of this subsection does not timely file the required

1 documentation, then the disability retirement application or reapplication shall be invalid
 2 and shall not be processed by the Agency.

3 Section 15[43]. Incorporation by Reference.

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

5 (a) Form 6000, "Notification of Retirement,"[.] April 2021[July 2004];

6 (b) Form 8030, "Employer[']s Job Description,"[.] April 2021[July 2004];

7 (c) Form 8035, "Employee[']s Job Description,"[.] April 2021[July 2004];

8 (d) Form 8040, "Prescription and Nonprescription Medications," October
 9 2005[Form 6110, "Affidavit of Authorization to Receive Funds on Behalf of Minor", May
 10 2003];

11 (e) Form 8001, "Certification of Application for Disability Retirement and
 12 Supporting Medical Information," April 2021[Form 6456, "Designation of Dependent
 13 Child," July 2004];

14 (f) Form 6010, "Estimated Retirement Allowance," April 2021;

15 (g) Form 8846, "Travel Voucher for Independent Examination," May 2008;

16 (h) Form 6130, "Authorization for Deposit of Retirement Payment,"[.] April
 17 2021[May 2008];

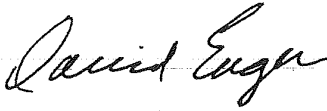
18 (i)[(g)] Form 6135, "Request for Payment by Check,"[.] May 2015[February 2002];

19 (j) Form 6008, "Beneficiary Election to Continue Disability Application Process on
 20 Behalf of Deceased Member," April 2021; and

21 (k) Form 8002, "Beneficiary Certification of Application for Disability Retirement
 22 and Supporting Medical Information," April 2021.[(h) Form 8001, "Certification of
 23 Application for Disability Retirement and Supporting Medical Information", May 2008; and

1 (i) ~~Form 8846, "Independent Examination Travel Voucher", May 2008.]~~
2 (2) This material may be inspected, copied, or obtained, subject to applicable
3 copyright law, at the Kentucky Public Pensions Authority~~[Retirement Systems]~~,
4 ~~[Perimeter Park West,]~~1260 Louisville Road, Frankfort, Kentucky 40601, Monday through
5 Friday, 8 a.m. to 4:30 p.m. (18 Ky.R. 932; eff. 11-8-91; Am. 19 Ky.R. 968; 1338; eff. 12-
6 9-92; 20 Ky.R. 829; eff. 12-6-93; 21 Ky.R. 1525; eff. 2-8-95; 22 Ky.R. 775; eff. 12-7-95;
7 27 Ky.R. 1050; 1444; eff. 12-21-2000; 28 Ky.R. 912; 1350; eff. 12-19-2001; 29 Ky.R. 767;
8 1250; eff. 11-12-02; 31 Ky.R. 386; eff. 11-5-04; 35 Ky.R. 111; Am. 538; eff. 10-3-08; Crt
9 eff. 1-29-2020.)

APPROVED:



DAVID L. EAGER,
EXECUTIVE DIRECTOR
KENTUCKY PUBLIC PENSIONS AUTHORITY

7/29/2021

DATE

PUBLIC HEARING: A public hearing on this administrative regulation shall be held on Thursday, October 21, 2021 at 11:00 a.m. Eastern Standard Time at the Kentucky Public Pensions Authority, 1270 Louisville Road, Frankfort, Kentucky. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given the 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 October 31, 2021. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Michael Board, Executive Director Office of Legal Services, Kentucky Public Pensions Authority, 1260 Louisville Road, Frankfort, KY 40601, email Legal.Non-Advocacy@kyret.ky.gov, telephone (502) 696-8800 ext. 8647, facsimile (502) 696-8801.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation number: 105 KAR 1:210

Contact person: Michael Board

Phone number: 502-696-8800 ext. 8647

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the procedures and requirements for applying or reapplying for disability retirement benefits and for administratively appealing a denial of an application or reapplication for disability retirement benefits.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the procedures and requirements for applying or reapplying for disability retirement benefits and for administratively appealing a denial of an application or reapplication for disability retirement benefits.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the authorizing statutes by establishing the procedures and requirements for applying or reapplying for disability retirement benefits and for administratively appealing a denial of an application or reapplication for disability retirement benefits in accordance with KRS 16.582, 78.5524, 61.600, 78.5522, 61.665, and 78.545.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation will assist in the effective administration of the statutes by establishing the procedures and requirements for applying or reapplying for disability retirement benefits and for administratively appealing a denial of an application or reapplication for disability retirement benefits in accordance with KRS 16.582, 78.5524, 61.600, 78.5522, 61.665, and 78.545.

(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: The amendment updates the regulation to reflect the changes enacted by the General Assembly in House Bill 484 (2020) and House Bill 9 (2021) as well as the Kentucky Public Pensions Authority's use of a third-party vendor to provide medical examiner reviews in accordance with KRS 61.665 and 78.545. The amendment also clarifies the existing regulation.

(b) The necessity of the amendment to this administrative regulation: The amendment is necessary to update the regulation to reflect the changes enacted by the General Assembly in House Bill 484 (2020) and House Bill 9 (2021) as well as the Kentucky Public Pensions Authority's use of a third-party vendor to provide medical examiner reviews in accordance with KRS 61.665 and 78.545. The amendment also clarifies the existing regulation.

(c) How the amendment conforms to the content of the authorizing statutes: The amendment conforms to the authorizing statute because it is necessary to carry out the

provisions of KRS 61.515 to 61.705, 16.510 to 16.652, and 78.520 to 78.852, in accordance with KRS 61.505(1)(f).

(d) How the amendment will assist in the effective administration of the statutes: The amendment establishes the procedures and forms necessary to carry out the provisions of KRS 61.515 to 61.705, 16.510 to 16.652, and 78.520 to 78.852, particularly the disability retirement application and reapplication process as well as the process for administratively appealing the denial of disability retirement applications and reapplications.

(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 of the Kentucky Retirement Systems and the County Employees Retirement System. Number of individuals is unknown. 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 amendment should not substantially alter the actions that the Kentucky Public Pensions Authority, the Kentucky Retirement Systems, and the County Employees Retirement System will have to take to comply with this regulation.

(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): The amendment allows the Kentucky Public Pensions Authority, the Kentucky Retirement Systems, and the County Employees Retirement System to conform with KRS 61.515 to 61.705, 16.510 to 16.652, and 78.520 to 78.852, particularly the disability retirement application and reapplication process as well as the process for administratively appealing the denial of disability retirement applications and reapplications.

(5) Provide an estimate of how much it will cost 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 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 1:210

Contact person: Michael Board

Phone number: 502-696-8800 ext. 8647

Email: Legal.Non-Advocacy@kyret.ky.gov

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? 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. KRS 61.505(1)(f).

(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? 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:


KENTUCKY PUBLIC PENSIONS AUTHORITY

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

Revised 04/2021

Notification of Retirement Instructions

Ready to retire? Completing this form is your first step. Please call our office at 1-800-928-4646 if you have questions or if you need assistance completing forms. Members are encouraged to visit our website at kyret.ky.gov for additional information.

Form 6000 - Notification of Retirement

You should submit your Form 6000 at least one month prior to your effective retirement date. Please note that you cannot file your Form 6000 more than 6 months prior to termination of employment.

The Form 6000 contains several sections. Please review this form carefully and refer to the instructions for each section. Additional instructions for completing Section G - Tax Withholding are provided on page 3.

Date of Birth Verification for Member and Beneficiary is required.

Please write your Member ID on all copies you submit.

Acceptable forms of date of birth verification include the following:

- Kentucky Driver's License
- Military Discharge
- Birth Certificate
- Immigration and Naturalization Records
- U.S. Passport
- Age record of the Social Security Administration

Your Member ID

Your Member ID is a unique account number for your KPPA account. If you received this form from our office, your Member ID is provided. If you access this form from our website and don't know your Member ID, you can contact our office at 1-800-928-4646. You will need to provide your Social Security Number and your four-digit KPPA PIN to obtain your Member ID.

Form 6200 - Insurance Application

If you will be receiving a monthly payment, you may be eligible for health insurance coverage for you, your spouse, and eligible dependents. KPPA offers Medicare and non-Medicare plans. You may access insurance applications and enrollment booklets by visiting our website at kyret.ky.gov. Please call our office to request a printed copy.

You must return an insurance application by the deadlines described below, even if you wish to waive coverage. If you fail to return a completed application, you will be enrolled automatically into a default plan for the current plan year. If you choose not to participate in the coverage, you will need to complete the Form 6200 to waive your coverage; otherwise, you will be enrolled automatically into a default plan as described above.

Insurance Application Deadlines

For insurance coverage to begin the same month as your retirement payment, you must file a Form 6200 with our office by the last day of the month *prior* to the month you retire. For example:

| Retirement Date | Application Due By | Insurance Effective Date |
|-----------------|--------------------|--------------------------|
| May 1 | April 30 | May 1 |

If you miss the above deadline, you can still submit an application. Your Form 6200 must be filed with our office within 30 days of the first day of the month in which you retire. For example:

| Retirement Date | Application Due By | Insurance Effective Date |
|-----------------|--------------------|--------------------------|
| May 1 | May 30 | June 1 |



Additional instructions are provided on the following page. Keep reading to find out your deadline for returning retirement forms.

Instructions / Page 1

Your Next Step: Check your mailbox.

Once we process your Form 6000, we will send you additional forms for completion. The checklists below will help you decide which forms you need to return to our office.

If you elect to receive a monthly benefit, complete and return the following:

- ☐ Form 6010, Estimated Retirement Allowance
- ☐ Form 6200, Insurance Application (*refer to insurance application and deadlines on page 1*)

If you elect to receive an actuarial or lump sum refund complete and return the following:**

- ☐ Form 6010, Estimated Retirement Allowance
- ☐ Form 6025, Direct Rollover/Direct Payment Election

***We require additional verification from your employer before we can process a refund which may delay your check. Upon receipt of the above forms, we will mail required forms to you and your employer for completion.*



All required forms and documentation must be filed with our office by the last day of the month prior to your effective retirement date. You are responsible for filing your insurance application prior to the deadlines noted on page 1 or you will be enrolled automatically into a default plan.

| Retirement Date | Due Date |
|------------------------|-----------------|
| January 1 | December 31 |
| February 1 | January 31 |
| March 1 | February 28 |
| April 1 | March 31 |
| May 1 | April 30 |
| June 1 | May 31 |
| July 1 | June 30 |
| August 1 | July 31 |
| September 1 | August 31 |
| October 1 | September 30 |
| November 1 | October 31 |
| December 1 | November 30 |

**If you have any questions, please contact our office at (502) 696-8800 or (800) 928-4646.
Our office is open from 8:00 am to 4:30 pm Monday through Friday.**


KENTUCKY PUBLIC PENSIONS AUTHORITY

 1260 Louisville Road • Frankfort, KY 40601
 Phone: (502) 696-8800 • Fax: (502) 696-8822 • kyret.ky.gov
Form W4-P Instructions

Your monthly retirement benefit is subject to federal taxes. You may choose your federal tax withholding preference by completing Section G of your Form 6000, Notification of Retirement. ***If you do not complete Section G, KPPA will automatically withhold federal income tax based on married status with 3 exemptions.*** You may find the worksheets below helpful when completing Section G.

Additional information is available on the Internal Revenue Service website at www.irs.gov.

Purpose. Form W4-P is for U.S. citizens, resident aliens, or their estates who are recipients of pensions, annuities (including commercial annuities), and certain other deferred compensation. Use Form W4-P to tell payers the correct amount of federal income tax to withhold from your payment(s). You also may use Form W4-P to choose (a) not to have any federal tax withheld from the payment (except for eligible rollover distributions or payments to U.S. citizens delivered outside the United States or its possessions) or (b) to have an additional amount of tax withheld.

What do I need to do? Complete lines A through H of the Personal Allowances Worksheet. Use the additional worksheets on the following page to further adjust your withholding allowances for itemized deductions, adjustments to income, any additional standard deduction, certain credits, or multiple pensions/more-than-one-income situations. If you do not want any federal income tax withheld (see Purpose, earlier), you can skip the worksheets and go directly to the Form W4-P, Section G of the Form 6000.

Future developments. For the latest information about any future developments affecting Form W-4P, such as legislation enacted after we release it go to www.irs.gov/w4p.

Personal Allowances Worksheet (Keep for your records.)

| | | | |
|----------|---|----------|-------|
| A | Enter "1" for yourself | A | _____ |
| B | Enter "1" if you will file as married filing jointly. | B | _____ |
| C | Enter "1" if you will file as head of household | C | _____ |
| D | Enter "1" if: <ul style="list-style-type: none"> • You're single, or married filing separately, and have only one pension; or • You're married filing jointly, have only one pension, and your spouse has no income subject to withholding; or • Your income from a second pension or a job or your spouse's pension or wages (or the total of all) is \$1,500 or less. | D | _____ |
| E | Child tax credit. See Pub. 972, Child Tax Credit, for more information. <ul style="list-style-type: none"> • If your total income will be less than \$71,201 (\$103,351 if married filing jointly), enter "4" for each eligible child. • If your total income will be from \$71,201 to \$179,050 (\$103,351 to \$345,850 if married filing jointly), enter "2" for each eligible child. • If your total income will be from \$179,051 to \$200,000 (\$345,851 to \$400,000 if married filing jointly), enter "1" for each eligible child. • If your total income will be higher than \$200,000 (\$400,000 if married filing jointly), enter "-0-". | E | _____ |
| F | Credit for other dependents. See Pub. 972, Child Tax Credit, for more information. <ul style="list-style-type: none"> • If your total income will be less than \$71,201 (\$103,351 if married filing jointly), enter "1" for each eligible dependent. • If your total income will be from \$71,201 to \$179,050 (\$103,351 to \$345,850 if married filing jointly), enter "1" for every two dependents (for example, "-0-" for one dependent, "1" if you have two or three dependents, and "2" if you have four dependents). • If your total income will be higher than \$179,050 (\$345,850 if married filing jointly), enter "-0-". | F | _____ |
| G | Other credits. If you have other credits, see Worksheet 1-6 of Pub. 505 and enter the amount from that worksheet here: | G | _____ |
| H | Add lines A through G and enter the total here | H | _____ |

For accuracy, complete all worksheets that apply.

- If you plan to **itemize** or **claim adjustments to income** and want to reduce your withholding, or if you have a large amount of other income not subject to withholding and want to increase your withholding, see the **Deductions, Adjustments and Additional Income Worksheet**, later.
- If you **have more than one source of income subject to withholding** or are **married filing jointly and you and your spouse both have income subject to withholding** and your combined income from all sources exceeds \$53,000 (\$24,450 if married filing jointly), see the **Multiple Pensions/More-Than-One-Income Worksheet** on page 5 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H on line 2 of Form W-4P above.

Form W-4P Instructions *Continued***Deductions, Adjustments, and Additional Income Worksheet**

Note. Use this worksheet *only* if you plan to itemize deductions, claim certain adjustments to income or have a large amount of other income not subject to withholding.

- 1 Enter an estimate of your 2019 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes (up to \$10,000), and medical expenses in excess of 10% of your income. See Pub. 505 for details. 1 \$ _____
- 2 Enter: 2 \$ _____
 - \$24,400 if you're married filing jointly or qualifying widow(er)
 - \$18,350 if you're head of household
 - \$12,200 if you're single or married filing separately
- 3 **Subtract** line 2 from line 1. If zero or less, enter "-0-". 3 \$ _____
- 4 Enter an estimate of your 2019 adjustments to income, qualified business income deduction, and any additional standard deduction for age or blindness (see Pub. 505 for information about these items). 4 \$ _____
- 5 **Add** lines 3 and 4 and enter the total. 5 \$ _____
- 6 Enter an estimate of your 2019 other income not subject to withholding (such as dividends, interest, or capital gains). 6 \$ _____
- 7 **Subtract** line 6 from line 5. If zero, enter "-0-". If less than zero, enter the amount in parentheses. 7 \$ _____
- 8 **Divide** the amount on line 7 by \$4,200 and enter the result here. If a negative amount, enter in parentheses. Drop any fraction. 8 _____
- 9 Enter the number from the **Personal Allowances Worksheet**, line H, page 4. 9 _____
- 10 **Add** lines 8 and 9 and enter the total here. If zero or less, enter "-0-". If you plan to use the **Multiple Pensions/More-Than-One-Income Worksheet**, also enter this total on line 1 below. Otherwise, **stop here** and enter this total on Form W-4P, line 2, page 1. 10 _____

Multiple Pensions/More-Than-One-Income Worksheet

Note. Use this worksheet *only* if the instructions under line H from the **Personal Allowance Worksheet** direct you here. This applies if you (and your spouse if married filing jointly) have more than one source of income subject to withholding (such as more than one pension, or a pension and a job, or you have a pension and your spouse works).

- 1 Enter the number from the **Personal Allowances Worksheet**, line H, page 4 (or from line 10 above if you used the **Deductions, Adjustments, and Additional Income Worksheet**). 1 _____
 - 2 Find the number in **Table 1** below that applies to the **LOWEST** paying pension or job and enter it here. However, if you're married filing jointly and the amount from the highest paying pension or job is \$75,000 or less and the combined amounts for you and your spouse are \$107,000 or less, do not enter more than "3". 2 _____
 - 3 If line 1 is **more than or equal to** line 2, subtract line 2 from line 1. Enter the result here (if zero, enter "-0-") and on Form W-4P, line 2, page 1. **Do not** use the rest of this worksheet. 3 _____
- Note.** If line 1 is **less than** line 2, enter "-0-" on Form W-4P, line 2, page 1. Complete lines 4 through 9 below to figure the additional withholding amount necessary to avoid a year-end tax bill.
- 4 Enter the number from line 2 of this worksheet. 4 _____
 - 5 Enter the number from line 1 of this worksheet. 5 _____
 - 6 **Subtract** line 5 from line 4. 6 _____
 - 7 Find the amount in **Table 2** below that applies to the **HIGHEST** paying pension or job and enter it here. 7 \$ _____
 - 8 **Multiply** line 7 by line 6 and enter the result here. This is the additional annual withholding needed. 8 \$ _____
 - 9 **Divide** line 8 by the number of payments remaining in 2019. For example, divide by 8 if you're paid every month and you complete this form in April 2019. Enter the result here and on Form W-4P, line 3, page 1. This is the additional amount to be withheld from each payment. 9 \$ _____

Table 1**Table 2**

| Married Filing Jointly | | All Others | | Married Filing Jointly | | All Others | |
|--|-----------------------|--|-----------------------|---|-----------------------|---|-----------------------|
| If wages from LOWEST paying job or pension are— | Enter on line 2 above | If wages from LOWEST paying job or pension are— | Enter on line 2 above | If wages from HIGHEST paying job or pension are— | Enter on line 7 above | If wages from HIGHEST paying job or pension are— | Enter on line 7 above |
| \$0 - \$5,000 | 0 | \$0 - \$7,000 | 0 | \$0 - \$24,900 | \$420 | \$0 - \$7,200 | \$420 |
| 5,001 - 9,500 | 1 | 7,001 - 13,000 | 1 | 24,901 - 84,450 | 500 | 7,201 - 36,975 | 500 |
| 9,501 - 19,500 | 2 | 13,001 - 27,500 | 2 | 84,451 - 173,900 | 910 | 36,976 - 81,700 | 910 |
| 19,501 - 35,000 | 3 | 27,501 - 32,000 | 3 | 173,901 - 326,950 | 1,000 | 81,701 - 158,225 | 1,000 |
| 35,001 - 40,000 | 4 | 32,001 - 40,000 | 4 | 326,951 - 413,700 | 1,330 | 158,226 - 201,600 | 1,330 |
| 40,001 - 46,000 | 5 | 40,001 - 60,000 | 5 | 413,701 - 617,850 | 1,450 | 201,601 - 507,800 | 1,450 |
| 46,001 - 55,000 | 6 | 60,001 - 75,000 | 6 | 617,851 and over | 1,540 | 507,801 and over | 1,540 |
| 55,001 - 60,000 | 7 | 75,001 - 85,000 | 7 | | | | |
| 60,001 - 70,000 | 8 | 85,001 - 95,000 | 8 | | | | |
| 70,001 - 75,000 | 9 | 95,001 - 100,000 | 9 | | | | |
| 75,001 - 85,000 | 10 | 100,001 - 110,000 | 10 | | | | |
| 85,001 - 95,000 | 11 | 110,001 - 115,000 | 11 | | | | |
| 95,001 - 125,000 | 12 | 115,001 - 125,000 | 12 | | | | |
| 125,001 - 155,000 | 13 | 125,001 - 135,000 | 13 | | | | |
| 155,001 - 165,000 | 14 | 135,001 - 145,000 | 14 | | | | |
| 165,001 - 175,000 | 15 | 145,001 - 160,000 | 15 | | | | |
| 175,001 - 180,000 | 16 | 160,001 - 180,000 | 16 | | | | |
| 180,001 - 195,000 | 17 | 180,001 and over | 17 | | | | |
| 195,001 - 205,000 | 18 | | | | | | |
| 205,001 and over | 19 | | | | | | |

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Section D - Retirement Account Beneficiary Designation

Your account beneficiary can only be one person, a trust or your estate. Indicate your beneficiary by checking **one** of the beneficiary types below and providing the necessary information. This designation will become invalid if you file a new Form 6000 prior to your effective retirement date or if this form is voided.

| | |
|--------------|------------|
| Member Name: | Member ID: |
|--------------|------------|

| | | | |
|--|-------|---|-----------|
| <input type="checkbox"/> Person Attach a copy of this person's birth verification to this form with your Member ID written on it. | | | |
| Name: | | Social Security Number: | |
| Date of Birth: | | <input type="radio"/> Male <input type="radio"/> Female | |
| Relationship: | | <input type="checkbox"/> Check this box if this person is also your legal spouse. | |
| Address: | City: | State: | Zip Code: |

| |
|---|
| <input type="checkbox"/> My Estate No additional information required. |
|---|

| | | | |
|--|-------|------------------------------------|-----------|
| <input type="checkbox"/> Living Trust The following information is required to designate a living trust. <u>You must write the name of the trust as it appears in the trust document and submit a copy of the trust with this form.</u> A charitable organization or a religious charity cannot be named as beneficiary unless it is a trust. | | | |
| Name of Trust: | | | |
| Trust Tax ID: | | | |
| Trustee or Successor Trustee Contact Information: Our office will contact the trustee listed below following your death. | | | |
| Trustee: | | Successor Trustee (if applicable): | |
| Address: | City: | State: | Zip Code: |

| |
|--|
| <input type="checkbox"/> Testamentary Trust A testamentary trust is established by the member's will and takes effect following the member's death. No additional information required. |
|--|

Section E - \$5000 Death Benefit from Kentucky Public Pensions Authority - Complete only if eligible
To be eligible for this benefit, you must be a retired member receiving a monthly benefit on the date of your death from Kentucky Public Pensions Authority based on a minimum of 48 months of service.

If eligible for this benefit, you may name one death benefit beneficiary. This designation is not valid if you designate more than one beneficiary. Your estate will become your default beneficiary if this designation is deemed to be invalid. This designation may be changed at any time prior to your death by filing a properly completed Form 6030, Death Benefit Designation.

| | |
|--------------|------------|
| Member Name: | Member ID: |
|--------------|------------|

| | | | |
|--|---------------|---|-----------|
| <input type="checkbox"/> Person You may only name one person as your death benefit beneficiary. | | | |
| Name: | | Social Security Number: | |
| Date of Birth: | Relationship: | <input type="radio"/> Male <input type="radio"/> Female | |
| Address: | City: | State: | Zip Code: |

| |
|---|
| <input type="checkbox"/> My Estate No additional information required. |
|---|

| | | | |
|--|-------|------------------------------------|-----------|
| <input type="checkbox"/> Living Trust The following information is required to designate a living trust. <u>You must write the name of the trust as it appears in the trust document and submit a copy of the trust with this form.</u> A charitable organization or a religious charity cannot be named as beneficiary unless it is a trust. | | | |
| Name of Trust: | | | |
| Trust Tax ID: | | | |
| Trustee or Successor Trustee Contact Information: Our office will contact the trustee listed below following your death. | | | |
| Trustee: | | Successor Trustee (if applicable): | |
| Address: | City: | State: | Zip Code: |

| |
|--|
| <input type="checkbox"/> Testamentary Trust A testamentary trust is established by the member's will and takes effect following the member's death. No additional information required. |
|--|

| | | | |
|---|---------------|------------------------------|-----------|
| <input type="checkbox"/> Funeral Home Please enclose a copy of the Funeral Home License with your Member ID written on it. | | | |
| Funeral Home Legal Name: | | Funeral Home License Number: | |
| Funeral Home Tax ID: | Contact Name: | Phone: | |
| Address: | City: | State: | Zip Code: |

Section F - Authorization for Deposit of Retirement Payment**Complete this section to authorize deposit of your retirement benefit directly into your account at a financial institution.**

Financial Institution Information: The financial institution may be a bank, savings bank, savings and loan association, credit union, or similar institution that is a member of the Automated Clearing House (ACH). Your direct deposit institution may be changed at any time by filing a properly completed Form 6130, Authorization for Deposit of Retirement Payment.

Financial Institution Name:

Depositor Routing Number:

Depositor Account Number:

Account Type:

☐ Checking☐ Savings**For your convenience:**

The sample check shows where to locate the required bank information to complete your Direct Deposit.

My Name
My Address
My City, State, & Zip

DATE

PAY TO THE ORDER OF

DOLLARS

Bank Name
Bank Address

MEMO

9 Digit Bank Routing Number Your Account Number Check Number

Required Documents: Please indicate the documentation you are submitting with this form.

For deposits to a Checking Account:
I have attached to this form

☐ a VOIDED personalized check☐ verification from my financial institution

For deposits to a Savings Account:
I have attached to this form

☐ verification from my financial institution**Attach Voided Check Here:**

(Attach Voided Check Here)

I acknowledge that electronic payments to the designated account must comply with the provisions of U.S. law, as well as the requirements of the Office of Foreign Assets Control (OFAC) and National Automated Clearing House Association (NACHA) regulations. I certify that the entire payment that Kentucky Public Pensions Authority sends electronically to the financial institution I have designated, is not subject to being transferred to a foreign bank. I agree to notify Kentucky Public Pensions Authority in writing immediately if the payment becomes subject to transfer to a foreign bank in the future.

If all required forms have been completed properly and returned by the end of the month prior to your retirement date, the first check will be deposited or mailed on the 14th of the first month of retirement. **Due to deadlines required to establish a direct deposit, your first benefit payment is not guaranteed to be deposited to your account.**

Many benefit payments for the first month of retirement are mailed. After the initial payment, the monthly benefit will be deposited to the retired member's account on the 14th of each month. If the 14th of the month is a weekend or holiday, the benefit will be mailed or deposited the business day prior. Members are required to have the monthly retirement benefit deposited directly to their bank accounts, unless their bank does not participate in the Automated Clearing House or the member does not have an account with a financial institution.

Section G - Tax Withholding

Your monthly retirement benefit is subject to federal taxes. You may choose your federal tax withholding preference below. If you do not complete this section, KPPA will automatically withhold federal income tax based on married status with 3 exemptions. You may refer to the instructions for Form W-4-P provided with your retirement application. You may change your tax withholding at any time by filing a properly completed Form 6017, W-4P, Tax Withholding.

| | | |
|--|--|---|
| Form W-4P Department of the Treasury Internal Revenue Service | Withholding Certificate for Pension or Annuity Payments | OMB No. 1545-0074 FOR TAX YEAR IN WHICH MEMBER RETIRES |
| Type or print your full name. | | Member ID: |
| Address: | | Claim or identification number (if any) of your pension or annuity contract |
| City: | State: | Zip Code: |

Complete the following applicable lines.

- 1 Check here if you **do not want any** federal income tax withheld from your pension or annuity. (Do not complete lines 2 or 3.) ☐
- 2 Total number of allowances and marital status you are claiming for withholding from each **periodic** pension or annuity payment. (You may also designate an additional dollar amount on line 3.) (Enter number of allowances)
Marital status: ☐ Single ☐ Married ☐ Married, but withhold at higher "Single" rate
- 3 Additional amount, if any, you want withheld from each pension or annuity payment. (**Note.** For periodic payments, you cannot enter an amount here without entering the number (including zero) of allowances on line 2.) \$

Certification of Bona Fide Separation from Service and Notification of Retirement

Subject to penalty of KRS 523:100: I acknowledge that federal and state law both require a bona fide separation from service with agencies participating in Kentucky Public Pensions Authority or entities affiliated with participating agencies in order for Kentucky Public Pensions Authority to pay a retirement benefit or to pay a refund of a retirement account.

If I am retiring, I affirm that I have had a separation from service with agencies participating in Kentucky Public Pensions Authority or entities affiliated with participating agencies, or that I will have a separation from service with agencies participating in Kentucky Public Pensions Authority or entities affiliated with participating agencies prior to my retirement date. I also affirm that I do not have a prearranged agreement to return to a participating agency or entities affiliated with participating agencies after my separation from service.

If I am taking a refund of my retirement account, I affirm that I have had a separation from service with agencies participating in Kentucky Public Pensions Authority or entities affiliated with participating agencies. I also affirm that I do not have a prearranged agreement to return to a participating agency or entities affiliated with participating agencies after my separation from service.

I understand that the term "separation from service" as used in this affidavit means a complete severance of any kind of employment relationship (including but not limited to a relationship as an independent contractor or leased employee) with agencies participating in Kentucky Public Pensions Authority or entities affiliated with participating agencies.

I understand that the term "prearranged agreement" as used in this affidavit means any contemplation of return to employment with agencies participating in Kentucky Public Pensions Authority or entities affiliated with participating agencies.

I understand that the terms "agencies participating in Kentucky Public Pensions Authority" and "participating agency" as used in this affidavit are to be construed in a broad manner, and include not only the agency itself, but also any entities affiliated with participating agencies, regardless of whether such entities are holding themselves out as legally separate entities.

I acknowledge that prior to accepting employment within twelve (12) months of my retirement date with an agency participating in Kentucky Public Pensions Authority or entities affiliated with participating agencies, I have a duty to report such employment in writing to Kentucky Public Pensions Authority pursuant to 105 KAR 1:390.

I acknowledge and understand that if I fail to comply with federal and state law regarding bona fide separation from service and break in service, my retirement shall be voided and I shall repay all retirement allowances, dependent child payments, and health plan premiums paid by the Kentucky Public Pensions Authority.

I certify the information in this Notification of Retirement is correct and that my employer has been informed of my intent to terminate employment on the date indicated on this form if applying for early/normal retirement. I understand Kentucky Public Pensions Authority will send an estimated retirement allowance. **I acknowledge my estimated retirement allowance and benefits are subject to post retirement audit and adjustment after retirement. I acknowledge that I have full understanding that any person who provides a false statement, report, or representation is subject to penalty in accordance with KRS 523.100.**

Member's Signature: _____ Date: _____

Spouse's Signature: _____ Date: _____

Witness' Signature: _____ Date: _____

NOTE: Signature of Member is required. Signature of either the Spouse **or** a Witness is also required.

Failure to sign form and have your signature witnessed by either your spouse or another person will result in the form being voided.

Form 6000

Page 5

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Section H - Employer Certification of Leave Balances and Final Salary

Section H must be completed by your current employer and returned to Kentucky Public Pensions Authority in order to include future salary, service and sick and compensatory leave balances in your estimated retirement allowance. If you are currently employed by more than one participating employer, each employer should complete a copy of Section H of this form. If you do not have the employer complete Section H of this form, Kentucky Public Pensions Authority will **exclude** all leave balances from the estimated retirement allowance. **Your estimated retirement allowance and benefits are subject to post retirement audit and adjustment after retirement.**

| | |
|---|----------------|
| Employer Name: | Employer Code: |
| Member Name: | Member ID: |
| Termination Date: | |
| Employer's Report of Leave Balances as of: | |
| Does your agency participate in a sick leave program administered by KPPA? <input type="radio"/> Yes <input type="radio"/> No | |
| If yes above, select the type of sick leave plan: <input type="radio"/> Standard <input type="radio"/> Alternate | |
| Does the above member work an average of 21 days per month? <input type="radio"/> Yes <input type="radio"/> No | |
| If no above, please provide an Alternate Average Working Days Per Month: _____ | |

Standard Sick Leave Program: If participating in the standard sick leave program, please provide the following information.
Note: Contributions should not be withheld from standard sick leave lump sum payouts.

| | |
|------------------------------------|----------------------------|
| Accumulated Sick Leave (in hours): | Hours in a Sick Leave Day: |
|------------------------------------|----------------------------|

Alternate Sick Leave Program: If participating in the alternate sick leave program, please provide the following information.
Note: Contributions should be withheld from alternate sick leave lump sum payouts.

| | |
|---|----------------------------|
| Accumulated Sick Leave (in days): | Hours in a Sick Leave Day: |
| Estimated Compensation to be Paid for Sick Leave: | |

School Board Certification (*school board employees only*): Indicate the number of actual days the member will have worked through the expected termination date. If the days occur in different school years, please list each school year separately below.

| Actual Days Worked through Expected Termination Date | |
|--|-----------------------|
| School Year | Number of Actual Days |
| | |
| | |

Section H is continued on the following page. You must complete the Employer Certification at the end of Section H.


Section H Continued - Employer Certification of Leave Balances and Final Salary

| | |
|----------------|----------------|
| Employer Name: | Employer Code: |
| Member Name: | Member ID: |

Note to Employer:

KPPA will provide calculations to the member based upon the information you certify below. Due to the reporting process there may be a delay from the time you report it to the time it is available for use in the calculation. For this reason we ask that you verify the actual earned wages for the three months prior to the date you are completing this certification and each month thereafter through member's anticipated date of termination.

Employer's Report of Final Salary

You may select from the following payment reasons:

Regular Pay, Regular Pay with Additional Creditable Compensation, Lump Sum Compensatory Pay, Bonus/Severance Payment, Wages Paid After Term but Earned Prior to Term or Contract Payout - School Board Use Only.

| Posting Month | Payment Reason | Salary |
|---------------|----------------|--------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Employer Certification

I certify that the leave balances and estimated final salary information provided above is accurate based upon our agency's records. I state that I have full knowledge of the penalty in KRS 523.100 related to falsification of records and that the information provided is true and accurate.

Printed Name of Agency Official: _____

Title: _____

Agency Phone Number: _____

Signature of Agency Official: _____

Date: _____

Section I - Member's Statement of Disability

If additional space is required to answer the questions, you may use and attach additional paper.

Member Name:

Member ID:

1. List the diagnoses of the injury, illness, or disease for which you are applying for disability:

2. Describe how the diagnoses listed above on this page prevent you from performing your essential job duties:

3. Describe the history of the diagnoses listed above, including the onset or start of your symptoms or complaints:

4a. If you are a non-hazardous employee, are you claiming that you are totally and permanently disabled from performing any occupation for remuneration or profit as a result of a single traumatic event that occurred while you were performing the duties of your job or a single act of violence committed against you that was related to your job duties?

