

PENSION INSIGHTS



SPRING 2026 ISSUE

The official newsletter for non-retired members of CERS, KERS, and SPRS.



From the Desk of Ryan Barrow Executive Director

Spring has sprung in Kentucky. As the outdoors awaken, inside at KPPA it's always a beehive of activity.

Strategic Plan Update

The Strategic Planning Committee and various teams evaluating individual initiatives continue their work. The committee is finalizing initiatives for 2026 and will then turn their focus to developing a plan for 2027 priorities and establishing a communication strategy to ensure the entire organization is on the same page regarding strategic plan initiatives and make certain transparency in implementation.

Teams evaluating IT needs, ways to reduce the number of paper checks KPPA issues, real-time self-service assistance by counselors, and enhancing the system for member beneficiary updates are all active. The Leadership Academy cohort concluded with presentations and a graduation ceremony following ten months of training sessions and regular meetings with mentors. Training topics included personality assessment and team building; personal values, empathy, and integrity; time management; delegation skills; and effective communication.

LEGISLATIVE UPDATE



Legislation

The Kentucky General Assembly, in its Executive Branch Budget Bill ([House Bill 500](#)), included an appropriation of \$78.5 million in Fiscal Year (FY) 2027 to pay down the unfunded

liability of the Kentucky Employees Retirement System Nonhazardous pension fund. The legislature also appropriated \$15 million for Phase One planning related to a pension administration system modernization project.

We discuss this and other bills affecting KPPA that were passed by the General Assembly this session elsewhere in the newsletter.

Promotions

[Odette Gwandi](#) was named Executive Director of the Office of Benefits, replacing Erin Surratt, who last year was named Deputy Executive Director of KPPA. Most recently, Odette was Director of Membership Support.

KERS Election and System Board Leadership

Larry Totten and Mike Riley were the top two vote-getters in the recent Kentucky Employees Retirement System (KERS) Trustee election. They will represent



KERS on the Kentucky Retirement Systems (KRS) Board. We welcome them and look forward to their contributions. More details on the KERS election can be found below. We also thank David Adkins and Dr. Crystal Miller for their time and expertise in serving KRS members.

Below we discuss board leadership elections for the County Employees Retirement System, KRS, and KPPA, which were held at the boards' Annual Meetings in April.



Ryan Barrow, KPPA Executive Director

LEGISLATIVE SESSION

The 2026 Regular Session of the Kentucky General Assembly concluded on April 15, 2026. Throughout the 60-day session, KPPA tracked more than 80 bills that could have affected the systems. Although many bills were introduced, only five were passed that directly affect KPPA. You can read our complete summary [here](#).

BILLS PASSED AFFECTING MEMBERS

Law changes affecting members are typically based on specific membership details, such as participation date, benefit tier, and whether service is hazardous or nonhazardous. Members can review their individual retirement account by logging in or registering at [MyRetirement.ky.gov](https://myretirement.ky.gov).

[Senate Bill 85 Special Needs Trust](#): This bill allows a Special Needs Trust to be named as a beneficiary. A Special Needs Trust is a legal way to hold money or assets for a person with a disability. It helps protect their eligibility for important benefits, like Medicaid, while still receiving financial support. Senate Bill 85 also allows a Special Needs Trust to choose the same lifetime survivor payment options that are normally limited to person beneficiaries.

KPPA will provide more information as these changes are put into place.

[House Bill 220 Pension Spiking](#): Pension spiking happens when a Tier 1 or Tier 2 member's pay increases by more than 10% a year during the last five years before retirement. House Bill 220 changes the effective date of an exemption established by House Bill 30 in the 2025 Regular Session.

Currently, if an employer gives a group of employees a pay raise - either because the employer approves it, the legislature funds it, or it is part of a union contract - those raises are treated as normal pay increases. House Bill 220 clarifies that these group raises will not cause pension-spiking reductions for members with an effective retirement date on or after July 1, 2021.

KPPA is developing procedures for the retroactive application of this change and will share updates as they become available.

Two bills passed related to specific reemployment situations: [House Bill 213 \(Reemployment of Retired Police Officers\)](#) and [Senate Bill 102 \(Kentucky State Police R Class Reemployment\)](#). Retirees must continue to follow all [reemployment laws and requirements](#) when returning to work. In addition, [House Bill 500](#) sets the Executive Branch Budget for the biennium (Fiscal Years 2026-2027 and 2027-2028). While this bill does not change member benefits, the Executive Branch Budget provides funding for the systems and sets KPPA's administrative budget. [Click here](#) for a summary of these bills.

