



PENSION INSIGHTS



WINTER 2026 ISSUE

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



From the Desk of Ryan Barrow Executive Director

Happy New Year! Turning the calendar brings change and possibility, and the shift to 2026 is no exception at KPPA.

Administrative Changes

Erin Surratt has been named Deputy Executive Director of KPPA. She will oversee the divisions of Communications, Procurement & Office Services, Enterprise and Technology Services, and the Administrative Hearings branch. Previously Ms. Surratt served you as the Executive Director of the Office of Benefits. In conjunction, Mike Lamb, currently KPPA's Chief Financial Officer, will oversee Compliance and the divisions of Employer Reporting, Compliance, and Education (ERCE) and Accounting.

Improvements in Funding

Actuarial valuations are in, and there has been improvement for pension funding levels across the board. The KERS Nonhazardous pension's funded ratio improved to 28.6%. While that may not sound great, it represents the highest level of funding in more than a decade, and a 3.8 percentage point improvement from FY 2024. The KERS Hazardous pension's funded ratio improved to 72.3%. The SPRS pension's funded ratio was 61.9%, up from 58.6% the prior fiscal year. For CERS, the Nonhazardous pension's funded ratio stood at 61.4% at the end of FY 2025, while the Hazardous pension's funded ratio was 57%, both improvements over FY 2024.

Full actuarial reports can be found on our [Actuarial Valuations page](#).

Other Note

We published separate Annual Comprehensive Financial Reports for CERS and KRS for the first time in 2024 and are happy to report that we have again received the GFOA Certificate of Achievement for Excellence in Financial Reporting for each report. Those CERS and KRS reports for FY 2025 are available now on our [Annual Reports page](#).

2026 General Assembly

As always, we look forward to working with the General Assembly on bills that affect KPPA. The 60-day session convened on Tuesday, January 6, and you can find more information below.



Ryan Barrow, KPPA Executive Director

NEW DEPUTY EXECUTIVE DIRECTOR NAMED



Erin Surratt has been appointed KPPA Deputy Executive Director.

Erin brings more than 20 years of dedicated service to KPPA, most recently serving as Executive Director of the Office of Benefits, where she led the day-to-day administration of retirement benefits for members and beneficiaries. Since joining KPPA in March 2003, she has held a variety of key roles, including retirement system counselor, START Project lead, business analyst, and Division Director of Quality Assurance.

LEGISLATIVE SESSION

The 2026 Regular Session of the Kentucky General Assembly began on Tuesday, January 6, 2025. This is a 60-day session that will include passage of the Commonwealth's biennial state budget.

During the session, KPPA reviews proposed bills and provides detailed information on how they could affect the systems. While KPPA's analyses are instrumental in supporting informed decision-making, the agency does not have the authority to enact legislation.

Visit our [website](#) and follow us on social media for the latest information about bills that may affect KPPA.

1099-R AND TAX INFORMATION

In January of each year, KPPA issues a 1099-R providing the information you need to file your tax return. **The quickest way to access your tax form is to log in to Retiree Self Service at MyRetirement.ky.gov.** 1099Rs for tax year 2025 will be mailed by the end of January.

You do not need to request this information. If you received benefits in the previous calendar year, a 1099-R will automatically be mailed to the address on record by the end of January.

New federal tax brackets and standard deductions are now in effect.

Each year, the IRS updates tax rules that determine how much income is taxed. Because of these annual changes, the amount of federal tax taken out of your



retirement payment may be different this year.

Your current withholding choice for your retirement benefit will stay the same until a new tax withholding request is processed by KPPA. You can change your withholdings at any time:

- Logging in to your retirement account at MyRetirement.ky.gov, or
- Submit [Form 6017](#) - Federal Income Tax Withholding Preference – to KPPA.

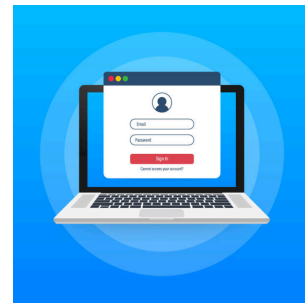
A tax estimator is available at MyRetirement.ky.gov to help you see how different withholding amounts may affect your payment. If you have questions about how to change your withholdings, please contact our office.