☐ Yes ☐ No

Please note: A duty related injury does not include the effects of the natural aging process, a communicable disease unless the risk of contracting the disease is increased by the nature of the employment, or a psychological, psychiatric, or stress related change unless the direct result of a physical injury.

4b. If you are a hazardous employee, are you claiming that you are disabled as a result of an act in the line of duty?

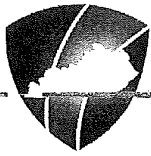
☐ Yes, this is the direct result of an injury sustained while performing the principal duties of the hazardous position.

☐ No

If you answered yes to 4a or 4b, describe specific date, time, and circumstances of the duty related injury or act in line of duty below. Please attach a copy of the employer incident report to this form. Failure to attach the employer incident report will delay your disability application.



Section I is continued on the following page. You must complete the Certification at the end of Section I.



KENTUCKY PUBLIC PENSIONS AUTHORITY

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Employer Instructions for Member Filing for Disability

Revised 04/2021

IMPORTANT: Failure to return the required information within 5 business days may cause a delay in the member's monthly benefit and health insurance.

A disability retirement application has been initiated through Kentucky Public Pensions Authority.

For members who apply for disability retirement, KRS 61.665(2)(a) requires a complete description of the member's job duties and requirements and requires that the member make a request for reasonable accommodations as provided for in 42 U.S.C. sec. 12111(9) and 29 C.F.R. Part 1630 through the American with Disabilities Act (ADA).

Examples of reasonable accommodations may include:

- Making existing facilities accessible to individuals with disabilities
- Job restructuring
- Part-time or modified work schedules
- Reassignment to a vacant position
- Retraining
- Purchase of assistive equipment

If the individual has terminated employment with your agency or did not request accommodations, you should outline what accommodations **were made or could have been made** on the enclosed Form 8030.


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Print Form

Form 8030
 Revised 04/2021

Employer Job Description
Employee Information

| | |
|----------------|------------|
| Employee Name: | Member ID: |
| Job Title: | Agency: |

Job Description

Describe the employee's job duties performed as of the last day worked:

_____ Total hours in a workday.

_____ Sitting hours in a day.

_____ Standing/walking hours in a day.

 Does the employee have the ability to alternate between sitting and standing/walking? ☐ Yes ☐ No

| Physical effort required: (check appropriate boxes) | <u>Never</u> | <u>Seldom/ Rare</u> | <u>Occasional</u> (up to 1/3 of work day) | <u>Frequent</u> (1/3 to 2/3 of work day) | <u>Repetitive</u> (2/3 or more of work day) |
|--|--------------------------|--------------------------|--|---|--|
| Handle/Finger/Feel: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Reach/Push/Pull: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bend/Stoop/Crouch: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Kneel/Crawl: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Climb/Balance: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lift/Carry (frequency): | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Up to 10 lbs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Up to 20 lbs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Up to 50 lbs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Up to 100 lbs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Over 100 lbs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Identify the items or tools the employee was required to lift and/or carry in performing the essential job duties (include the weight, distance, and frequency of the lifting and/or carrying):

Identify the heaviest item and weight lifted on a frequent basis (1/3 to 2/3 of workday):

Identify the heaviest item and weight lifted without assistance:

 Please identify any physical effort requirements for the employee to perform his or her job duties as of the last day worked.
 (Check appropriate boxes)

- ☐ The employee was required to handle, grab, or grasp items or tools. (file, ledger, hammer, wrench, pot/pan, mop/bucket)
☐ The employee was required to finger, feel, or sort items or tools. (computer keyboard, typewriter, calculator, pen/pencil)
☐ The employee was required to use machinery that used hand and/or foot controls. (backhoe, school bus)
☐ The employee was required to use vibratory equipment, machinery, or tools. (jackhammer, floor buffer, lawnmower)
☐ The employee was required to reach overhead, and in all other directions.
☐ The employee was required to use stairs or ramps.
☐ The employee was required to use ladders or scaffolding.
☐ The employee was exposed to environmental elements such as extreme heat, extreme cold, or extreme wetness/dampness.
☐ The employee was exposed to excessive noise, fumes, odors, gases, or dust.

Please make any remarks concerning the physical effort requirements for the employee to perform his or her job duties as of the last day worked:

Accommodations: Examples of reasonable accommodations may include making existing facilities accessible to individuals with disabilities, job restructuring, part-time or modified work schedules, reassignment to a vacant position, retraining, or purchase of assistive equipment. If the individual has terminated employment with your agency or did not request accommodations, you should outline what accommodations were made or could have been made.

Did the employee request accommodations, assistance, or help to perform the essential job duties? ☐ Yes ☐ No

IF YES, please attach a copy of the request. Please attach any written response by the agency to the employee for request for accommodations. Please attach a statement describing the accommodations, assistance, or help that was offered or attempted to allow the employee to perform the essential job duties.

IF NO, please attach a statement describing the accommodations, assistance, or help that was reasonably available to allow the employee to perform the essential job duties.

Did the employee have any machines, tools, or equipment available to assist in performing job duties, such as a handcart, desk mover, special chair, headphones, keyboard, tape recorder, or other? _____

Did the employee have assistance available from co-workers? _____

Additional Remarks: _____

Attach additional pages if necessary.

Personnel Issues:

Was the employee injured on the job? ☐ Yes ☐ No If YES, please attach a copy of the incident report.

Is the employee currently receiving Workers' Compensation benefits? ☐ Yes ☐ No

If YES, please provide the Workers' Compensation insurance carrier name and address assisting with this claim.

Insurance Carrier Name: _____

Address: _____ City: _____ State: _____ Zip Code: _____

Please indicate the employee's current personnel status:

☐ Termination ☐ Sick Leave Without Pay ☐ Still on Payroll ☐ Other _____

If the employee has terminated or is utilizing a leave without pay status, please provide date and attach a copy of the personnel form: _____

If the employee is not still on the payroll, please verify the last day of paid employment: _____

Supervisor Name: _____ Title: _____

Address/Phone: _____

IMPORTANT: FAILURE TO RETURN THE REQUIRED INFORMATION WITHIN 5 BUSINESS DAYS MAY CAUSE A DELAY IN THE MEMBER'S MONTHLY BENEFIT AND HEALTH INSURANCE.

For members who apply for disability retirement through Kentucky Public Pensions Authority, KRS 61.665(2)(a) requires a complete job description of the member's job duties and requirements and requires that the member make a request for reasonable accommodations as provided for in 42 U.S.C. sec. 12111(9) and 29 C.F.R. Part 1630 through the American with Disabilities Act (ADA).

Certification

I hereby certify that the above information is correct and accurately describes the job duties that the employee had as of the last day worked. I understand that the Kentucky Public Pensions Authority or the employee may request that I testify at an administrative hearing as to the matters described herein.

Agency Representative Printed Name: _____

Agency Representative Title: _____

Agency Representative Signature: _____ Date: _____


KENTUCKY PUBLIC PENSIONS AUTHORITY

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Print Form

Form 8035
 Revised 04/2021

Employee Job Description
Member Information

Member Name:

Member ID:

Job Title:

Agency:

Job Description

Describe your essential job duties:

_____ Total hours in a workday. _____ Sitting hours in a day. _____ Standing/walking hours in a day.

 Do you have the ability to alternate between sitting and standing/walking? ☐ Yes ☐ No

| Physical effort required: (check appropriate boxes) | <u>Never</u> | <u>Seldom/ Rare</u> | <u>Occasional</u> (up to 1/3 of work day) | <u>Frequent</u> (1/3 to 2/3 of work day) | <u>Repetitive</u> (2/3 or more of work day) |
|--|--------------------------|--------------------------|--|---|--|
| Handle/Finger/Feel: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Reach/Push/Pull: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bend/Stoop/Crouch: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Kneel/Crawl: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Climb/Balance: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lift/Carry (frequency): | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Up to 10 lbs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Up to 20 lbs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Up to 50 lbs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Up to 100 lbs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Over 100 lbs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Identify the items or tools you were required to lift and/or carry in performing the essential job duties (include the weight, distance, and frequency of the lifting and/or carrying):

Identify the heaviest item and weight lifted on a frequent basis (1/3 to 2/3 of workday):

Identify the heaviest item and weight lifted without assistance:

 Please identify any physical effort requirements to perform your job duties as of the last day worked.
 (Check appropriate boxes)

- ☐ I was required to handle, grab, or grasp items or tools. (file, ledger, hammer, wrench, pot/pan, mop/bucket)
☐ I was required to finger, feel, or sort items or tools. (computer keyboard, typewriter, calculator, pen/pencil)
☐ I was required to use machinery that used hand and/or foot controls. (backhoe, school bus)
☐ I was required to use vibratory equipment, machinery, or tools. (jackhammer, floor buffer, lawnmower)
☐ I was required to reach overhead, and in all other directions.
☐ I was required to use stairs or ramps.
☐ I was required to use ladders or scaffolding.
☐ I was exposed to environmental elements such as extreme heat, extreme cold, or extreme wetness/dampness.
☐ I was exposed to excessive noise, fumes, odors, gases, or dust.

Please make any remarks concerning the physical effort requirements for performing your job duties as of the last day worked:

Accommodations

1. Did you request accommodations, assistance, or help to perform the essential job duties? ☐ Yes ☐ No

IF YES, please attach a copy of the request. Please attach any written response such as describing the accommodations, assistance, or help that was offered or attempted to allow you to perform the essential job duties.

IF NO, please attach a statement describing the accommodations, assistance, or help that was reasonably available to allow you to perform the essential job duties.

2. Did you have any machines, tools, or equipment available to assist in performing job duties, such as a handcart, desk mover, special chair, headphones, keyboard, tape recorder, or other? _____

3. Did you have assistance available from co-workers? _____

Additional Remarks: _____

Attach additional pages if necessary.

Supervisor Name: _____

Title: _____

Address/Phone: _____

Workers' Compensation and Social Security Benefits

1. Did you apply for Workers' Compensation benefits? ☐ Yes ☐ No

If yes, are you receiving a benefit from Workers' Compensation? ☐ Yes ☐ No

If yes, please provide the date that you began receiving Workers' Compensation benefits and the amount paid.

2. Did you apply for disability benefits from the Social Security Administration? ☐ Yes ☐ No

If yes, please provide the status of your disability benefit from the Social Security Administration:

Certification

I hereby certify that the information provided on this form is correct and accurate as of my last day worked.

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 8040
 Revised 10/2005

Prescription and Nonprescription Medications
Member Information

| | | | |
|--------------|-------|------------|-----------|
| Member Name: | | Member ID: | |
| Address: | City: | State: | Zip Code: |

Prescription Medications

| Medicine Name | Dosage | Times/Day | Reason for Medicine | Prescribing Physician |
|---------------|--------|-----------|---------------------|-----------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Nonprescription Medications

| Medicine Name | Dosage | Times/Day | Reason for Medicine | Prescribing Physician |
|---------------|--------|-----------|---------------------|-----------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Signature: _____

Date: _____


KENTUCKY PUBLIC PENSIONS AUTHORITY

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

Form 8001
 Revised 04/2021

Certification of Application for Disability Retirement and Supporting Medical Information
Member Information

| | | | |
|--|-------|------------|-----------|
| 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: | |

Certification

I, _____, hereby certify that the attached medical information, job description, reasonable accommodations request, and prescription and nonprescription drug list are true, correct, accurate, and complete. This means the attached information consists of **all** the existing medical information regarding the condition(s) for which I am seeking enhanced disability retirement benefits. The medical information includes all existing medical records regardless of the membership date with Kentucky Public Pensions Authority. I further hereby certify that my application for disability retirement, medical information, and job description are ready to be submitted to the medical examiners for review and determination. I am aware that pursuant to KRS 61.665(2)(a) that I am responsible for filing supporting objective medical information to report my 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 condition(s) for which I am applying for disability retirement benefits, including all reports of diagnostic medical testing performed on me.

I further acknowledge that any person who makes a false statement, report, or representation on this form is subject to criminal penalty pursuant to KRS 523.010 to 523.110.

Signature: _____

Date: _____

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

*6010

FORM 6010

FORM 6010 ESTIMATED RETIREMENT ALLOWANCE

Retirement Date: [REDACTED]

Retirement Plan: [REDACTED]

Retirement Type: [REDACTED]

Member Information

[REDACTED]

Member Date of Birth: [REDACTED]

Member ID: [REDACTED]

Beneficiary Information

Beneficiary: [REDACTED]

Beneficiary Date of Birth: [REDACTED]

Please Select ONE payment option by checking
one box below

- ☐ BASIC
☐ LIFE WITH 10 YEARS CERTAIN
☐ LIFE WITH 15 YEARS CERTAIN
☐ LIFE WITH 20 YEARS CERTAIN
☐ SURVIVORSHIP 100%
☐ SURVIVORSHIP 66 2/3%
☐ SURVIVORSHIP 50%
☐ POP-UP
☐ 10 YEARS CERTAIN

Payment to member while
living

[REDACTED]

Payment to beneficiary
after member's death

[REDACTED]

- ☐ I REJECT ALL MONTHLY PAYMENT OPTIONS AND REQUEST A(n) ACTUARIAL REFUND OF
APPROXIMATELY [REDACTED] I AM ALSO FORFEITING ANY HEALTH INSURANCE AND DEATH
BENEFITS PROVIDED BY THE KENTUCKY PUBLIC PENSIONS AUTHORITY.

NOTE: If you select the actuarial refund or lump sum refund you must also complete and return the enclosed
Form 6025, Direct Rollover/Direct Payment Election Form. The Form 6025 is located in the Special Tax Notice.

This estimate was calculated using an early retirement percentage of 100.00%.

Certification

I CERTIFY THAT I HAVE SELECTED THE OPTION OF MY CHOICE. I REALIZE THAT AFTER THE FIRST
DAY OF THE MONTH IN WHICH I RECEIVE MY FIRST RETIREMENT CHECK, I WILL NOT HAVE THE RIGHT
TO CHANGE MY PAYMENT OPTION OR MY BENEFICIARY.

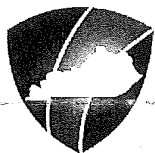
Signature of Recipient: _____ Date: _____

Signature of Spouse: _____ Date: _____

Witnessed by: _____ Date: _____

FORM 6010 KPPA:TH

Page 1 of 1


KENTUCKY PUBLIC PENSIONS AUTHORITY

1260 Louisville Road • Frankfort, KY 40601

Phone: (502) 696-8800 • Fax: (502) 696-8822 • kyret.ky.gov



Print Form

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: _____


KENTUCKY PUBLIC PENSIONS AUTHORITY

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

Form 6130
 Revised 04/2021

Authorization for Deposit of Retirement Payment
Recipient Information

The recipient is the person who is receiving a monthly benefit from the Kentucky Public Pensions Authority. Please provide your Member ID or Social Security Number in the Recipient ID box below.

| | | | |
|---|-------|---------------|-----------|
| Recipient Name: | | Recipient ID: | |
| Address: | City: | State: | Zip Code: |
| Is this a new address? <input type="radio"/> Yes <input type="radio"/> No | | | |
| Phone (select type) <input type="radio"/> Mobile <input type="radio"/> Home <input type="radio"/> Work | | Email: | |
| If you are beneficiary of the account, please provide the member's name and Member ID below. | | | |
| Member Name: | | Member ID: | |

Financial Institution Information

| | |
|-----------------------------|--|
| Financial Institution Name: | Account Type: <input type="radio"/> Checking <input type="radio"/> Savings |
| Depositor Account Number: | Depositor Routing Number: |

Required Documents: Please indicate the documentation you are submitting with this form.

| | |
|---|--|
| For deposits to a Checking Account: I have attached to this form | <input type="radio"/> a VOIDED personalized check <input type="radio"/> verification from my financial institution |
| For deposits to a Savings Account: I have attached to this form | <input type="radio"/> verification from my financial institution |

Authorization for Direct Deposit and International Transactions:

I authorize and request the Kentucky Public Pensions Authority to directly deposit the net amount of my monthly retirement payment to my account at the financial institution designated above. I have attached to this form the documentation indicated above.

I understand that failure to sign this authorization and provide one of the documents listed above will cause a delay in setting up or changing account information.

I acknowledge that electronic payments to the designated account must comply with the provisions of U.S. law, as well as the requirements of the Office of Foreign Assets Control (OFAC) and National Automated Clearing House Association (NACHA) regulations.

I certify that the entire payment that Kentucky Public Pensions Authority sends electronically to the financial institution I have designated, is not subject to being transferred to a foreign bank. I agree to notify Kentucky Public Pensions Authority in writing immediately if the payment becomes subject to transfer to a foreign bank in the future.

Signature: _____

Date: _____

For your convenience:

The sample check below shows where to locate the required bank information to complete your Direct Deposit.

My Name
My Address
My City, State, & Zip

DATE

PAY TO THE ORDER OF \$

DOLLARS

Bank Name
Bank Address

MEMO

9 Digit Bank Routing Number Your Account Number Check Number

Instructions for Completing Form 6130 Authorization for Deposit of Retirement Payment

You may authorize deposit of your retirement benefit directly into your account at a financial institution by either complete this Form 6130, Authorization for Deposit of Retirement Payment, or by designating an account online through Member Self Service. Your designated financial institution account can be changed by either submitting a new Form 6130 or by updating the account information online through Member Self Service. The financial institution may be a bank, savings bank, savings and loan association, credit union, or similar institution that is a member of the Automated Clearing House (ACH). The North American Clearing House Association (NACHA) regulations require certification to identify any direct deposit payment made where the payment amount is subsequently transferred to a foreign bank account.

This form is to be used ONLY for the deposit of monthly benefit payments from the Kentucky Public Pensions Authority (KPPA). This form does not authorize withdrawals from your financial institution.

Please provide the necessary information about the financial institution. You must sign and date the authorization form. You are required to provide a VOIDED personalized check or verification from the financial institution for deposit to a checking account. For deposit to a savings account you must provide a verification from the financial institution. Your failure to sign and date the authorization form and provide the required documentation will cause a delay in setting up or changing the account information. Your monthly benefit payments will be deposited into your account at your financial institution on the 14th unless the day is a weekend or holiday, then the payment will be deposited into your account on the last business day prior to the 14th. If you are a current recipient of a monthly benefit and request a change to the account number or financial institution to which your monthly benefit is deposited, the completed form must be received at the Kentucky Public Pensions Authority' office before the 20th of the month if you wish the change to be effective with the next payment. If your form is received after the 20th of the month, the next monthly payment will be issued as a paper check, which will be mailed to your listed address; and the requested change for the direct deposit will be effective the following month. If you have additional questions regarding the change, please contact a KPPA Counselor at (800) 928-4646 or (502) 696-8800.

Once the authorization form has been processed by the Kentucky Public Pensions Authority, this authorization for deposit may be cancelled for any of the following reasons:

1. A new authorization for deposit of retirement payment form is submitted and processed at KPPA. This new Form 6130 will supersede your previous authorization form.
2. Your designated account information is updated online through Member Self Service.
3. The financial institution no longer accepts direct deposit. If your financial institution no longer accepts direct deposit, you must notify KPPA.
4. Your financial institution rejects your direct deposit indicating your account is closed. In this case, KPPA will notify you of the cancellation in advance.
5. Your monthly benefit no longer covers the cost of your health insurance premium and you must submit payment to our office for your health insurance premium.
6. Notice of your death is received at KPPA.

You may reach the Kentucky Public Pensions Authority at (800) 928-4646 or (502) 696-8800 if you have any questions. Written inquiries can be addressed to Kentucky Public Pensions Authority, 1260 Louisville Road, Frankfort, Kentucky 40601. For general information or to obtain additional forms, visit the Kentucky Public Pensions Authority' website: kyret.ky.gov.


KENTUCKY PUBLIC PENSIONS AUTHORITY

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


Print Form

Form 6135
 Revised 05/2015

Request for Payment By Check
Recipient Information

The recipient is the person who is receiving the monthly benefit from the retirement system. Please provide your Member ID or Social Security Number in the Recipient ID box below.

| | | | |
|-----------------|------------------------|---------------|--|
| Recipient Name: | | Recipient ID: | |
| Address: | City: | State: | Zip Code: |
| Phone Number: | Is this a new address? | | <input type="radio"/> Yes <input type="radio"/> No |

Reason for Receiving Retirement Allowance by Check

- ☐ I do not currently have an account with a financial institution. I will contact the retirement office when I have opened an account to which my benefit may be deposited.
- ☐ My financial institution does not participate in the Electronic Funds Transfer (EFT) program. The following must be completed by your financial institution:

Name of Institution: _____ Phone: _____

This recipient has an account in our institution, but we do not currently participate in the EFT program.

Authorized Signature of Financial Institution Officer: _____ Title: _____

Certification

I state that I have full knowledge of the penalty in KRS 523.100 related to falsification of records and that the information provided is true and accurate. I understand that I must contact the retirement office if the above situation changes so that I may have my retirement allowance electronically transferred to my account. The retirement office may require me to verify the above information.

Signature: _____ Date: _____


KENTUCKY PUBLIC PENSIONS AUTHORITY

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

Form 6008
 Revised 09/2010

**Beneficiary Election to Continue Disability Application Process
on Behalf of Deceased Member**
Member Information

Member Name: _____

Member ID: _____

Payment Options: Please tell us whether you elect to proceed with the disability application process.

- ☐
- I elect to proceed with the disability application process.

I understand that if _____ was eligible to begin receiving non-disability retirement benefits, that I may begin receiving regular death payments until the disability process is complete. If the disability application is approved, my benefits will be increased at that time.

If _____ was not eligible to begin receiving non-disability retirement benefits, then I must await the disability determination before I begin receiving payments.

- ☐
- I elect to cancel the disability application, so that death benefits can be processed under a non-disability death calculation.

Please note this action may void the member's Form 6000, Notification of Retirement, beneficiary designation if the member was not receiving early retirement benefits. If so, the beneficiary of the account will be the beneficiary the member named on Form 2035, Beneficiary Designation.

Certification

I certify that I have checked the box above which best suits my needs. I realize that I **cannot change** to another payment option on or after the first day of the month in which I will receive my first payment.

Beneficiary Signature: _____

Date: _____

Witnessed by: _____

Date: _____


KENTUCKY PUBLIC PENSIONS AUTHORITY

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

Form 8002

04/2021

Certification of Application for Disability Retirement and Supporting Medical Information
Member Information

Member Name: _____

Member ID: _____

As beneficiary of the above member's account, I, _____, hereby certify that the attached medical information, job description, reasonable accommodations request, and prescription and nonprescription drug list are true, correct, accurate, and complete. This means the attached information consists of all the existing medical information regarding the condition(s) for which the member was seeking enhanced disability retirement benefits. The medical information includes all existing medical records regardless of the membership date with Kentucky Public Pensions Authority. I further hereby certify that the application for disability retirement, medical information, and job description are ready to be submitted to the medical examiners for review and determination. I am aware that pursuant to KRS 61.665(2)(a) that I am responsible for filing supporting objective medical information to report the deceased member's 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 of the member's evaluations, examinations, and treatment for the condition(s) for which the member was applying for disability retirement benefits, including all reports of diagnostic medical testing performed on the deceased member.

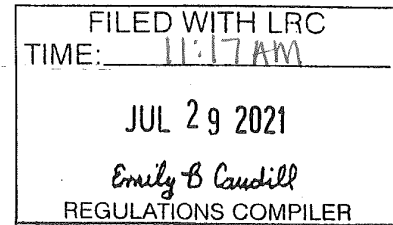
I further acknowledge that any person who makes a false statement, report, or representation on this form is subject to criminal penalty pursuant to KRS 523.010 to 523.110.

Beneficiary's Signature: _____

Date: _____

Print Name: _____

SSN: _____



1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Retirement Systems

3 (Amendment to Administrative Regulation)

4 105 KAR 1:310. Fred Capps Memorial Act.

5 RELATES TO: KRS 16.505-16.652, 61.505~~[40]~~-61.705, 78.510-78.852

6 STATUTORY AUTHORITY: KRS 61.505(1)(f)~~[KRS 61.645(9)(g)]~~

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.621, The Fred Capps Memorial

8 Act, establishes duty-related disability or death benefits for~~[enables an]~~ nonhazardous

9 employees~~[of a state-administered retirement system]~~ who are~~[is]~~ killed or totally and

10 permanently disabled from a duty-related injury~~[to receive death or disability benefits~~

11 equal to those received by hazardous employees under KRS 16.582]. This administrative

12 regulation establishes the procedure for filing an application or reapplication for duty-

13 related death or disability benefits and the appeal procedure for duty-related death or

14 disability~~[injury]~~ benefits for nonhazardous employees.

15 Section 1. Definitions.

16 (1) Definitions contained in KRS 16.505, 61.510, and 78.510 shall apply to this

17 regulation, unless otherwise defined herein.

18 (2) Prior to April 1, 2021, "the Agency" means the Kentucky Retirement Systems,

19 which administers the State Police Retirement System, the Kentucky Employees

20 Retirement System, and the County Employees Retirement System. Effective April 1,

1 2021, "the Agency" means the Kentucky Public Pension Authority, which is authorized to
2 carry out the day-to-day administrative needs of the Kentucky Retirement Systems
3 (comprised of the State Police Retirement System and the Kentucky Employees
4 Retirement System) and the County Employees Retirement System.

5 (3) "Applicant" means a member or retired member of the Kentucky Employees
6 Retirement System, the County Employees Retirement System, or both who has applied
7 or is applying for duty-related disability benefits in accordance with KRS 61.621, 61.665,
8 and 78.545.

9 (4) Prior to April 1, 2021, "DAC" means the Disability Appeals Committee of the
10 Board of Trustees of the Kentucky Retirement Systems. Effective April 1, 2021, "DAC"
11 means the separate or joint Disability Appeals Committees of the Board of Trustees of
12 the Kentucky Retirement Systems and the Board of Trustees of the County Employees
13 Retirement System in accordance with KRS 61.665(4) and 78.545.

14 (5) "File" means the following methods for delivering or submitting a form or other
15 documents to the retirement office, unless otherwise stated: mail, fax, in-person delivery,
16 secure email, and upload via Self Service on the Web site maintained by the Agency (if
17 available). A form or other document shall not be deemed filed until it has been received
18 at the retirement office.

19 (6) "Participating employer" means an employer participating in the Kentucky
20 Employees Retirement System or the County Employees Retirement System.

21 (7) For the purposes of this regulation only, "recipient" means a retired member of
22 the Kentucky Employees Retirement System, the County Employees Retirement System,

1 or both who is receiving duty-related disability benefits in accordance with KRS 61.621,
2 61.665, and 78.545.

3 (8) "Valid," when used in reference to a form, means that all required sections on
4 a form are completed and all required signatures on a form are executed.

5 (9) "Invalid," when used in reference to a form, means that the form is deficient and
6 shall not be accepted or processed by the Agency.

7 Section 2. Use of third-party vendors.

8 (1) The Agency may contract with third-party vendors to act on its behalf
9 throughout the duty-related disability and duty-related death benefit application and
10 review process. The Agency may also contract with third-party vendors to act on its behalf
11 throughout the periodic review, reinstatement review, and employment review processes.

12 (2) The Agency may utilize independent, licensed physicians provided by third-
13 party vendors to serve as medical examiners pursuant to KRS 61.665 and 78.545. Third-
14 party vendors may also provide additional persons to fulfill non-physician roles throughout
15 the duty-related disability and duty-related death benefit application process.

16 (3) For purposes of this regulation, third-party vendors may act on behalf of the
17 Agency and the Systems with all the rights and responsibilities therein.

18 Section 3. Application for Duty-Related[-Injury] Death Benefits.

19 (1)(a) A written request for duty-related[-injury] death benefits pursuant to KRS
20 61.621 and 78.545 shall[may] be filed[made] by the surviving spouse,[-or] dependent
21 child, or parent or guardian of dependent child at the retirement[Frankfort] office[-of the
22 Kentucky Retirement Systems].

(b) The Agency may notify the surviving spouse, dependent child, or parent or guardian of the dependent child of their ability to file a written request for duty-related death benefits if the Agency becomes aware of a nonhazardous employee potentially killed as a result of a duty-related injury.

(c) A claim for duty-related[~~injury~~] death benefits shall be verified by the deceased employee's immediate supervisor and agency head on the ["Form 6800, "Application for Death Benefits Duty Related/In Line of Duty."[-]

(2)(a) The participating employer, surviving spouse, [~~or~~]dependent child, or parent or guardian of dependent child shall submit the following documents:

1. A copy of the death certificate;
2. The employer death investigation report; and
3. An employee job description provided by the participating employer.

(b) The Agency[~~retirement system~~] may request additional information; [~~or~~] medical records, including hospital, emergency room, autopsy, or other related records; [~~or~~] documentation relating to Workers' Compensation claims; and police or other crime reports, if necessary, from the participating employer, surviving spouse, [~~or~~]dependent child, or parent or guardian of dependent child.

(3) The application for duty-related[~~injury~~] death benefits and accompanying documentation as listed in subsection (2) of this Section shall be reviewed by the Agency's[~~board's~~] medical examiners, or the Agency's third-party vendor, and administered in the same manner as provided in KRS 16.582, 78.5524, [~~and~~] 61.665, and 78.545.

Section 4[2]. Application for Duty-R[~~e~~]lated[~~injury~~] Disability Benefits.

1 (1)(a) A claim for duty-related~~[injury]~~ disability benefits pursuant to KRS 61.621
2 and 78.545 shall be filed by the applicant~~[employee]~~ at the retirement~~[Frankfort]~~ office~~[of~~
3 the Kentucky Retirement Systems].

4 (b) An application for duty-related~~[injury]~~ disability benefits shall be made by the
5 applicant~~[employee]~~ on the ["]Form 6000, "Notification of Retirement."["]

6 (2) The applicant shall be required to file the following forms and information to the
7 retirement office along with a valid application for duty-related disability benefits in
8 accordance with subsection (1) of this Section:

9 (a) A Workers' Compensation incident report, where one exists;

10 (b) A valid Form 8035, "Employee Job Description;"

11 (c) A valid Form 8040, "Prescription and Nonprescription Medications;"

12 (d) Supporting medical information; and

13 (e) Once all supporting medical information has been submitted, a valid Form
14 8001, "Certification of Application for Disability Retirement and Supporting Medical
15 Information."

16 (3) The applicant's participating employer shall complete and submit to the
17 retirement office a Form 8030, "Employer Job Description."

18 (4) The applicant and the applicant's employer shall file or submit additional
19 information regarding the applicant's job duties and reasonable accommodations upon
20 request by the Agency or a third-party vendor on its behalf.

21 (5) The application for duty-related~~[injury]~~ disability benefits and accompanying
22 documentation as listed in subsections (2), (3), and (4) of this Section shall be reviewed
23 by the Agency's~~[board's]~~ medical examiners, or the Agency's third-party vendor, and

1 administered in the same manner as provided in KRS 16.582, 78.5524, [and] 61.665, and
2 78.545.

3 Section 5. Joint Application for Duty-Related Disability Benefits and Disability Retirement
4 Benefits.

5 (1) If qualified to retire on disability pursuant to KRS 61.600 and 78.5522, an
6 applicant may apply for both duty-related disability benefits in accordance with KRS
7 61.621 and 78.545 and disability retirement benefits in accordance with KRS 61.600 and
8 78.5522 using the same valid Form 6000, "Notification of Retirement."

9 (2)(a) If an applicant qualified to retire on disability applies for both duty-related
10 disability benefits in accordance with KRS 61.621 and 78.545 and disability retirement
11 benefits in accordance with KRS 61.600 and 78.5522 using the same Form 6000,
12 "Notification of Retirement," and is approved only for disability retirement benefits by a
13 majority or greater of the reviewing medical examiners pursuant to KRS 61.665 and
14 78.545, the applicant may solely appeal the denial of duty-related disability benefits in the
15 same manner provided for disability retirement benefits in KRS 61.665(2)(f), 61.665(2)(h),
16 and 78.545.

17 (b) A request for an administrative hearing to solely appeal the denial of duty-
18 related disability benefits shall not affect the disability retirement benefits of an applicant
19 who has been approved for disability retirement benefits under KRS 61.600 and 78.5522,
20 except as provided in KRS 61.685 and 78.545.

21 (3) If an applicant qualified to retire on disability applies for both duty-related
22 disability benefits in accordance with KRS 61.621 and 78.545 and disability retirement
23 benefits in accordance with KRS 61.600 and 78.5522 using the same Form 6000,

1 "Notification of Retirement," and is denied for both by a majority or greater of the reviewing
2 medical examiners pursuant to KRS 61.665 and 78.545, the applicant may appeal both
3 the denial of duty-related disability and disability retirement benefits as provided by KRS
4 61.665(2)(f), 61.665(2)(h), and 78.545.

5 (4) A request for an administrative hearing to solely appeal the denial of duty-
6 related disability benefits or to appeal denials of both duty-related disability benefits and
7 disability retirement benefits must conform with Section 10.

8 Section 6[3]. Time Period for Filing.

9 (1)(a) The application or reapplication for duty-related~~[-injury]~~ death or duty-related
10 ~~[-injury]~~ disability benefits shall be filed at the retirement office within twenty-four (24)
11 months from the employee's last day of paid employment in a regular full-time position.

12 (b) The filing period shall begin on the day after the last day of paid employment in
13 a regular full-time position and shall end at close of business on the 730th calendar day.

14 (c) If the 730th day is on a Saturday, Sunday, a public holiday listed in KRS 2.110,
15 a day on which the public office is actually and legally closed, or any other state or federal
16 holiday that disrupts mail service, then the application shall be timely if filed at the
17 retirement office by the close of the next business day.

18 (d) If the 730th day is on a Saturday, Sunday, a public holiday listed in KRS 2.110,
19 a day on which the retirement office is actually and legally closed, or any other state or
20 federal holiday that disrupts mail service, then the application or reapplication is not timely
21 and the employee, surviving spouse, dependent child, or parent or guardian of dependent
22 child is not qualified for duty-related death or duty-related disability benefits.

1 (e)1. The applicant's last day of paid employment shall either be certified by the
2 applicant's employer or filed by the applicant and corroborated by the reporting
3 information received by the Agency from the applicant's employer.

4 2. In accordance with KRS 61.685 and 78.545, the applicant's last day of paid
5 employment may be corrected at any time upon discovery of any error or omission in the
6 Agency's records.~~[If the last day of the filing period is a Saturday, Sunday, or a state or~~
7 ~~federal holiday, then the application shall be timely filed if received in the retirement office~~
8 ~~by the close of the next business day following the weekend or holiday.]~~

9 (2) If rejected, an employee's reapplication for duty-related~~[injury]~~ disability
10 benefits based on the same claim of incapacity shall be reconsidered for disability if
11 accompanied by new objective medical evidence or new evidence concerning the duty-
12 related injury that was not considered with previous applications. The reapplication shall
13 be filed at the retirement office within twenty-four (24) months from the employee's last
14 day of paid employment in a regular full-time position.

