



## KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

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### MEMORANDUM

TO: State News Media

FROM: County Employees Retirement System

DATE: March 30, 2021

SUBJECT: Notice of Meetings

The County Employees Retirement System Board of Trustees will hold a special called meeting on **Thursday, April 1, 2021 at 2:00 p.m. (Eastern)** via live video teleconference due to SB 150, signed into law by the Governor on March 30, 2020, and Executive Order 2020-215 declaring a State of Emergency effective March 6, 2020 due to COVID-19.

If you would like to submit a public comment to be read during the meeting, please email your comment, full name and affiliation to Alane Foley at [alane.foley@kyret.ky.gov](mailto:alane.foley@kyret.ky.gov) no later than 8:30 a.m. on Thursday, April 1, 2021. Comments received cannot exceed 3 (three) minutes.

You can watch the livestream of this meeting by going to the KRS Facebook\* page on the date and time of the meeting.

Enclosures: Agenda

cc: Board of Trustees  
Media List

*\*KPPA will use the existing KRS social media accounts. Our new name will be associated with our existing social media accounts soon.*

**County Employees Retirement System Board of Trustees  
Special Called Meeting  
April 1, 2021, 2 p.m. EDT (1 p.m.CDT)  
Live Video Conference/Facebook Live**

**AGENDA**

- |  |                   |
|--|-------------------|
| <b>1. Call to Order</b>                                    |                   |
| <b>2. Trustee Swearing-In Ceremony</b>                     | Alane Foley       |
| <b>3. Roll Call</b>  | Alane Foley       |
| <b>4. Public Comment</b>                                   |                   |
| <b>5. Chair Election*</b>                                  | David Eager       |
| <b>6. Vice-Chair Election*</b>                             | CERS Chair        |
| <b>7. Ratification of CERS Election Results*</b>           | CERS Chair        |
| <b>8. CERS Trustee Vacancy*</b>                            | CERS Chair        |
| <b>9. KPPA Appointments</b>                                | CERS Chair        |
| <b>10. CERS Ad-Hoc Planning Committee Report</b>           | Betty Pendergrass |
| <b>11. CEO &amp; General Counsel*</b>                      | CERS Chair        |
| <b>12. By-laws*</b>  | CERS Chair        |
| <b>13. Committee Assignments</b>                           | CERS Chair        |
| <b>14. Board &amp; Committee Regular Meeting Schedule*</b> | CERS Chair        |
| <b>15. Investment Management</b>                           | Jerry Powell      |
| <b>16. Actuarial Planning</b>                              | Bill O'Mara       |
| <b>17. Strategic Planning Timetable</b>                    | CERS Chair        |
| <b>18. Adjourn</b>   |                   |

\*Board may take action on these items.

## **COUNTY EMPLOYEES RETIREMENT SYSTEM CERS AD-HOC PLANNING COMMITTEE REPORT**

### **EXECUTIVE SUMMARY**

On January 28, 2021, Kentucky Retirement Systems (KRS) Board of Trustees Chairman Dave Harris appointed two Ad-Hoc Committees to assist KRS staff with the planning and research for the transition to the new governance structure outlined in the 2020 HB484 legislation adopted by the Kentucky General Assembly. This report outlines the research, recommendations, and discussions of the CERS Ad-Hoc Planning Committee (C-Ad-Hoc) and its working groups. The CERS Trustees on the CERS Ad-Hoc Committee appreciate all the efforts of staff to assist. We hope that our preliminary efforts will help the new CERS Board of Trustees get off to a productive start in April.

### CERS Ad-Hoc Committee Structure

2021 HB9 allowed the new Trustees to meet with current Trustees and begin discussions about the transition. However, these discussions could not include any final "Board" decisions and that authority remained with the CERS Board of Trustees which takes office on April 1, 2021. C-Ad-Hoc used the attached Governance Transition Task List to organize the research and discussion. Working groups were assigned to each of the following four major sections of the Task List:

- a) Board Structure and Organization
- b) Plan Management
- c) Investment Management
- d) Board Administrative Policies

Initial meetings for C-Ad-Hoc were deferred until the Governor's appointments to the new CERS Board of Trustees were announced on March 1, 2021. C-Ad-Hoc held four weekly meetings in March 2021 to discuss research and recommendations from the working groups. Working groups also met to review background information and suggestions for CERS policies and structure. In addition, a new Trustee Orientation training session was held on March 16, 2021, to outline the pension and health care administrative staffing and procedures that will likely transition to the new Kentucky Public Pensions Authority.