Please keep in mind that KPPA staff are not qualified tax professionals and cannot advise you regarding withholding preferences. Your decision on income tax withholding is an important one and should be discussed with a qualified tax advisor.

ACCESSING YOUR ACCOUNT ONLINE

Go to MyRetirement.ky.gov to access your account online:

- Change your federal tax withholdings
- Verify your contact information
- Choose your communications preference
- Upload documents and more



Registration is easy and gives you 24/7 access to your account.

KERS TRUSTEE ELECTION



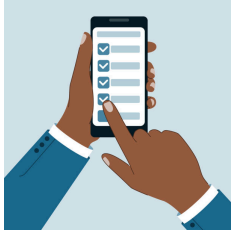
KERS members may vote for two candidates to serve a four-year term beginning April 1, 2026. Ballots are mailed or available online January 20, 2026.

The voting deadline is March 1, 2026. Members must cast their electronic vote online or ensure their paper ballot is postmarked by March 1, 2026.

Learn more about the five KERS Trustee candidates on our website at [Board Elections](#).

PHONE SURVEY

KPPA is conducting post-call phone surveys to help enhance services and better support your needs. Your feedback is valuable, and we appreciate your time and insights.



At the end of the call, you will be invited to participate in a phone survey based on your recent experience with your KPPA representative. To take part, simply remain on the line to be directed to the survey.

SECURITY SPOTLIGHT



When it comes to Cybersecurity, we all have to remain alert and apply what we have learned over the years about best practices for managing our various digital accounts.

One of the most important steps you can take is to create unique passwords for each of your accounts. Using a password manager can help organize and streamline your online activities.

Reports indicate that we will continue to encounter some of the same basic hacking methods, like emails or texts that create a sense of urgency, potentially leading you to make hasty decisions without careful thought.

New threats will be more advanced. Artificial Intelligence (AI) has the potential to do amazing things, but in the wrong hands, it can also cause significant damage. One of the many capabilities of AI is to imitate both a person's appearance and voice. This could be exploited in various scenarios, such as receiving a call from someone you know well asking you to transfer money to a specific account.

You can use the same basic responses that have been suggested for other scams; stay calm, and contact the person through a reliable communication method to verify the request. Remain alert and avoid making snap decisions if approached through digital channels.

[Learn more](#) on how to protect yourself on our website.

FISCAL YEAR 2025 ANNUAL REPORTS NOW AVAILABLE

The [CERS](#) and the [KRS](#) annual reports for Fiscal Year ended June 30, 2025, are now on the KPPA website. These Annual Comprehensive Financial Reports (ACFRs) and the Summary Annual Financial Report (SAFR) explain the structure, financial status, investments, and governance of CERS, KERS and SPRS. The SAFR provides an overview of all systems. The summary report will be available soon under the [Summary Annual Reports page](#).

INVESTMENT RETURNS

For the first four months of FY 2026 ending October 31, 2025, the average return for the CERS Nonhazardous and Hazardous pensions was 5.3%. CERS

Nonhazardous insurance trust assets under management earned 5.2% and CERS Hazardous insurance trust assets earned 5.1%.

For KERS Nonhazardous pension assets the four-month FY 2026 return was 5.0% and for Hazardous pension assets it was 5.3%. Insurance trust assets for KERS Nonhazardous and Hazardous plans earned 5.2% and 5.1%, respectively. SPRS pension and insurance trust asset returns for the same period were 5.0% and 5.1%, 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	5.3%	10.4%	8.6%	7.8%
CERS H	5.3%	10.4%	8.6%	7.8%
KERS NH	5.0%	8.8%	7.6%	7.5%
KERS H	5.3%	10.1%	8.5%	7.8%
SPRS	5.0%	8.9%	7.7%	7.5%

Insurance Fund Performance

	FY 2026*	5-Year	10-Year	30-Year
CERS NH	5.2%	10.3%	8.6%	7.1%
CERS H	5.1%	10.4%	8.6%	7.1%
KERS NH	5.2%	10.1%	8.3%	7.0%
KERS H	5.1%	10.2%	8.5%	7.1%
SPRS	5.1%	10.3%	8.6%	7.1%

*Through October 2025 and trailing 12-month periods.

NH - Nonhazardous

H - Hazardous

Did this newsletter include helpful information?





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