15 Section 7. Effect of Application or Reapplication for Duty-Related Disability Benefits While
16 Prior Application or Reapplication is Pending.

17 (1) If a subsequent valid reapplication for duty-related disability benefits that
18 complies with Sections 4 and 6 is filed at the retirement office while a prior application or
19 reapplication is pending review by the medical examiners under KRS 61.665 and 78.545,
20 then the subsequent reapplication shall be accepted solely for the purpose of designating
21 a new beneficiary in accordance with KRS 61.542 and 78.545. The subsequent
22 reapplication shall not be submitted for review by the medical examiners.

1 (2)(a) If a subsequent valid reapplication for duty-related disability benefits that
2 complies with Sections 4 and 6 is filed at the retirement office after an applicant has
3 requested an administrative hearing to appeal the denial of an earlier application or
4 reapplication for duty-related disability benefits, but prior to a Final Order of DAC
5 regarding the earlier application or reapplication, then the subsequently filed reapplication
6 shall be deemed a notice of intent to dismiss the request for administrative hearing unless
7 the applicant simultaneously files a written statement that the subsequently filed
8 reapplication has been filed solely for the purpose of designating a new beneficiary in
9 accordance with KRS 61.542 and 78.545.

10 (b) A subsequently filed reapplication as described in paragraph (a) of this
11 subsection shall not be processed by the Agency until thirty-one (31) days after the entry
12 of a Final Order of DAC dismissing the previously requested administrative appeal, except
13 that a new beneficiary designated on the subsequently filed reapplication in accordance
14 with KRS 61.542 and 78.545 shall be effective immediately.

15 (c) All evidentiary filings made during an administrative hearing process to appeal
16 the denial of an earlier application or reapplication for duty-related disability benefits shall
17 be included in the information provided to the medical examiners for review of the
18 subsequently filed reapplication.

19 (3)(a)1. If a subsequent valid reapplication for duty-related disability benefits is filed
20 at the retirement office after DAC has issued a Final Order denying a prior application or
21 reapplication for duty-related disability benefits and during the statutory time for appeal of
22 the Final Order or after an appeal of the Final Order has been made, then the

1 subsequently filed reapplication shall be accepted solely for the purpose of designating a
2 new beneficiary in accordance with KRS 61.542 and 78.545.

3 2. The subsequent reapplication shall not be submitted for review by the medical
4 examiners, unless the applicant files a written statement that the applicant will not appeal
5 the Final Order of DAC or has withdrawn any pending appeal of a Final Order of DAC.

6 (b) If a subsequent valid reapplication for duty-related disability benefits is filed at
7 the retirement office after DAC has issued a Final Order denying an application or
8 reapplication for duty-related disability benefits, all applicable statutory time for appeals
9 of the Final Order have lapsed, and the reapplication complies with KRS 61.621, 78.545
10 and Sections 4 and 6 of this regulation, then the subsequently filed reapplication for duty-
11 related disability benefits shall be valid.

12 Section 8. Medical or psychological examination required at the expense of the Agency.

13 (1) If the Agency requires an applicant to submit to a medical or psychological
14 examination under KRS 61.665(2)(j) and 78.545 or KRS 61.665(3)(c) and 78.545, the
15 Agency shall reimburse the applicant for expenses associated with the medical or
16 psychological examination in the same manner as 105 KAR 1:210 Section 8.

17 (2) The applicant shall file the Form 8846, "Independent Examination Travel
18 Voucher" and all necessary receipts at the retirement office within fifteen (15) days of the
19 examination or evaluation in order to be reimbursed for mileage, actual parking costs,
20 and any actual bridge or highway toll charges as described in subsection (1) of this
21 Section and 105 KAR 1:210 Section 8.

22 Section 9. Requests for additional objective medical evidence by the medical examiners.

1 (1) A medical examiner reviewing an application or reapplication for duty-related
2 disability benefits or duty-related death benefits may place their recommendation on hold
3 and request additional objective medical evidence.

4 (2) If two (2) or more of the three (3) medical examiners reviewing an application or
5 reapplication for duty-related disability benefits or duty-related death benefits place their
6 recommendation on hold and request additional objective medical evidence, then the
7 Agency, or a third-party vendor, shall notify the applicant of the medical examiner's
8 request for additional objective medical evidence. The applicant shall have sixty (60) days
9 from the date of the notification to file the requested objective medical evidence to the
10 retirement office.

11 (3) If there is no majority recommendation by the three (3) medical examiners
12 reviewing an application or reapplication for duty-related disability benefits or duty-related
13 death benefits because one (1) medical examiner recommends approval, one (1) medical
14 examiner recommends denial, and one (1) medical examiner requests additional
15 objective medical evidence, then the Agency, or a third-party vendor, shall notify the
16 applicant of the medical examiner's request for additional objective medical evidence.
17 The applicant shall have sixty (60) days from the date of the notification to file the
18 requested objective medical evidence to the retirement office.

19 (4)(a) Upon receipt of the requested additional objective medical evidence with a
20 valid Form 8001, "Certification of Application for Disability Retirement and Supporting
21 Medical Information," the Agency, or a third-party vendor, shall resubmit the matter,
22 including any additional objective medical evidence submitted in response to the medical

1 examiner's request, to all three (3) medical examiners and the medical examiners shall
2 issue new recommendations.

3 (b) Upon the expiration of sixty (60) days from the date of the notification, if no
4 additional objective medical evidence with a valid Form 8001, "Certification of Application
5 for Disability Retirement and Supporting Medical Information," is on file at the retirement
6 office, the Agency, or a third-party vendor, shall resubmit the matter to only the medical
7 examiner(s) that placed their recommendation on hold and the medical examiner(s) shall
8 issue a new recommendation.

9 Section 10. Administrative hearings concerning the denial of duty-related disability or
10 duty-related death benefits.

11 (1)(a) A request by an applicant, surviving spouse, dependent child, or parent or
12 guardian of a dependent child for an administrative hearing to appeal the denial of duty-
13 related disability or duty-related death benefits under KRS 61.621, 61.665, and 78.545
14 shall be made in writing and contain a short statement of the issues being appealed.

15 (b) The written request for an administrative hearing to appeal the denial of duty-
16 related disability or duty-related death benefits by an applicant, surviving spouse,
17 dependent child, or parent or guardian of a dependent child shall be filed at the retirement
18 office. Email requests shall not be accepted.

19 (2) The hearing officer presiding over an administrative hearing may allow an
20 applicant, surviving spouse, dependent child, or parent or guardian of a dependent child
21 to introduce, among other evidence, the determination of other state and federal
22 agencies, including, but not limited to the Kentucky Department of Workers' Claims and

1 the Social-Security Administration, approving the applicant for benefits if accompanied by
2 underlying objective medical evidence or vocational evidence.

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

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

8 (5) Statements by physicians within the administrative record of the application or
9 reapplication for duty-related disability or duty-related death benefits shall not be
10 considered by themselves to be objective medical evidence unless accompanied by
11 documented medical records or test results.

12 Section 11. Employment and Medical Reviews.

13 If, upon review in accordance with KRS 61.610, 61.615, 78.5528, or other
14 applicable statute, the medical examiner, or third-party vendor, determines that a retired
15 member receiving duty-related disability benefits no longer meets eligibility requirements,
16 then the medical examiner, or third-party vendor, shall determine if the retired member is
17 qualified and remains eligible for disability retirement benefits in accordance with KRS
18 61.600 and 78.5522.~~[Section 4. (1) If the retirement systems requires an applicant to~~
19 ~~submit to a medical or psychological examination under KRS 61.665(2)(j) or (3)(c), the~~
20 ~~retirement systems shall reimburse the applicant for mileage from the applicant's home~~
21 ~~address as it is on file at the retirement systems, to the place of the examination or~~
22 ~~evaluation, and returning to the applicant's home address on file at the retirement~~

1 ~~systems. The applicant shall be reimbursed for the most direct and usually traveled~~
2 ~~routes.~~

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

10 ~~(3) The mileage certified by the applicant shall not be greater than the mileage indicated~~
11 ~~by the "Kentucky Official Highway Map", mileage software, or the most recent edition of~~
12 ~~the "Rand McNally Road Atlas" for the most direct and usually traveled route from~~
13 ~~applicant's home address as it is on file at the retirement systems, to the place of the~~
14 ~~examination or evaluation, and returning to the applicant's home address on file at the~~
15 ~~retirement systems. If the mileage certified by the applicant is greater than the mileage~~
16 ~~indicated by the "Kentucky Official Highway Map", mileage software, or the most recent~~
17 ~~edition of the "Rand McNally Road Atlas" the retirement systems shall pay the applicant~~
18 ~~the mileage indicated by the "Kentucky Official Highway Map", mileage software, or the~~
19 ~~most recent edition of the "Rand McNally Road Atlas."~~

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

1 ~~(5) Actual costs for parking shall be reimbursed upon submission of receipts. The~~
2 ~~applicant shall submit the originals of the parking receipts along with a written request for~~
3 ~~reimbursement.~~

4 ~~(6) Actual bridge and highway toll charges shall be reimbursed if the bridge or highway is~~
5 ~~on the most direct and usually traveled route. The applicant shall submit the originals of~~
6 ~~the bridge and highway toll receipts along with a written request for reimbursement.~~

7 ~~(7) The applicant shall file at the retirement office a completed Form 8846, Independent~~
8 ~~Examination Travel Voucher, within fifteen (15) days of the date of the examination or~~
9 ~~evaluation in order to receive reimbursement for travel expenses.]~~

10 Section 12[5]. Benefit Payment Procedures for Duty-Related Disability.

11 (1) If the employee's application for duty-related~~[injury]~~ disability benefits is
12 approved, the employee's duty-related disability benefit shall be paid retroactive to the
13 month following the month of the employee's last day of paid employment in a regular
14 fulltime position.

15 (2) If the employee did not receive early or normal retirement benefits or disability
16 retirement benefits under KRS 61.600 and 78.5522, upon the employee's selection of a
17 payment option, the Agency~~[retirement office]~~ shall pay the employee the total monthly
18 retirement allowances owed.

19 (3)(a) If the employee did receive early or normal retirement benefits or disability
20 retirement benefits under KRS 61.600 and 78.5522, the Agency~~[retirement office]~~ shall
21 calculate and pay to the employee the difference between the early or normal retirement
22 benefit or disability retirement benefit which was paid to the employee and the duty-
23 related disability benefit.

(b) The employee shall not change the beneficiary named or the~~his~~ payment option selected upon early, normal, or disability retirement except as provided in KRS 61.542(5)(a), 61.542(5)(b), and 78.545.

(4) If benefits are payable to a dependent child as defined in KRS 16.505, the dependent child or the child's parent or guardian shall file~~submit~~ the following documents at the retirement office:

(a) A ~~["]~~Form 6448~~[56]~~, "Designation of Dependent Child for Qualifying Total and Permanent Disability";

(b) If the child is age eighteen (18) or over and a full-time student, verification of full-time student status, if applicable;

(c) If the child is eligible for federal Social Security disability benefits or is being claimed as a qualifying child for tax purposes due to the child's total and permanent disability, file a copy of the most recent statement issued by the Social Security Administration for such dependent children~~[(b) If the child is age eighteen (18) or over, verification of full time student status];~~

(d)~~[(e)]~~ A copy of the birth certificate of each dependent child; and

(e)~~[(d)]~~ If a dependent child is a minor, a ~~["]~~Form 6110, "Affidavit of Authorization to Receive Funds on Behalf of Minor."~~[-]~~ If the minor has a court appointed guardian or conservator and the court appointed guardian or conservator completed the Form 6110, "Affidavit of Authorization to Receive Funds on Behalf of Minor," the guardian or conservator shall file~~submit~~ a copy of the court order appointing the guardian or conservator~~[-]~~;

1 ~~(5)(a)[(e)]~~ The dependent child or the parent or guardian of the dependent child
 2 shall also:

3 1. Notify the Agency~~[retirement system]~~ of the death or marriage of a dependent
 4 child or if the dependent child ceases to be a full-time student, if applicable; and

5 2. File~~[Submit]~~ a copy of the dependent child's verification of full-time student
 6 status with the Agency~~[retirement system]~~ for each semester of study within thirty (30)
 7 days following the start and within thirty (30) days following the end of each semester, if
 8 applicable.

9 (b) The dependent child or the parent or guardian of the dependent child shall be
 10 responsible for repaying any dependent child benefits overpaid due to the failure of the
 11 dependent child or parent or guardian of the dependent child to provide the information
 12 required by paragraph (a) of this subsection.

13 ~~(6)[(5)]~~ Any increases provided~~[-to recipients]~~ under KRS 61.691 and 78.5518 shall
 14 be applied to the employee's duty-related disability benefit and payments to a dependent
 15 child in determining the total retroactive payments owed to the employee and dependent
 16 child.

17 ~~(7)(a)[(6)]~~ If upon review in accordance with KRS 61.610 or other applicable statute,
 18 ~~the board determines that an employee receiving duty-related injury disability benefits no~~
 19 ~~longer meets eligibility requirements, then the board shall determine if the employee is~~
 20 ~~eligible for disability benefits under KRS 61.600.~~

21 ~~Section 6. (4)]~~ A recipient shall complete a Form 6130, "Authorization for Deposit of
 22 Retirement Payment," and file it at the retirement office, include direct deposit information
 23 on the Form 6000, "Notification of Retirement," or authorize direct deposit via Self-Service

1 on the Web site maintained by the Agency to have the monthly retirement allowance
2 deposited to an account in a financial institution.

3 (b) A dependent child or parent or guardian of a dependent child shall file a valid
4 Form 6130, "Authorization for Deposit of Retirement Payment," at the retirement office in
5 order to have the monthly benefit deposited to an account in a financial institution.

6 (c)[(2)] The recipient, dependent child, or parent or guardian of a dependent child
7 and the financial institution shall provide the information and authorizations required for
8 the electronic transfer of funds from the State Treasurer's Office to the designated
9 financial institution.

10 (8)[(3)](a) At any time while receiving a retirement allowance, the recipient may
11 change the designated institution by completing a new valid ["]Form 6130, "Authorization
12 for Deposit of Retirement Payment,"[,] and filing the form at the retirement office, or by
13 changing their direct deposit information via Self-Service on the Web site maintained by
14 the Agency[in Frankfort].

15 (b) The latter of the designation on a valid Form 6000, "Notification of Retirement,"
16 the last valid Form 6130, "Authorization for Deposit of Retirement Payment," after the
17 Form 6000 is on file at the retirement office[systems], or the direct deposit information
18 submitted via Self-Service on the Web site maintained by the Agency shall control the
19 electronic transfer of the recipient's retirement allowance.

20 (c) At any time while receiving a monthly benefit, the dependent child or parent or
21 guardian of a dependent child may change the designated institution by filing a new valid
22 Form 6130, "Authorization for Deposit of Retirement Payment," at the retirement office or

1 by submitting new direct deposit information via Self-Service on the Web site maintained
2 by the Agency.

3 (d) The last valid Form 6130, "Authorization for Deposit of Retirement Payment,"
4 or the last direct deposit information submitted via Self-Service on the Web site
5 maintained by the Agency shall control the electronic transfer of the dependent child's
6 monthly benefit.

7 (9)[(4)] A[The] recipient, dependent child, or parent or guardian of a dependent
8 child may complete a valid ["]Form 6135, "Request for Payment by Check,"[-] and file it at
9 the retirement office if the recipient, dependent child, or parent or guardian of a dependent
10 child does not currently have an account with a financial institution or the financial
11 institution does not participate in the electronic funds transfer program.

12 (10)[(5)] The Agency[retirement office] shall not process the retirement allowance
13 or monthly benefit until the recipient, dependent child, or parent or guardian of a
14 dependent child has filed a valid[completed -"]Form 6130, "Authorization for Deposit of
15 Retirement Payment," included direct deposit information on a valid "Form 6000,
16 Notification of Retirement,"[-or] filed a valid [completed -"]Form 6135, "Request for
17 Payment by Check," or authorized direct deposit via Self-Service on the Web site
18 maintained by the Agency.

19 Section 13. Benefit Payment Procedures for Duty-Related Deaths.

20 (1) If the application for duty-related death benefits is approved, the duty-related
21 death benefit shall be paid retroactive to the month following the month of the employee's
22 date of death.

1 (2) If the surviving spouse did not receive survivor benefits under KRS 61.640 and
2 78.5532, upon the surviving spouse's selection of a payment option, the Agency shall pay
3 the surviving spouse the total monthly retirement allowances owed.

4 (3)(a) If the beneficiary was a surviving spouse who began receiving survivor
5 benefits KRS 61.640 and 78.5532, the Agency shall calculate the difference between the
6 survivor benefit paid to the surviving spouse beneficiary and the duty-related death
7 benefit. The Agency shall pay the surviving spouse any additional funds due.

8 (b) If the surviving spouse was paid more than the amount due under KRS 61.621
9 or KRS 78.545, the Agency shall deduct the difference from the \$10,000 lump sum
10 payment and from the monthly retirement allowance payments until the amount owed to
11 the Agency has been recovered.

12 (4) If benefits are payable to a dependent child as defined in KRS 16.505, the
13 dependent child or the child's parent or guardian shall file the following documents at the
14 retirement office:

15 (a) A Form 6458, "Designation of Dependent Child for In Line of Duty/Duty-
16 Related;

17 (b) If the child is age eighteen (18) or over and a full-time student, verification of
18 full-time student status, if applicable;

19 (c) If the child is eligible for federal Social Security disability benefits or is being
20 claimed as a qualifying child for tax purposes due to the child's total and permanent
21 disability, file a copy of the most recent statement issued by the Social Security
22 Administration for such dependent children;

23 (d) A copy of the birth certificate of each dependent child; and

1 (e) If a dependent child is a minor, a Form 6110, "Affidavit of Authorization to
2 Receive Funds on Behalf of Minor." If the minor has a court appointed guardian or
3 conservator and the court appointed guardian or conservator completed the Form 6110,
4 "Affidavit of Authorization to Receive Funds on Behalf of Minor," the guardian or
5 conservator shall file a copy of the court order appointing the guardian or conservator.

6 (5)(a) The dependent child or the parent or guardian of the dependent child shall
7 also:

8 1. Notify the Agency of the death or marriage of a dependent child or if the
9 dependent child ceases to be a full-time student, if applicable; and

10 2. File a copy of the dependent child's verification of full-time student status with
11 the Agency for each semester of study within thirty (30) days following the start and within
12 thirty (30) days following the end of each semester, if applicable.

13 (b) The dependent child or the parent or guardian of the dependent child shall be
14 responsible for repaying any dependent child benefits overpaid due to the failure of the
15 dependent child or parent or guardian of the dependent child to provide the information
16 required by paragraph (a) of this subsection.

17 (6) Any increases provided under KRS 61.691 and 78.5518 shall be applied to the
18 surviving spouse's duty-related death benefit and payments to a dependent child in
19 determining the total retroactive payments owed to the surviving spouse and dependent
20 child.

21 (7)(a) A surviving spouse, dependent child, or parent or guardian of a dependent
22 child shall complete a Form 6130, "Authorization for Deposit of Retirement Payment," and

1 file it at the retirement office in order to have the monthly benefit deposited to an account
2 in a financial institution.

3 (b) The surviving spouse, dependent child, or parent or guardian of a dependent
4 child and the financial institution shall provide the information and authorizations required
5 for the electronic transfer of funds from the State Treasurer's Office to the designated
6 financial institution.

7 (8)(a) At any time while receiving a monthly benefit, the surviving spouse,
8 dependent child, or parent or guardian of a dependent child may change the designated
9 institution by filing a new valid Form 6130, "Authorization for Deposit of Retirement
10 Payment," at the retirement office or by submitting new direct deposit information via Self-
11 Service on the Web site maintained by the Agency, if available.

12 (b) The last valid Form 6130, "Authorization for Deposit of Retirement Payment,"
13 or the last direct deposit information submitted via Self-Service on the Web Site
14 maintained by the Agency shall control the electronic transfer of the surviving spouse's or
15 dependent child's monthly benefit.

16 (9) A surviving spouse, dependent child, or parent or guardian of a dependent child
17 may file a valid Form 6135, "Request for Payment by Check," at the retirement office if
18 the surviving spouse, dependent child, or parent or guardian of a dependent child does
19 not currently have an account with a financial institution or the financial institution does
20 not participate in the electronic funds transfer program.

21 (10) The Agency shall not process the retirement allowance or monthly benefit until
22 the surviving spouse, dependent child, or parent or guardian of a dependent child has
23 filed a valid Form 6130, "Authorization for Deposit of Retirement Payment," filed a valid

1 Form 6135, "Request for Payment by Check," or authorized direct deposit via Self-Service
2 on the website maintained by the Agency.

3 Section 14. One-Time Window for Surviving Spouse to Apply for Duty-Related Death
4 Benefits.

5 A surviving spouse of an employee who died prior to retirement and prior to April
6 13, 2018 who is currently receiving monthly benefits from the Agency and who did not
7 seek benefits for an employee's death resulting from a duty-related injury pursuant to
8 KRS 61.621 and 78.545 may apply for duty-related death benefits so long as the
9 application for duty-related death benefits is on file at the retirement office on or before
10 January 1, 2021.

11 Section 15. Death During Duty-Related Disability Benefits Application Process.

12 (1)(a) If an applicant has a valid Form 6000, "Notification of Retirement," for duty-
13 related disability benefits on file at the retirement office that complies with Sections 4 and
14 6, is not receiving monthly early, normal, or disability retirement benefits, and dies prior
15 to being approved for duty-related disability benefits by at least a majority of the medical
16 examiners or by a Final Order of DAC, then the beneficiary named on the Form 6000
17 shall file the following at the retirement office in accordance with any applicable deadlines
18 in KRS 61.665 and 78.545 in order to continue with the applicant's application or
19 reapplication for duty-related disability benefits:

20 1. A Form 6008, "Beneficiary Election to Continue Disability Application Process
21 on Behalf of Deceased Member."

22 2. Any outstanding forms required by Section 4 that have not yet been filed by the
23 applicant, and

1 3. Any additional relevant objective medical evidence and a valid Form 8002,
2 "Beneficiary Certification of Application for Disability Retirement and Supporting Medical
3 Information."

4 (b) If there are no applicable deadlines pursuant to KRS 61.665 and 78.545, then
5 the beneficiary named on the Form 6000, "Notification of Retirement," as described in
6 paragraph (a) of this subsection shall file at the retirement office a Form 6008, "Beneficiary
7 Election to Continue Disability Application Process on Behalf of Deceased Member,"
8 within sixty (60) days of the date of the applicant's death.

9 (c) A beneficiary as described in paragraphs (a) or (b) of this subsection that does
10 not want to continue with the applicant's application or reapplication may file at the
11 retirement office a Form 6008, "Beneficiary Election to Continue Disability Application
12 Process on Behalf of Deceased Member."

13 (d) If the beneficiary named on the Form 6000, "Notification of Retirement," as
14 described in paragraphs (a) or (b) of this subsection does not timely file the required
15 documentation, then the Form 6000 shall be invalid and the duty-related disability
16 application or reapplication shall not be processed by the Agency.

17 (2)(a) If an applicant has a valid Form 6000, "Notification of Retirement," for duty-
18 related disability benefits that complies with Sections 4 and 6 on file at the retirement
19 office, is receiving monthly early, normal, or disability retirement benefits, and dies prior
20 to being approved for duty-related disability benefits by at least a majority of the medical
21 examiners or by a Final Order of DAC, and no monthly or lump-sum benefits are payable
22 to the beneficiary listed on the Form 6000, then the executor, administrator, or other
23 representative of the applicant's estate shall file the following at the retirement office in

1 accordance with any applicable deadlines in KRS 61.665 and 78.545 in order to continue
2 with the applicant's application or reapplication for duty-related disability benefits:

3 1. An order appointing the executor, administrator, or other representative of the
4 applicant's estate from a court with jurisdiction that has been entered by the Clerk of the
5 Court or certified by the Clerk of the Court,

6 2. A written statement that the application or reapplication for duty-related disability
7 benefits should continue,

8 3. Any outstanding forms required by Section 4 that have not yet been filed by the
9 applicant, and

10 4. Any additional relevant objective medical evidence and a valid Form 8002,
11 "Beneficiary Certification of Application for Disability Retirement and Supporting Medical
12 Information."

13 (b) If none of the deadlines in KRS 61.665 and 78.545 apply, within sixty (60) days
14 of their appointment, the executor, administrator, or other representative of the applicant's
15 estate as described in paragraph (a) of this subsection shall file the following at the
16 retirement office in order to continue with the applicant's application or reapplication for
17 duty-related disability benefits:

18 1. A copy of the order appointing the executor, administrator, or other
19 representative of the applicant's estate from a court with jurisdiction that has been entered
20 by the Clerk of the Court or certified by the Clerk of the Court, and

21 2. A written statement that the application or reapplication for duty-related disability
22 benefits should continue.

1 (c) An executor, administrator, or other representative of the applicant's estate as
2 described in paragraphs (a) or (b) of this subsection that does not want to continue with
3 the applicant's application or reapplication may file the following at the retirement office:

4 1. A copy of the order appointing the executor, administrator, or other
5 representative of the applicant's estate from a court with jurisdiction that has been entered
6 by the Clerk of the Court or certified by the Clerk of the Court, and

7 2. A written statement that the application or reapplication for duty-related disability
8 benefits is withdrawn.

9 (d) If the executor, administrator, or other representative of the applicant's estate
10 as described in paragraphs (a) or (b) of this subsection does not timely file the required
11 documentation, then the application or reapplication for duty-related disability benefits
12 shall be invalid and shall not be processed by the Agency.

13 (3)(a) If an applicant has a valid Form 6000, "Notification of Retirement," for duty-
14 related disability benefits that complies with Sections 4 and 6 on file at the retirement
15 office, is receiving monthly early, normal, or disability retirement benefits, and dies prior
16 to being approved for duty-related disability benefits by at least a majority of the medical
17 examiners or by a Final Order of DAC, and lump sum or monthly benefits are payable to
18 the beneficiary listed on the Form 6000, then the beneficiary named on the Form 6000
19 shall file the following at the retirement office in accordance with any applicable deadlines
20 in KRS 61.665 and 78.545 in order to continue with the applicant's application or
21 reapplication for duty-related disability benefits:

22 1. A Form 6008, "Beneficiary Election to Continue Disability Application Process
23 on Behalf of Deceased Member,"

1 2. Any outstanding forms required by Section 4 that have not yet been filed by the
 2 applicant, and

3 3. Any additional relevant objective medical evidence and a valid Form 8002,
 4 "Beneficiary Certification of Application for Disability Retirement and Supporting Medical
 5 Information."

6 (b) If there are no applicable deadlines pursuant to KRS 61.665 and 78.545, then
 7 the beneficiary named on the Form 6000, "Notification of Retirement," as described in
 8 paragraph (a) of this subsection shall file at the retirement office a Form 6008, "Beneficiary
 9 Election to Continue Disability Application Process on Behalf of Deceased Member,"
 10 within sixty (60) days of the date of the applicant's death.

11 (c) A beneficiary as described in paragraphs (a) or (b) of this subsection that does
 12 not want to continue with the applicant's application or reapplication may file at the
 13 retirement office a Form 6008, "Beneficiary Election to Continue Disability Application
 14 Process on Behalf of Deceased Member."

15 (d) If the beneficiary named on the Form 6000, "Notification of Retirement," as
 16 described in paragraphs (a) or (b) of this subsection does not timely file the required
 17 documentation, then the duty-related disability application or reapplication shall be invalid
 18 and shall not be processed by the Agency.

19 Section 16[7]. Incorporation by Reference. (1) The following material is incorporated by
 20 reference:

21 (a) Form 6800, "Application for Death Benefits Duty Related/In Line of Duty,"[]
 22 April 2021[~~April 2003~~];

23 (b) Form 6000, "Notification of Retirement,"[] April 2021[~~July 2004~~];

1 (c) Form 8035, "Employee Job Description," April 2021;

2 (d) Form 8040, "Prescription and Nonprescription Medications," April 2021;

3 (e) Form 8001, "Certification of Application for Disability Retirement and
4 Supporting Medical Information," April 2021;

5 (f) Form 8030, "Employer Job Description," April 2021;

6 (g) Form 8846, "Travel Voucher for Independent Examination," May 2008;

7 (h) Form 6448, "Designation of a Dependent Child for Qualifying Total and
8 Permanent Disability," June 2021;

9 (i)[(e)] Form 6110, "Affidavit of Authorization to Receive Funds on Behalf of
10 Minor,"[;] April 2021[May-2003];

11 (j)[(d)] Form 6456, "Designation of Dependent Child", July 2004;

12 (e)-]Form 6130, "Authorization for Deposit of Retirement Payment," April 2021[May
13 2008];[and]

14 (k)[(f)] Form 6135, "Request for Payment by Check,"[;] May 2015;[February 2002.]

15 (l) Form 6458, "Designation of Dependent Child for In Line of Duty/Duty-Related,"
16 April 2021;

17 (m) Form 6008, "Beneficiary Election to Continue Disability Application Process
18 on Behalf of Deceased Member," April 2021; and

19 (n) Form 8002, "Certification of Application for Disability Retirement and
20 Supporting Medical Information," April 2021.

21 (2) This material may be inspected, copied, or obtained, subject to applicable
22 copyright law, at the Kentucky Public Pensions Authority[Retirement Systems],
23 [Perimeter Park West,]1260 Louisville Road, Frankfort, Kentucky 40601, Monday through

- 1 Friday, 8 a.m. to 4:30 p.m. (28 Ky.R. 1002; eff. 12-19-2001; 29 Ky.R. 778; 1255; eff. 11-
- 2 12-2002; 32 Ky.R. 393; eff. 11-5-2004; 35 Ky.R. 121; Am. 542; eff. 10-3-2008; Crt eff. 1-
- 3 29-2020.)

APPROVED:



DAVID L. EAGER,
EXECUTIVE DIRECTOR
KENTUCKY PUBLIC PENSIONS AUTHORITY

7/29/2021
DATE

PUBLIC HEARING: A public hearing on this administrative regulation shall be held on Thursday, October 21, 2021 at 2:00 p.m. Eastern Standard Time at the Kentucky Public Pensions Authority, 1270 Louisville Road, Frankfort, Kentucky. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given the 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 October 31, 2021. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Michael Board, Executive Director Office of Legal Services, Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, KY 40601, email Legal.Non-Advocacy@kyret.ky.gov, telephone (502) 696-8800 ext. 8647, facsimile (502) 696-8801.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation number: 105 KAR 1:310
Contact person: Michael Board
Phone number: 502-696-8800 ext. 8647
Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the procedures and requirements for applying or reapplying for duty-related disability and death benefits and for administratively appealing a denial of an application or reapplication for duty-related benefits.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the procedures and requirements for applying or reapplying for duty-related disability and death benefits and for administratively appealing a denial of an application or reapplication for duty-related benefits.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the authorizing statute by establishing the procedures and requirements for applying or reapplying for duty-related disability and death benefits and for administratively appealing a denial of an application or reapplication for duty-related benefits in accordance with KRS 61.621 and 78.545.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation will assist in the effective administration of the statutes by establishing the procedures and requirements for applying or reapplying for duty-related disability and death benefits and for administratively appealing a denial of an application or reapplication for duty-related benefits in accordance with KRS 61.621 and 78.545.

(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: The amendment updates the regulation to reflect the changes enacted by the General Assembly in House Bill 484 (2020) and House Bill 9 (2021) as well as the Kentucky Public Pensions Authority's use of a third-party vendor to provide medical examiner reviews in accordance with KRS 61.665 and 78.545. The amendment also clarifies the existing regulation.

(b) The necessity of the amendment to this administrative regulation: The amendment is necessary to update the regulation to reflect the changes enacted by the General Assembly in House Bill 484 (2020) and House Bill 9 (2021) as well as the Kentucky Public Pensions Authority's use of a third-party vendor to provide medical examiner reviews in accordance with KRS 61.665 and 78.545. The amendment also clarifies the existing regulation.

(c) How the amendment conforms to the content of the authorizing statutes: The amendment conforms to the authorizing statute because it is necessary to carry out the provisions of KRS 61.515 to 61.705, 16.510 to 16.652, and 78.520 to 78.852, in accordance with KRS 61.505(1)(f).

(d) How the amendment will assist in the effective administration of the statutes: The amendment will assist in the effective administration of the statutes by establishing the procedures and requirements for applying or reapplying for duty-related disability and death benefits and for administratively appealing a denial of an application or reapplication for duty-related benefits in accordance with KRS 61.621 and 78.545.

(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 of the Kentucky Retirement Systems and the County Employees Retirement System. Number of individuals is unknown. 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 amendment should not substantially alter the actions that the Kentucky Public Pensions Authority, the Kentucky Retirement Systems, and the County Employees Retirement System will have to take to comply with this regulation.

(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): The amendment allows the Kentucky Public Pensions Authority, the Kentucky Retirement Systems, and the County Employees Retirement System to conform with KRS 61.515 to 61.705, 16.510 to 16.652, and 78.520 to 78.852, particularly the duty-related disability and death benefit application and reapplication process as well as the process for administratively appealing the denial of duty-related disability applications and reapplications.

(5) Provide an estimate of how much it will cost 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 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 1:310
Contact person: Michael Board
Phone number: 502-696-8800 ext. 8647
Email: Legal.Non-Advocacy@kyret.ky.gov

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? 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. KRS 61.505(1)(f).

(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? 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:


KENTUCKY PUBLIC PENSIONS AUTHORITY

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 Phone: (502) 696-8800 • Fax: (502) 696-8822 • kyret.ky.gov

Form 6800
 Revised 04/2021

Application for Duty Related/In Line of Duty Death Benefits
Deceased Member Information

| | | | |
|----------------------|--|------------|-----------|
| Member Name: | | Member ID: | |
| Birthdate: | Marital Status: <input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Divorced | | |
| Date of Death: | Termination Date (if different than date of death): | | |
| Employer Information | | | |
| Agency Name: | | Telephone: | Fax: |
| Agency Address: | City: | State: | Zip Code: |

Incident Information
Please provide the requested information below and submit the following documents with this form:

(1) Member's death certificate (2) Incident investigation report (3) Police report (if applicable) (4) Employee's job description

| | |
|---|-------------------|
| Date of Incident: | Time of Incident: |
| Location of Incident: | |
| Is there a police report documenting this incident? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please submit a copy with this form. | |
| Description of Incident: | |
| | |
| | |
| | |
| | |

Certification

I certify that I have full knowledge of the penalty in KRS 523.100 related to the falsification of records and the information provided on this form is true and accurate.