ANNUAL REPORTS AVAILABLE

Annual reports for all of the systems operated by KPPA for the Fiscal Year ended June 30, 2025, are now available on the KPPA website. For those looking to do a deep dive into CERS, KERS and SPRS, review the [Annual Comprehensive Financial Reports \(ACFRs\) online](#). Those looking for more of a high-level overview of the systems and of KPPA, review the [Summary Annual Financial Report \(SAFR\) online](#).

OFFICE OF BENEFITS



Odette Gwandi has been appointed Executive Director of the Office of Benefits. She leads the day-to-day administration of retirement benefits for members and beneficiaries under the KPPA-operated plans, which includes managing an annual retiree payroll exceeding \$2 billion. She oversees the Divisions of Member Services, Membership Support, Retiree Health Care, Quality Assurance, Retiree Services Payroll, and Disability and Survivor Benefits.

“I am honored to step into the role of Executive Director of the Office of Benefits. I am proud to be part of a team that promotes the core values of KPPA and ensures staff have the necessary tools to serve our membership. I look forward to building on the foundation started by my predecessor, Erin Surratt. Our membership is at the center of what we do at KPPA. I am committed to prioritizing the needs of our membership while ensuring their interactions with the Office of Benefits are pleasant.”

Odette brings more than 20 years of KPPA service to this role. She received her undergraduate degree in Political Science and holds a Masters of Publication Administration from Kentucky State University.

TRUSTEE ELECTIONS



[Larry Totten](#), a retired Kentucky Department of Parks employee and President of Kentucky Public Retirees, and [Mike Riley](#), Director of Human Resources for the Bluegrass Area

Development District, are the top two vote-getters in the recent Kentucky Employees Retirement System (KERS) trustee election. Both began their four-year terms of office on the Kentucky Retirement Systems Board of Trustees on April 1.

They join [Keith Peercy](#), the elected representative from the State Police Retirement System (SPRS), and six trustees appointed by the Governor. The nine-member KRS board oversees KERS and SPRS. More information about the [KRS Board and its trustees](#) can be found on our website.

“We welcome Larry Totten and Mike Riley to the KRS Board and look forward to their experience and perspectives contributing to the continued improvement of the system on behalf of its members,” said KPPA Executive Director Ryan Barrow. “At the same time, we thank David Adkins and Dr. Crystal Miller for their time and expertise serving KRS members.”



Next Election

The State Police Retirement System (SPRS) will elect one representative to serve a four-year term on the KRS Board of Trustees

beginning April 1, 2027. That election will open in January 2027. KPPA will begin accepting applications in the coming months from SPRS members interested in running in that election. Please be on the lookout for information on this process.

CERS, KRS, KPPA NAME BOARD CHAIRS, VICE CHAIRS

KPPA members elected County Employees Retirement System (CERS) Board Chair [George “Lisle” Cheatham II](#) as Chair of the KPPA.

KRS Chair Keith Peercy was elected KPPA Vice Chair. Mr. Peercy was elected KRS Chair at that Board’s Annual Meeting on April 16. [C. Prewitt Lane](#) was re-elected Vice Chair.

At the CERS Board of Trustees' Annual meeting on April 15, Mr. Cheatham and [J. Michael Foster](#) were re-elected Chair and Vice Chair, respectively.

CERS CONTRIBUTION INCREASES



CERS members with a participation date of July 1, 2003, or later are affected by a 2025 law change (Senate Bill 10) which increases the employee Health Insurance Contribution

(HIC) effective July 1, 2026. All affected members have been notified. Those with a valid email on file received an email, and others were mailed a postcard. For more information on the [Insurance Contribution Changes](#) go to our website.

The new HIC rates will apply to payroll records reported to KPPA for wages earned on or after July 1, 2026. Members will see the updated amount on their paycheck once their employer applies the new rate. Watch the video on the [2026 HIC changes due to Senate Bill 10](#) to learn more.

PHONE SURVEY AND CALLBACK

ASSIST



Thank you to all our members who have participated in our phone survey. Your input plays a vital role in helping us improve our services and better support your needs. The survey will be ongoing, and we encourage you to share your thoughts whenever you call.

Don't forget about our Call Back Assist feature. If we are experiencing a high call volume, please take advantage of this option. This allows you to receive a call back from a counselor instead of waiting on hold. You will not lose your place in line when choosing to use the Call Back Assistance feature.

WEBINARS

KPPA hosts monthly webinars for non-retired members. Please take advantage of these opportunities to learn more about your benefits.



