



Subscribe to updates from Kentucky Public Pensions Authority

Email Address e.g. name@c
Subscribe

Share Bulletin



KRS Newsletter for Kentucky Government Officials - April 2019

Kentucky Public Pensions Authority sent this bulletin at 04/03/2019 10:00 AM EDT



A KENTUCKY RETIREMENT SYSTEMS E-PUBLICATION

VOLUME 2, No. 1

Kentucky Retirement Systems is responsible for the investment of funds and administration of pension and health insurance benefits for over 379,000 active and retired state and local government employees, state police officers, and nonteaching staff of local school boards and regional universities.

IN THIS ISSUE

Clicking on these links will take you directly to the specific content area:

- [Governance and Transparency](#)
- [Investments And Funding](#)
- [Legislative News](#)
- [Service Initiatives](#)
- [Other KRS News](#)

CONTACT US

Contact Us
DAVID EAGER
 KRS EXECUTIVE DIRECTOR
[EMAIL DAVE](#)
 502-696-8444

SHAWN SPARKS
 CONSTITUENT SERVICES
[EMAIL SHAWN](#)
 502-696-8450

CONNECT WITH KRS

- [Website](#)
- [Facebook](#)
- [Twitter](#)
- [YouTube](#)

Hours of Operation:
 8:00 a.m. - 4:30 p.m. Eastern
 Phone: 502-696-8800
 Toll Free: 1-800-928-4646
 Fax: 502-696-8822

GOVERNANCE AND TRANSPARENCY

KRS strives to be a highly transparent organization. **Please click on the highlighted links below** to learn more about the governance of the Systems.

2018 Financial Reports Available:

The [2018 Comprehensive Annual Financial Report](#) and [2018 Summary Annual Financial Report](#) for the Fiscal Year Ended June 30, 2018 have been published to the KRS website, kyret.ky.gov. The CAFR contains extensive, detailed information about the Systems' financial and actuarial status, while the SAFR presents key information in summary form.

[Previous CAFRs can be viewed here.](#)

SUMMARY: Fiscal Year 2018 saw continued improvements for KRS. Funding ratios increased modestly in three of the five pension plans, and meaningfully in all five insurance plans; investment returns were favorable again this year, with each plan's returns exceeding its interest rate assumptions; service to members has improved; and KRS has expanded communications with the Executive and the Legislative Branches.

Board of Trustees Update:

1. The Board of Trustees has met three times since the last Government Officials Newsletter was issued on October 11, 2018. **Board materials for each meeting** can be viewed by clicking on the links below:

[NOVEMBER 8, 2018 MEETING](#)

[DECEMBER 17, 2018 MEETING](#)

[FEBRUARY 21, 2019 MEETING](#)

2. **The Auditor of Public Accounts (APA) presented the June 30, 2018, Financial Statement Audit to the Audit Committee on November 29, 2018.** KRS received a clean audit opinion with the 2018 report containing only three (3) deficiencies. This demonstrated improved internal controls and processes from the last APA audit in 2013, which reported 19 deficiencies. The [APA Audit Report is included in the 2018 CAFR](#) starting on page 17.

3. **David Rich was re-elected to represent CERS until October 31, 2021.** To see his bio information and other Board of Trustees information, [click here.](#)

4. **The Board accepted the resignation of Trustee Neil Ramsey.** Mr. Ramsey was appointed to the Board in June 2016.

To review Board Materials from previous meetings please [click here.](#)

Board Committee Meetings:

The Board Chair appoints Trustees to various [standing and ad hoc committees](#) that are tasked with overseeing different aspects of the Systems. [Click here](#) to review Committee Agendas.

KRS Staff News:

1. [Rebecca Adkins was appointed as Interim Executive Director, Office of Operations](#), effective January 16, 2019. Ms. Adkins replaces Karen Roggenkamp, who recently accepted a position as the Deputy Executive Director of the School Employees Retirement System of Ohio.

2. [Rich Robben was appointed Executive Director, Office of Investments](#), effective April 1, 2019. Mr. Robben has served as the Interim Executive Director, Office of Investments, since 2017.

3. [Andy Kiehl was appointed Deputy Executive Director, Office of Investments](#), effective April 1, 2019. Mr. Kiehl joined KRS in 2015 and is currently Director of Investments for the Real Estate and Real Return asset classes.

Facebook Livestream:

KRS continues to [Livestream Board and Committee meetings](#) on our Facebook page. Eight Board meetings have been livestreamed since December 2017 and have currently been viewed over 25,100 times.

We invite you to join us for future meetings by going to the [KRS Facebook](#) page on the date and time of the meeting and clicking on the live feed.

Here is a [list of upcoming meetings](#) that are scheduled to be livestreamed in the next few weeks (all times Eastern):

BOARD OF TRUSTEES MEETING (ANNUAL):	April 18, 2019 at 10 a.m.
INVESTMENT COMMITTEE:	May 16, 2019 at 9 a.m.
RETIREE HEALTH PLAN COMMITTEE:	May 14, 2019 at 10 a.m.
BOARD OF TRUSTEES MEETING:	May 16, 2019 at 10 a.m.

Please check our website for any schedule changes.

INVESTMENTS AND FUNDING

The first six months of FY 2019 were highly volatile, but strong economic data and positive signals from the Federal Reserve regarding interest rates led to a rebound in early 2019. Preliminary numbers for February 2019 indicate our pension funds gained 1.35% and the insurance funds gained 1.38%. Total System Assets as of February 28, 2019 were \$17.62 billion.