 Printed Name of Member's
 Immediate Supervisor: _____

 Signature of Member's
 Immediate Supervisor: _____

Date: _____

Approved by: _____

Printed Name of Agency Head: _____

Signature of Agency Head: _____

Date: _____

 When all sections have been completed, please return this form to:
 Kentucky Public Pensions Authority
 1260 Louisville Road
 Frankfort, KY 40601


KENTUCKY PUBLIC PENSIONS AUTHORITY

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

Revised 04/2021

Notification of Retirement Instructions

Ready to retire? Completing this form is your first step. Please call our office at 1-800-928-4646 if you have questions or if you need assistance completing forms. Members are encouraged to visit our website at kyret.ky.gov for additional information.

Form 6000 - Notification of Retirement

You should submit your Form 6000 at least one month prior to your effective retirement date. Please note that you cannot file your Form 6000 more than 6 months prior to termination of employment.

The Form 6000 contains several sections. Please review this form carefully and refer to the instructions for each section. Additional instructions for completing Section G - Tax Withholding are provided on page 3.

Date of Birth Verification for Member and Beneficiary is required.

Please write your Member ID on all copies you submit.

Acceptable forms of date of birth verification include the following:

- Kentucky Driver's License
- Military Discharge
- Birth Certificate
- Immigration and Naturalization Records
- U.S. Passport
- Age record of the Social Security Administration

Your Member ID

Your Member ID is a unique account number for your KPPA account. If you received this form from our office, your Member ID is provided. If you access this form from our website and don't know your Member ID, you can contact our office at 1-800-928-4646. You will need to provide your Social Security Number and your four-digit KPPA PIN to obtain your Member ID.

Form 6200 - Insurance Application

If you will be receiving a monthly payment, you may be eligible for health insurance coverage for you, your spouse, and eligible dependents. KPPA offers Medicare and non-Medicare plans. You may access insurance applications and enrollment booklets by visiting our website at kyret.ky.gov. Please call our office to request a printed copy.

You must return an insurance application by the deadlines described below, even if you wish to waive coverage. If you fail to return a completed application, you will be enrolled automatically into a default plan for the current plan year. If you choose not to participate in the coverage, you will need to complete the Form 6200 to waive your coverage; otherwise, you will be enrolled automatically into a default plan as described above.

Insurance Application Deadlines

For insurance coverage to begin the same month as your retirement payment, you must file a Form 6200 with our office by the last day of the month *prior* to the month you retire. For example:

| Retirement Date | Application Due By | Insurance Effective Date |
|-----------------|--------------------|--------------------------|
| May 1 | April 30 | May 1 |

If you miss the above deadline, you can still submit an application. Your Form 6200 must be filed with our office within 30 days of the first day of the month in which you retire. For example:

| Retirement Date | Application Due By | Insurance Effective Date |
|-----------------|--------------------|--------------------------|
| May 1 | May 30 | June 1 |



Additional instructions are provided on the following page. Keep reading to find out your deadline for returning retirement forms.

Instructions / Page 1

Your Next Step: Check your mailbox.

Once we process your Form 6000, we will send you additional forms for completion. The checklists below will help you decide which forms you need to return to our office.

If you elect to receive a monthly benefit, complete and return the following:

- ☐ Form 6010, Estimated Retirement Allowance
- ☐ Form 6200, Insurance Application (*refer to insurance application and deadlines on page 1*)

If you elect to receive an actuarial or lump sum refund complete and return the following:**

- ☐ Form 6010, Estimated Retirement Allowance
- ☐ Form 6025, Direct Rollover/Direct Payment Election

***We require additional verification from your employer before we can process a refund which may delay your check. Upon receipt of the above forms, we will mail required forms to you and your employer for completion.*



All required forms and documentation must be filed with our office by the last day of the month prior to your effective retirement date. You are responsible for filing your insurance application prior to the deadlines noted on page 1 or you will be enrolled automatically into a default plan.

| Retirement Date | Due Date |
|------------------------|-----------------|
| January 1 | December 31 |
| February 1 | January 31 |
| March 1 | February 28 |
| April 1 | March 31 |
| May 1 | April 30 |
| June 1 | May 31 |
| July 1 | June 30 |
| August 1 | July 31 |
| September 1 | August 31 |
| October 1 | September 30 |
| November 1 | October 31 |
| December 1 | November 30 |

If you have any questions, please contact our office at (502) 696-8800 or (800) 928-4646.

Our office is open from 8:00 am to 4:30 pm Monday through Friday.


KENTUCKY PUBLIC PENSIONS AUTHORITY

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

Form W4-P Instructions

Your monthly retirement benefit is subject to federal taxes. **You may choose your federal tax withholding preference by completing Section G of your Form 6000, Notification of Retirement. *If you do not complete Section G, KPPA will automatically withhold federal income tax based on married status with 3 exemptions.*** You may find the worksheets below helpful when completing Section G.

Additional information is available on the Internal Revenue Service website at www.irs.gov.

Purpose. Form W4-P is for U.S. citizens, resident aliens, or their estates who are recipients of pensions, annuities (including commercial annuities), and certain other deferred compensation. Use Form W4-P to tell payers the correct amount of federal income tax to withhold from your payment(s). You also may use Form W4-P to choose (a) not to have any federal tax withheld from the payment (except for eligible rollover distributions or payments to U.S. citizens delivered outside the United States or its possessions) or (b) to have an additional amount of tax withheld.

What do I need to do? Complete lines A through H of the Personal Allowances Worksheet. Use the additional worksheets on the following page to further adjust your withholding allowances for itemized deductions, adjustments to income, any additional standard deduction, certain credits, or multiple pensions/more-than-one-income situations. If you do not want any federal income tax withheld (see Purpose, earlier), you can skip the worksheets and go directly to the Form W4-P, Section G of the Form 6000.

Future developments. For the latest information about any future developments affecting Form W-4P, such as legislation enacted after we release it go to www.irs.gov/w4p.

Personal Allowances Worksheet (Keep for your records.)

| | | | |
|----------|---|----------|-------|
| A | Enter "1" for yourself | A | _____ |
| B | Enter "1" if you will file as married filing jointly. | B | _____ |
| C | Enter "1" if you will file as head of household | C | _____ |
| D | Enter "1" if: <ul style="list-style-type: none"> • You're single, or married filing separately, and have only one pension; or • You're married filing jointly, have only one pension, and your spouse has no income subject to withholding; or • Your income from a second pension or a job or your spouse's pension or wages (or the total of all) is \$1,500 or less. | D | _____ |
| E | Child tax credit. See Pub. 972, Child Tax Credit, for more information. <ul style="list-style-type: none"> • If your total income will be less than \$71,201 (\$103,351 if married filing jointly), enter "4" for each eligible child. • If your total income will be from \$71,201 to \$179,050 (\$103,351 to \$345,850 if married filing jointly), enter "2" for each eligible child. • If your total income will be from \$179,051 to \$200,000 (\$345,851 to \$400,000 if married filing jointly), enter "1" for each eligible child. • If your total income will be higher than \$200,000 (\$400,000 if married filing jointly), enter "-0-". | E | _____ |
| F | Credit for other dependents. See Pub. 972, Child Tax Credit, for more information. <ul style="list-style-type: none"> • If your total income will be less than \$71,201 (\$103,351 if married filing jointly), enter "1" for each eligible dependent. • If your total income will be from \$71,201 to \$179,050 (\$103,351 to \$345,850 if married filing jointly), enter "1" for every two dependents (for example, "-0-" for one dependent, "1" if you have two or three dependents, and "2" if you have four dependents). • If your total income will be higher than \$179,050 (\$345,850 if married filing jointly), enter "-0-". | F | _____ |
| G | Other credits. If you have other credits, see Worksheet 1-6 of Pub. 505 and enter the amount from that worksheet here. | G | _____ |
| H | Add lines A through G and enter the total here | H | _____ |

For accuracy, complete all worksheets that apply.

- If you plan to **itemize** or **claim adjustments to income** and want to reduce your withholding, or if you have a large amount of other income not subject to withholding and want to increase your withholding, see the **Deductions, Adjustments and Additional Income Worksheet**, later.
- If you **have more than one source of income subject to withholding** or are **married filing jointly** and you and your spouse both have income subject to withholding and your combined income from all sources exceeds \$53,000 (\$24,450 if married filing jointly), see the **Multiple Pensions/More-Than-One-Income Worksheet** on page 5 to avoid having too little tax withheld.
- If **neither** of the above situations applies, **stop here** and enter the number from line H on line 2 of Form W-4P above.

Form W-4P Instructions *Continued***Deductions, Adjustments, and Additional Income Worksheet**

Note. Use this worksheet *only* if you plan to itemize deductions, claim certain adjustments to income or have a large amount of other income not subject to withholding.

- 1 Enter an estimate of your 2019 itemized deductions. These include qualifying home mortgage interest, charitable contributions, state and local taxes (up to \$10,000), and medical expenses in excess of 10% of your income. See Pub. 505 for details. 1 \$ _____
- 2 Enter: 2 \$ _____

| |
|---|
| \$24,400 if you're married filing jointly or qualifying widow(er) |
| \$18,350 if you're head of household |
| \$12,200 if you're single or married filing separately |
- 3 Subtract line 2 from line 1. If zero or less, enter "-0-". 3 \$ _____
- 4 Enter an estimate of your 2019 adjustments to income, qualified business income deduction, and any additional standard deduction for age or blindness (see Pub. 505 for information about these items). 4 \$ _____
- 5 Add lines 3 and 4 and enter the total. 5 \$ _____
- 6 Enter an estimate of your 2019 other income not subject to withholding (such as dividends, interest, or capital gains). 6 \$ _____
- 7 Subtract line 6 from line 5. If zero, enter "-0-". If less than zero, enter the amount in parentheses. 7 \$ _____
- 8 Divide the amount on line 7 by \$4,200 and enter the result here. If a negative amount, enter in parentheses. Drop any fraction. 8 _____
- 9 Enter the number from the **Personal Allowances Worksheet**, line H, page 4. 9 _____
- 10 Add lines 8 and 9 and enter the total here. If zero or less, enter "-0-". If you plan to use the **Multiple Pensions/More-Than-One-Income Worksheet**, also enter this total on line 1 below. Otherwise, stop here and enter this total on Form W-4P, line 2, page 1. 10 _____

Multiple Pensions/More-Than-One-Income Worksheet

Note. Use this worksheet *only* if the instructions under line H, from the **Personal Allowance Worksheet**, direct you here. This applies if you (and your spouse if married filing jointly) have more than one source of income subject to withholding (such as more than one pension, or a pension and a job, or you have a pension and your spouse works).

- 1 Enter the number from the **Personal Allowances Worksheet**, line H, page 4 (or from line 10 above if you used the **Deductions, Adjustments, and Additional Income Worksheet**). 1 _____
- 2 Find the number in **Table 1** below that applies to the **LOWEST** paying pension or job and enter it here. However, if you're married filing jointly and the amount from the highest paying pension or job is \$75,000 or less and the combined amounts for you and your spouse are \$107,000 or less, do not enter more than "3". 2 _____
- 3 If line 1 is **more than or equal to** line 2, subtract line 2 from line 1. Enter the result here (if zero, enter "-0-") and on Form W-4P, line 2, page 1. Do not use the rest of this worksheet. 3 _____

Note. If line 1 is **less than** line 2, enter "-0-" on Form W-4P, line 2, page 1. Complete lines 4 through 9 below to figure the additional withholding amount necessary to avoid a year-end tax bill.

- 4 Enter the number from line 2 of this worksheet. 4 _____
- 5 Enter the number from line 1 of this worksheet. 5 _____
- 6 Subtract line 5 from line 4. 6 _____
- 7 Find the amount in **Table 2** below that applies to the **HIGHEST** paying pension or job and enter it here. 7 \$ _____
- 8 Multiply line 7 by line 6 and enter the result here. This is the additional annual withholding needed. 8 \$ _____
- 9 Divide line 8 by the number of payments remaining in 2019. For example, divide by 8 if you're paid every month and you complete this form in April 2019. Enter the result here and on Form W-4P, line 3, page 1. This is the additional amount to be withheld from each payment. 9 \$ _____

Table 1**Table 2**

| Married Filing Jointly | | All Others | | Married Filing Jointly | | All Others | |
|---|-----------------------|---|-----------------------|--|-----------------------|--|-----------------------|
| If wages from LOWEST paying job or pension are— | Enter on line 2 above | If wages from LOWEST paying job or pension are— | Enter on line 2 above | If wages from HIGHEST paying job or pension are— | Enter on line 7 above | If wages from HIGHEST paying job or pension are— | Enter on line 7 above |
| \$0 - \$5,000 | 0 | \$0 - \$7,000 | 0 | \$0 - \$24,900 | \$420 | \$0 - \$7,200 | \$420 |
| 5,001 - 9,500 | 1 | 7,001 - 13,000 | 1 | 24,901 - 84,450 | 500 | 7,201 - 36,975 | 500 |
| 9,501 - 19,500 | 2 | 13,001 - 27,500 | 2 | 84,451 - 173,900 | 910 | 36,976 - 81,700 | 910 |
| 19,501 - 35,000 | 3 | 27,501 - 32,000 | 3 | 173,901 - 326,950 | 1,000 | 81,701 - 158,225 | 1,000 |
| 35,001 - 40,000 | 4 | 32,001 - 40,000 | 4 | 326,951 - 413,700 | 1,330 | 158,226 - 201,600 | 1,330 |
| 40,001 - 46,000 | 5 | 40,001 - 60,000 | 5 | 413,701 - 617,850 | 1,450 | 201,601 - 507,800 | 1,450 |
| 46,001 - 55,000 | 6 | 60,001 - 75,000 | 6 | 617,851 and over | 1,540 | 507,801 and over | 1,540 |
| 55,001 - 60,000 | 7 | 75,001 - 85,000 | 7 | | | | |
| 60,001 - 70,000 | 8 | 85,001 - 95,000 | 8 | | | | |
| 70,001 - 75,000 | 9 | 95,001 - 100,000 | 9 | | | | |
| 75,001 - 85,000 | 10 | 100,001 - 110,000 | 10 | | | | |
| 85,001 - 95,000 | 11 | 110,001 - 115,000 | 11 | | | | |
| 95,001 - 125,000 | 12 | 115,001 - 125,000 | 12 | | | | |
| 125,001 - 155,000 | 13 | 125,001 - 135,000 | 13 | | | | |
| 155,001 - 165,000 | 14 | 135,001 - 145,000 | 14 | | | | |
| 165,001 - 175,000 | 15 | 145,001 - 160,000 | 15 | | | | |
| 175,001 - 180,000 | 16 | 160,001 - 180,000 | 16 | | | | |
| 180,001 - 195,000 | 17 | 180,001 and over | 17 | | | | |
| 195,001 - 205,000 | 18 | | | | | | |
| 205,001 and over | 19 | | | | | | |


KENTUCKY PUBLIC PENSIONS AUTHORITY

1260 Louisville Road • Frankfort, KY 40601

Phone: (502) 696-8800 • Fax: (502) 696-8822 • kyret.ky.gov

**Form 6000**

Revised 04/2021

Notification of Retirement

Please read the instructions for each section and complete all information requested in Sections A-G. Section H must be completed by your current employer. Section I must also be completed if applying for disability retirement.

Section A: Member Information

You must attach a copy of your birth verification.

| | | | |
|----------------|--|------------|-----------|
| Member Name: | | Member ID: | |
| Address: | City: | State: | Zip Code: |
| E-mail: | Phone: | | |
| Date of Birth: | Sex: <input type="checkbox"/> Male <input type="checkbox"/> Female | | |

Please note: If your current legal name or your beneficiary's current legal name is not the same as the name on the date of birth verification you have submitted we will also require verification of name change. Acceptable name change verification includes:

- Kentucky Driver's License
- Marriage Certificate
- Court Order
- Passport
- Immigration and/or Naturalization Documents

You must provide a termination date and retirement date below.

Termination Date: _____
Month Day Year

(YOUR TERMINATION DATE MUST BE PRIOR TO YOUR RETIREMENT DATE.)

Retirement Date: _____ 1, _____
Month Year

(YOUR RETIREMENT DATE MUST BE THE FIRST DAY OF THE MONTH.)

Section B - Type of Retirement

If applying for normal or early retirement, you may not submit this form more than 6 months prior to termination of employment. You must terminate your employment to be eligible for early or normal retirement benefits.

Disability Retirement applicants must complete Section I.

☐ NORMAL OR EARLY RETIREMENT

☐ DISABILITY RETIREMENT

Section C: Retirement Systems

Check the appropriate box or boxes to indicate the retirement systems from which you intend to retire.

- ☐ Kentucky Employees Retirement System - KERS (state employees, health departments, universities)
- ☐ County Employees Retirement System - CERS (city, county, local governments, classified employees of boards of education)
- ☐ State Police Retirement System - SPRS (full-time officers of Kentucky State Police)

Other State Administered Retirement Systems

If you have an account in one of the systems administered by Kentucky Public Pensions Authority (KERS, CERS, or SPRS) and in one of the other state administered retirement systems (listed below), you will need to complete the retirement application for the other system in order to be eligible for reciprocal benefits from all systems.

- ☐ Teachers' Retirement System - TRS (certified employees of boards of education)
- ☐ Legislators' Retirement Plan - LRP (State Senators and Representatives)
- ☐ Judicial Retirement Plan - JRP (Judges)

Section D - Retirement Account Beneficiary Designation

Your account beneficiary can only be one person, a trust or your estate. Indicate your beneficiary by checking one of the beneficiary types below and providing the necessary information. This designation will become invalid if you file a new Form 6000 prior to your effective retirement date or if this form is voided.

| | |
|--------------|------------|
| Member Name: | Member ID: |
|--------------|------------|

| | | | |
|--|-------|---|-----------|
| <input type="checkbox"/> Person Attach a copy of this person's birth verification to this form with your Member ID written on it. | | | |
| Name: | | Social Security Number: | |
| Date of Birth: | | <input type="radio"/> Male <input type="radio"/> Female | |
| Relationship: | | <input type="checkbox"/> Check this box if this person is also your legal spouse. | |
| Address: | City: | State: | Zip Code: |

| |
|---|
| <input type="checkbox"/> My Estate No additional information required. |
|---|

| | | | |
|--|-------|------------------------------------|-----------|
| <input type="checkbox"/> Living Trust The following information is required to designate a living trust. <u>You must write the name of the trust as it appears in the trust document and submit a copy of the trust with this form.</u> A charitable organization or a religious charity cannot be named as beneficiary unless it is a trust. | | | |
| Name of Trust: | | | |
| Trust Tax ID: | | | |
| Trustee or Successor Trustee Contact Information: Our office will contact the trustee listed below following your death. | | | |
| Trustee: | | Successor Trustee (if applicable): | |
| Address: | City: | State: | Zip Code: |

| |
|--|
| <input type="checkbox"/> Testamentary Trust A testamentary trust is established by the member's will and takes effect following the member's death. No additional information required. |
|--|

Section E - \$5000 Death Benefit from Kentucky Public Pensions Authority - Complete only if eligible
To be eligible for this benefit, you must be a retired member receiving a monthly benefit on the date of your death from Kentucky Public Pensions Authority based on a minimum of 48 months of service.

If eligible for this benefit, you may name one death benefit beneficiary. This designation is not valid if you designate more than one beneficiary. Your estate will become your default beneficiary if this designation is deemed to be invalid. This designation may be changed at any time prior to your death by filing a properly completed Form 6030, Death Benefit Designation.

| | |
|--------------|------------|
| Member Name: | Member ID: |
|--------------|------------|

| | | | | |
|--|---------------|--------|----------------------------|------------------------------|
| <input type="checkbox"/> Person You may only name one person as your death benefit beneficiary. | | | | |
| Name: | | | Social Security Number: | |
| Date of Birth: | Relationship: | | <input type="radio"/> Male | <input type="radio"/> Female |
| Address: | City: | State: | Zip Code: | |

| |
|---|
| <input type="checkbox"/> My Estate No additional information required. |
|---|

| | | | | |
|--|-------|------------------------------------|-----------|--|
| <input type="checkbox"/> Living Trust The following information is required to designate a living trust. <u>You must write the name of the trust as it appears in the trust document and submit a copy of the trust with this form.</u> A charitable organization or a religious charity cannot be named as beneficiary unless it is a trust. | | | | |
| Name of Trust: | | | | |
| Trust Tax ID: | | | | |
| Trustee or Successor Trustee Contact Information: Our office will contact the trustee listed below following your death. | | | | |
| Trustee: | | Successor Trustee (if applicable): | | |
| Address: | City: | State: | Zip Code: | |

| |
|--|
| <input type="checkbox"/> Testamentary Trust A testamentary trust is established by the member's will and takes effect following the member's death. No additional information required. |
|--|

| | | | | |
|---|---------------|--------|------------------------------|--|
| <input type="checkbox"/> Funeral Home Please enclose a copy of the Funeral Home License with your Member ID written on it. | | | | |
| Funeral Home Legal Name: | | | Funeral Home License Number: | |
| Funeral Home Tax ID: | Contact Name: | | Phone: | |
| Address: | City: | State: | Zip Code: | |

Section F - Authorization for Deposit of Retirement Payment**Complete this section to authorize deposit of your retirement benefit directly into your account at a financial institution.**

Financial Institution Information: The financial institution may be a bank, savings bank, savings and loan association, credit union, or similar institution that is a member of the Automated Clearing House (ACH). Your direct deposit institution may be changed at any time by filing a properly completed Form 6130, Authorization for Deposit of Retirement Payment.

Financial Institution Name:

Depositor Routing Number:

Depositor Account Number:

Account Type: ☐ Checking ☐ Savings**For your convenience:**

The sample check shows where to locate the required bank information to complete your Direct Deposit.

My Name
My Address
My City, State, & Zip

DATE

PAY TO THE ORDER OF \$

DOLLARS

Bank Name
Bank Address

MEMO

+00185 285 21 925 525 1152

9 Digit Bank Routing Number Your Account Number Check Number

Required Documents: Please indicate the documentation you are submitting with this form.

For deposits to a Checking Account:
I have attached to this form

☐ a VOIDED personalized check ☐ verification from my financial institution

For deposits to a Savings Account:
I have attached to this form

☐ verification from my financial institution

Attach Voided Check Here:

(Attach Voided Check Here)

I acknowledge that electronic payments to the designated account must comply with the provisions of U.S. law, as well as the requirements of the Office of Foreign Assets Control (OFAC) and National Automated Clearing House Association (NACHA) regulations. I certify that the entire payment that Kentucky Public Pensions Authority sends electronically to the financial institution I have designated, is not subject to being transferred to a foreign bank. I agree to notify Kentucky Public Pensions Authority in writing immediately if the payment becomes subject to transfer to a foreign bank in the future.

If all required forms have been completed properly and returned by the end of the month prior to your retirement date, the first check will be deposited or mailed on the 14th of the first month of retirement. **Due to deadlines required to establish a direct deposit, your first benefit payment is not guaranteed to be deposited to your account.** Many benefit payments for the first month of retirement are mailed. After the initial payment, the monthly benefit will be deposited to the retired member's account on the 14th of each month. If the 14th of the month is a weekend or holiday, the benefit will be mailed or deposited the business day prior. Members are required to have the monthly retirement benefit deposited directly to their bank accounts, unless their bank does not participate in the Automated Clearing House or the member does not have an account with a financial institution.

Section G - Tax Withholding

Your monthly retirement benefit is subject to federal taxes. You may choose your federal tax withholding preference below. If you do not complete this section, KPPA will automatically withhold federal income tax based on married status with 3 exemptions. You may refer to the instructions for Form W-4-P provided with your retirement application. You may change your tax withholding at any time by filing a properly completed Form 6017, W-4P, Tax Withholding.

| | | | |
|---|--|-----------|---|
| Form W-4P Department of the Treasury Internal Revenue Service | Withholding Certificate for Pension or Annuity Payments | | OMB No. 1545-0074 FOR TAX YEAR IN WHICH MEMBER RETIRES |
| Type or print your full name. | | | Member ID: |
| Address: | | | Claim or identification number (if any) of your pension or annuity contract |
| City: | State: | Zip Code: | |
| Complete the following applicable lines. | | | |
| 1 Check here if you do not want any federal income tax withheld from your pension or annuity. (Do not complete lines 2 or 3.) | | | <input type="checkbox"/> |
| 2 Total number of allowances and marital status you are claiming for withholding from each periodic pension or annuity payment. (You may also designate an additional dollar amount on line 3.) | | | |
| Marital status: <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher "Single" rate | | | (Enter number of allowances) |
| 3 Additional amount, if any, you want withheld from each pension or annuity payment. (Note. For periodic payments, you cannot enter an amount here without entering the number (including zero) of allowances on line 2.) | | | \$ |

Certification of Bona Fide Separation from Service and Notification of Retirement

Subject to penalty of KRS 523:100: I acknowledge that federal and state law both require a bona fide separation from service with agencies participating in Kentucky Public Pensions Authority or entities affiliated with participating agencies in order for Kentucky Public Pensions Authority to pay a retirement benefit or to pay a refund of a retirement account.

If I am retiring, I affirm that I have had a separation from service with agencies participating in Kentucky Public Pensions Authority or entities affiliated with participating agencies, or that I will have a separation from service with agencies participating in Kentucky Public Pensions Authority or entities affiliated with participating agencies prior to my retirement date. I also affirm that I do not have a prearranged agreement to return to a participating agency or entities affiliated with participating agencies after my separation from service.

If I am taking a refund of my retirement account, I affirm that I have had a separation from service with agencies participating in Kentucky Public Pensions Authority or entities affiliated with participating agencies. I also affirm that I do not have a prearranged agreement to return to a participating agency or entities affiliated with participating agencies after my separation from service.

I understand that the term "separation from service" as used in this affidavit means a complete severance of any kind of employment relationship (including but not limited to a relationship as an independent contractor or leased employee) with agencies participating in Kentucky Public Pensions Authority or entities affiliated with participating agencies.

I understand that the term "prearranged agreement" as used in this affidavit means any contemplation of return to employment with agencies participating in Kentucky Public Pensions Authority or entities affiliated with participating agencies.

I understand that the terms "agencies participating in Kentucky Public Pensions Authority" and "participating agency" as used in this affidavit are to be construed in a broad manner, and include not only the agency itself, but also any entities affiliated with participating agencies, regardless of whether such entities are holding themselves out as legally separate entities.

I acknowledge that prior to accepting employment within twelve (12) months of my retirement date with an agency participating in Kentucky Public Pensions Authority or entities affiliated with participating agencies, I have a duty to report such employment in writing to Kentucky Public Pensions Authority pursuant to 105 KAR 1:390.

I acknowledge and understand that if I fail to comply with federal and state law regarding bona fide separation from service and break in service, my retirement shall be voided and I shall repay all retirement allowances, dependent child payments, and health plan premiums paid by the Kentucky Public Pensions Authority.

I certify the information in this Notification of Retirement is correct and that my employer has been informed of my intent to terminate employment on the date indicated on this form if applying for early/normal retirement. I understand Kentucky Public Pensions Authority will send an estimated retirement allowance. **I acknowledge my estimated retirement allowance and benefits are subject to post retirement audit and adjustment after retirement. I acknowledge that I have full understanding that any person who provides a false statement, report, or representation is subject to penalty in accordance with KRS 523.100.**

Member's Signature: _____ Date: _____

Spouse's Signature: _____ Date: _____

Witness' Signature: _____ Date: _____

NOTE: Signature of Member is required. Signature of either the Spouse or a Witness is also required.

Failure to sign form and have your signature witnessed by either your spouse or another person will result in the form being voided.

Form 6000
Page 5

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Section H - Employer Certification of Leave Balances and Final Salary

Section H must be completed by your current employer and returned to Kentucky Public Pensions Authority in order to include future salary, service and sick and compensatory leave balances in your estimated retirement allowance. If you are currently employed by more than one participating employer, each employer should complete a copy of Section H of this form. If you do not have the employer complete Section H of this form, Kentucky Public Pensions Authority will **exclude** all leave balances from the estimated retirement allowance. **Your estimated retirement allowance and benefits are subject to post retirement audit and adjustment after retirement.**

| | |
|---|----------------|
| Employer Name: | Employer Code: |
| Member Name: | Member ID: |
| Termination Date: | |
| Employer's Report of Leave Balances as of: | |
| Does your agency participate in a sick leave program administered by KPPA? <input type="radio"/> Yes <input type="radio"/> No | |
| If yes above, select the type of sick leave plan: <input type="radio"/> Standard <input type="radio"/> Alternate | |
| Does the above member work an average of 21 days per month? <input type="radio"/> Yes <input type="radio"/> No | |
| If no above, please provide an Alternate Average Working Days Per Month: _____ | |

Standard Sick Leave Program: If participating in the standard sick leave program, please provide the following information.
Note: Contributions should not be withheld from standard sick leave lump sum payouts.

| | |
|------------------------------------|----------------------------|
| Accumulated Sick Leave (in hours): | Hours in a Sick Leave Day: |
|------------------------------------|----------------------------|

Alternate Sick Leave Program: If participating in the alternate sick leave program, please provide the following information.
Note: Contributions should be withheld from alternate sick leave lump sum payouts.

| | |
|---|----------------------------|
| Accumulated Sick Leave (in days): | Hours in a Sick Leave Day: |
| Estimated Compensation to be Paid for Sick Leave: | |

School Board Certification (*school board employees only*): Indicate the number of actual days the member will have worked through the expected termination date. If the days occur in different school years, please list each school year separately below.

| Actual Days Worked through Expected Termination Date | |
|--|-----------------------|
| School Year | Number of Actual Days |
| | |
| | |

Section H is continued on the following page. You must complete the Employer Certification at the end of Section H.

**Section H Continued - Employer Certification of Leave Balances and Final Salary**

| | |
|----------------|----------------|
| Employer Name: | Employer Code: |
| Member Name: | Member ID: |

Note to Employer:

KPPA will provide calculations to the member based upon the information you certify below. Due to the reporting process there may be a delay from the time you report it to the time it is available for use in the calculation. For this reason we ask that you verify the actual earned wages for the three months prior to the date you are completing this certification and each month thereafter through member's anticipated date of termination.

Employer's Report of Final Salary

You may select from the following payment reasons:

Regular Pay, Regular Pay with Additional Creditable Compensation, Lump Sum Compensatory Pay, Bonus/Severance Payment, Wages Paid After Term but Earned Prior to Term or Contract Payout - School Board Use Only.

| Posting Month | Payment Reason | Salary |
|---------------|----------------|--------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Employer Certification

I certify that the leave balances and estimated final salary information provided above is accurate based upon our agency's records. I state that I have full knowledge of the penalty in KRS 523.100 related to falsification of records and that the information provided is true and accurate.

Printed Name of Agency Official: _____

Title: _____

Agency Phone Number: _____

Signature of Agency Official: _____

Date: _____

Section I - Member's Statement of Disability

If additional space is required to answer the questions, you may use and attach additional paper.

Member Name:

Member ID:

1. List the diagnoses of the injury, illness, or disease for which you are applying for disability:

2. Describe how the diagnoses listed above on this page prevent you from performing your essential job duties:

3. Describe the history of the diagnoses listed above, including the onset or start of your symptoms or complaints:

4a. If you are a non-hazardous employee, are you claiming that you are totally and permanently disabled from performing any occupation for remuneration or profit as a result of a single traumatic event that occurred while you were performing the duties of your job or a single act of violence committed against you that was related to your job duties?

☐ Yes ☐ No

Please note: A duty related injury does not include the effects of the natural aging process, a communicable disease unless the risk of contracting the disease is increased by the nature of the employment, or a psychological, psychiatric, or stress related change unless the direct result of a physical injury.

4b. If you are a hazardous employee, are you claiming that you are disabled as a result of an act in the line of duty?

☐ Yes, this is the direct result of an injury sustained while performing the principal duties of the hazardous position.

☐ No

If you answered yes to 4a or 4b, describe specific date, time, and circumstances of the duty related injury or act in line of duty below. Please attach a copy of the employer incident report to this form. Failure to attach the employer incident report will delay your disability application.



Section I is continued on the following page. You must complete the Certification at the end of Section I.

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



Form 8035
Revised 04/2021

Member Information

| | | |
|--------------|---------|------------|
| Member Name: | | Member ID: |
| Job Title: | Agency: | |

Describe your essential job duties:

Total hours in a workday. _____ Sitting hours in a day. _____ Standing/walking hours in a day. _____

Do you have the ability to alternate between sitting and standing/walking? ☐ Yes ☐ No

| Physical effort required: (check appropriate boxes) | <u>Never</u> | <u>Seldom/ Rare</u> | <u>Occasional</u> (up to 1/3 of work day) | <u>Frequent</u> (1/3 to 2/3 of work day) | <u>Repetitive</u> (2/3 or more of work day) |
|--|--------------------------|--------------------------|--|---|--|
| Handle/Finger/Feel: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Reach/Push/Pull: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Bend/Stoop/Crouch: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Kneel/Crawl: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Climb/Balance: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lift/Carry (frequency): | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Up to 10 lbs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Up to 20 lbs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Up to 50 lbs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Up to 100 lbs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Over 100 lbs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Identify the items or tools you were required to lift and/or carry in performing the essential job duties (include the weight, distance, and frequency of the lifting and/or carrying):

Identify the heaviest item and weight lifted on a frequent basis (1/3 to 2/3 of workday):

Identify the heaviest item and weight lifted without assistance:

Please identify any physical effort requirements to perform your job duties as of the last day worked.
(Check appropriate boxes)

- ☐ I was required to handle, grab, or grasp items or tools. (file, ledger, hammer, wrench, pot/pan, mop/bucket)
- ☐ I was required to finger, feel, or sort items or tools. (computer keyboard, typewriter, calculator, pen/pencil)
- ☐ I was required to use machinery that used hand and/or foot controls. (backhoe, school bus)
- ☐ I was required to use vibratory equipment, machinery, or tools. (jackhammer, floor buffer, lawnmower)
- ☐ I was required to reach overhead, and in all other directions.
- ☐ I was required to use stairs or ramps.
- ☐ I was required to use ladders or scaffolding.
- ☐ I was exposed to environmental elements such as extreme heat, extreme cold, or extreme wetness/dampness.
- ☐ I was exposed to excessive noise, fumes, odors, gases, or dust.

Please make any remarks concerning the physical effort requirements for performing your job duties as of the last day worked:

Accommodations

1. Did you request accommodations, assistance, or help to perform the essential job duties? ☐ Yes ☐ No

IF YES, please attach a copy of the request. Please attach any written response such as describing the accommodations, assistance, or help that was offered or attempted to allow you to perform the essential job duties.

IF NO, please attach a statement describing the accommodations, assistance, or help that was reasonably available to allow you to perform the essential job duties.

2. Did you have any machines, tools, or equipment available to assist in performing job duties, such as a handcart, desk mover, special chair, headphones, keyboard, tape recorder, or other? _____

3. Did you have assistance available from co-workers? _____

Additional Remarks: _____

Attach additional pages if necessary.