### Recommendations

C-Ad-Hoc has developed the following recommendations and submits those proposals to the CERS Board of Trustees for their consideration on April 1, 2021. These proposed documents are attached to this report.

- a) Job Description – Chief Executive Officer
- b) Job Description – General Council
- c) Statement of Bylaws and Committee Organization
- d) CERS Board and Committee Regular Meeting Schedule

### Issues Still in Research

The following key issues are still in research and can be finalized using the CERS Board of Trustees Committee structure to continue research and develop final proposals:

- a) Hiring and recruitment process for CERS CEO & General Counsel
- b) Identify Trustees to serve on KPPA and PPW.
- c) Develop strategy to collaborate with KPPA.
- d) Develop Investment Policy Statement and Investment Procurement Policy for CERS investment management.
- e) Outline process for actuarial experience studies, development of assumptions, and annual valuations.
- f) Review staff recommendations for CERS Board Administrative Policies.
- g) Develop Board Training programs.
- h) Evaluate need for separate CERS Administrative Regulations
- i) Develop Communications strategy

## DRAFT – Position Description Chief Executive Officer CERS Board of Trustees

### Statement of Duties:

Responsible for all functions relating to efficient operations of the CERS Board of Trustees, develops policies and procedures; serves as legislative liaison; and performs other duties as required.

*\*Can have up to 7 tasks. Each task is limited to 400 characters. The last task is always "Performs other duties as assigned." And is weighted at 5%*

#### Task 1 30%

Develop core mission statement and organize Board's strategic planning. Develops collaborative team strategy with KRS and KPPA Board and staff. Develop relationships with key stakeholders. Recommend policy revisions to improve costs, efficiency, and effectiveness. Recommend communications improvements for members and stakeholders. Furnishes written reports, as requested by the CERS Board.

#### Task 2 20%

Coordinate with KPPA CIO and investment staff to oversee CERS Investment portfolio. Review monthly investment performance reporting and collaborate with CERS Investment consultant(s) to monitor investment strategy. Ensure that materials and advisor communications are organized for CERS Investment Committee and Board discussions of investments.

#### Task 3 15%

Facilitate Board's discussion of actuarial assumptions, annual valuations, studies, and presentations to PPOB. Coordinate with Actuary selected by KPPA to complete annual actuarial valuation and periodic experience studies. Monitor CERS compliance with statutory requirements for actuarial analysis and reporting. Facilitate Actuarial Analysis required for proposed legislation.

#### Task 4 15%

Collaborate with stakeholders to develop legislative goals. Monitor legislation that impacts CERS. Develop reporting & communication to PPOB. Develop CERS Board biennial budget request for CERS approval. Coordinate with KPPA to integrate CERS Board budget with the KPPA Administrative biennial agency budget request. Respond to legislative inquiries for actuarial or financial data.

#### Task 5 10%

Prepares, or oversees preparation of, Request for Proposals for various contractual services. Serves as the liaison with the CERS outside advisors. Represents CERS Board on task forces, committees, councils or meetings as assigned. Plans, develops, initiates and evaluates research projects. Analyze CERS cash flow reporting. Develop SAFR reporting strategy.

#### Task 6 5%

Confer with General Counsel. Provide technical assistance, advice and interpretation of rules and regulations, policies/procedures to legislators, CERS Board & Committees for CERS plan management. Coordinates with KPPA Executive Director to implement administrative policies. Develops and implements policy/procedures to ensure compliance with state and federal laws, rules and regulations.

#### Task 7 5%

Performs other duties as assigned.

## **DRAFT – Position Description General Counsel CERS Board of Trustees**

### **Statement of Duties:**

Serves as the primary legal advisor to the CERS Board of Trustees and CERS Chief Executive Officer; performs other duties as required.

