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## Member and Retiree Newsletter Fall 2023

Kentucky Public Pensions Authority sent this bulletin at 11/16/2023 02:39 PM EST



### FROM THE DESK OF DAVID EAGER, KPPA EXECUTIVE DIRECTOR

Thanks to strong investment returns for Fiscal Year (FY) 2023 and funding approved by the General Assembly over and above the actuarially determined contribution (ADC) for KERS and SPRS, as well as changes in some actuarial assumptions for CERS, the funded ratio of all three pension systems improved from FY 2022. That means the ratio of assets to future liabilities is on the rise.

#### Pension Funded Ratio

	2018	2019	2020	2021	2022	2023
CERS NHaz	52.7%	49.1%	49.4%	51.8%	52.0%	56.1%
CERS Haz	48.4%	45.3%	45.1%	46.7%	47.6%	51.4%
KERS NHaz	12.9%	13.4%	14.2%	16.8%	18.5%	21.8%
KERS Haz	55.5%	54.8%	55.3%	60.4%	63.2%	65.4%
SPRS	27.1%	27.0%	28.1%	30.7%	52.5%	54.0%

#### Insurance Funded Ratio

	2018	2019	2020	2021	2022	2023
CERS NHaz	76.7%	70.7%	78.5%	85.4%	132.1%	131.5%
CERS Haz	74.6%	75.8%	78.2%	84.3%	101.0%	100.7%
KERS NHaz	36.4%	36.3%	42.7%	50.2%	79.1%	81.7%
KERS Haz	130.0%	123.1%	126.0%	135.5%	172.2%	170.4%
SPRS	71.6%	71.3%	75.0%	82.0%	100.6%	100.5%

Commitments by the General Assembly and the Governor to fully fund contributions, and provide additional allocations, combined with prudent management by the Office of Investments and other staff, have all five pension funds on track to be fully funded by 2049.

See GRS' presentation on the [CERS Actuarial Valuation Results here](#) and the [KRS Actuarial Valuation Results here](#). The full actuarial reports will be available on our website in December.



Sincerely,

**David Eager**  
Executive Director, KPPA

### **Insurance Open Enrollment for Medicare-Eligible Retirees**

Open Enrollment for Medicare-eligible retirees is October 23 through November 30.

**Enrollment is not mandatory unless you want to change your plan or coverage options.** Medicare-eligible retirees can access recorded webinars to answer general questions for 2024 Open Enrollment on [KPPA's website](#).

If you are making changes, online enrollment is highly encouraged.

[Please visit the KPPA website for more information.](#)

### **Humana/Baptist Health Medical Group Update**

Baptist Health Medical Group (BHMG) and Humana, KPPA's Medicare Advantage provider, have not yet reached an agreement on a new contract. **However, even without a new contract in place costs should NOT increase for KPPA members whose BHMG doctor or clinician accepts Medicare.** This is because the in-network and out-of-network benefits and out-of-pocket costs are the same for our retiree group.

Humana has prepared a message to BHMG providers regarding in-network and out-of-network coverage for retirees. [Please show this message](#) to your healthcare provider if they say they do not accept Humana insurance.

### **Attention Hazardous Retirees!** **Important Annual Insurance Requirement**

Hazardous duty retirees must submit a [Form 6256 - Designation of Spouse and/or Dependent Child for Health Insurance](#) to receive insurance premium contributions for their spouse and eligible dependents. The form can be submitted with the retiree's online enrollment for those making a change to their insurance plan, or by uploading it in [Self Service](#) under "Documents."

Hazardous duty retirees who do not submit the form by the deadline **WILL NOT RECEIVE PREMIUM CONTRIBUTIONS** for their legal spouse or eligible dependents.

[Click here for more information on eligible dependent coverage.](#)

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### **Executive Director Announces Upcoming Retirement in 2024**

KPPA Executive Director David L. Eager recently announced his intention to retire when his current one-year contract ends in summer 2024. Mr. Eager has served in this role since September 2016 and during his tenure the pension and insurance plans managed by KPPA have grown financially stronger and more stable.

A 4-person KPPA *Ad Hoc* Executive Director Search Committee began meeting in October 2023 to begin a national search for a new executive director, with the goal of naming a new Director in spring 2024. Committee meetings are livestreamed on the [KPPA Facebook page](#).