Supervisor Name: _____

Title: _____

Address/Phone: _____

Workers' Compensation and Social Security Benefits

1. Did you apply for Workers' Compensation benefits? ☐ Yes ☐ No

If yes, are you receiving a benefit from Workers' Compensation? ☐ Yes ☐ No

If yes, please provide the date that you began receiving Workers' Compensation benefits and the amount paid.

2. Did you apply for disability benefits from the Social Security Administration? ☐ Yes ☐ No

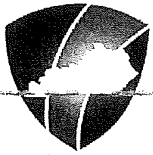
If yes, please provide the status of your disability benefit from the Social Security Administration:

Certification

I hereby certify that the information provided on this form is correct and accurate as of my last day worked.

Signature: _____

Date: _____


KENTUCKY PUBLIC PENSIONS AUTHORITY

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Print Form

Form 8040

Revised 10/2005

Prescription and Nonprescription Medications
Member Information

| | | | |
|--------------|-------|------------|-----------|
| Member Name: | | Member ID: | |
| Address: | City: | State: | Zip Code: |

Prescription Medications

| Medicine Name | Dosage | Times/Day | Reason for Medicine | Prescribing Physician |
|---------------|--------|-----------|---------------------|-----------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Nonprescription Medications

| Medicine Name | Dosage | Times/Day | Reason for Medicine | Prescribing Physician |
|---------------|--------|-----------|---------------------|-----------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Signature: _____

Date: _____

**KENTUCKY PUBLIC PENSIONS AUTHORITY**

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**Form 8001**

Revised 04/2021

Certification of Application for Disability Retirement and Supporting Medical Information**Member Information**

| | | | |
|--|-------|------------|-----------|
| 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: | |

Certification

I, _____, hereby certify that the attached medical information, job description, reasonable accommodations request, and prescription and nonprescription drug list are true, correct, accurate, and complete. This means the attached information consists of **all** the existing medical information regarding the condition(s) for which I am seeking enhanced disability retirement benefits. The medical information includes all existing medical records regardless of the membership date with Kentucky Public Pensions Authority. I further hereby certify that my application for disability retirement, medical information, and job description are ready to be submitted to the medical examiners for review and determination. I am aware that pursuant to KRS 61.665(2)(a) that I am responsible for filing supporting objective medical information to report my 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 condition(s) for which I am applying for disability retirement benefits, including all reports of diagnostic medical testing performed on me.

I further acknowledge that any person who makes a false statement, report, or representation on this form is subject to criminal penalty pursuant to KRS 523.010 to 523.110.

Signature: _____

Date: _____



KENTUCKY PUBLIC PENSIONS AUTHORITY

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Employer Instructions for Member Filing for Disability

Revised 04/2021

IMPORTANT: Failure to return the required information within 5 business days may cause a delay in the member's monthly benefit and health insurance.

A disability retirement application has been initiated through Kentucky Public Pensions Authority.

For members who apply for disability retirement, KRS 61.665(2)(a) requires a complete description of the member's job duties and requirements and requires that the member make a request for reasonable accommodations as provided for in 42 U.S.C. sec. 12111(9) and 29 C.F.R. Part 1630 through the American with Disabilities Act (ADA).

Examples of reasonable accommodations may include:

- Making existing facilities accessible to individuals with disabilities
- Job restructuring
- Part-time or modified work schedules
- Reassignment to a vacant position
- Retraining
- Purchase of assistive equipment

If the individual has terminated employment with your agency or did not request accommodations, you should outline what accommodations **were made or could have been made** on the enclosed Form 8030.


KENTUCKY PUBLIC PENSIONS AUTHORITY

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Print Form

Form 8030
 Revised 04/2021

Employer Job Description
Employee Information

Employee Name:

Member ID:

Job Title:

Agency:

Job Description

Describe the employee's job duties performed as of the last day worked:

_____ Total hours in a workday.

_____ Sitting hours in a day.

_____ Standing/walking hours in a day.

 Does the employee have the ability to alternate between sitting and standing/walking? ☐ Yes ☐ No

 Physical effort required:
 (check appropriate boxes)

Never
Seldom/ Rare
Occasional
Frequent
Repetitive

(up to 1/3 of work day) (1/3 to 2/3 of work day) (2/3 or more of work day)

Handle/Finger/Feel:

☐
☐
☐
☐
☐

Reach/Push/Pull:

☐
☐
☐
☐
☐

Bend/Stoop/Crouch:

☐
☐
☐
☐
☐

Kneel/Crawl:

☐
☐
☐
☐
☐

Climb/Balance:

☐
☐
☐
☐
☐

Lift/Carry (frequency):

☐
☐
☐
☐
☐
☐ Up to 10 lbs.

☐
☐
☐
☐
☐
☐ Up to 20 lbs.

☐
☐
☐
☐
☐
☐ Up to 50 lbs.

☐
☐
☐
☐
☐
☐ Up to 100 lbs.

☐
☐
☐
☐
☐
☐ Over 100 lbs.

☐
☐
☐
☐
☐

Identify the items or tools the employee was required to lift and/or carry in performing the essential job duties (include the weight, distance, and frequency of the lifting and/or carrying):

Identify the heaviest item and weight lifted on a frequent basis (1/3 to 2/3 of workday):

Identify the heaviest item and weight lifted without assistance:

 Please identify any physical effort requirements for the employee to perform his or her job duties as of the last day worked.
 (Check appropriate boxes)

- ☐ The employee was required to handle, grab, or grasp items or tools. (file, ledger, hammer, wrench, pot/pan, mop/bucket)
☐ The employee was required to finger, feel, or sort items or tools. (computer keyboard, typewriter, calculator, pen/pencil)
☐ The employee was required to use machinery that used hand and/or foot controls. (backhoe, school bus)
☐ The employee was required to use vibratory equipment, machinery, or tools. (jackhammer, floor buffer, lawnmower)
☐ The employee was required to reach overhead, and in all other directions.
☐ The employee was required to use stairs or ramps.
☐ The employee was required to use ladders or scaffolding.
☐ The employee was exposed to environmental elements such as extreme heat, extreme cold, or extreme wetness/dampness.
☐ The employee was exposed to excessive noise, fumes, odors, gases, or dust.

Please make any remarks concerning the physical effort requirements for the employee to perform his or her job duties as of the last day worked:

Accommodations: Examples of reasonable accommodations may include making existing facilities accessible to individuals with disabilities, job restructuring, part-time or modified work schedules, reassignment to a vacant position, retraining, or purchase of assistive equipment. If the individual has terminated employment with your agency or did not request accommodations, you should outline what accommodations were made or could have been made.

Did the employee request accommodations, assistance, or help to perform the essential job duties? ☐ Yes ☐ No

IF YES, please attach a copy of the request. Please attach any written response by the agency to the employee for request for accommodations. Please attach a statement describing the accommodations, assistance, or help that was offered or attempted to allow the employee to perform the essential job duties.

IF NO, please attach a statement describing the accommodations, assistance, or help that was reasonably available to allow the employee to perform the essential job duties.

Did the employee have any machines, tools, or equipment available to assist in performing job duties, such as a handcart, desk mover, special chair, headphones, keyboard, tape recorder, or other? _____

Did the employee have assistance available from co-workers? _____

Additional Remarks: _____

Attach additional pages if necessary.

Personnel Issues:

Was the employee injured on the job? ☐ Yes ☐ No If YES, please attach a copy of the incident report.

Is the employee currently receiving Workers' Compensation benefits? ☐ Yes ☐ No

If YES, please provide the Workers' Compensation insurance carrier name and address assisting with this claim.

Insurance Carrier Name: _____

Address: _____ City: _____ State: _____ Zip Code: _____

Please indicate the employee's current personnel status:

☐ Termination ☐ Sick Leave Without Pay ☐ Still on Payroll ☐ Other _____

If the employee has terminated or is utilizing a leave without pay status, please provide date and attach a copy of the personnel form: _____

If the employee is not still on the payroll, please verify the last day of paid employment: _____

Supervisor Name: _____ Title: _____

Address/Phone: _____

IMPORTANT: FAILURE TO RETURN THE REQUIRED INFORMATION WITHIN 5 BUSINESS DAYS MAY CAUSE A DELAY IN THE MEMBER'S MONTHLY BENEFIT AND HEALTH INSURANCE.

For members who apply for disability retirement through Kentucky Public Pensions Authority, KRS 61.665(2)(a) requires a complete job description of the member's job duties and requirements and requires that the member make a request for reasonable accommodations as provided for in 42 U.S.C. sec. 12111(9) and 29 C.F.R. Part 1630 through the American with Disabilities Act (ADA).

Certification

I hereby certify that the above information is correct and accurately describes the job duties that the employee had as of the last day worked. I understand that the Kentucky Public Pensions Authority or the employee may request that I testify at an administrative hearing as to the matters described herein.

Agency Representative Printed Name: _____

Agency Representative Title: _____

Agency Representative 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 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: _____

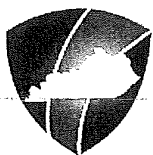
Certification

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: _____


KENTUCKY PUBLIC PENSIONS AUTHORITY

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

Form 6448

06/2021

Designation of a Dependent Child for Qualifying Total and Permanent Disability
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: |

Dependent Information

| | | | |
|---|-----------------------------------|----------------|-----------|
| Dependent Name: | Dependent Social Security Number: | Date of Birth: | |
| Address: | City: | State: | Zip Code: |
| Has this child "been determined to be eligible for federal Social Security disability benefits" or "been claimed as a qualifying child for tax purposes due to the child's total and permanent disability?" <input type="checkbox"/> YES <input type="checkbox"/> NO If YES, please submit a current statement issued by the Social Security Administration. | | | |

Complete the following if the dependent child is over the age of eighteen, unmarried, and a full-time student.

| | | | |
|---------------------|---------------|--------|-----------|
| Dependent's School: | Phone Number: | | |
| School Address: | City: | State: | Zip Code: |

Certification

I, _____, do hereby state that the person designated above is my dependent child defined by law as "a child in the womb and a natural or legally adopted child of the member who has neither attained age eighteen (18) nor married or who is an unmarried full-time student who has not attained age twenty-two (22)" or, this child has "been determined to be eligible for federal Social Security disability benefits" or "claimed as a qualifying child for tax purposes due to the child's total and permanent disability." KRS 16.505(17).

I UNDERSTAND AND AGREE that I will immediately provide written notification to the Kentucky Public Pensions Authority as soon as the person designated above no longer qualifies as a dependent child as defined by KRS 16.505(17). I understand that benefits shall immediately cease when the person designated above no longer qualifies as a dependent child as defined by KRS 16.505(17). I understand and agree that I will be responsible for and shall be required to repay any benefits paid to the person designated above if said person is not a dependent child as defined by KRS 16.505(17) or if I fail to notify Kentucky Public Pensions Authority when said person marries, ceases to be a full-time student, or otherwise ceases to qualify as a dependent.

Signature: _____

Date: _____

Notary Certificate

State of: _____

County of: _____

The foregoing instrument was acknowledged before me this _____ of _____ 20____, by

My Commission Expires: _____

Notary Public: _____


KENTUCKY PUBLIC PENSIONS AUTHORITY

1260 Louisville Road • Frankfort, KY 40601

Phone: (502) 696-8800 • Fax: (502) 696-8822 • kyret.ky.gov



Print Form

Form 6110
 Revised 04/2021

Affidavit of Authorization to Receive Funds on Behalf of Minor
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: |

Minor Recipient Information

| | |
|-------------|---------------------------------|
| Minor Name: | Minor's Social Security Number: |
|-------------|---------------------------------|

Comes the Affiant, after being duly sworn, and states as follows:

My name is: _____ My address is: _____

City: _____ State: _____ Zip Code: _____

I understand that the Minor Recipient named above is the beneficiary of certain benefits payable from the Kentucky Public Pensions Authority on the account of the above named Member.

I am legally authorized to receive the benefits on behalf of the Minor Recipient in my capacity as (check one):

- ☐ Natural/custodial parent of the Minor Recipient
- ☐ Court-appointed guardian, conservator, or other representative of the Minor Recipient (attach a copy of the court authorization)

I further state that no divorce decree, termination of parental rights, adoption, or any other legal process of any type, whether voluntary or involuntary, affects or inhibits my legal authority to receive funds on behalf of the Minor Recipient. I further acknowledge that if an order or other process affects my authority to receive the funds on behalf of the Minor Recipient, it will be my duty to notify the Kentucky Public Pensions Authority promptly and provide a full and complete copy of any documents affecting my authority to receive funds on behalf of the Minor Recipient.

Signature: _____

Printed Name: _____

Date: _____

State of: _____

County of: _____

The foregoing instrument was acknowledged before me this _____ day of _____, 2____,

by _____

Notary Public

My Commission Expires: _____


KENTUCKY PUBLIC PENSIONS AUTHORITY

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

Form 6130
 Revised 04/2021

Authorization for Deposit of Retirement Payment
Recipient Information

The recipient is the person who is receiving a monthly benefit from the Kentucky Public Pensions Authority. Please provide your Member ID or Social Security Number in the Recipient ID box below.

| | | | |
|---|-------|---------------|-----------|
| Recipient Name: | | Recipient ID: | |
| Address: | City: | State: | Zip Code: |
| Is this a new address? <input type="radio"/> Yes <input type="radio"/> No | | | |
| Phone (select type) <input type="radio"/> Mobile <input type="radio"/> Home <input type="radio"/> Work | | Email: | |
| If you are beneficiary of the account, please provide the member's name and Member ID below. | | | |
| Member Name: | | Member ID: | |

Financial Institution Information

| | |
|-----------------------------|--|
| Financial Institution Name: | Account Type: <input type="radio"/> Checking <input type="radio"/> Savings |
| Depositor Account Number: | Depositor Routing Number: |

Required Documents: Please indicate the documentation you are submitting with this form.

| | |
|---|--|
| For deposits to a Checking Account: I have attached to this form | <input type="radio"/> a VOIDED personalized check <input type="radio"/> verification from my financial institution |
| For deposits to a Savings Account: I have attached to this form | <input type="radio"/> verification from my financial institution |

Authorization for Direct Deposit and International Transactions:

I authorize and request the Kentucky Public Pensions Authority to directly deposit the net amount of my monthly retirement payment to my account at the financial institution designated above. I have attached to this form the documentation indicated above.

I understand that failure to sign this authorization and provide one of the documents listed above will cause a delay in setting up or changing account information.

I acknowledge that electronic payments to the designated account must comply with the provisions of U.S. law, as well as the requirements of the Office of Foreign Assets Control (OFAC) and National Automated Clearing House Association (NACHA) regulations.

I certify that the entire payment that Kentucky Public Pensions Authority sends electronically to the financial institution I have designated, is not subject to being transferred to a foreign bank. I agree to notify Kentucky Public Pensions Authority in writing immediately if the payment becomes subject to transfer to a foreign bank in the future.

Signature: _____

Date: _____

For your convenience:

The sample check below shows where to locate the required bank information to complete your Direct Deposit.

| | | | |
|--|------------------------|----------------------|------|
| My Name My Address My City, State, & Zip | | 72-748893 9335124 | 1152 |
| DATE | | \$ | |
| PAY TO THE ORDER OF | | DOLLARS | |
| <input type="checkbox"/> Bank Name Bank Address | | | |
| MEMO | | | |
| +10018628621 925 525 4 1152 | | | |
| 9 Digit Bank Routing Number | Your Account Number | Check Number | |

Instructions for Completing Form 6130 Authorization for Deposit of Retirement Payment

You may authorize deposit of your retirement benefit directly into your account at a financial institution by either complete this Form 6130, Authorization for Deposit of Retirement Payment, or by designating an account online through Member Self Service. Your designated financial institution account can be changed by either submitting a new Form 6130 or by updating the account information online through Member Self Service. The financial institution may be a bank, savings bank, savings and loan association, credit union, or similar institution that is a member of the Automated Clearing House (ACH). The North American Clearing House Association (NACHA) regulations require certification to identify any direct deposit payment made where the payment amount is subsequently transferred to a foreign bank account.

This form is to be used ONLY for the deposit of monthly benefit payments from the Kentucky Public Pensions Authority (KPPA). This form does not authorize withdrawals from your financial institution.

Please provide the necessary information about the financial institution. You must sign and date the authorization form. You are required to provide a VOIDED personalized check or verification from the financial institution for deposit to a checking account. For deposit to a savings account you must provide a verification from the financial institution. Your failure to sign and date the authorization form and provide the required documentation will cause a delay in setting up or changing the account information. Your monthly benefit payments will be deposited into your account at your financial institution on the 14th unless the day is a weekend or holiday, then the payment will be deposited into your account on the last business day prior to the 14th. If you are a current recipient of a monthly benefit and request a change to the account number or financial institution to which your monthly benefit is deposited, the completed form must be received at the Kentucky Public Pensions Authority' office before the 20th of the month if you wish the change to be effective with the next payment. If your form is received after the 20th of the month, the next monthly payment will be issued as a paper check, which will be mailed to your listed address; and the requested change for the direct deposit will be effective the following month. If you have additional questions regarding the change, please contact a KPPA Counselor at (800) 928-4646 or (502) 696-8800.

Once the authorization form has been processed by the Kentucky Public Pensions Authority, this authorization for deposit may be cancelled for any of the following reasons:

1. A new authorization for deposit of retirement payment form is submitted and processed at KPPA. This new Form 6130 will supersede your previous authorization form.
2. Your designated account information is updated online through Member Self Service.
3. The financial institution no longer accepts direct deposit. If your financial institution no longer accepts direct deposit, you must notify KPPA.
4. Your financial institution rejects your direct deposit indicating your account is closed. In this case, KPPA will notify you of the cancellation in advance.
5. Your monthly benefit no longer covers the cost of your health insurance premium and you must submit payment to our office for your health insurance premium.
6. Notice of your death is received at KPPA.

You may reach the Kentucky Public Pensions Authority at (800) 928-4646 or (502) 696-8800 if you have any questions. Written inquiries can be addressed to Kentucky Public Pensions Authority, 1260 Louisville Road, Frankfort, Kentucky 40601. For general information or to obtain additional forms, visit the Kentucky Public Pensions Authority' website: kyret.ky.gov.


KENTUCKY PUBLIC PENSIONS AUTHORITY

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


Print Form

Form 6135
 Revised 05/2015

Request for Payment By Check
Recipient Information

The recipient is the person who is receiving the monthly benefit from the retirement system. Please provide your Member ID or Social Security Number in the Recipient ID box below.

| | | | |
|-----------------|------------------------|---------------------------|--------------------------|
| Recipient Name: | | Recipient ID: | |
| Address: | City: | State: | Zip Code: |
| Phone Number: | Is this a new address? | <input type="radio"/> Yes | <input type="radio"/> No |

Reason for Receiving Retirement Allowance by Check

- ☐ I do not currently have an account with a financial institution. I will contact the retirement office when I have opened an account to which my benefit may be deposited.
- ☐ My financial institution does not participate in the Electronic Funds Transfer (EFT) program. The following must be completed by your financial institution:

Name of Institution: _____ Phone: _____

This recipient has an account in our institution, but we do not currently participate in the EFT program.

 Authorized Signature of
 Financial Institution Officer: _____ Title: _____

Certification

I state that I have full knowledge of the penalty in KRS 523.100 related to falsification of records and that the information provided is true and accurate. I understand that I must contact the retirement office if the above situation changes so that I may have my retirement allowance electronically transferred to my account. The retirement office may require me to verify the above information.

Signature: _____ Date: _____


KENTUCKY PUBLIC PENSIONS AUTHORITY

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

Form 6458
 4/2021

Designation of Dependent Child for In Line of Duty/Duty-Related
Deceased Member's Information: Please provide the Member ID or Social Security number in the Member ID box below.

| | | | |
|--------------|-------|------------|-----------|
| Member Name: | | Member ID: | |
| Address: | City: | State: | Zip Code: |

Parent/Guardian Information: Please provide your Member ID or Social Security number in the Member ID box below.

| | | | |
|-----------------------|-------|------------|-----------|
| Parent/Guardian Name: | | Member ID: | |
| Address: | City: | State: | Zip Code: |

Dependent Information

| | | | |
|-----------------|-----------------------------------|----------------|-----------|
| Dependent Name: | Dependent Social Security Number: | Date of Birth: | |
| Address: | City: | State: | Zip Code: |

 Has this child "been determined to be eligible for federal Social Security disability benefits" or "been claimed as a qualifying child for tax purposes due to the child's total and permanent disability?" ☐ YES ☐ NO

If YES, please submit a current statement issued by the Social Security Administration.

Complete the following if the dependent child is over the age of eighteen, unmarried, and a full-time student.

| | | | |
|---------------------|---------------|--------|-----------|
| Dependent's School: | Phone Number: | | |
| School Address: | City: | State: | Zip Code: |

Certification

I, _____, do hereby state that I am the parent, guardian, or dependent child over the age of 18 of the deceased member, and hereby certify that the person designated above is the deceased member's dependent child defined by law as "a child in the womb and a natural or legally adopted child of the member who has neither attained age eighteen (18) nor married or who is an unmarried full-time student who has not attained age twenty-two (22)" or, this child has "been determined to be eligible for federal Social Security disability benefits" or "claimed as a qualifying child for tax purposes due to the child's total and permanent disability." KRS 16.505(17).

I UNDERSTAND AND AGREE that I will immediately provide written notification to the Kentucky Public Pensions Authority as soon as the person designated above no longer qualifies as a dependent child as defined by KRS 16.505(17). I understand that benefits shall immediately cease when the person designated above no longer qualifies as a dependent child as defined by KRS 16.505(17). I understand and agree that I will be responsible for and shall be required to repay any benefits paid to the person designated above if said person is not a dependent child as defined by KRS 16.505(17) or if I fail to notify Kentucky Public Pensions Authority when said person marries, ceases to be a full-time student, or otherwise ceases to qualify as a dependent child as defined by KRS 16.505(17).

Signature: _____

Date: _____

Notary Certificate

State of: _____

County of: _____

The foregoing instrument was acknowledged before me this _____ of _____ 20____, by

My Commission Expires: _____

Notary Public: _____


KENTUCKY PUBLIC PENSIONS AUTHORITY

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

Form 6008
 Revised 09/2010

**Beneficiary Election to Continue Disability Application Process
on Behalf of Deceased Member**
Member Information

Member Name: _____

Member ID: _____

Payment Options: Please tell us whether you elect to proceed with the disability application process.
☐ I elect to proceed with the disability application process.

I understand that if _____ was eligible to begin receiving non-disability retirement benefits, that I may begin receiving regular death payments until the disability process is complete. If the disability application is approved, my benefits will be increased at that time.

If _____ was not eligible to begin receiving non-disability retirement benefits, then I must await the disability determination before I begin receiving payments.

☐ I elect to cancel the disability application, so that death benefits can be processed under a non-disability death calculation.

Please note this action may void the member's Form 6000, Notification of Retirement, beneficiary designation if the member was not receiving early retirement benefits. If so, the beneficiary of the account will be the beneficiary the member named on Form 2035, Beneficiary Designation.

Certification

I certify that I have checked the box above which best suits my needs. I realize that I **cannot change** to another payment option on or after the first day of the month in which I will receive my first payment.

Beneficiary Signature: _____

Date: _____

Witnessed by: _____

Date: _____


KENTUCKY PUBLIC PENSIONS AUTHORITY

1260 Louisville Road • Frankfort, KY 40601

Phone: (502) 696-8800 • Fax: (502) 696-8822 • kyret.ky.gov

**Form 8002**

04/2021

Certification of Application for Disability Retirement and Supporting Medical Information
Member Information

Member Name: _____

Member ID: _____

As beneficiary of the above member's account, I, _____, hereby certify that the attached medical information, job description, reasonable accommodations request, and prescription and nonprescription drug list are true, correct, accurate, and complete. This means the attached information consists of all the existing medical information regarding the condition(s) for which the member was seeking enhanced disability retirement benefits. The medical information includes all existing medical records regardless of the membership date with Kentucky Public Pensions Authority. I further hereby certify that the application for disability retirement, medical information, and job description are ready to be submitted to the medical examiners for review and determination. I am aware that pursuant to KRS 61.665(2)(a) that I am responsible for filing supporting objective medical information to report the deceased member's 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 of the member's evaluations, examinations, and treatment for the condition(s) for which the member was applying for disability retirement benefits, including all reports of diagnostic medical testing performed on the deceased member.

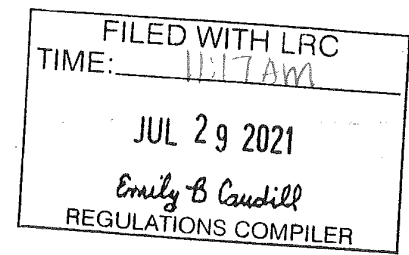
I further acknowledge that any person who makes a false statement, report, or representation on this form is subject to criminal penalty pursuant to KRS 523.010 to 523.110.

Beneficiary's Signature: _____

Date: _____

Print Name: _____

SSN: _____



1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Retirement Systems

3 (Amendment to Administrative Regulation)

4 105 KAR 1:330. Purchase of service credit.

5 RELATES TO: KRS 16.545, 16.645[(20), (26), (29), (31)], 61.505, 61.543, 61.552,
 6 61.5525, 61.555,] 61.592, 78.5520, 61.685, 78.545[(6), (31), (35), (43)], 78.610, 26
 7 U.S.C. 415

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

9 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.505(1)(f)[KRS 61.645(9)(g)]
 10 authorizes the Kentucky Public Pensions Authority[requires the Board of Trustees of
 11 Kentucky Retirement Systems] to promulgate [all]administrative regulations on behalf of
 12 the Kentucky Retirement Systems and the County Employees Retirement System that
 13 are consistent with[necessary or proper to carry out the provisions of] KRS 16.505[40] to
 14 16.652, 61.510[45] to 61.705, and 78.510[20] to 78.852. KRS 16.545, 16.645[(20), (26),
 15 (29), (31)], 61.543, 61.552, [61.5525, 61.555,] 61.592, 78.5520, 61.685, 78.545[(6), (31),
 16 (35), (43)], and 78.610 provide for purchasing service credit. 26 U.S.C. 415 establishes
 17 federal requirements regarding purchases of service credit. This administrative regulation
 18 establishes the documentation required from the employee or person as proof of eligibility
 19 for purchasing service credit, the filing deadlines on which the cost calculation will be
 20 made, and the procedures for purchase of service credit.

1 Section 1. Definitions.

2 (1) Definitions contained in KRS 16.505, 61.510, and 78.510 shall apply to this
3 regulation, unless otherwise defined herein.

4 (2) Prior to April 1, 2021, "the Agency" means the Kentucky Retirement Systems,
5 which administers the State Police Retirement System, the Kentucky Employees
6 Retirement System, and the County Employees Retirement System. Effective April 1,
7 2021, "the Agency" means the Kentucky Public Pension Authority, which is authorized
8 carry out the day-to-day administrative needs of the Kentucky Retirement Systems
9 (comprised of the State Police Retirement System and the Kentucky Employees
10 Retirement System) and the County Employees Retirement System.

11 (3) "File" means the following methods for delivering or submitting a form to the
12 retirement office: mail, fax, secure email, in-person delivery, and upload via Self Service
13 on the Web site maintained by the Agency (if available). A form shall not be deemed filed
14 until it has been received at the retirement office.

15 (4) "Provide," when used in reference to a form or other document, means the
16 following methods for the Agency to make a form or document available to a member,
17 retired member, or person: mail, fax, secure email, and upload via Self Service on the
18 Web site maintained by the Agency (if available).

19 (5) "The Systems" means the State Police Retirement System, the Kentucky
20 Employees Retirement System, and the County Employees Retirement System.

21 (6) "Valid," when used in reference to a form, means that all required sections on
22 a form are completed and all required signatures on a form are executed.

23 Section 2. Cost calculation date for determining the cost of the service purchase.

(1) The cost calculation date for determining the cost of the service to be purchased shall be the later of:

(a) The last day of the month in which the request for the cost of the service is filed~~[received]~~ at the retirement office;

(b) The last day of the month the employee or person designates as the intended purchase date;

(c) The last day of the month in which documentation of the service is filed at the retirement office;

(d) The last day of the month in which the employee~~[member]~~ attains sufficient service credit to be eligible to make the purchase; or

(e) The last day of the month in which the employee~~[member]~~ terminates employment if the employee~~[member]~~ files a completed Form 4172, Notice of Intent to Transfer Lump Sum Payment(s) to Qualified Employer Sponsored Plan, at the retirement office indicating that the employee~~[member]~~ intends to defer the employee's~~[member's]~~ lump sum payment for accrued compensatory and annual leave to be paid to the employee~~[member]~~ at termination to the Kentucky Public Employees Deferred Compensation Authority or other qualified employer sponsored plan. The employee~~[member]~~ shall then rollover the funds from the Kentucky Public Employees Deferred Compensation Authority or other qualified employer sponsored plan to the Agency~~[Kentucky Retirement Systems]~~ as payment, in whole or in part, for the employee's~~[member's]~~ service purchase.

(2)(a) The purchase deadline date shall be the later of the cost calculation date or thirty (30) days from the date the purchase cost is provided~~[mailed]~~ to the employee,

1 unless day thirty (30) is a Saturday, Sunday, a public holiday listed in KRS 2.110, a day
2 on which the public office is actually and legally closed, [weekend] or any other federal or
3 state holiday that disrupts mail service, then the purchase deadline date shall be the next
4 business day.

5 (b) Upon discovery of a delay in providing the purchase cost to the employee or
6 person, the Agency may extend the purchase deadline date in paragraph (a).

7 (3) An employee or person may not make a new request for cost calculation for
8 purchase of service previously requested until the purchase deadline date has passed.

9 (4) Payment~~[Except as provided in KRS 61.552(16), payment]~~ for purchase of
10 service credit shall be filed at the retirement office while the employee is participating in
11 an eligible retirement system and prior to the employee's termination date, except in the
12 following circumstances:-

13 (a) The purchase of service credit is made under KRS 61.552(2);

14 (b) If the employee files a Form 4170, "Direct Transfer/Rollover Authorization
15 Form," at the retirement office while the employee is participating in an eligible retirement
16 system and prior to the employee's termination date, so long as the financial institution
17 completes the transfer or rollover within sixty (60) days of the payment due date, the
18 payment for purchase of service credit by transfer or rollover may occur when the
19 employee is no longer participating in an eligible retirement system and after the
20 employee's termination date; or

21 (c) If the Agency discovers an error or omission in the service purchase cost, then
22 the Agency may provide corrected costs to the employee, person, member, or retired
23 member and, in order to have the service purchase credited to his or her account, the

1 employee, person, member, or retired member shall pay any additional amount due for
2 the corrected costs.

3 (5) If the employee[member] elects to purchase only a portion of the service for
4 which he or she has requested a cost calculation, the employee[member] shall be
5 required to obtain a new cost calculation for the remaining service unless the remaining
6 service is service under KRS 61.552(2)[(4)] or (3)[(23)].

7 Section 32. General requirements to purchase service.

8 (1) The employee or person shall file at the retirement office[provide] all
9 documentation necessary for the Agency[retirement system] to determine that the service
10 meets the eligibility requirements for purchase of service.[The documentation may be in
11 the form of:

12 (a) ~~A statement or letter signed by the reporting official, personnel director or~~
13 ~~agency head, or if the service is with the university, federal government or military a~~
14 ~~statement or letter signed by an authorized employee of the university, federal~~
15 ~~government or military, except that no employee shall certify his own service. The~~
16 ~~retirement system may require that the statement be made under oath; or~~

17 (b) ~~Copies of personnel and wage records supplied by the agency.]~~

18 (2) The Agency may require that any statement, letter, form, or other document
19 required in this regulation be notarized, made under oath as defined in KRS 523.010, or
20 both.

21 (3) No employee or person shall certify his or her own service on any of the
22 statements, letters, forms, or other documents required by this regulation.

1 (4)(a) The Agency shall determine how much service is eligible for purchase by
2 statute and shall notify the employee or person in writing of the cost of the service that
3 qualifies for purchase.

4 (b) If the Agency determines that the service is not eligible for purchase, the
5 Agency shall notify the employee or person in writing of the reasons.

6 Section 4. Purchase of omitted service.

7 (1)(a) To purchase omitted service pursuant to KRS 61.552(2) and 78.545, the
8 employee or person shall file at the retirement office a valid Form 4225, "Verification of
9 Past Employment."

10 (b) If the employee or person is seeking to purchase omitted service based on
11 employment with the Executive Branch, copies of personnel and wage records provided
12 by the employer shall be filed at the retirement office instead of the Form 4225,
13 "Verification of Past Employment."

14 (2) If the Agency~~[retirement system]~~ determines that the employer~~[agency]~~ records
15 submitted on the Form 4225, "Verification of Past Employment," or the personnel and
16 wage records from the Executive Branch employer are not sufficient, the
17 Agency~~[retirement system]~~ may require the employee or person to supplement the
18 employer~~[agency]~~ records with copies of check stubs, W-2 forms, personnel action forms,
19 or payroll records in the employee's or person's possession.

20 (3) If the employee or person does not have additional documentation of the
21 service, the employee or person may file at the retirement office~~[submit]~~ a report of
22 detailed earnings from the Social Security Administration for the period of service, along
23 with two (2) Form 4160s, "Affidavit and Certification for Documentation of

1 Service][affidavits] completed by persons[individuals] who earned, or were eligible for,
2 service for the same period in a state administered retirement system with the same
3 employer. Each affiant shall detail the employee's or person's employment status and
4 length of service.

5 Section 5. Purchase of school board service.

6 ~~[(4) The retirement office shall determine if all or part of the service is eligible for~~
7 ~~purchase and shall notify the employee in writing of its determination.~~

8 ~~Section 3. (1) For service with a public agency, other than a school board,~~
9 ~~participating in one (1) of the systems administered by the Kentucky Retirement Systems~~
10 ~~or with a nonparticipating agency whose service is authorized by statute, the employee~~
11 ~~shall submit the following documentation and may be required by the system to provide~~
12 ~~additional information, if necessary for determination:~~

13 ~~(a) The beginning and ending dates of the service and any breaks which may have~~
14 ~~occurred during the service, listed by fiscal year;~~

15 ~~(b) The number of calendar months worked;~~

16 ~~(c) The position title and status, including full time, part time, probationary, emergency,~~
17 ~~seasonal, temporary, or interim; and~~

18 ~~(d) If the employee participated in a retirement plan, and if so, if the plan was a defined~~
19 ~~contribution or defined benefit plan, and if the employee has taken a refund of~~
20 ~~contributions to the plan.~~

21 ~~(2)]For service with a school board, the employee shall file at the retirement office~~
22 ~~a valid Form 4225, "Verification of Past Employment."]~~provide the following

documentation and may be required by the system to provide additional information, if necessary for determination:

(a) The beginning and ending dates of the service and any breaks which may have occurred during the service, listed by fiscal year;

(b) The number of calendar months worked;

(c) The number of days in the employee's employment contract and the actual number of days worked;

(d) The hours worked per day;

(e) The position title and status, including full time, part time, probationary, emergency, seasonal, or temporary[or interim]; and

(f) If the employee participated in a retirement plan, and if so, if the plan was a defined contribution or defined benefit plan, and if the employee has taken a refund of contributions to the plan.]

