

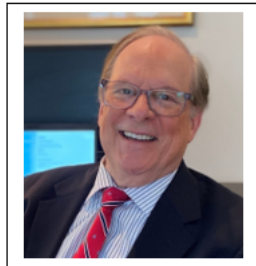


Welcome to the spring 2024 edition of PENSION INSIGHTS, the official newsletter for members and retirees of CERS, KERS, and SPRS.

Highlights of this issue include:

- **KPPA LEADERSHIP CHANGE**  
*Current Executive Director David Eager Retiring; Ryan Barrow named next ED*
- **WE'VE GONE PAPERLESS**  
*Stakeholders with valid email address on file began receiving paperless communications effective May 1*
- **2024 LEGISLATIVE SUMMARY**  
*"Housekeeping bill" passes; General Assembly provides additional money to help reduce KERS Nonhazardous and SPRS pension unfunded liabilities*

**PLUS:** Articles about **new Actuarial Factors**; **Tax Withholding changes**; **LivingWell Promise reminder**; upcoming **Active Member Webinars**... *and more!*



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

I do not often talk about myself in these newsletters because KPPA is about the team, not one person. But I will be retiring at the end of July, and I'm going to take a little bit of time to touch on that, what's next, and what an amazing group of people work at KPPA.

My last day as Executive Director of KPPA is scheduled to be July 31. It has been one of the great pleasures of my career, if not the greatest, to have served in this position. I will forever be grateful for the opportunity and am proud to be associated with such a hard-working and caring group of people.

[READ THE REST OF DAVE'S MESSAGE](#)

Sincerely,

David Eager, KPPA Executive Director

## Ryan Barrow named KPPA Executive Director

*Joins KPPA from Finance and Administration Cabinet effective June 16, 2024*



[The KPPA Board voted unanimously to appoint Ryan Barrow as the next Executive Director of KPPA.](#) Mr. Barrow currently serves as the Executive Director of the Office of Financial Management (OFM) in the Kentucky Finance and Administration Cabinet's Office of the Controller. He will be joining KPPA effective June 16, 2024.

In his role at OFM, Mr. Barrow oversees bond financing for the Commonwealth, managing a multibillion-dollar debt portfolio, and \$3-\$4 billion in invested state cash. He has more than 20 years of experience in finance, credit, investments, pensions, operations, and project management with a range of organizations.

Mr. Barrow will succeed David Eager, who has headed KPPA since September 2016 and plans to retire in August 2024.

## "Paperless" Communication Begins May 1

***New effort will provide important information to stakeholders quickly and cost-effectively***



KPPA is excited to unveil our latest effort to provide stakeholders with important retirement information as quickly, and cost-effectively, as possible. Beginning May 1, 2024, members and retirees with a valid email address on file at KPPA will start receiving most communications directly to their email address, instead of as a printed document sent by KPPA.

[Click here to read more about Paperless Communications.](#)

## 2024 Legislative Summary

***“Housekeeping bill” passes; General Assembly provides \$650 million in additional money to help reduce KERS Nonhazardous and SPRS pension unfunded liabilities***

The 2024 Regular Session of the Kentucky General Assembly adjourned on Monday, April 15, 2024.

Notable events include the passage of [House Bill 99](#) (Rep DJ Johnson), the KPPA Housekeeping bill, which amends various sections of KRS Chapters 16, 61, and 78 to make technical changes relating to KPPA’s administration of the Systems. “Housekeeping bill” is a slang term for typically noncontroversial legislation that “cleans up” statutes by clarifying their language or otherwise updating their content to align with changes in relevant federal or state law.

Also, the Governor and General Assembly continued their recent efforts to help pay down the unfunded pension liabilities of the KERS Nonhazardous and SPRS plans. KPPA is extremely grateful to have received an additional \$650 million in allocations (contained in House Bill 1 and House Bill 6) during the 2024-2026 budget cycle.

[Click here for a complete summary of KPPA-related bills and resolutions passed in the 2024 Regular Session.](#)

## Active Member News

### **New Actuarial Factors for Calculating Service Purchase Costs, Payment Options Changing Effective July 1, 2024**

The actuarial factors used for calculating service purchase costs and payment options are changing, effective July 1, 2024.

Actuarial factors are occasionally adjusted based on the results of regular Experience Studies conducted by KPPA’s independent actuary. These studies compare each plan’s actuarial experience to what had been expected to occur (the assumptions) and help ensure the factors remain accurate.

The new factors have already been added to the calculators used in [Member Self Service](#). Members are encouraged to visit Member Self Service to determine any impact the factor changes may have on their retirement estimates or service purchase costs.

[Learn more about factor changes and their implications.](#)

### **Summer Webinar Series for Non-retired Members**

[KPPA webinars for our non-retired members again this summer. Join trained Retirement Benefits Counselors as they delve into a variety of essential topics like “Tier 1 Benefits,” “Ready to Retire,” “Retirement Payment Options,” and “Health Insurance Planning.”](#)

Due to the popularity of these webinars, **space is limited and available slots fill up quickly, so advance registration is required.**

While you’re registering for a webinar, please take a moment and verify or update your email address in the [Member Self Service](#) portal to stay connected with KPPA.