PENSION AND INSURANCE FUND ASSETS				
<i>(Expressed in Billions)</i>				
	June 2016	June 2017	June 2018	Feb 2019
Pension Fund Assets	\$10.87	\$11.92	\$12.29	\$12.38
Insurance Fund Assets	4.23	4.78	5.13	5.24
Total Assets	\$15.10	\$16.70	\$17.42	\$17.62

PENSION AND INSURANCE FUND PERFORMANCE				
	FYTD (Feb 2019)	3 Year	5 Year	10 Year
Pension Fund	1.35%	7.0%	5.2%	8.2%
Insurance Fund	1.38%	7.3%	5.2%	8.5%

For more information about KRS investments, please visit the [Investments](#) section of our website, where you can find information about our diverse holdings, review manager contracts and fees, and read monthly and quarterly investment reports.

LEGISLATIVE NEWS

The 2019 Regular Session of the Kentucky General Assembly began on Tuesday, January 8, and adjourned *Sine Die* on Thursday, March 28.

Daily Legislative Updates:

During legislative sessions, we track proposed legislation of importance to the Systems and its members as the legislation moves through the process. Read the latest [KRS Legislative Updates here](#).

Public Pension Oversight Board Meetings:

The Public Pension Oversight Board (PPOB) was established by the Kentucky General Assembly in 2013 to assist with their "... review, analysis, and oversight of the administration, benefits, investments, funding, laws and administrative regulations, and legislation pertaining to the Kentucky Retirement Systems."

KRS staff routinely attend the monthly PPOB meetings to provide information about the Systems.

Last quarter presentation materials:

[OCTOBER 22, 2018 PPOB TRUSTEE ELECTION PRESENTATION](#)

[OCTOBER 22, 2018 KRS ADMINISTRATION SUBCOMMITTEE UPDATE](#)

[NOVEMBER 26, 2018 ACTUARIAL PRESENTATION](#)

[NOVEMBER 26, 2018 CASH FLOW PRESENTATION](#)[DECEMBER 17, 2018 KRS AGENCY PARTICIPATION ISSUES PRESENTATION](#)[MARCH 25, 2019 PPOB ADMINISTRATIVE SUBCOMMITTEE CERS SEPARATION PRESENTATION](#)**Public Pensions Working Group Special Committee:**

A special Public Pensions Working Group was created by the co-chairs of the Legislative Research Commission (LRC) to conduct a review of the Systems' structure, costs, benefits, and funding. The working group was authorized to meet as often as necessary at the discretion of the co-chairs during the recent General Assembly session and, if necessary, can meet monthly during the 2019 legislative interim. The group is charged with making recommendations for General Assembly action by December 1, 2019.

[Additional information about the Working Group](#) can be found on the LRC website.

SERVICE INITIATIVES

KRS is committed to providing the highest level of customer service to our members and retirees in a cost-effective and efficient manner. Here are some of our latest initiatives:

2019 PREP (Pre-Retirement Education Program) Sessions - Coming soon to a location near you!

The highly-popular Pre-Retirement Education Program (PREP) will be offered in locations throughout the state again this year. PREP Sessions are designed for Tier 1 and Tier 2 members within five (5) years of retirement to help them understand their KRS pension and medical insurance benefits.

Employer representatives from our participating agencies are also invited to attend PREP to receive specialized training: last year more than 400 participating employer Reporting Officials attended the Sessions.

Due to the heavy demand for attendance, **ADVANCE REGISTRATION IS REQUIRED.** [Click Here for the 2019 schedule.](#)

Self-Service Website Now Mobile Device-Friendly:

If you are a KRS member, you can now access your Online Retirement Account from your smartphone or tablet. Simply log in using your current User ID and Password, or register today to access your account online. [Click here](#) to learn more about how to register.

Once you log in, **please review your contact information and make sure we have your correct email address on file** so you can receive newsletters and announcements electronically and stay up-to-date with the latest happenings at KRS.

Did you know?

In FY 2018, KRS Counselors saw **11,198 Visitors In-Office** and handled **299,827 inbound calls**;

Calculated **16,006 Benefit Estimates**;

Processed **627 Disability Applications**; and

Conducted **22,705 Account Audits**

OTHER KRS NEWS

Kentucky Supreme Court Declares Senate Bill 151 Unconstitutional:

During the 2018 Regular Session of the General Assembly, Senate Bill 151 was passed changing retirement eligibility and benefits with various effective dates for active, inactive and future KRS members. The Attorney General, the Kentucky Education Association and the Kentucky State Fraternal Order of Police filed a lawsuit regarding Senate Bill 151 asking the court to declare the new law unconstitutional and unenforceable.

On June 20, 2018, Franklin Circuit Judge Phillip Shepherd ruled that Senate Bill 151 is unenforceable because the legislative process violated certain provisions of the Kentucky Constitution.

On December 13, 2018, the Supreme Court of Kentucky affirmed the decision of the Franklin Circuit Court in the case of *Bevin V. Commonwealth of Kentucky* (Case No. 2018-SC-00419-TG and Case No. 2018-SC-000421-TG), declaring Senate Bill 151 void and of no effect as unconstitutional.

Retirements Return to Pre-2018 Levels:

Retirements for FY 2019 have begun to return to Pre-2018 levels. Due to concern over legislative pension reform efforts in 2018 KRS experienced 8,446 total retirements in FY 2018, an increase of 17.5% over the prior Fiscal Year.

[KRS Retirement Trends](#)



Questions? [Contact us](#)

Kentucky Retirement Systems
Perimeter Park West - 1260 Louisville Road
Frankfort, KY 40601

Hours of Operation: 8:00 a.m. - 4:30 p.m. Eastern
Phone: 502-696-8800 (Main Office)
Toll Free: 1-800-928-4646
Fax: 502-696-8822

STAY CONNECTED:



SUBSCRIBER SERVICES: [update your preferences](#) | [unsubscribe from this list](#)

Powered by



[Privacy Policy](#) | [Cookie Statement](#) | [Help](#)