Section 6. Vested service purchases.

(1)(a) In order to purchase service credit for~~[(3) For]~~ active duty service in the Armed Forces of the United States pursuant to KRS 61.552(5)(d) and 78.545, the employee shall file at the retirement office~~[provide]~~ a copy of the federal form DD-214 or other official military documents clearly indicating:

1.~~[(a)]~~ The date of entry into active duty service;

2.~~[(b)]~~ The date of discharge from active duty service; and

3.~~[(c)]~~ The type of discharge.

(b) In order to purchase service credit for~~[(4) For]~~ service in the National Guard or the military reserve forces pursuant to KRS 61.552(5)(e) and 78.545, including periods of

1 active duty training, or for service in the National Guard, the employee shall file at the
 2 retirement office~~[provide]~~ copies of official military documents clearly indicating the date
 3 of entry and current participation or date of discharge.

4 ~~(c) The documents required in paragraphs (a) or (b) of this subsection shall be~~
 5 verified by a statement or letter signed by an authorized employee of the military.

6 (d) The Agency shall verify with the employer the beginning and ending dates of
 7 the period of leave associated with active duty service in the Armed Forces of the United
 8 States, service in the National Guard, or service in the military reserve forces.~~[(5) For~~
 9 ~~service with the federal government, the employee shall provide the following~~
 10 ~~documentation:~~

11 ~~(a) The name of the federal agency where the employee worked;~~

12 ~~(b) The beginning and ending dates of the service and any breaks which may have~~
 13 ~~occurred during the service;~~

14 ~~(c) The job title;~~

15 ~~(d) If the individual worked an average of 100 or more hours per month and if the~~
 16 ~~position was temporary, seasonal or regular full time; and~~

17 ~~(e) If the employee participated in a retirement plan and if the employee has taken~~
 18 ~~a refund of contributions to the plan.]~~

19 (2)(a) To purchase service for~~[(6) For]~~ a period when the employee~~[member]~~ was
 20 on~~[leave, including]~~ educational, maternity, or~~[and]~~ sick leave without pay pursuant to
 21 KRS 61.552(5)(i) and 78.545, the employee~~[member]~~ shall file at the retirement office a
 22 statement or letter from the reporting official, personnel director, or agency head

1 certifying[submit documentation of] the beginning and ending dates of the period of leave
2 and the type of leave designated by the employer.

3 (b) The Agency shall verify with the employer the beginning and ending dates of
4 the period of educational, maternity, or sick leave without pay.

5 (3) To purchase state university service pursuant to KRS 61.552(5)(b) and 78.545,
6 the employee shall file at the retirement office a valid Form 4120, "Verification of
7 Employment with a State University."

8 (4) To purchase federal service pursuant to KRS 61.552(5)(f) and 78.545, the
9 employee shall file at the retirement office a valid Form 4115, "Federal Verification."

10 (5)(a) To purchase past seasonal, emergency, interim, probationary, temporary, or
11 part-time employment that averages the required hours of work per month pursuant to
12 KRS 61.552(5)(g) and 78.545, the employee shall file at the retirement office a valid Form
13 4225, "Verification of Past Employment."

14 (b) If the employee is seeking to purchase service based on past seasonal,
15 emergency, interim, probationary, temporary, or part-time employment with the Executive
16 Branch, copies of personnel and wage records provided by the employer shall be filed at
17 the retirement office instead of the Form 4225, "Verification of Past Employment."

18 (6) To purchase service with a non-participating agency whose service is
19 authorized pursuant to KRS 61.552(5)(j) and 78.545, the employee shall file at the
20 retirement office the following documentation and may be required to file additional
21 information, if necessary for determination:

22 (a) The beginning and ending dates of the service and any breaks that may have
23 occurred during the service, listed by fiscal year;

1 (b) The number of calendar months worked;

2 (c) The position title and status, including full time, part time, probationary,

3 emergency, seasonal, temporary, or interim; and

4 (d) If the employee participated in a retirement plan, and if so, if the plan was a

5 defined contribution or defined benefit plan, and if the employee has taken a refund of

6 contributions to the plan.

7 (7) To purchase urban-county government service pursuant to KRS 61.552(5)(k)

8 and 78.545, the employee shall file at the retirement office a valid Form 4131, "Verification

9 of Urban-County Government Service."

10 (8)(a) To purchase service credit for out-of-state public service pursuant to KRS

11 61.552(5)(c) and 78.545, the employee shall file at the retirement office a valid Form 4140,

12 "Verification of Out-of-State Service."

13 (b) To purchase out-of-state service credit for a hazardous duty position, the

14 employee shall also file at the retirement office a copy of the description of the duties of

15 the out-of-state position from his or her former out-of-state employer. [(7) For service with

16 one (1) of the state universities in Kentucky, the employee shall provide the following

17 documentation:

18 (a) The name of the university where the employee worked;

19 (b) The beginning and ending dates of the service and any breaks which may have

20 occurred during the service;

21 (c) The job title;

22 (d) If the individual worked an average of 100 or more hours per month and if the

23 position was temporary, seasonal or regular full time; and

1 (e) If the employee participated in a benefit plan during the period of employment.

2 ~~(8) An employee wishing to purchase service credit for out-of-state public service~~
3 ~~under KRS 61.552(17) and (18) shall request a copy of the "Form 4140, Certification of~~
4 ~~Out-of-State Service".~~

5 (a) The employee shall mail] the "Form 4140, Certification of Out-of-State Service",
6 to his former employer and retirement plan for completion, and if the employee wishes to
7 purchase hazardous service in KERS, CERS, or SPRS, he shall also obtain a copy of the
8 description of his duties in the out-of-state position from his former employer.]

9 (c) Out-of-state service[Service] credit shall be eligible for purchase as hazardous
10 duty if the position is the same as or substantially similar to positions for which hazardous
11 duty credit has been approved under KRS 61.592 or 78.5522.[;]

12 [(b) The employee shall be responsible for obtaining the information requested
13 regarding the period of out-of-state service, and the completed "Form 4140, Certification
14 of Out-of-State Service", and job description shall be submitted to the retirement office;]

15 (c) The Agency shall determine how much service is eligible for purchase under
16 the statute and shall notify the employee of the full actuarial cost of the service which
17 qualifies for purchase; and

18 (d) If the retirement system determines that the service is not eligible for purchase,
19 the retirement system shall notify the employee of the reasons.]

20 Section 7[4]. Service purchase calculations based on actuarial cost.

21 For a purchase based on the actuarial cost, in accordance with KRS 61.552(10)(a)
22 and 78.545[61.5525], the higher of the current rate of pay, final rate of pay, or final
23 compensation times the actuarial age factor shall be determined as follows, except that

for an employee of a local school board paid under an employment contract, the current rate of pay shall be equal to the final compensation as of the cost calculation date:

(1) Except for a classified employee of a local school board, current rate of pay shall be determined as follows:

(a) For an hourly employee paid on a seven and one-half (7 1/2) hour day, the hourly rate times 1,950;

(b) For an hourly employee paid on an eight (8) hour day, the hourly rate times 2,080;

(c) For an employee paid by the day, the daily rate times 260;

(d) For an employee paid by the week, the weekly rate times fifty-two (52);

(e) For an employee paid by the month, the monthly rate times twelve (12);

(f) For a part-time employee who averages 100 or more hours per month, the hourly rate times hours per day times 260. If the number of hours worked per day is not fixed by the employer, seven and one-half (7 1/2) hours shall be used;

(g) For an employee who receives a fixed amount in addition to an hourly, daily, weekly, monthly, or annual rate, the current rate shall include all fixed amounts, averaged into the same period;

(h) For an employee simultaneously employed in more than one (1) of the Systems~~[retirement system administered by the Kentucky Retirement Systems]~~, the higher of the combined current rate of pay, combined final rate of pay, or combined final compensation shall be used as of the cost calculation date.

(2) Final compensation shall be determined as of the cost calculation date, except that the final compensation of nonhazardous members of the County Employees

1 Retirement System or Kentucky Employees Retirement System with an effective
2 retirement date within the window provided in KRS 61.510(14)(b) and 78.510(14)(b) shall
3 be based on the three (3) fiscal years with the highest average monthly earnings if the
4 sum of the employee's service when added to his age would equal at least seventy-five
5 (75), assuming the employee's service includes:

6 (a) All service remaining on an active installment purchase agreement;

7 (b) All service which the employee is eligible to purchase under KRS 61.552(2),
8 61.552(3), and 78.545[(1) and (23)(a) and (b)]; and

9 (c) All service the employee would accrue if employment continued through
10 December 31, 2008.

11 (3) The employee's age rounded to the nearest year as of the cost calculation date
12 shall be used.

13 (4) The benefit factor used to determine the actuarial cost, in accordance with KRS
14 61.552(10)(a) and 78.545[61.5525], shall be the benefit factor to which the employee is
15 entitled on the first day of the month following the cost calculation date, except that the
16 benefit factor for nonhazardous employees of the County Employees Retirement System
17 and the Kentucky Employees Retirement System with an effective retirement date within
18 the window provided in KRS 61.510(14)(b) and 78.510(14)(b) shall be the highest benefit
19 factor to which the employee would be entitled, assuming total]:

20 ~~(a) An effective retirement date no later than January 1, 2009; and~~

21 ~~(b) Total] service as determined in subsection (2) of this section.~~

22 Section 85. Correction upon discovery of error or omission in service purchase costs.

(1) After the employee, member, or retired member has purchased service, the Agency~~[retirement system]~~ may recalculate the cost of the service if, upon audit, the Agency~~[retirement system]~~ determines that any of the information utilized to calculate the cost of the service was incorrect.

(2) If the recalculation results in an increase in the cost of \$100 or more, the employee or person, member, or retired member shall have thirty (30) days to pay the additional amount.

(3) If the employee, member, retired member, or the employer, fails to pay the additional amount, the employee's, member's, or retired member's service shall be reduced to the next lower increment or number of months for which the employee, member, or retired member is eligible based on the original payment, and the difference shall be refunded to the employee, member, or retired member.

Section 96. Special considerations for purchase of refunded or past service.

(1) The verified wages associated with service purchased under the provisions of KRS 61.552 and 78.545 that~~[(1) to (5)(a) and (24), which]~~ would have qualified as creditable compensation~~[.]~~ shall be added to the employee's account and shall be used in determining the employee's final compensation.

(2) An employee purchasing service under the preceding subsection~~[paragraph]~~ by increments or by installment purchase agreement shall have the service credited in chronological order beginning with the earliest service.

Section 107. Incorporation by Reference.

(1) The following material is incorporated by reference:

~~[(a) Form 4140, "Verification of Out of State Service", July 2000];~~

1 (a)[(b)] Form 4172, "Notice of Intent to Transfer Lump Sum Payment(s) to Qualified
2 Employer Sponsored Plan,"[;] April 2021[May 2008];[and]

3 (b)[(e)] Form 4170, "Direct Transfer/Rollover Authorization Form"[;] April
4 2021;[2002:]

5 (c) Form 4225, "Verification of Past Employment," April 2021;

6 (d) Form 4160, "Affidavit and Certification for Documentation of Service,"
7 September 2010;

8 (e) Form 4120, "Verification of Employment with a State University," April 2021;

9 (f) Form 4115, "Federal Verification," April 2021;

10 (g) Form 4131, "Verification of Urban-County Government Service," April 2021;

11 and

12 (h) Form 4140, "Verification of Out-of-State Service," April 2021.

13 (2) This material may be inspected, copied, or obtained, subject to applicable
14 copyright law, at the Kentucky Public Pensions Authority[Kentucky Retirement Systems,
15 Perimeter Park West], 1260 Louisville Road, Frankfort, Kentucky 40601, Monday through
16 Friday, 8 a.m. to 4:30 p.m. (28 Ky.R. 1005; Am. 1354; eff. 12-19-2001; 29 Ky.R. 780;
17 1256; eff. 11-12-02.; 31 Ky.R. 395; eff. 11-5-04; 33 Ky.R. 1878; 2932; eff. 4-6-07; 35 Ky.R.
18 124; eff. 10-3-08; Crt eff. 1-29-2020.)

APPROVED:



DAVID L. EAGER,
EXECUTIVE DIRECTOR
KENTUCKY PUBLIC PENSIONS AUTHORITY

7/29/2021

DATE

PUBLIC HEARING: A public hearing on this administrative regulation shall be held on Thursday, October 21, 2021 at 9:00 a.m. Eastern Standard Time at the Kentucky Public Pensions Authority, 1270 Louisville Road, Frankfort, Kentucky. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given the 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 October 31, 2021. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Michael Board, Executive Director Office of Legal Services, Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, KY 40601, email Legal.Non-Advocacy@kyret.ky.gov, telephone (502) 696-8800 ext. 8647, facsimile (502) 696-8801.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation number: 105 KAR 1:330
Contact person: Michael Board
Phone number: 502-696-8800 ext. 8647
Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the procedures and requirements for purchases of service credit with the Kentucky Public Pensions Authority in accordance with KRS 16.545, 16.645, 61.505, 61.543, 61.552, 61.592, 78.5520, 61.685, 78.545, 78.610, and 26 U.S.C. 415.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the procedures and requirements for purchases of service credit with the Kentucky Public Pensions Authority in accordance with KRS 16.545, 16.645, 61.505, 61.543, 61.552, 61.592, 78.5520, 61.685, 78.545, 78.610, and 26 U.S.C. 415.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the authorizing statutes by establishing the procedures and requirements for purchases of service credit with the Kentucky Public Pensions Authority in accordance with KRS 16.545, 16.645, 61.505, 61.543, 61.552, 61.592, 78.5520, 61.685, 78.545, 78.610, and 26 U.S.C. 415.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation will assist in the effective administration of the statutes by establishing the procedures and requirements for purchases of service credit with the Kentucky Public Pensions Authority in accordance with KRS 16.545, 16.645, 61.505, 61.543, 61.552, 61.592, 78.5520, 61.685, 78.545, 78.610, and 26 U.S.C. 415.

(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: The amendment updates the regulation to reflect the changes enacted by the General Assembly in House Bill 484 (2020) and House Bill 9 (2021). The amendment also clarifies the existing regulation and incorporates by reference multiple newer forms in use by the Kentucky Public Pensions Authority for service purchases.

(b) The necessity of the amendment to this administrative regulation: The amendment is necessary to update the regulation to reflect the changes enacted by the General Assembly in House Bill 484 (2020) and House Bill 9 (2021), clarify the existing regulation, and incorporate by reference multiple newer forms in use by the Kentucky Public Pensions Authority for service purchases.

(c) How the amendment conforms to the content of the authorizing statutes: The amendment conforms to the authorizing statute because it is necessary to carry out the provisions of KRS 16.545, 16.645, 61.505, 61.543, 61.552, 61.592, 78.5520, 61.685, 78.545, 78.610, and 26 U.S.C. 415.

(d) How the amendment will assist in the effective administration of the statutes: The amendment will assist in the effective administration of the statutes by establishing

the procedures and requirements for purchases of service credit with the Kentucky Public Pensions Authority in accordance with KRS 16.545, 16.645, 61.505, 61.543, 61.552, 61.592, 78.5520, 61.685, 78.545, 78.610, and 26 U.S.C. 415.

(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 of the Kentucky Retirement Systems and the County Employees Retirement System. Number of individuals is unknown. 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 amendment should not substantially alter the actions that the Kentucky Public Pensions Authority, the Kentucky Retirement Systems, and the County Employees Retirement System will have to take to comply with this regulation.

(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): The amendment allows the Kentucky Public Pensions Authority, the Kentucky Retirement Systems, and the County Employees Retirement System to conform with KRS 16.545, 16.645, 61.505, 61.543, 61.552, 61.592, 78.5520, 61.685, 78.545, 78.610, and 26 U.S.C. 415.

(5) Provide an estimate of how much it will cost 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 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 1:330
Contact person: Michael Board
Phone number: 502-696-8800 ext. 8647
Email: Legal.Non-Advocacy@kyret.ky.gov

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? 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. KRS 61.505(1)(f).

(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:


KENTUCKY PUBLIC PENSIONS AUTHORITY

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


Print Form

Form 4172
 Revised 04/2021

Notice of Intent to Transfer Lump-Sum Payment(s) to Qualified Employer Sponsored Plan
Member Information

| | | | | | |
|--------------|----------------|------------|--|--------------------------------|-----------|
| Member Name: | | Member ID: | | Member SSN: (Last 4 Digits) | |
| Address: | | City: | | State: | Zip Code: |
| Phone: | Employer Name: | | | Employer Phone: | |

Financial Institution Information

| | |
|--|--------|
| Financial Institution to Receive Payment(s): | |
| Financial Institution Contact Name: | Phone: |

Please be advised that failure to complete this process may result in a recalculation of the cost of your service purchase, cancellation of your service purchase, delaying your effective retirement date, or termination of your retirement benefits.

Certification

I, _____, hereby give notice to Kentucky Public Pensions Authority that I shall transfer the lump-sum payment for accrued compensatory and/or annual leave to be paid to me by my employer at my termination to my account with the Kentucky Public Employee Deferred Compensation Authority or other qualified employer sponsored plan. Thereafter, I shall rollover to Kentucky Public Pensions Authority an amount from my Deferred Compensation or other qualified employer sponsored plan to pay all or part of the remaining balance of my service purchase.

I hereby certify that I have consulted with my employer and have determined that I will receive a total net payment of _____ at my termination representing my accrued compensatory and/or annual leave.

I understand that I must submit this form as well as a completed Form 4170, Direct Transfer/Rollover Authorization to Kentucky Public Pensions Authority, by the due date for payment in my service purchase contract or before my termination date, whichever is earliest. I further understand that I must contact Kentucky Public Pensions Authority and submit a new Form 4172 if the information provided on this form changes.

Member Signature: _____

Date: _____

Payroll Officer's 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 4170
 Revised 04/2021

Direct Transfer/Rollover Authorization
Important Notice

This form must be returned to Kentucky Public Pensions Authority by the due date listed on the cost estimate. Kentucky Public Pensions Authority, a qualified public defined benefit plan under IRC Section 401(a), has agreed to permit the transfer/rollover of employee assets in order to enable you to purchase credit for all or part of other allowable retirement service in accordance with the provisions of KRS 61.515 to KRS 61.705. Please understand that the acceptance by Kentucky Public Pensions Authority of this transfer/rollover for this purpose in no manner constitutes any acknowledgment or representation by Kentucky Public Pensions Authority with respect to the current tax status of the amount received to purchase allowable service on your behalf.

Member Information

| | | | |
|--|--|------------|--------------------------------|
| Member Name: | | Member ID: | Member SSN: (Last 4 Digits) |
| Address: | | City: | State: Zip Code: |
| Phone (select type) <input type="checkbox"/> Mobile <input type="checkbox"/> Home <input type="checkbox"/> Work | | Email: | |

I understand that I am responsible for any and all tax liability.

I authorize my financial institution to transfer/rollover \$_____ from my account toward the purchase of service credit. I have received a cost estimate from Kentucky Public Pensions Authority.

DUE DATE FOR SUBMISSION OF THIS FORM (payment due date from cost estimate): _____

Member Signature: _____ Date: _____

Financial Institution Information
To be completed by the financial institution making a direct trustee to trustee transfer or rollover of funds.

Complete and return this form to the retirement office by the due date shown above. When sending the transfer/rollover, please make checks payable to: Kentucky State Treasurer, FBO (member name).

| Plan Type | Qualified Trust as described in IRC Section 401(a) | IRC Section 401(k) | IRC Section 403 (b) account or annuity | IRC Section 457 deferred compensation plan | "Conduit" or "Rollover" IRA | Taxable amounts in a traditional IRA |
|----------------------------|--|--------------------|--|--|-----------------------------|--------------------------------------|
| Taxed Portion | \$ | \$ | \$ | \$ | \$ | Not Applicable |
| Untaxed Portion | \$ | \$ | \$ | \$ | \$ | \$ |
| Total | \$ | \$ | \$ | \$ | \$ | \$ |
| Date of Rollover/ Transfer | | | | | | |

Financial Institution: _____

Title: _____ Phone: _____

Address: _____ City: _____ State: _____ Zip Code: _____

I hereby certify that the amount is an eligible transfer/rollover, and that the transfer/rollover is being made from a qualified trust as described in Internal Revenue Code Section 401(a); a Code Section 401(k) account; a Code Section 403(b) account or annuity; a Code Section 457 deferred compensation plan; a "conduit" or "rollover" IRA; or the taxable amounts in a traditional IRA.

Authorized Signature: _____ Date: _____


KENTUCKY PUBLIC PENSIONS AUTHORITY

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

Form 4225
 Revised 04/2021

Verification of Past Employment
Member Information

| | | | |
|--|-------|------------|-----------|
| 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: | |
| Please indicate below the dates of your employment for which you are missing service credit. Upon review, it may be determined you are eligible to purchase retirement service from your past employment. Please have the employing agency of the time of service credit in question complete the form in its entirety and return to KPPA. Please Note: Only forms completed by an Authorized Agency contact of the employing agency will be considered. | | | |
| Name of Employer Verifying Employment: | | | |
| Dates of Past Employment: | | | |

Employer Instructions: Please accurately complete all items on the remainder of this form.

The above member has contacted KPPA regarding employment with your agency. An agency contact from the KPPA approved list will need to complete the proceeding fields in their entirety.

If a member purchases service based on this information and it is found at a later date that the information was incorrect, the retirement office will correct any errors and reduce the member's service and benefits if necessary.

Your prompt reply is requested as the member's cost may increase each month.

Please note the following:

- All applicable fields should be completed. If you are unable to provide information for all of the requested fields, please provide an explanation. Failure to verify all requested information may require a representative of KPPA to follow up or could even cause the form to be considered "invalid."
- Each line item should be verified based upon fiscal year, NOT calendar year (i.e. July 1, 1995 to June 30, 1996).
- Please provide the exact start and end dates of the period(s) of service in question (i.e. If an employer is verifying three months of seasonal, full-time service which began in May and ended in July, May to June would be verified on one line and July to July would be verified on a separate line).
- If the member was employed for more years than were provided, please copy page 2 and attach the additional sheets.
- Classified employees of school boards must average eighty (80) or more hours of work per month over a calendar or fiscal year. All other service eligible to purchase must average one hundred (100) or more hours of work per month over a calendar or fiscal year.
- If the member was on an approved leave of absence, please specify the leaves dates as well as the type of leave (i.e. maternity, military leave, sick leave without pay, etc.).

Retirement Coverage

Please answer the following questions about the member's past employment, then verify this service on the next page.

1. Did the member participate in an agency sponsored pension plan? ☐ Yes ☐ No
2. If the answer to question 1 is yes, was it a: ☐ Defined Benefit Plan ☐ Defined Contribution Plan
3. Did member take a refund from the plan upon termination? ☐ Yes ☐ No

When all sections have been completed, please return this form to:
 Kentucky Public Pensions Authority
 1260 Louisville Road
 Frankfort, KY 40601-6124

Past Employment Service

| Member Name: | | Member ID: | | Employer: | |
|---|----------------------------|--|--|---|--|
| Fiscal Year (Mo/Day/Yr) Show breaks in service Begin Date End Date | No. of Months Worked | School Board Use Only Contract Days No. of Actual Days Worked | | Hours Worked Per Day | Hourly Wage Actual Wages Earned for Year |
| Position Title: (E.g. Bus Driver, Secretary, etc.) | | | | Position Status: (E.g. Regular full-time, part-time, seasonal full-time, Temporary full-time, etc.) | Notes |
| Fiscal Year (Mo/Day/Yr) Show breaks in service Begin Date End Date | No. of Months Worked | School Board Use Only Contract Days No. of Actual Days Worked | | Hours Worked Per Day | Hourly Wage Actual Wages Earned for Year |
| Position Title: (E.g. Bus Driver, Secretary, etc.) | | | | Position Status: (E.g. Regular full-time, part-time, seasonal full-time, Temporary full-time, etc.) | Notes |
| Fiscal Year (Mo/Day/Yr) Show breaks in service Begin Date End Date | No. of Months Worked | School Board Use Only Contract Days No. of Actual Days Worked | | Hours Worked Per Day | Hourly Wage Actual Wages Earned for Year |
| Position Title: (E.g. Bus Driver, Secretary, etc.) | | | | Position Status: (E.g. Regular full-time, part-time, seasonal full-time, Temporary full-time, etc.) | Notes |
| Fiscal Year (Mo/Day/Yr) Show breaks in service Begin Date End Date | No. of Months Worked | School Board Use Only Contract Days No. of Actual Days Worked | | Hours Worked Per Day | Hourly Wage Actual Wages Earned for Year |
| Position Title: (E.g. Bus Driver, Secretary, etc.) | | | | Position Status: (E.g. Regular full-time, part-time, seasonal full-time, Temporary full-time, etc.) | Notes |
| Fiscal Year (Mo/Day/Yr) Show breaks in service Begin Date End Date | No. of Months Worked | School Board Use Only Contract Days No. of Actual Days Worked | | Hours Worked Per Day | Hourly Wage Actual Wages Earned for Year |
| Position Title: (E.g. Bus Driver, Secretary, etc.) | | | | Position Status: (E.g. Regular full-time, part-time, seasonal full-time, Temporary full-time, etc.) | Notes |

Certification

I state that I have full knowledge of the penalty in KRS 523.100 related to falsification of records and the information provided is true and accurate.

Signature: _____

Date: _____

Title: _____

Daytime Phone: _____


Kentucky Retirement Systems

 Perimeter Park West • 1260 Louisville Rd. • Frankfort KY 40601-6124
 Phone: (502) 696-8800 • Fax: (502) 696-8822 • kyret.ky.gov

Form 4160
 Revised 09/2010

Affidavit
Member Information

Member Name:

Member ID:

Required Documentation

In order to purchase service credit, you must have the agency you worked for during the period of time in question provide verification to our office by submitting Form 4225 - Verification of Past Employment or other valid payroll documentation. If you have not yet submitted this information, please contact our office at 1-800-928-4646 for assistance.

If the agency has notified KRS that records are not available or was not able to provide sufficient documentation to verify your employment, you may attempt to verify the period of employment by submitting a Social Security Quarterly Breakdown (SSA 7050 F4) and two affidavits for the period of time in question. The required affidavits must be from two different individuals who are eligible for retirement service credit for the period of time in question, whether they actually contributed, are eligible to purchase it through a delayed purchase or recontribution of a refund, or received it through alternate participation. If affidavits are submitted, a Social Security Quarterly Earnings Statement, W2's, or other valid payroll records must accompany them.

The submission of affidavits and payroll records does not guarantee the eligibility to purchase service credit.

Employment History

I, _____, swear and affirm that I was employed without any breaks in service by _____ for the following periods of time:

| Dates Employed | | | | | | Employment Status Specify one of the following: Regular Full-time, Seasonal Full-time, or Temporary (Probation) Full-time | Received a Salary for Not Less Than Specify one of the following: 80 hours (School Board employees only) or 100 hours (All other employees) |
|----------------|-----|------|-------|-----|------|---|---|
| From | | | To | | | | |
| Month | Day | Year | Month | Day | Year | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |

Member Certification

I state that I have full knowledge of the penalty in KRS 523.100 of the penal law, whereby a person falsifying records or attempting to defraud the Kentucky Retirement Systems shall be punished by a fine or imprisonment or both, and that the information provided in this document is true and accurate.

Signature: _____

Notary

State of: _____ County of: _____

This instrument was acknowledged before me this _____ day of _____ ; _____

Notary Public _____

My Commission Expires: _____

Member Information

Member Name: _____

Member ID: _____

Supervisor/Coworker Affidavit #1

I state that I have full knowledge of the penalty in KRS 523.100 of the penal law, whereby a person falsifying records or attempting to defraud the Kentucky Retirement Systems shall be punished by a fine or imprisonment or both, and that the information provided in this document is true and accurate.

I, _____ do certify that I worked in a full-time position for the aforementioned employer during the same period specified on this form, and that I worked with the individual as a ☐ supervisor ☐ coworker. Further, I certify that in my judgement, this person has made a true statement of the dates and official hours of work required by the position.

Signature: _____

SSN: _____

Notary _____

State of: _____ County of: _____

This instrument was acknowledged before me this _____ day of _____, _____

Notary Public _____

My Commission Expires: _____

Supervisor/Coworker Affidavit #2

I state that I have full knowledge of the penalty in KRS 523.100 of the penal law, whereby a person falsifying records or attempting to defraud the Kentucky Retirement Systems shall be punished by a fine or imprisonment or both, and that the information provided in this document is true and accurate.

I, _____ do certify that I worked in a full-time position for the aforementioned employer during the same period specified on this form, and that I worked with the individual as a ☐ supervisor ☐ coworker. Further, I certify that in my judgement, this person has made a true statement of the dates and official hours of work required by the position.

Signature: _____

SSN: _____

Notary _____

State of: _____ County of: _____

This instrument was acknowledged before me this _____ day of _____, _____

Notary Public _____

My Commission Expires: _____


KENTUCKY PUBLIC PENSIONS AUTHORITY

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


Print Form

Form 4120
 Revised 04/2021

Verification of Employment With a State University
The purchase of university service in full or in 12 month increments shall be subject to the provisions of KRS 61.552, 105 KAR 1:330, and other applicable state and federal laws and regulations.

Summary of statutory requirements to purchase state university service:

1. You did not participate in a defined benefit retirement program at the state university.
2. You are currently participating in one of the systems administered by Kentucky Public Pensions Authority.
3. If you are less than age 65, you must have at least 60 months of service credit in the systems administered by the Kentucky Public Pensions Authority. If you are age 65 or more, you must have at least 48 months of service credit in the systems administered by Kentucky Public Pensions Authority.
4. The position at the state university must have been a non-instructional position and qualified as a "regular full-time position" as defined by law.

Section 1: Member Information

| | | | |
|--|-------|-------------|-----------|
| Member Name: | | Member ID: | |
| Work Phone: | | Home Phone: | |
| Address: | City: | State: | Zip Code: |
| I wish to purchase service credit for employment with a state university. I hereby authorize the state university to release my personnel records to the Kentucky Public Pensions Authority. | | | |
| Signature: _____ | | Date: _____ | |

Section 2: To be completed by an authorized representative of the state university.

| Name of University | Dates Employed | | Job Title | Employment Status: Regular, Seasonal, Temporary, etc. | Employment Classification: Full-time (100 hours/month) Part time, etc. |
|--------------------|----------------|----|-----------|---|--|
| | From | To | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| | |
|-------------------------------------|---------------------|
| Signature of Agency Official: _____ | Phone Number: _____ |
| Title: _____ | Date: _____ |

Section 3: To be completed by an authorized representative of the retirement plan.

| | | | |
|--|--|---|--|
| 1. Did the employee participate in a retirement plan? | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| 2. In which type of plan did the employee participate? | <input type="checkbox"/> Defined Benefit | <input type="checkbox"/> Defined Contribution | |
| 3. Please provide dates of participation: | From: _____ | To: _____ | |

| | |
|-------------------------------------|---------------------|
| Signature of Agency Official: _____ | Phone Number: _____ |
| Title: _____ | Date: _____ |

 When all sections have been completed, please return this form to Kentucky Public Pensions Authority at
 1260 Louisville Road, Frankfort, KY 40601.


KENTUCKY PUBLIC PENSIONS AUTHORITY

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


Print Form

Form 4115
 Revised 04/2021

Federal Verification

The purchase of service credit for previous employment by the Federal Government is provided for and subject to provisions of KRS 61.552, 105 KAR 1:330 and other applicable state and federal laws and regulations.

Summary of statutory requirements to purchase federal service:

1. You are currently participating in one of the systems administered by Kentucky Public Pensions Authority.
2. If you are less than age 65, you must have at least 60 months of service credit in the systems administered by the Kentucky Public Pensions Authority. If you are age 65 or more, you must have at least 48 months of service credit in the systems administered by Kentucky Public Pensions Authority.
3. While employed by the Federal Government, either the employee must not have participated in a retirement plan or has now withdrawn all funds from the retirement plan and is no longer eligible for a benefit based on this service.
4. If you were employed as a seasonal or temporary employee by the Federal Government, the employment must have exceeded the guidelines set by KRS 61.510 or KRS 78.510.

Section 1: Member Information

| | | | |
|--|-------|-------------|-----------|
| Member Name: | | Member ID: | |
| Address: | City: | State: | Zip Code: |
| Work Phone: | | Home Phone: | |
| Personal Email: | | | |
| I wish to purchase service credit for employment with the federal government. I hereby authorize the federal government to release my personnel records to the Kentucky Public Pensions Authority. | | | |
| Signature: _____ | | Date: _____ | |

Section 2. Certification of Dates of Federal Government Employment

Forward the form to the following address for completion of this section:

National Personnel Records Center
Civilian Personnel Records
1411 Boulder Boulevard
Valmeyer, IL 62295

| Name of Federal Agency | Dates Employed | | Job Title | Employment Status: Regular, Seasonal, Temporary, etc. | Employment Classification: Full-time (100+ hours/month) Part time (<100 hours/month) |
|------------------------|------------------------|----------------------|-----------|---|--|
| | From Month/Day/Year | To Month/Day/Year | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| | |
|------------------|--------------|
| Signature: _____ | Title: _____ |
| Phone: _____ | Date: _____ |

Section 3. Certification of Participation

Forward this form to the following address for completion of this section:

US Office of Personnel Management
Retirement Programs
1900 E. Street, NW
Washington, DC 20415-3000
Phone Number: 888-767-6738

1. The member named on the front of this form participated in a retirement plan for the period of employment certified in Section 2.

☐ Yes ☐ No2. Is the plan a: ☐ Defined Benefit Plan ☐ Defined Contribution Plan☐ Other If other, please explain: _____3. Did the Employee receive a refund of retirement contributions? ☐ Yes ☐ No

If "yes", what was the date of withdrawal: _____

4. Is the employee entitled to benefits for this period of employment? ☐ Yes ☐ No

Signature: _____

Title: _____

Phone: _____

Date: _____

When all sections have been completed, please return this form to Kentucky Public Pensions Authority at
1260 Louisville Road, Frankfort, KY 40601.

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



Form 4131
Revised 04/2021

The purchase of urban-county government service in full or in 12 month increments shall be subject to the provisions of KRS 61.552, 105 KAR 1:330, and other applicable state and federal laws and regulations. Kentucky law provides for the purchase of public service credit with an urban-county government subject to the following restrictions:

1. You must be an employee participating in a hazardous position in one of the systems administered by Kentucky Public Pensions Authority.
2. If you are less than age 65, you must have at least 60 months of service credit in the systems administered by Kentucky Public Pensions Authority. If you are age 65 or older, you must have at least 48 months of service credit in the systems administered by Kentucky Public Pensions Authority.
3. The period of employment must be considered full-time and qualify for hazardous duty coverage under KRS 61.592.
4. To determine if the period of employment verified meets the criteria for a hazardous position, you must submit a job description with this form.
5. You must have received a refund of the retirement account or must be ineligible for a benefit from the period of service.