## Retiree News

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### Review Your Retirement Withholding Preferences Each Year

[The Internal Revenue Service \(IRS\) adjusts tax brackets on an annual basis, and these adjustments could alter the amount of federal taxes deducted from your retirement payments. This means the amount of your retirement payment may have changed this year.](#) If you were impacted by the annual IRS change, you received a check stub for your February payment in the mail that reflected your new benefit amount.

Although your personal federal tax withholding election remains in place unless you update your withholding preference with KPPA, the dollar amount withheld can still vary each year due to the IRS' annual adjustments to the tax tables. Therefore, to manage your taxes effectively, retired members may want to consult with a tax advisor and adjust their federal tax withholdings accordingly.

Retired members may update federal tax withholdings at any time through [Self Service](#) or by submitting [Form 6017, Federal Income Tax Withholding Preference](#) to KPPA.

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### REMINDER: Fulfill Your LivingWell Promise by July 1, 2024 to Earn \$480/Year in 2025 Insurance Premium Discounts

Non-Medicare eligible members enrolled in the Kentucky Employees Health Plans (KEHP) can earn up to \$40 a month (\$480 a year) in 2025 insurance premium discounts by fulfilling the LivingWell Promise by July 1, 2024.

To fulfill the LivingWell Promise, all plan holders who are 18 or older must complete an online Health Assessment at [mycastlight.com/mybenefits](https://mycastlight.com/mybenefits) by July 1, 2024.

Don't miss your chance to **save \$480 on your 2025 premiums!** Completing the health assessment through Castlight is the only way to satisfy the LivingWell Promise and get this discount.

**REGISTER TODAY:** Download the Castlight Mobile App, visit [mycastlight.com/mybenefits](https://mycastlight.com/mybenefits), or call Castlight at 1-800-681-6758.

## News Briefs

### CERS, KRS, KPPA name Board Chairs and Vice Chairs

**George “Lisle” Cheatham II** was elected as the new Chair of the County Employees Retirement System (CERS) Board at the Systems’ annual meeting on April 8, with **Michael Foster** elected as Vice Chair. **Lynn Hampton** and **C. Prewitt Lane** were re-elected as Chair and Vice Chair, respectively, of the Kentucky Retirement Systems (KRS) Board at their annual meeting on April 9.

The KPPA Board, composed of members from the CERS and KRS boards, elected **Jerry Powell** as Chair and **Keith Peercy** as Vice Chair during its annual meeting on April 25.

### KPPA Employee Service Recognition Awards

Since 1988 the Board has recognized retirement system employees with certificates of appreciation and service pins for each five-year period an employee has been on the retirement systems’ staff. Please join us in congratulating our 57 coworkers who reached a career milestone this fiscal year.

### Investment Updates

For the first nine months of Fiscal Year (FY) 2024, pension and insurance plan investments returned between 8.2% (KERS Nonhazardous pension) and 10.3% (CERS Nonhazardous insurance). The KERS Nonhazardous pension plan and the SPRS pension plan beat their respective investment benchmarks for the nine-month period ended March 31, 2024. And although all other plans slightly underperformed their investment benchmarks, positive performance pushed the combined assets of all pension and insurance funds to a record \$26.5 billion.

Full information about investments can be found in the [Investments section](#) of our website. There you can browse the Investments Library for monthly performance reports, investment policies, manager fee reports, internal holdings and transactions reports, and proxy voting reports.

	March 2024	June 2023	June 2022	June 2021
Pension assets	\$18.61	\$16.71	\$15.00	\$15.79
Insurance assets	\$7.86	\$7.20	\$6.61	\$6.94
<b>Total assets</b>	<b>\$26.47</b>	<b>\$23.91</b>	<b>\$21.61</b>	<b>\$22.73</b>

#### Pension Fund Performance

	FYTD (March 2024)	3-Year	5-Year	10-Year	30-Year
CERS NH	10.15%	6.48%	8.30%	7.13%	8.03%
CERS HAZ	10.26%	6.45%	8.25%	7.12%	8.94%
KERS NH	8.23%	4.94%	7.15%	6.32%	7.76%
KERS HAZ	9.76%	6.03%	7.98%	6.95%	7.97%
SPRS	10.93%	5.27%	7.28%	6.29%	7.75%

#### Insurance Fund Performance

	FYTD (March 2024)	3-Year	5-Year	10-Year	30-Year
CERS NH	10.33%	6.59%	8.19%	7.16%	7.18%
CERS HAZ	10.25%	6.68%	8.25%	7.22%	7.20%
KERS NH	9.73%	5.97%	7.99%	6.77%	7.03%
KERS HAZ	9.68%	6.42%	8.06%	7.02%	7.13%
SPRS	9.63%	6.49%	8.25%	7.20%	7.19%

Questions? [Contact us](#)



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