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### **Partial Lump Sum Option** **New Retirement Payment Option**

House Bill 506 (2023 Regular Session) reestablished a Partial Lump Sum Option (PLSO), with and without survivor rights, as a payment option. Members retiring January 1, 2024 and after may have the option to choose the Partial Lump Sum Payment Option when finalizing their retirement paperwork. The partial lump sum option provides a one-time payment equal to 12, 24, 36, 48 or 60 times the monthly benefit under the Basic or Annuity without survivor rights, or the Survivorship 100% with survivor rights payment option, in addition to an actuarially reduced monthly payment to the retired member until death. [Read more.](#)

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### **KPPA Offers Webinar Series for Non-Retired Members**

KPPA continues to host a variety of retirement topics for non-retirees via live webinars each month. Join KPPA counselors to learn more about your retirement benefits and get answers to questions in real time!

Space is limited and registration is required. [Please visit our website for the current schedule, webinar registration, and to watch recorded webinars.](#)

## Other KPPA News

### Going Paperless! Option Coming in 2024

Log into at [MyRetirement.ky.gov](https://MyRetirement.ky.gov)

Verify your contact information

We'll tell you more about this new service when its ready and explain how it works.



### 2024 Legislative Session Begins January 2, 2024

The 2024 Regular Session of the Kentucky General Assembly convenes on Tuesday, January 2, 2024. Each Legislative Day, KPPA summarizes retirement-related legislative activity, tracks legislation, and explains the legislative process as it unfolds.

**Bookmark the KPPA Legislative Updates page and join us beginning January 2024 as we navigate the upcoming 60-day Session.**

### KPPA Receives \$21.56 Million Refund from Humana Due to Lower-Than-Expected Retiree Health Care Costs for 2022

Retirees have embraced the different wellness programs offered through Humana and are living healthier lives, resulting in lower health care costs for both Humana and the insurance trust. These cost efficiencies create savings that are shared between KPPA and Humana in accordance with the terms of the Authority's contract with the insurance provider.

### New Trustee Named to KRS Board of Trustees

**Mary G. Eaves** was appointed to a four-year term on the KRS Board of Trustees by Governor Andy Beshear on June 22, 2023.

Also on June 22, 2023, **Prewitt Lane and Pamela Thompson** were reappointed by the Governor to the KRS Board, with their terms expiring June 17, 2027.

### Retirement Trends

Total retirements from the systems administered by KPPA fell in Fiscal Year (FY) 2023 to their lowest level since 2020, the first year of the COVID-19 pandemic. **More information about retirement trends can be found here.**

INITIAL RETIREMENTS FISCAL YEAR 2023-2024													
JULY 1 – JUNE 30													
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
KERS	173	378	125	100	98								874
CERS	898	663	347	281	229								2,418
SPRS	0	5	1	3	0								9
TOTAL	1,071	1,046	473	384	327								3,301

  

INITIAL RETIREMENTS FISCAL YEAR 2022-2023													
JULY 1 – JUNE 30													
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
KERS	134	312	154	123	113	114	228	126	82	109	98	96	1,689
CERS	867	698	412	317	295	201	631	295	244	256	211	343	4,770
SPRS	1	1	0	1	0	4	2	0	2	1	0	0	12
TOTAL	1,002	1,011	566	441	408	319	861	421	328	366	309	439	6,471

NOTE: Monthly total reflect the number of members who received their first retirement payment in the given month.

## **STAY INFORMED: KEEPING UP WITH KPPA**

We make it easy to stay informed about important events at KPPA. Here are some of the online resources we use to connect with our members and retirees:

**Self Service: *Fast. Secure. Reliable.***

KPPA's **Self Service portal** continues to be the most efficient way to view and manage your personal retirement information. We encourage you to take advantage of this online resource.

**Registering for Self Service is quick and easy.** After registering, you can log into your Self Service account 24/7 to calculate retirement benefit estimates, change tax withholdings, or update your contact information. You can even apply for retirement online!

### **Facebook Live: Board and Committee Meetings**

KPPA livestreams board and committee meetings on our Facebook page. We invite you to join us for future meetings by going to the KPPA **Facebook page** on the date and time of the meeting.

You can also watch videos of prior meetings. **Click here** to view the meeting schedules.

### **Publications and Forms:**

[Retiree Handbook](#) - [Member Newsletters](#) - [Summary Annual Reports](#)

*and other publications*

### **Additional Resources for:**

**Members:** [Benefit Tiers](#) - [Outreach and Programs](#) - [Survivor Benefits](#) - [Ready to Retire](#)

**Retirees:** [Reemployment after Retirement](#) - [Health Insurance Reimbursement Plan Insurance](#) - [Beneficiary Changes](#)

*and more!*

Questions? [Contact us](#)



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