You must submit a job description with this form.

| | | | |
|---|-------|-------------|-----------|
| Member Name: | | Member ID: | |
| Home Phone: | | Work Phone: | |
| Address: | City: | State: | Zip Code: |
| I wish to purchase service credit for public service with an urban-county government. I hereby authorize the release of all pertinent personnel or retirement information to the Kentucky Public Pensions Authority for this purpose. | | | |
| Signature: _____ | | Date: _____ | |

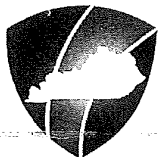
From official records, I certify that the above individual was employed in a regular **full-time** position averaging 100 or more hours of work per month for the periods shown and that the individual participated in a defined benefit retirement plan.

| Name of Employer | Position | From month/day/year | To month/day/year | Months Worked in Period Shown |
|------------------|----------|------------------------|----------------------|----------------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

1. Did the member participate in _____ for the period of employment
certified above? _____ Name of Retirement System
- ☐ Yes ☐ No
2. Is the plan a defined benefit plan? ☐ Yes ☐ No
3. Has the member withdrawn the account? ☐ Yes ☐ No Date of Withdrawal: _____
4. Is the member receiving or entitled to receive a benefit from the retirement
plan based on any of the service certified by the employer in Section 2? ☐ Yes ☐ No

Signature: _____ Title: _____ Date: _____

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KENTUCKY PUBLIC PENSIONS AUTHORITY

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Print Form

Form 4140
 Revised 04/2021

Verification of Out of State Service
The purchase of public service credit in a position outside of Kentucky in full or in 12 month increments shall be subject to the provisions of KRS 61.552, 105 KAR 1:260 and other applicable state and federal laws and regulations.

Summary of statutory requirements to purchase out of state service:

1. You are currently participating in one of the systems administered by Kentucky Public Pensions Authority.
2. If you are less than age 65, you must have at least 60 months of service credit in the systems administered by the Kentucky Public Pensions Authority. If you are age 65 or more, you must have at least 48 months of service credit in the systems administered by Kentucky Public Pensions Authority.
3. The period of employment must be considered full-time, averaging 100 or more hours per month over the period of employment.
4. The period must have been credited under a defined benefit retirement plan administered by the state or local government, other than a plan for teachers.
5. If hazardous service credit is desired, the position must meet the definition of hazardous in KRS 61.592 before it can be credited to the member's account.
6. The individual must have received a refund of the retirement account or must be ineligible for a benefit from the period of service.

Section 1: Member Information

| | | | |
|---|-------|-------------|-----------|
| Member Name: | | Member ID: | |
| Address: | City: | State: | Zip Code: |
| Work Phone: | | Home Phone: | |
| I wish to purchase service credit for public service outside the state of Kentucky. I hereby authorize the release of all pertinent personnel or retirement information to the Kentucky Public Pensions Authority for this purpose. | | | |
| I am seeking <input type="checkbox"/> Regular Service <input type="checkbox"/> Hazardous Service If the hazardous service block is checked, a copy of the job or position description must be included with the employer's certification. | | | |
| Signature: _____ | | Date: _____ | |

Section 2: Employer's Certification of Public Service Claim
To be completed by the former employer. Complete this section then forward to the Retirement System indicated below. Please attach a job description if the employee checked the hazardous service box above.

 From official records, I certify that the above individual was employed in a regular **full-time** position averaging 100 or more hours of work per month for the periods shown and that the individual was required to participate in a state administered defined benefit retirement plan, other than a plan for teachers, by reason of his employment.

| Name of Employer | Position | From Month/Day/Year | To Month/Day/Year | Months Worked to Period Shown |
|------------------|----------|------------------------|----------------------|----------------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| | |
|----------------------------------|--|
| Name of Retirement System: _____ | |
| Comments: _____ | |
| Title: _____ | Phone: _____ |
| Address: _____ | City: _____ State: _____ Zip Code: _____ |
| Signature: _____ | Date: _____ |

Section 3: Retirement System's Certification of Participation**To be completed by the former retirement system after Section 2 has been completed by the employer.**

1. The member named on this form participated in _____
 Name of Retirement System

For the period of employment certified above? ☐ Yes ☐ No

2. Is the plan a defined benefit plan? ☐ Yes ☐ No

3. Is the plan administered by the: ☐ State ☐ Local Government

4. Has the member withdrawn the account? ☐ Yes ☐ No Date of Withdrawal: _____

5. Is the member receiving or entitled to receive a benefit from the retirement system based on any of the service certified by the employer in Section 2. ☐ Yes ☐ No

Name of Retirement System: _____

Comments: _____

Title: _____ Phone: _____

Address: _____ City: _____ State: _____ Zip Code: _____

Signature: _____ Date: _____

Acknowledgement

State of: _____

County of: _____

Section 3 was acknowledged before me, a Notary Public, this _____ day of _____ 20____.

(Notary Seal) Notary Public _____

My Commission Expires: _____

When all sections have been completed, please return this form to Kentucky Public Pensions Authority at
 1260 Louisville Road, Frankfort, KY 40601



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: Rebecca H Adkins, Executive Director, Office of Operations
Connie Davis, CIA, CGAP, CRMA, Director of Accounting
Date: September 8, 2021
Subject: Allocation of Administrative Expenses

In accordance with KRS 61.505 11(a), the Kentucky Public Pensions Authority (KPPA) Board has the responsibility of determining how to prorate, assign or allocate to each of the systems administered by the Kentucky Retirement Systems or the County Employees Retirement System all expenses incurred by or on behalf of the KPPA.

KPPA administrative expenses are reported quarterly to CERS, KRS and KPPA. The report includes any plan-specific legal expenses that are allocated exclusively to one or more of the plans via end-of-quarter adjustments. The issue for the Board's consideration is which methodology to utilize to allocate the bulk of administrative expenses.

Current Allocation Calculation

Under the previous governance structure, the former Kentucky Retirement Systems Board of Trustees allocated administrative expenses based on the number of members (retired, active and inactive) in each of the pension plans administered by that Board. This was the basis of the calculation for many years. For example, membership counts as of June 30, 2020, determined the cost allocation for fiscal year 2021 as follows:

| | Active | Inactive | Retired | Total | Percent | FY2021 Budget | |
|--------------|--------|----------|---------|----------------|---------------|---------------|-------------------|
| CERS | 83,458 | 90,673 | 60,877 | 235,008 | 59.5047% | CERS | 29,090,794 |
| CERSH | 9,350 | 2,924 | 8,431 | 20,705 | 5.2426% | CERSH | 2,562,997 |
| CERS | | | | | 64.75% | CERS | 31,653,791 |
| KERS | 31,190 | 48,583 | 43,592 | 123,365 | 31.2364% | KERS | 15,270,909 |
| KERSH | 4,112 | 5,838 | 3,242 | 13,192 | 3.3403% | KERSH | 1,632,990 |
| KERS | | | | | 34.58% | KERS | 16,903,899 |
| SPRS | 798 | 349 | 1,523 | 2,670 | 0.6761% | SPRS | 330,510 |
| KRS | | | | | 35.25% | KRS | 17,234,409 |
| TOTAL | | | | 394,940 | 100% | TOTAL | 48,888,200 |

Direct expenses were allocated to the specific plan in which the cost occurred and were not reflected in the administrative budget but were tracked within the trust expenditures. Examples of direct expenses are benefit payments, insurance premium costs, and legal case expenses specific to investments. Investment fees are not tracked in administrative expenses and are allocated based on asset allocation. If it is an investment administrative expense, like a research/news resource, the allocation is based on the overall asset allocation of the entire portfolio. Manager fees are based on the specific manager's account asset allocation.

The reasoning behind this methodology is that the number of members who require services would be a significant factor in determining the number of counselors required, brochures ordered, benefits calculated, postage, server storage for data and images, etc. As membership increases, the costs of providing services to the membership also increases. This is especially true for staffing which is a significant portion of the administrative budget. In fiscal year 2021, salaries and benefits accounted for 81% of the actual administrative expenditures.

Potential Allocation Methodologies

While exploring possible allocation methodologies, staff strived to be both equitable and simple – equitable to all plans and yet simple enough to maintain transparency, auditability and limit manual entries.

Option 1 – Membership

As has been done historically, this allocation methodology uses the premise that more membership necessitates more KPPA staff, and staff is a critical component of administrative expenses. Conversely, not all administrative expenses increase or decrease with membership changes. For example, the actuary has stated that preparing the valuation costs about the same for KERS as it does for CERS. The systems are so large that the difference in membership is not a factor in costs.

Percentage allocation if based on FYE 2021 membership counts:

| | CERS | CHAZ | KERS | KHAZ | SPRS | Total |
|--------------|--------|--------|--------|-------|-------|---------|
| Membership % | 59.75% | 5.29% | 30.88% | 3.41% | 0.67% | 100.00% |
| | | | | | | |
| | | CERS | KRS | | | |
| | | 65.04% | 34.96% | | | |

Option 2 – Net Position

Staff explored basing the allocation on percentage of asset values as of June 30 of the previous fiscal year. Net position, fair value of assets and market value of assets were considered and had similar results. Importantly, none of these have direct correlation with administrative expenses.

Net Position, includes assets and current liabilities, which eliminates some of the fluctuation on market performance. Fair Value of total assets does not include liabilities and is heavily reliant on market performance; however, market performance is not linked to administrative expenses. Important to note is that investment expenses are not tracked within administrative expenses. Neither are assets and liabilities connected to non-investment staffing and compensation levels which can be a driver of administrative costs.

Percentage allocation if based on FYE 2021 Net Position:

| | CERS | CHAZ | KERS | KHAZ | SPRS | Total |
|-----------|-------------------|------------------|------------------|------------------|----------------|-------------------|
| Pension | \$ 8,670,665,179 | \$ 2,934,421,062 | \$ 3,085,019,905 | \$ 874,928,474 | \$ 357,644,825 | \$ 15,922,679,445 |
| Insurance | \$ 3,141,785,964 | \$ 1,607,811,068 | \$ 1,357,268,139 | \$ 624,889,486 | \$ 246,003,952 | \$ 6,977,758,609 |
| Total | \$ 11,812,451,143 | \$ 4,542,232,130 | \$ 4,442,288,044 | \$ 1,499,817,960 | \$ 603,648,777 | \$ 22,900,438,054 |
| | 51.58% | 19.83% | 19.40% | 6.55% | 2.64% | 100.00% |
| | | | | | | |
| | | CERS | KRS | | | |
| | | 71.42% | 28.58% | | | |

Option 3 – Even Split between CERS and KRS

Another option explored is a 50/50 split between CERS and KRS plans. The KPPA Board would also need to determine the split for non-hazardous and hazardous, and SPRS after the initial 50/50 split.

The primary reasoning on this option is that not all services are membership dependent. The example provided earlier is the actuary. Additionally, while staffing constitutes a major portion of the administrative budget, not all staffing positions increase when membership increases. Executive leadership, for example, is based on defined roles and not on membership. Information Technology security and development is not exclusively driven by the number of members but also by the complexity of the plan rules.

Percentage allocation if based on 50/50 split between CERS and KRS with further split on plans based on membership:

| CERS | CHAZ | Total CERS | KERS | KHAZ | SPRS | Total KRS |
|---------|--------|------------|---------|--------|-------|-----------|
| 235,008 | 20,705 | 255,713 | 123,365 | 13,192 | 2,670 | 139,227 |
| 91.90% | 8.10% | 100.00% | 88.61% | 9.48% | 1.92% | 100.00% |
| | CERS | | KRS | | | |
| | 50% | | 50% | | | |
| CERS | CHAZ | | KERS | KHAZ | SPRS | |
| 45.95% | 4.05% | | 44.30% | 4.74% | 0.96% | |

Option 4 – Hybrid of Membership and 50/50 Split

A final option considered by staff is a hybrid of membership count and splitting evenly. The premise for this is that while there is merit to allocation based on membership counts, there are areas where a 50/50 split makes more sense. It also recognizes that a percentage split keeps the calculation simple and preserves transparency.

The allocation below considers a membership split on 80% of the budget and 50/50 split of the remaining 20%.

| CERS | CHAZ | Total CERS | KERS | KHAZ | SPRS | Total KRS | Total Membership |
|---------------|---------------|------------|---------------|--------------|--------------|-----------|------------------|
| 235,008 | 20,705 | 255,713 | 123,365 | 13,192 | 2,670 | 139,227 | 394,940 |
| 59.50% | 5.24% | | 31.24% | 3.34% | 0.68% | | Membership Split |
| 47.60% | 4.19% | | 24.99% | 2.67% | 0.54% | | 80% |
| 45.95% | 4.05% | | 44.30% | 4.74% | 0.96% | | 50/50 Split |
| 9.19% | 0.81% | | 8.86% | 0.95% | 0.19% | | 20% |
| 56.79% | 5.00% | | 33.85% | 3.62% | 0.73% | | |
| | CERS | | KRS | | | | |
| | 61.80% | | 38.20% | | | | |

Dollar Comparison of Options

FY 2022 Budget is \$48,888,200

| | Opt 1 - Membership | | | Opt 2 - Assets | | | Opt 3 - Even Split | | | Opt 4 - Hybrid | |
|-------------|--------------------|-------------------------|--|----------------|-------------------------|--|--------------------|-------------------------|--|----------------|-------------------------|
| CERS | 59.75% | \$ 29,210,699.50 | | 51.58% | \$ 25,216,533.56 | | 45.95% | \$ 22,464,127.90 | | 56.79% | \$ 27,763,608.78 |
| CERSH | 5.29% | \$ 2,586,185.78 | | 19.83% | \$ 9,694,530.06 | | 4.05% | \$ 1,979,972.10 | | 5.00% | \$ 2,444,410.00 |
| CERS | 65.04% | \$ 31,796,885.28 | | 71.42% | \$ 34,911,063.62 | | 50.00% | \$ 24,444,100.00 | | 61.79% | \$ 30,208,018.78 |
| KERS | 30.88% | \$ 15,096,676.16 | | 19.40% | \$ 9,484,310.80 | | 44.30% | \$ 21,657,472.60 | | 33.85% | \$ 16,548,655.70 |
| KERSH | 3.41% | \$ 1,667,087.62 | | 6.55% | \$ 3,202,177.10 | | 4.74% | \$ 2,317,300.68 | | 3.62% | \$ 1,769,752.84 |
| KERS | 34.29% | \$ 16,763,763.78 | | 25.95% | \$ 12,686,487.90 | | 49.04% | \$ 23,974,773.28 | | 37.47% | \$ 18,318,408.54 |
| SPRS | 0.67% | \$ 327,550.94 | | 2.64% | \$ 1,290,648.48 | | 0.96% | \$ 469,326.72 | | 0.73% | \$ 356,883.86 |
| KRS | 34.96% | \$ 17,091,314.72 | | 28.59% | \$ 13,977,136.38 | | 50.00% | \$ 24,444,100.00 | | 38.20% | \$ 18,675,292.40 |
| TOTAL | 100% | \$ 48,888,200.00 | | 100% | \$ 48,888,200.00 | | 100% | \$ 48,888,200.00 | | 100% | \$ 48,883,311.18 |

Recommendation: Staff recommends Option 1, 3, or 4, so that the selected methodology provides for a fixed percentage for each plan for the fiscal year. Due to the current configuration of the accounting system, changing the allocation methodology based on the type of expenditure introduces complexity and manual processes and thus an increased potential for error. Option 1 has been used to date in the first quarter of FY2022.

Action Requested: Select the allocation methodology for FY2022 administrative expenditures. If the decision is not to base the allocation on membership, define the effective date of the change.

KRS 61.505 11(a)

- (11) (a) All expenses incurred by or on behalf of the Kentucky Public Pensions Authority shall be paid by the systems administered by the Kentucky Retirement Systems or the County Employees Retirement System and shall be prorated, assigned, or allocated to each system as determined by Kentucky Public Pensions Authority. Any additional initial costs determined by the authority to be attributable solely to establishing a separate County Employees Retirement System board and the Kentucky Public Pensions Authority as provided by this section and KRS 78.782 shall be paid by the County Employees Retirement System. Any additional ongoing annual administrative and investment expenses that occur after the establishment of a separate County Employees Retirement System board and the Kentucky Public Pensions Authority that are determined by the authority to be a direct result of establishing a separate County Employees Retirement System board and the Kentucky Public Pensions Authority shall be paid by the County Employees Retirement System.
- (b) Any other statute to the contrary notwithstanding, authorization for all expenditures relating to the administrative operations of the Kentucky Public Pensions Authority, the Kentucky Retirement Systems, and the County Employees Retirement System shall be contained in the biennial budget unit request, branch budget recommendation, and the financial plan adopted by the General Assembly pursuant to KRS Chapter 48. The request from the Kentucky Public Pensions Authority shall include any specific administrative expenses requested by the Kentucky Retirement Systems board of trustees or the County Employees Retirement System board of trustees pursuant to KRS 61.645(13) or 78.782(13), as applicable, that are not otherwise expenses specified by paragraph (a) of this subsection.



KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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To: Kentucky Public Pensions Authority Board
From: Rebecca H Adkins, Executive Director Office of Operations
Connie Davis, CIA, CGAP, CRMA, Director of Accounting
Date: September 8, 2021
Subject: Board Separation Administrative Expenses

In accordance with KRS 61.505 11(a), the Kentucky Public Pensions Authority (KPPA) Board has the responsibility to allocate solely to CERS all initial and all ongoing costs of establishing and administering a separate County Employees Retirement System board and the Kentucky Public Pensions Authority.

The following expenditures are for your consideration as initial costs of separation:

- 1) KPPA staff hours worked due to the CERS separation before April 1, 2021
- 2) Outside legal expenses for HB 484 requirement to establish a CERS fund
- 3) Rebranding including logo design, road signage, printed materials, etc

The following expenditures are for your consideration as ongoing costs of separation:

- 1) Payroll cost of CERS CEO and expenses (e.g. travel and conferences)
- 2) Payroll cost for KRS CEO and expenses (e.g. travel and conferences)
- 3) Payroll/contract costs for CERS General Counsel and expenses
- 4) Payroll/contract costs for KRS General Counsel and expenses
- 5) Equipment (laptops, phones, desks, chairs, etc.) purchased for the CEOs for CERS and KRS
- 6) KPPA staff hours worked or a proration of the annual cost for KPPA employees providing ongoing assistance to the CEOs and Legal Councils of CERS and KRS and their Boards. This assistance includes but is not limited to preparing for, attending and following up on all CERS Board and Committee meetings and for KPPA Board and Committee meetings and Joint Committees if they would not have been necessary without separate boards.

Requested Action: Select which of the above items to allocate as CERS-only expenses and define how to split the expenses between CERS Non-Hazardous and CERS Hazardous plans.

KRS 61.505 11(a)

- (11) (a) All expenses incurred by or on behalf of the Kentucky Public Pensions Authority shall be paid by the systems administered by the Kentucky Retirement Systems or the County Employees Retirement System and shall be prorated, assigned, or allocated to each system as determined by Kentucky Public Pensions Authority. **Any additional initial costs determined by the authority to be attributable solely to establishing a separate County Employees Retirement System board and the Kentucky Public Pensions Authority as provided by this section and KRS 78.782 shall be paid by the County Employees Retirement System. Any additional ongoing annual administrative and investment expenses that occur after the establishment of a separate County Employees Retirement System board and the Kentucky Public Pensions Authority that are determined by the authority to be a direct result of establishing a separate County Employees Retirement System board and the Kentucky Public Pensions Authority shall be paid by the County Employees Retirement System.**
- (b) Any other statute to the contrary notwithstanding, authorization for all expenditures relating to the administrative operations of the Kentucky Public Pensions Authority, the Kentucky Retirement Systems, and the County Employees Retirement System shall be contained in the biennial budget unit request, branch budget recommendation, and the financial plan adopted by the General Assembly pursuant to KRS Chapter 48. The request from the Kentucky Public Pensions Authority shall include any specific administrative expenses requested by the Kentucky Retirement Systems board of trustees or the County Employees Retirement System board of trustees pursuant to KRS 61.645(13) or 78.782(13), as applicable, that are not otherwise expenses specified by paragraph (a) of this subsection.



Combining Statement of Fiduciary Net Position - Pension Funds

As of June 30, 2021 with Comparative Totals as of June 30, 2020 (\$ in Thousands) (Unaudited)

| | CERS | | KERS | | SPRS | KPPA TOTAL | | Percentage of Change | Note |
|--|---------------|-------------|---------------|-----------|-----------|--------------|--------------|----------------------|------|
| ASSETS | Non-Hazardous | Hazardous | Non-Hazardous | Hazardous | | 2021 | 2020 | | |
| CASH AND SHORT-TERM INVESTMENTS | | | | | | | | | |
| Cash Deposits | \$274 | \$70 | \$263 | \$50 | \$55 | \$712 | \$609 | 16.91% | 1 |
| Short-term Investments | 354,401 | 131,684 | 362,327 | 54,153 | 33,180 | 935,745 | 935,267 | 0.05% | |
| Total Cash and Short-term Investments | 354,675 | 131,754 | 362,590 | 54,203 | 33,235 | 936,457 | 935,876 | | |
| RECEIVABLES | | | | | | | | | |
| Accounts Receivable | 70,560 | 17,763 | 46,945 | 3,748 | 8,282 | 147,299 | 147,337 | -0.03% | |
| Accounts Receivable - Investments | 111,066 | 38,148 | 42,744 | 11,325 | 4,843 | 208,125 | 148,651 | 40.01% | 2 |
| Total Receivables | 181,626 | 55,911 | 89,688 | 15,073 | 13,125 | 355,423 | 295,988 | | |
| INVESTMENTS, AT FAIR VALUE | | | | | | | | | |
| Core Fixed Income | 1,065,844 | 365,971 | 672,360 | 111,678 | 77,276 | 2,293,130 | 2,387,689 | -3.96% | |
| Public Equities | 4,019,814 | 1,354,270 | 984,671 | 396,548 | 122,675 | 6,877,977 | 4,780,089 | 43.89% | 3 |
| Private Equities | 710,086 | 238,414 | 202,161 | 65,348 | 19,384 | 1,235,393 | 1,051,883 | 17.45% | 4 |
| Specialty Credit | 1,421,018 | 485,653 | 505,214 | 147,034 | 58,694 | 2,617,612 | 1,998,223 | 31.00% | 5 |
| Derivatives | (123) | (33) | 84 | (4) | (9) | (84) | 7,466 | -101.13% | 6 |
| Absolute Return | - | - | - | - | - | - | 175,389 | -100.00% | 7 |
| Real Return | 553,862 | 186,784 | 182,999 | 52,955 | 21,541 | 998,142 | 689,769 | 44.71% | 8 |
| Opportunistic | 230,926 | 76,341 | 67,526 | 20,935 | 8,341 | 404,069 | 314,576 | 28.45% | 9 |
| Real Estate | 344,816 | 110,311 | 109,064 | 32,413 | 13,611 | 610,214 | 573,313 | 6.44% | |
| Total Investments, at Fair Value | 8,346,242 | 2,817,710 | 2,724,078 | 826,907 | 321,513 | 15,036,451 | 11,978,397 | | |
| Securities Lending Collateral Invested | 231,593 | 78,524 | 81,365 | 23,408 | 9,345 | 424,235 | 236,155 | 79.64% | 10 |
| CAPITAL/INTANGIBLE ASSETS | | | | | | | | | |
| Capital Assets | 1,701 | 153 | 929 | 91 | 11 | 2,885 | 2,885 | 0.00% | |
| Intangible Assets | 9,961 | 827 | 5,920 | 494 | 100 | 17,301 | 17,301 | 0.00% | |
| Accumulated Depreciation | (1,708) | (154) | (932) | (92) | (12) | (2,896) | (2,826) | 2.48% | |
| Accumulated Amortization | (9,607) | (819) | (5,603) | (482) | (114) | (16,624) | (15,741) | 5.61% | |
| Total Capital Assets | 347 | 8 | 314 | 12 | (15) | 666 | 1,619 | | |
| Total Assets | 9,114,483 | 3,083,907 | 3,258,036 | 919,603 | 377,204 | 16,753,232 | 13,448,035 | | |
| LIABILITIES | | | | | | | | | |
| Accounts Payable | 8,677 | 1,119 | 3,720 | 385 | 82 | 13,983 | 12,601 | 10.97% | 11 |
| Investment Accounts Payable | 203,549 | 69,842 | 87,932 | 20,881 | 10,131 | 392,335 | 338,061 | 16.05% | 12 |
| Securities Lending Collateral | 231,593 | 78,524 | 81,365 | 23,408 | 9,345 | 424,235 | 236,155 | 79.64% | 13 |
| Total Liabilities | 443,818 | 149,486 | 173,016 | 44,674 | 19,559 | 830,553 | 586,817 | | |
| Total Fiduciary Net Position Restricted for Pension Benefits | | | | | | | | | |
| | \$8,670,665 | \$2,934,421 | \$3,085,020 | \$874,928 | \$357,645 | \$15,922,679 | \$12,861,218 | | |

NOTE - Variance Explanation

- 1) Variance is a result of continuous fluctuation of deposits and transactions that flow through the cash account.
- 2) The increase in Accounts Receivables is due to pending trades.
- 3) The increase in Public Equities is due to additional funding and positive market conditions resulting in increased market values.
- 4) The increase in Private Equity is a result of positive market conditions resulting in increased market values.
- 5) The increase in Specialty Credit is due to additional funding and positive market conditions increasing market values.
- 6) Variance is a result of hedging and arbitration of risk within the portfolios.
- 7) The decline in Absolute Return is a result of the merging of the Absolute Return asset class with the Real Return asset class.

NOTE - Variance Explanation continued on next page.

8) The increase in Real Return is a result of the merging of the Absolute Return asset class with the Real Return asset class and positive market conditions resulting in increased market values.

9) The increase in Opportunistic is due to additional funding and positive market conditions increasing market values.

10) Variance is a result of the demands of the Securities Lending Program.

11) The decrease in Accounts Payable is due to a decrease in outstanding employer reporting credit invoices.

12) The increase in Accounts Payable is due to pending trades.

13) Variance is a result of the demands of the Securities Lending Program.

Differences due to rounding.



Combining Statement of Changes In Fiduciary Net Position - Pension Funds

For the fiscal year ending June 30, 2021, with Comparative Totals as of June 30, 2020 (\$ in Thousands)
(Unaudited)

| | CERS | CERS | KERS | KERS | SPRS | KPPA Total | | Percentage | Note |
|---|--------------------|--------------------|--------------------|------------------|------------------|---------------------|---------------------|------------|------|
| | Non-Hazardous | Hazardous | Non-Hazardous | Hazardous | | 2021 | 2020 | of Change | |
| ADDITIONS | | | | | | | | | |
| Member Contributions | \$165,698 | \$62,367 | \$90,202 | \$19,961 | \$4,752 | \$342,979 | \$353,360 | -2.94% | |
| Employer Contributions | 472,196 | 172,089 | 958,580 | 62,181 | 59,263 | 1,724,309 | 1,709,543 | 0.86% | |
| General Fund Appropriations | - | - | - | - | 384 | 384 | 1,086 | -64.65% | 1 |
| Pension Spiking Contributions | 32 | 116 | 52 | 18 | 4 | 222 | 370 | -39.83% | 2 |
| Health Insurance Contributions (HB1) | (1) | 2 | (8) | 3 | - | (4) | 12 | -131.12% | 3 |
| Employer Cessation Contributions | - | - | 175,600 | - | - | 175,600 | 20 | N/A | 4 |
| Total Contributions | 637,925 | 234,574 | 1,224,426 | 82,164 | 64,402 | 2,243,491 | 2,064,391 | | |
| INVESTMENT INCOME | | | | | | | | | |
| From Investing Activities | | | | | | | | | |
| Net Appreciation (Depreciation) in FV of Investments | 1,648,520 | 554,881 | 477,808 | 160,979 | 56,080 | 2,898,269 | (98,080) | 3055.01% | 5 |
| Interest/Dividends | 218,068 | 73,399 | 69,458 | 21,481 | 8,212 | 390,618 | 288,523 | 35.39% | 6 |
| Total Investing Activities Income | 1,866,588 | 628,280 | 547,267 | 182,460 | 64,293 | 3,288,887 | 190,444 | | |
| Less: Investment Expense | 36,271 | 12,081 | 9,462 | 3,450 | 1,245 | 62,508 | 50,740 | 23.19% | 7 |
| Less: Performance Fees | 46,853 | 15,731 | 9,618 | 4,166 | 1,113 | 77,482 | 2,367 | 3173.54% | 8 |
| Net Income from Investing Activities | 1,783,464 | 600,467 | 528,187 | 174,843 | 61,936 | 3,148,897 | 137,337 | | |
| From Securities Lending Activities | | | | | | | | | |
| Securities Lending Income | 512 | 176 | 174 | 53 | 21 | 935 | 5,576 | | |
| Less: Securities Lending Borrower Rebates (Income)/Expense | (391) | (134) | (122) | (40) | (15) | (702) | 3,052 | | |
| Less: Securities Lending Agent Fees | 135 | 46 | 44 | 14 | 5 | 245 | 327 | | |
| Net Income from Securities Lending | 767 | 263 | 252 | 79 | 31 | 1,392 | 2,197 | -36.64% | 9 |
| Net Investment Income | 1,784,231 | 600,730 | 528,439 | 174,922 | 61,966 | 3,150,289 | 139,534 | | |
| Total Additions | 2,422,156 | 835,304 | 1,752,865 | 257,086 | 126,368 | 5,393,780 | 2,203,924 | | |
| DEDUCTIONS | | | | | | | | | |
| Benefit Payments | 826,749 | 289,999 | 1,009,502 | 73,888 | 63,249 | 2,263,388 | 2,205,859 | 2.61% | |
| Refunds | 13,862 | 4,662 | 8,953 | 4,380 | 273 | 32,130 | 33,511 | -4.12% | |
| Administrative Expenses | 21,769 | 1,910 | 11,621 | 1,255 | 245 | 36,800 | 37,669 | -2.31% | |
| Total Deductions | 862,380 | 296,572 | 1,030,075 | 79,523 | 63,767 | 2,332,318 | 2,277,039 | | |
| Net Increase (Decrease) in Fiduciary Net Position Restricted for Pension Benefits | 1,559,776 | 538,733 | 722,789 | 177,563 | 62,601 | 3,061,462 | (73,115) | | |
| Total Fiduciary Net Position Restricted for Pension Benefits | | | | | | | | | |
| Beginning of Period | 7,110,889 | 2,395,688 | 2,362,231 | 697,366 | 295,044 | 12,861,218 | 12,934,332 | | |
| End of Period | \$8,670,665 | \$2,934,421 | \$3,085,020 | \$874,928 | \$357,645 | \$15,922,679 | \$12,861,218 | | |

NOTE - Variance Explanation

Differences due to rounding.

- 1) General Fund Appropriations have significantly decreased in FY 2021.
- 2) Pension Spiking contributions decreased due to a change in statute. Pension spiking is now the member's responsibility.
- 3) Health Insurance Contributions will continue to decrease in the Pension Funds, as they are now qualified in the Insurance Fund.
- 4) Employer Cessation will vary by year.
- 5) The increase in Net Appreciation in Fair Value of Investments is a result of favorable market conditions, particularly in the public equity portfolio.
- 6) The increase in Interest/Dividends is due to increased income from Private Equity, Real Estate, and Specialty Credit asset classes.
- 7) The increase in Investment Expense is due to higher market values.
- 8) The increase in Performance fees is due to favorable market conditions resulting in higher performance fees.
- 9) Variance is a result of the demand of the Securities Lending Program.



Combining Statement of Fiduciary Net Position - Insurance Fund

As of June 30, 2021, with Comparative Totals as of June 30, 2020 (\$ In Thousands) (Unaudited)

| | CERS | CERS | KERS | KERS | SPRS | KPPA Total | | Percentage of Change | Note |
|--|---------------|-------------|---------------|-----------|-----------|-------------|-------------|----------------------|------|
| ASSETS | Non-Hazardous | Hazardous | Non-Hazardous | Hazardous | | 2021 | 2020 | | |
| CASH AND SHORT-TERM INVESTMENTS | | | | | | | | | |
| Cash Deposits | \$117 | \$51 | \$141 | \$59 | \$48 | \$416 | \$206 | 102.01% | 1 |
| Short-term Investments | 190,744 | 76,433 | 127,774 | 23,095 | 11,453 | 429,500 | 320,444 | 34.03% | 2 |
| Total Cash and Short-term Investments | 190,861 | 76,483 | 127,915 | 23,154 | 11,502 | 429,916 | 320,650 | | |
| RECEIVABLES | | | | | | | | | |
| Accounts Receivable | 15,690 | 4,690 | 18,953 | 371 | 798 | 40,502 | 39,786 | 1.80% | |
| Investment Accounts Receivable | 38,391 | 19,528 | 17,102 | 7,773 | 2,983 | 85,777 | 47,315 | 81.29% | 3 |
| Total Receivables | 54,082 | 24,218 | 36,055 | 8,143 | 3,780 | 126,279 | 87,101 | | |
| INVESTMENTS, AT FAIR VALUE | | | | | | | | | |
| Core Fixed Income | 379,725 | 199,916 | 172,044 | 75,368 | 29,576 | 856,629 | 983,506 | -12.90% | 4 |
| Public Equities | 1,375,705 | 707,548 | 616,647 | 277,709 | 108,021 | 3,085,629 | 2,123,695 | 45.30% | 5 |
| Specialty Credit | 529,508 | 262,287 | 218,770 | 112,704 | 40,690 | 1,163,959 | 873,084 | 33.32% | 6 |
| Private Equities | 279,970 | 157,517 | 68,950 | 54,085 | 24,456 | 584,979 | 497,235 | 17.65% | 7 |
| Derivatives | 21 | 3 | 27 | (0) | 1 | 53 | 2,152 | -97.56% | 8 |
| Absolute Return | - | - | - | - | - | - | 71,915 | -100.00% | 9 |
| Real Return | 189,953 | 99,768 | 77,866 | 39,778 | 15,305 | 422,669 | 295,769 | 42.91% | 10 |
| Opportunistic | 93,243 | 50,798 | 33,337 | 20,724 | 7,653 | 205,754 | 160,184 | 28.45% | 11 |
| Real Estate | 118,422 | 64,920 | 37,138 | 27,302 | 10,434 | 258,215 | 240,536 | 7.35% | |
| Total Investments, at Fair Value | 2,966,546 | 1,542,756 | 1,224,778 | 607,671 | 236,136 | 6,577,887 | 5,248,075 | | |
| Securities Lending Collateral Invested | 79,559 | 40,872 | 33,994 | 15,934 | 6,244 | 176,602 | 118,858 | 48.58% | 12 |
| Total Assets | 3,291,048 | 1,684,330 | 1,422,743 | 654,902 | 257,662 | 7,310,684 | 5,774,684 | | |
| LIABILITIES | | | | | | | | | |
| Accounts Payable | 292 | 80 | 80 | 8 | 2 | 461 | 378 | 22.11% | 13 |
| Investment Accounts Payable | 69,412 | 35,567 | 31,400 | 14,071 | 5,412 | 155,862 | 130,782 | 19.18% | 14 |
| Securities Lending Collateral | 79,559 | 40,872 | 33,994 | 15,934 | 6,244 | 176,602 | 118,858 | 48.58% | 15 |
| Total Liabilities | 149,262 | 76,518 | 65,474 | 30,013 | 11,658 | 332,925 | 250,018 | | |
| Total Fiduciary Net Position Restricted for OPEB | \$3,141,786 | \$1,607,811 | \$1,357,268 | \$624,889 | \$246,004 | \$6,977,759 | \$5,524,666 | | |

NOTE - Variance Explanation

- 1) Variance is a result of continuous fluctuation of deposits and transactions that flow through the cash account.
 - 2) Short Term Investments is primarily comprised of the cash on hand with the custodial bank along with any small amounts of cash managers and brokers may have; therefore, the variance is driven by cash flow.
 - 3) The increase in Investment Accounts Receivables is due to pending trades.
 - 4) The decrease in Core Fixed Income is a result of movement of funds from core fixed income to public equity.
 - 5) The increase in Public Equities is due to additional funding and positive market conditions resulting in increased market values.
 - 6) The increase in Specialty Credit is due to additional funding and positive market conditions increasing market values.
 - 7) The increase in Private Equity is due to positive market conditions resulting in increased market values
 - 8) Variance is a result of hedging and arbitration of risk within the portfolios.
 - 9) The decline in Absolute Return is a result of the merging of the Absolute Return asset class with the Real Return asset class.
 - 10) The increase in Real Return is a result of the merging of the Absolute Return asset class with the Real Return asset class and positive market conditions resulting in increased market values.
 - 11) The increase in Opportunistic is due to additional funding and positive market conditions increasing market values.
 - 12) Variance is a result of the demands of the Securities Lending Program.
 - 13) The increase in Accounts Payable is due to an increase in outstanding employer reporting (insurance) invoices.
 - 14) The increase In Investment Accounts Payable is due to pending trades.
 - 15) Variance is a result of the demands of the Securities Lending Program.
- Differences due to rounding.