Webinar schedule for June:

Tier 3 Webinar
Wednesday, June 3, 3:00pm ET

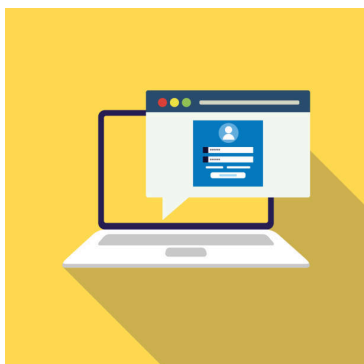
Pension Spiking Webinar
Wednesday, June 10, 3:00pm ET

Leave Balances Webinar
Thursday, June 25, 9:30am ET

[Register for Webinars](#)

Go to our website to view and register for any of our [webinars for 2026](#).

SELF SERVICE FEATURES



KPPA encourages members to take advantage of our convenient online services. Our Self Service website is user-friendly and accessible from your computer, smartphone, or tablet. Two great features include the online application process and online document submission.

Members can apply for retirement online. By submitting your retirement application online, you ensure it is delivered to our office immediately—with no processing or mail delays.

In addition, members can upload documents with ease. The Documents feature allows you to securely upload required forms and documents directly to us.

Account registration is simple and provides 24/7 access to your account. Learn more about the convenience of managing your account online through our self-service portal: myretirement.ky.gov.

SECURITY SPOTLIGHT



The Fight Against Fraud

Fraud affects many individuals, and recovery can take time. KPPA encourages members to stay vigilant and take steps to protect their personal information.

Strengthen Your Online Security

Use unique passwords for every account. Having unique passwords for each account helps stop the fraud and only affect that one account. A password manager can help you create and store them securely, improving your overall online safety.

Be Cautious with Phone Calls

Scammers often spoof Caller ID to appear as legitimate businesses. Remember, reputable organizations will not call unexpectedly to request sensitive information. If unsure, hang up and call the business using a verified number. Be sure to report the fraudulent attempt.

If You Experience Fraud

Recovering from fraud can take years. Act quickly by taking these steps:

- Contact the companies where the fraud occurred.
- Notify your bank, credit card companies, and KPPA. We will notate your account.
- Place a free fraud alert and request credit reports:
 - Experian: 888-397-3742
 - TransUnion: 888-909-8872
 - Equifax: 800-685-1111
 - Request your free annual credit reports at annualcreditreport.com.
 - Report identity theft to the Federal Trade Commission at 1-877-438-4338 or complete the [online form](#) and include as many details as possible.
 - Consider filing a police report.

KPPA remains committed to supporting members and promoting strong personal security practices. Go to our [website for more security tips](#).

CELEBRATING OUR PUBLIC SERVANTS

Public Service Recognition Week took place May 3-9, and we used this time to express our appreciation for all members and KPPA's dedicated staff who support them. We invite you to visit our [Facebook page](#) and learn more about some of our incredible team members.



INVESTMENT RETURNS

For the first eight months of FY 2026 ending February 28, 2026, the average return for the CERS Nonhazardous pension fund was 9.7% while the CERS Hazardous pension earned 9.6%. CERS Nonhazardous insurance trust assets under management earned 9.5% and CERS Hazardous insurance trust assets earned 9.4%. For KERS Nonhazardous pension assets, the eight-month FY 2026 return was 9.3% and for Hazardous pension assets it was 9.9%. Insurance trust assets for KERS Nonhazardous and Hazardous plans each earned 9.5%. SPRS pension and insurance trust asset returns for the same period were 9.1% and 9.5%, respectively.

For more detailed information about investment returns, holdings, and policies, visit the [Investments section](#) of the KPPA website.

Pension Fund Performance

	FY 2026*	5-Year	10-Year	30-Year
CERS NH	9.7%	8.8%	9.6%	7.7%
CERS H	9.6%	8.8%	9.5%	7.7%
KERS NH	9.3%	7.6%	8.5%	7.4%
KERS H	9.9%	8.6%	9.4%	7.7%
SPRS	9.1%	7.7%	8.6%	7.4%

Insurance Fund Performance

	FY 2026*	5-Year	10-Year	30-Year
CERS NH	9.5%	8.8%	9.5%	7.1%
CERS H	9.4%	8.9%	9.5%	7.1%
KERS NH	9.5%	8.5%	9.3%	7.0%
KERS H	9.5%	8.7%	9.4%	7.1%
SPRS	9.5%	8.7%	9.5%	7.1%

*Through February 2026 and trailing 12-month periods.
NH - Nonhazardous

Do you follow KPPA for legislative updates during session?



Kentucky Public Pensions Authority | 1260 Louisville Road | Hours of Operation: Monday through Friday, 8:00 a.m. to 4:30 p.m. ET.
| Frankfort, KY 40601 US

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