Combining Statement of Changes In Fiduciary Net Position - Insurance Fund

 For the fiscal year ending June 30, 2021, with Comparative Totals as of June 30, 2020 (\$ In Thousands)
 (Unaudited)

| | CERS Non-Hazardous | CERS Hazardous | KERS Non-Hazardous | KERS Hazardous | SPRS | KPPA Total | | Percentage of Change | Note |
|---|-----------------------|--------------------|-----------------------|-------------------|------------------|--------------------|--------------------|-------------------------|------|
| | | | | | | 2021 | 2020 | | |
| ADDITIONS | | | | | | | | | |
| Employer Contributions | \$124,697 | \$58,451 | \$153,570 | \$23 | \$9,285 | \$346,027 | \$369,574 | -6.37% | |
| Medicare Drug Reimbursement | 3 | - | - | 0 | - | 3 | 7 | -58.44% | 1 |
| Insurance Premiums | 555 | (149) | 182 | (11) | (14) | 563 | 730 | -22.89% | 2 |
| Humana Gain Share Payment | 20,676 | 2,990 | 17,167 | 1,253 | 811 | 42,896 | - | | |
| Retired Re-employed Healthcare | 5,206 | 1,348 | 4,705 | 1,277 | - | 12,535 | 11,481 | 9.18% | |
| Health Insurance Contributions (HB1) | 13,614 | 3,096 | 10,471 | 1,164 | 209 | 28,554 | 23,142 | 23.39% | 3 |
| Employer Cessation Contributions | - | - | 28,400 | - | - | 28,400 | 25 | | |
| Total Contributions | 164,751 | 65,736 | 214,496 | 3,705 | 10,290 | 458,978 | 404,960 | | |
| INVESTMENT INCOME | | | | | | | | | |
| From Investing Activities | | | | | | | | | |
| Net Appreciation (Depreciation) in FV of Investments | 578,584 | 302,533 | 240,117 | 118,102 | 46,991 | 1,286,326 | (81,918) | -1670.26% | 4 |
| Interest/Dividends | 73,374 | 38,177 | 29,240 | 15,152 | 5,825 | 161,770 | 125,567 | 28.83% | 5 |
| Total Investing Activities Income | 651,958 | 340,710 | 269,357 | 133,254 | 52,816 | 1,448,096 | 43,649 | | |
| Less: Investment Expense | 13,895 | 7,395 | 4,836 | 2,815 | 1,135 | 30,077 | 19,790 | 51.98% | 6 |
| Less: Performance Fees | 18,739 | 10,634 | 6,044 | 4,018 | 1,651 | 41,085 | 1,484 | 2668.96% | 7 |
| Net Income from Investing Activities | 619,324 | 322,681 | 258,477 | 126,421 | 50,031 | 1,376,934 | 22,374 | | |
| From Securities Lending Activities | | | | | | | | | |
| Securities Lending Income | 182 | 92 | 79 | 36 | 14 | 402 | 2,356 | | |
| Less: Securities Lending Borrower Rebates (Income)/Expense | (135) | (68) | (60) | (27) | (11) | (300) | 1,326 | | |
| Less: Securities Lending Agent Fees | 47 | 24 | 21 | 9 | 4 | 105 | 141 | | |
| Net Income from Securities Lending | 269 | 136 | 118 | 53 | 21 | 597 | 889 | -32.85% | 8 |
| Net Investment Income | 619,593 | 322,817 | 258,595 | 126,475 | 50,051 | 1,377,531 | 23,263 | | |
| Total Additions | 784,343 | 388,553 | 473,091 | 130,180 | 60,342 | 1,836,508 | 428,223 | | |
| DEDUCTIONS | | | | | | | | | |
| Healthcare Premiums Subsidies | 136,263 | 85,152 | 119,897 | 19,800 | 14,487 | 375,599 | 375,793 | -0.05% | |
| Administrative Expenses | 884 | 466 | 814 | 118 | 71 | 2,353 | 2,406 | -2.24% | |
| Self-Funded Healthcare Costs | 3,462 | 257 | 1,609 | 112 | 25 | 5,465 | 5,987 | -8.72% | |
| Total Deductions | 140,608 | 85,874 | 122,320 | 20,029 | 14,583 | 383,416 | 384,186 | | |
| Net Increase (Decrease) in Fiduciary Net Position Restricted for OPEB | 643,735 | 302,679 | 350,770 | 110,150 | 45,758 | 1,453,093 | 44,036 | | |
| Total Fiduciary Net Position Restricted for OPEB | | | | | | | | | |
| Beginning of Period | 2,498,051 | 1,305,132 | 1,006,498 | 514,739 | 200,246 | 5,524,666 | 5,480,639 | | |
| End of Period | \$3,141,786 | \$1,607,811 | \$1,357,268 | \$624,889 | \$246,004 | \$6,977,759 | \$5,524,675 | | |

NOTE - Variance Explanation

1) Medicare drug reimbursement payments fluctuate year to year based on claims reviewed.

NOTE - Variance Explanation continued on next page.

KPPA Meeting - Quarterly Financial Reports

- 2) *The decrease in Insurance Premiums received is due to refunds processed to hazardous retirees for premiums paid for dependents that should have been covered by KRS.*
 - 3) *Health Insurance Contributions will continue to increase in the Insurance Fund, as they are now qualified in the Insurance Fund.*
 - 4) *The increase in Net Appreciation in Fair Value of Investments is a result of favorable market conditions resulting in increased market values*
 - 5) *The increase in Interest/Dividends is primarily a result of increased income from Specialty Credit.*
 - 6) *The management fees are up due to the increase in market values.*
 - 7) *The increase in performance fees is due to favorable market conditions resulting in higher than usual returns .*
 - 8) *Variance is a result of the demand of the Securities Lending Program.*
- Differences due to rounding.*

KPPA ADMINISTRATIVE BUDGET 2020-2021
FOURTH QUARTER BUDGET-TO-ACTUAL ANALYSIS
Fiscal Year 2021

| Account Name | Budgeted | Actual Expenditures | Remaining | Percent Remaining |
|--------------------------------------|---------------------|---------------------|--------------------|-------------------|
| PERSONNEL | | | | |
| KPPA PERSONNEL | | | | |
| Salaries/Wages | \$15,500,000 | \$14,349,829 | \$1,150,171 | 7.42% |
| Wages (Overtime) | 293,500 | 76,317 | 217,183 | 74.00% |
| Emp Paid Retirement | 13,086,645 | 11,566,766 | 1,519,879 | 11.61% |
| Emp Paid Health Ins | 2,550,000 | 2,189,835 | 360,165 | 14.12% |
| Emp Paid Sick Leave | 75,000 | 13,786 | 61,214 | 81.62% |
| Workers Compensation | 13,200 | 75,163 | (61,963) | -469.42% |
| Unemployment | 10,000 | - | 10,000 | 100.00% |
| Other Personnel | 1,138,500 | 1,027,167 | 111,333 | 9.78% |
| Tuition Assistance | 20,600 | 9,685 | 10,915 | 52.99% |
| LEGAL & AUDITING SERVICES | | | | |
| Legal Hearing Officers | 91,200 | 77,000 | 14,200 | 15.57% |
| Legal (Stoll, Keenon) | 340,500 | 145,595 | 194,905 | 57.24% |
| Frost Brown (Tax Advisor) | 114,300 | 226,388 | (112,088) | -98.06% |
| Reinhart | 444,000 | 10,460 | 433,540 | 97.64% |
| Ice Miller | 187,200 | 304,712 | (117,512) | -62.77% |
| Legal Expense | 125,500 | 202 | 125,298 | 99.84% |
| Auditing | 176,500 | 72,047 | 104,453 | 59.18% |
| CONSULTING SERVICES | | | | |
| Medical Reviewers | 273,865 | 316,186 | (42,321) | -15.45% |
| Escrow for Actuary Fees | 12,000 | (20,000) | 32,000 | 266.67% |
| CONTRACTUAL SERVICES | | | | |
| Miscellaneous Contracts | 22,750 | 12,077 | 10,673 | 46.91% |
| Human Resources Consulting | 7,500 | 5,794 | 1,706 | 22.75% |
| Actuarial Services | 612,000 | 468,490 | 143,510 | 23.45% |
| Facility Security Charges | 80,500 | 70,222 | 10,278 | 12.77% |
| PERSONNEL SUBTOTAL | \$35,175,260 | \$30,997,722 | \$4,177,538 | 11.88% |
| OPERATIONAL | | | | |
| Natural Gas | 22,500 | 22,951 | \$(451) | -2.00% |
| Electric | 176,500 | 124,816 | \$51,684 | 29.28% |
| Rent-NonState Building | 71,600 | 55,443 | \$16,157 | 22.57% |
| Building Rental - PPW | 1,100,000 | 1,005,815 | \$94,185 | 8.56% |
| Equipment Rental | - | 7,163 | \$(7,163) | 0.00% |
| Copier Rental | 73,000 | 55,520 | \$17,480 | 23.95% |
| Rental Carpool | 9,100 | 3,881 | \$5,219 | 57.35% |
| Vehicle/Equip. Mainten. | 1,350 | 912 | \$438 | 32.44% |
| Postage | 455,000 | 552,199 | \$(97,199) | -21.36% |
| Freight | 46 | - | \$46 | 100.00% |
| Printing (State) | 11,700 | 4,992 | \$6,708 | 57.33% |
| Printing (non-state) | 102,700 | 102,293 | \$407 | 0.40% |
| Insurance | 11,650 | 3,802 | \$7,848 | 67.36% |


| KPPA ADMINISTRATIVE BUDGET 2020-21 FOURTH QUARTER BUDGET-TO-ACTUAL ANALYSIS | | | | |
|--|---------------------|---------------------|---------------------|-------------------|
| Account Name | Budgeted | Actual Expenditures | Remaining | Percent Remaining |
| Garbage Collection | 5,500 | 5,294 | \$206 | 3.75% |
| Conference Expense | 25,750 | 14,219 | \$11,531 | 44.78% |
| MARS Usage | 51,300 | 47,646 | \$3,654 | 7.12% |
| COVID-19 Expenses | 146,800 | 153,032 | \$(6,232) | -4.25% |
| Office Supplies | 89,125 | 38,837 | \$50,288 | 56.42% |
| Furniture & Office Equipment | 25,075 | 8,215 | \$16,860 | 67.24% |
| Travel (In-State) | 30,800 | 1,473 | \$29,327 | 95.22% |
| Travel (Out of State) | 59,300 | 397 | \$58,903 | 99.33% |
| Dues & Subscriptions | 66,625 | 55,422 | 11,203 | 16.82% |
| Miscellaneous | 3,100 | 788 | 2,312 | 74.58% |
| COT Charges | 22,225 | 21,640 | 585 | 2.63% |
| Telephone - Wireless | 5,100 | 4,734 | 366 | 7.18% |
| Telephone - Other | 119,000 | 100,686 | 18,314 | 15.39% |
| Computer Equip./Software | 3,325,500 | 2,360,814 | 964,686 | 29.01% |
| OPERATIONAL SUBTOTAL | \$6,010,346 | \$4,752,984 | \$1,257,362 | 20.92% |
| SUB-TOTAL | 41,185,606 | 35,750,706 | 5,434,900 | 13.20% |
| Major Legislative Implementation | 7,702,594 | - | 7,702,594 | 100.00% |
| TOTAL | \$48,888,200 | \$35,750,705 | \$13,137,495 | 26.87% |

| Plan | Budgeted | Actual Expenditures | % of Total KPPA Actual Expenditures |
|--------------|---------------------|---------------------|-------------------------------------|
| CERS | \$29,088,479 | \$21,271,669 | 59.50% |
| CHAZ | \$2,561,742 | \$1,873,337 | 5.24% |
| KERS | \$15,272,674 | \$11,168,520 | 31.24% |
| KHAZ | \$1,632,866 | \$1,194,074 | 3.34% |
| SPRS | \$332,440 | \$243,105 | 0.68% |
| TOTAL | \$48,888,200 | \$35,750,705 | |

| Plan - Specific Expenses | | | | | | |
|------------------------------|----------|---------------------|--------------------|---------------------|--------------------|------------------|
| | Amount | CERS | CHAZ | KERS | KHAZ | SPRS |
| CERS Legal Adjustment | \$31,840 | \$(18,945) | \$(1,668) | \$(9,947) | \$(1,063) | \$(217) |
| CERS Legal Actual | | 29,261 | 2,579 | | | |
| KERS Legal Adjustment | 264,092 | (157,135) | (13,838) | (82,502) | (8,821) | (1,796) |
| KERS Legal Actual | | | | 238,509 | 25,511 | |
| Subtotal Plan Specific Legal | | (146,819) | (12,928) | 146,060 | 15,627 | (2,012) |
| Total Expenses | | \$21,124,851 | \$1,860,409 | \$11,314,580 | \$1,209,701 | \$241,092 |


Pension Fund Contribution Report

For the period ending June 30, 2021, with Comparative Totals as of June 30, 2020 (\$ in Millions)

|  | County Employees Retirement System | | | |
|---|---|-------------------|-------------------|-------------------|
| | Non-Hazardous | | Hazardous | |
| | FY21 | FY20 | FY21 | FY20 |
| Member Contributions | \$ 165.7 | \$ 169.0 | \$ 62.4 | \$ 63.2 |
| Employer Contributions | 472.2 | 475.4 | 172.2 | 168.4 |
| Net Investment Income | 135.7 | 133.9 | 45.8 | 46.4 |
| Total Inflows | 773.6 | 778.3 | 280.4 | 278.0 |
| Benefit Payments/Refunds | 840.6 | 810.9 | 294.7 | 279.6 |
| Administrative Expenses | 21.8 | 22.3 | 1.9 | 2.0 |
| Total Outflows | 862.4 | 833.2 | 296.6 | 281.6 |
| NET Contributions | (88.7) | (54.9) | (16.1) | (3.6) |
| Realized Gain/(Loss) | 316.8 | 341.6 | 107.0 | 113.6 |
| Unrealized Gain/(Loss) | 1,331.7 | (418.8) | 447.9 | (143.9) |
| Change in Net Position | 1,559.8 | (132.1) | 538.7 | (33.9) |
| Beginning of Period | 7,110.9 | 7,243.0 | 2,395.7 | 2,429.6 |
| End of Period | \$ 8,670.7 | \$ 7,110.9 | \$ 2,934.4 | \$ 2,395.7 |

*Differences due to rounding.***Insurance Fund Contribution Report**



For the period ending June 30, 2021, with Comparative Totals as of June 30, 2020 (\$ in Millions)

|  | County Employees Retirement System | | | |
|---|---|------------------|------------------|------------------|
| | Non-Hazardous | | Hazardous | |
| | FY21 | FY20 | FY21 | FY20 |
| Employer Contributions | \$124.7 | \$124.7 | \$58.5 | \$56.7 |
| Insurance Premiums | 21.2 | 0.6 | 2.8 | - |
| Retired Reemployed Healthcare | 5.2 | 4.5 | 1.3 | 1.2 |
| Health Insurance Contributions | 13.6 | 13.0 | 3.1 | 2.8 |
| Net Investment Income | 41.0 | 47.7 | 20.3 | 25.0 |
| Total Inflows | 205.8 | 190.5 | 86.0 | 85.7 |
| Healthcare Premiums | 139.7 | 139.0 | 85.4 | 82.1 |
| Administrative Expenses | 0.9 | 0.9 | 0.5 | 0.5 |
| Total Outflows | 140.6 | 139.9 | 85.9 | 82.5 |
| NET Contributions | 65.2 | 50.6 | 0.1 | 3.1 |
| Realized Gain/(Loss) | 109.4 | 106.1 | 57.0 | 57.3 |
| Unrealized Gain/(Loss) | 469.2 | (145.1) | 245.5 | (80.0) |
| Change in Net Position | 643.7 | 11.6 | 302.7 | (19.6) |
| Beginning of Period | 2,498.1 | 2,486.5 | 1,305.1 | 1,324.8 |
| End of Period | \$3,141.8 | \$2,498.1 | \$1,607.8 | \$1,305.2 |

Differences due to rounding.



Pension Fund Contribution Report

For the period ending June 30, 2021, with Comparative Totals as of June 30, 2020 (\$ in Millions)

|   | Kentucky Employees Retirement System | | | | State Police Retirement System | |
|--|--------------------------------------|------------------|----------------|----------------|--------------------------------|----------------|
| | Non-Hazardous | | Hazardous | | | |
| | FY21 | FY20 | FY21 | FY20 | FY21 | FY20 |
| Member Contributions | \$90.2 | \$96.6 | \$20.0 | \$19.8 | \$4.8 | \$4.8 |
| Employer Contributions | 1,134.2 | 948.6 | 62.2 | 59.1 | 59.7 | 59.5 |
| Net Investment Income | 50.6 | 38.7 | 13.9 | 13.3 | 5.9 | 5.3 |
| Total Inflows | 1,275.1 | 1,083.9 | 96.1 | 92.2 | 70.3 | 69.5 |
| Benefit Payments/ Refund | 1,018.5 | 1,011.3 | 78.3 | 75.0 | 63.5 | 62.5 |
| Administrative Expenses | 11.6 | 11.9 | 1.3 | 1.2 | 0.2 | 0.3 |
| Total Outflows | 1,030.1 | 1,023.3 | 79.5 | 76.2 | 63.8 | 62.8 |
| NET Contributions | 245.0 | 60.6 | 16.6 | 16.0 | 6.5 | 6.8 |
| Realized Gain/(Loss) | 97.0 | 89.9 | 31.2 | 32.3 | 11.0 | 12.2 |
| Unrealized Gain/(Loss) | 380.8 | (74.9) | 129.8 | (38.8) | 45.1 | (11.2) |
| Change in Net Position | 722.8 | 75.6 | 177.6 | 9.5 | 62.6 | 7.8 |
| Beginning of Period | 2,362.2 | 2,286.6 | 697.4 | 687.9 | 295.0 | 287.2 |
| End of Period | \$3,085.0 | \$2,362.2 | \$874.9 | \$697.4 | \$357.6 | \$295.0 |

Insurance Fund Contribution Report

For the period ending June 30, 2021, with Comparative Totals as of June 30, 2020 (\$ in Millions)

|   | Kentucky Employees Retirement System | | | | State Police Retirement System | |
|--|--------------------------------------|------------------|----------------|----------------|--------------------------------|----------------|
| | Non-Hazardous | | Hazardous | | | |
| | FY21 | FY20 | FY21 | FY20 | FY21 | FY20 |
| Employer Contributions | \$182.0 | \$170.5 | - | \$4.5 | \$9.3 | \$13.1 |
| Insurance Premiums | 17.3 | 0.2 | 1.2 | - | 0.8 | - |
| Retired Reemployed Healthcare | 4.7 | 4.7 | 1.3 | 1.3 | - | - |
| Health Insurance Contributions | 10.5 | 6.1 | 1.2 | 1.1 | 0.2 | 0.2 |
| Net Investment Income | 18.5 | 18.9 | 8.4 | 9.9 | 3.1 | 3.7 |
| Total Inflows | 233.0 | 200.4 | 12.1 | 16.8 | 13.4 | 17.0 |
| Healthcare Premiums | 121.5 | 126.7 | 19.9 | 19.8 | 14.5 | 14.2 |
| Administrative Expenses | 0.8 | 0.8 | 0.1 | 0.1 | 0.1 | - |
| Total Outflows | 122.3 | 127.6 | 20.0 | 19.9 | 14.6 | 14.2 |
| NET Contributions | 110.7 | 72.9 | (8.0) | (3.1) | (1.3) | 2.8 |
| Realized Gain/(Loss) | 45.0 | 33.3 | 21.8 | 21.1 | 8.7 | 8.9 |
| Unrealized Gain/(Loss) | 195.1 | (41.7) | 96.3 | (30.4) | 38.3 | (11.4) |
| Change in Net Position | 350.8 | 64.5 | 110.1 | (12.4) | 45.7 | 0.2 |
| Beginning of Period | 1,006.5 | 942.1 | 514.7 | 527.1 | 200.2 | 200.1 |
| End of Period | \$1,357.3 | \$1,006.7 | \$624.9 | \$514.7 | \$246.0 | \$200.3 |

Differences in the charts above are due to rounding.



KENTUCKY PUBLIC PENSIONS AUTHORITY

Outstanding Invoices by Type and Employer

| Invoice Type | 6/30/2021 | 3/31/2021 | Change H/(L) |
|--|---------------------|---------------------|--------------|
| Averaging Refund to Employer | \$(459,730) | \$(241,658) | 90% |
| Employer Free Military and Decompression Service | 58,861 | 497,982 | -88% |
| Member Pension Spiking Refund | (25,546) | (26,621) | -4% |
| Monthly Reporting Invoice | (74,761) | (434,776) | -83% |
| Penalty – Monthly Reporting | 234,473 | 289,775 | -19% |
| Reinstatement | 244,823 | 244,823 | 0% |
| Total | \$22,498 | \$373,811 | -94% |
| Health Insurance Reimbursement | \$1,198,562 | \$1,744,967 | -31% |
| Omitted Employer | 1,576,232 | 1,250,685 | 26% |
| Employer Pension Spiking* | 1,760,350 | 1,788,592 | -2% |
| Standard Sick Leave | 8,253,827 | 10,880,050 | -24% |
| Total | \$12,788,971 | \$15,664,294 | -18% |
| Grand Total | \$12,811,468 | \$16,038,105 | -20% |

**Pension Spiking invoices on this report are Employer Pension Spiking. By statute these invoices are due 12 months from invoice date. Employer Pension Spiking is in effect only for retirements prior to July 1, 2018, therefore, unless there has been a recently created invoice for a backdated retirement, all of these invoices are greater than 12 months old.*

| Employer Name (Top Ten) | 6/30/2021 | 3/31/2021 | Change H/(L) |
|---|-------------|--------------|--------------|
| Kentucky State Police | \$7,011,463 | \$10,575,453 | -34% |
| Kentucky River Regional Jail | 979,925 | 230,955 | 324% |
| Department of Highways | 826,323 | 716,911 | 15% |
| City of Covington | 371,872 | 367,311 | 1% |
| Kenton County Airport Board | 322,897 | 322,510 | 0% |
| City of Fort Thomas | 220,287 | 214,893 | 3% |
| Department for Community Based Services | 218,148 | 62,107 | 251% |
| City of Villa Hills | 212,533 | 212,533 | 0% |
| Henry County Fiscal Court | 205,792 | 205,604 | 0% |
| TARC - Transit Authority River City | \$178,211 | \$173,867 | 2% |

KENTUCKY PUBLIC PENSIONS AUTHORITY

Penalty Waivers Report

From: 4/1/2021 To: 6/30/2021

Note: Delinquent Interest amounts are included in the totals for the invoice

| Invoice Amount | Invoice Remaining Balance | Delinquent Interest | Invoice Status Date | Invoice Due Date | Invoice Status | Employer Classification | Plan | Comments |
|----------------|---------------------------|---------------------|---------------------|------------------|----------------|----------------------------|------|---|
| \$1,000 | \$- | \$- | 6/17/2021 | 3/5/2015 | CANC | Utility Boards | CERS | Agency in good standing with KPPA |
| 1,000 | - | - | 6/17/2021 | 11/6/2015 | CANC | Utility Boards | CERS | Agency in good standing with KPPA |
| 1,000 | - | - | 6/17/2021 | 3/23/2016 | CANC | Utility Boards | CERS | Agency in good standing with KPPA |
| 1,000 | - | - | 6/17/2021 | 5/8/2016 | CANC | Utility Boards | CERS | Agency in good standing with KPPA |
| 1,000 | - | - | 4/29/2021 | 5/6/2017 | CANC | Tourist Commissions | CERS | New employer reporting official |
| 1,000 | - | - | 4/29/2021 | 5/6/2017 | CANC | Tourist Commissions | CERS | New employer reporting official |
| 1,000 | - | - | 4/29/2021 | 7/20/2017 | CANC | Tourist Commissions | CERS | Agency in good standing with KPPA |
| 1,000 | - | - | 6/17/2021 | 9/7/2017 | CANC | Utility Boards | CERS | Agency in good standing with KPPA |
| 1,000 | - | - | 4/8/2021 | 3/12/2020 | CANC | Special Districts & Boards | CERS | Circumstances outside of agency control |
| 1,000 | - | - | 6/9/2021 | 5/6/2020 | CANC | Libraries | CERS | New employer reporting official |
| 1,000 | - | - | 4/14/2021 | 9/28/2020 | CANC | Cities | CERS | Circumstances outside of agency control |
| 1,000 | - | - | 4/14/2021 | 11/15/2020 | CANC | Cities | CERS | Circumstances outside of agency control |
| 1,000 | - | - | 6/2/2021 | 11/20/2020 | CANC | Special Districts & Boards | CERS | New employer reporting official |
| 1,000 | - | - | 6/2/2021 | 11/22/2020 | CANC | Special Districts & Boards | CERS | New employer reporting official |
| 2,412 | - | - | 4/29/2021 | 12/20/2020 | CANC | Boards of Education | CERS | New employer reporting official |
| 1,000 | - | - | 5/21/2021 | 4/1/2021 | CANC | Special Districts & Boards | CERS | New employer reporting official |
| 1,000 | - | - | 5/5/2021 | 6/2/2021 | CANC | Cities | CERS | Agency in good standing with KPPA |
| 1,158 | - | - | 6/8/2021 | 6/17/2021 | CANC | Universities | KERS | KPPA at fault |
| 20,758 | - | - | 5/20/2021 | 6/18/2021 | CANC | Urban Government Agencies | CERS | KPPA at fault |
| 1,000 | - | - | 6/28/2021 | 7/17/2021 | CANC | Health Departments | KERS | Agency in good standing with KPPA |
| Total | \$41,327 | | | | | | | |
| \$1,000 | \$1,000 | \$- | 4/8/2021 | 5/8/2021 | CRTD | Cities | CERS | |
| 1,000 | 1,000 | - | 4/8/2021 | 5/8/2021 | CRTD | Cities | CERS | |
| 1,000 | 1,000 | - | 4/9/2021 | 5/9/2021 | CRTD | Fiscal Courts | CERS | |
| 1,000 | 1,000 | - | 4/9/2021 | 5/9/2021 | CRTD | Fiscal Courts | CERS | |
| 1,000 | 1,000 | - | 4/12/2021 | 5/12/2021 | CRTD | Cities | CERS | |

KPPA Meeting - Quarterly Financial Reports

| Invoice Amount | Invoice Remaining Balance | Delinquent Interest | Invoice Status Date | Invoice Due Date | Invoice Status | Employer Classification | Plan | Comments |
|----------------|---------------------------|---------------------|---------------------|------------------|----------------|----------------------------|------|----------|
| 1,000 | 1,000 | - | 4/12/2021 | 5/12/2021 | CRTD | Cities | CERS | |
| 1,000 | 1,000 | - | 4/12/2021 | 5/12/2021 | CRTD | Cities | CERS | |
| 1,000 | 1,000 | - | 4/14/2021 | 5/14/2021 | CRTD | Cities | CERS | |
| 1,000 | 1,000 | - | 4/20/2021 | 5/20/2021 | CRTD | Master Commissioner | KERS | |
| 1,000 | 1,000 | - | 4/20/2021 | 5/20/2021 | CRTD | Non-P1 State Agencies | KERS | |
| 1,000 | 1,000 | - | 4/20/2021 | 5/20/2021 | CRTD | Utility Boards | CERS | |
| 1,000 | 1,000 | - | 4/28/2021 | 5/28/2021 | CRTD | Fiscal Courts | CERS | |
| 1,000 | 1,000 | - | 5/3/2021 | 6/2/2021 | CRTD | Conservation Districts | CERS | |
| 1,000 | 1,000 | - | 5/3/2021 | 6/2/2021 | CRTD | Conservation Districts | CERS | |
| 1,000 | 1,000 | - | 5/18/2021 | 6/17/2021 | CRTD | Non-P1 State Agencies | KERS | |
| 1,000 | 1,000 | - | 5/20/2021 | 6/19/2021 | CRTD | Cities | CERS | |
| 1,000 | 1,000 | - | 5/21/2021 | 6/20/2021 | CRTD | Cities | CERS | |
| 1,000 | 1,000 | - | 6/14/2021 | 7/14/2021 | CRTD | County Attorneys | CERS | |
| 1,000 | 1,000 | - | 6/14/2021 | 7/14/2021 | CRTD | County Attorneys | CERS | |
| 1,000 | 1,000 | - | 6/14/2021 | 7/14/2021 | CRTD | County Attorneys | CERS | |
| 1,000 | 1,000 | - | 6/14/2021 | 7/14/2021 | CRTD | County Attorneys | CERS | |
| 1,000 | 1,000 | - | 6/14/2021 | 7/14/2021 | CRTD | County Attorneys | CERS | |
| 1,000 | 1,000 | - | 6/14/2021 | 7/14/2021 | CRTD | Housing Authorities | CERS | |
| 1,000 | 1,000 | - | 6/21/2021 | 7/21/2021 | CRTD | Master Commissioner | KERS | |
| 1,000 | 1,000 | - | 6/22/2021 | 7/22/2021 | CRTD | Cities | CERS | |
| 1,000 | 1,000 | - | 6/22/2021 | 7/22/2021 | CRTD | Master Commissioner | KERS | |
| 1,000 | 1,000 | - | 6/22/2021 | 7/22/2021 | CRTD | Master Commissioner | KERS | |
| 1,000 | 1,000 | - | 6/22/2021 | 7/22/2021 | CRTD | Master Commissioner | KERS | |
| 1,000 | 1,000 | - | 6/22/2021 | 7/22/2021 | CRTD | Master Commissioner | KERS | |
| Total | | | | | | | | |
| | \$29,000 | | | | | | | |
| 1,000 | - | - | 6/28/2021 | 4/18/2013 | PAID | Special Districts & Boards | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 4/19/2021 | 10/13/2015 | PAID | Housing Authorities | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |

KPPA Meeting - Quarterly Financial Reports

| Invoice Amount | Invoice Remaining Balance | Delinquent Interest | Invoice Status Date | Invoice Due Date | Invoice Status | Employer Classification | Plan | Comments |
|----------------|---------------------------|---------------------|---------------------|------------------|----------------|---------------------------|------|----------|
| (1,000) | - | - | 4/5/2021 | 4/15/2021 | PAID | Conservation Districts | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 4/30/2021 | 5/10/2021 | PAID | Tourist Commissions | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 6/9/2021 | 6/19/2021 | PAID | Housing Authorities | CERS | |
| 1,000 | - | - | 4/19/2021 | 8/27/2017 | PAID | Housing Authorities | CERS | |
| 1,000 | - | - | 4/30/2021 | 5/10/2021 | PAID | Tourist Commissions | CERS | |
| 1,000 | - | - | 6/9/2021 | 6/19/2021 | PAID | Housing Authorities | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 6/23/2021 | 7/3/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 4/5/2021 | 4/15/2021 | PAID | Conservation Districts | CERS | |
| 1,000 | - | - | 4/5/2021 | 4/15/2021 | PAID | Conservation Districts | CERS | |
| 1,000 | - | - | 4/5/2021 | 4/15/2021 | PAID | Conservation Districts | CERS | |
| 1,000 | - | - | 4/9/2021 | 4/19/2021 | PAID | Cities | CERS | |
| 3,262 | - | - | 4/30/2021 | 5/10/2021 | PAID | Community Action Agencies | CERS | |
| 1,000 | - | - | 5/10/2021 | 10/1/2020 | PAID | Riverport Authorities | CERS | |
| 2,290 | - | - | 4/30/2021 | 5/10/2021 | PAID | Community Action Agencies | CERS | |
| 1,000 | - | - | 4/14/2021 | 4/11/2021 | PAID | Community Action Agencies | CERS | |
| 1,123 | - | - | 5/3/2021 | 5/8/2021 | PAID | Universities | KERS | |
| 1,000 | - | - | 5/3/2021 | 5/13/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 5/10/2021 | 5/16/2021 | PAID | Cities | CERS | |
| 1,000 | - | - | 5/4/2021 | 5/19/2021 | PAID | Ambulance Services | CERS | |
| Total | \$35,675 | | | | | | | |

Notes:

Invoice Status:

CANC - Cancelled CRTD - Created PAID - Paid