### **Task 1 35%**

Provides legal analysis of issues relating to the CERS Board and provides legal and policy advice. Reviews proposed legislation to evaluate impact on CERS plan management and administrations. Attends and participates in meetings where legal analysis and judgment is critical to planning and decision-making. Provides advice and consultation to other legal staff within the organization.

### **Task 2 20%**

Develops and participates in training programs. Drafts legal policy and makes recommendations. Coordinates with KPPA Executive Director, Office of Legal Services, on administrative issues affecting the CERS plan administration or CERS Board.

### **Task 3 20%**

Coordinates with KPPA Legal staff to stay informed about administrative hearings and civil litigation that affect CERS plan management or CERS Board operations. Coordinates legal services with outside legal counsel.

### **Task 4 20%**

Drafts and reviews CERS Board contracts and CERS Board business procedures for legal sufficiency. Drafts and/or reviews major agreements between the organization and other entities, both public and private. Prepares reports for board. Responds to member inquiries. Handles more significant legal issues before CERS.

### **Task 5 5%**

Performs other duties as required.

**COUNTY EMPLOYEES RETIREMENT SYSTEM  
CERS AD-HOC PLANNING COMMITTEE  
GOVERNANCE TRANSITION TASK SUMMARY REPORT**

| #                                       | Task Name   | Authoritative Ref | Staff Resources* | Needs Research | Needs Discussion | Recommend Adoption |
|---|---|-------------------|------------------|----------------|------------------|--------------------|
| <b>BOARD STRUCTURE AND ORGANIZATION</b> |   |                   |                  |                |                  |                    |
| BSO-1                                   | Hire CEO  | KRS 78.782(9)     | Marlane Robinson |                |                  |                    |
| BSO-1a                                  | Develop job description   |                   |                  |                |                  | XX                 |
| BSO-1b                                  | Identify preferred work location  |                   |                  |                | XX               |                    |
| BSO-1c                                  | Evaluate employment status (CERS employee, State employee, contractor)  |                   |                  |                | XX               |                    |
| BSO-1d                                  | Establish compensation and benefit structure                            |                   |                  |                | XX               |                    |
| BSO-1e                                  | Develop search process  |                   |                  |                | XX               |                    |
| BSO-1f                                  | Outline policy for CERS legislative liaison (General Assembly and PPOB) |                   |                  |                | XX               |                    |
| BSO-2                                   | Hire General Counsel  | KRS 78.782(9)     |                  |                |                  |                    |
| BSO-2a                                  | Develop job description   |                   |                  |                |                  | XX                 |
| BSO-2b                                  | Identify preferred work location  |                   |                  |                | XX               |                    |
| BSO-2c                                  | Evaluate employment status (CERS employee, State employee, contractor)  |                   |                  |                | XX               |                    |
| BSO-2d                                  | Establish compensation and benefit structure                            |                   |                  |                | XX               |                    |
| BSO-2e                                  | Develop search process  |                   |                  |                | XX               |                    |
| BSO-3                                   | Outline CERS By-Laws  | KRS 78.782(2)     | Kathy Rupinen    |                |                  |                    |
| BSO-3a                                  | Review current KRS by-laws for modifications for CERS governance        |                   |                  |                |                  | XX                 |
| BSO-4                                   | Develop Standing Committee Structure                                    |                   |                  |                |                  |                    |
|   | Audit Finance   |                   | Kristen Coffey   |                |                  | XX                 |
|   | Actuarial   |                   |                  |                |                  | XX                 |
|   | Investment  |                   |                  |                |                  | XX                 |
|   | <del>Legislative — shifted to Board responsibility</del>                |                   |                  |                |                  | XX                 |
|   | Healthcare  |                   |                  |                |                  | XX                 |
|   | Disability Appeals Committee (& AAC)                                    |                   |                  |                |                  | XX                 |
| BSO-4a                                  | Develop tentative Committee Assignments                                 |                   |                  |                | XX               |                    |
| BSO-4b                                  | Develop process for selection of Committee Chairs                       |                   |                  |                | XX               |                    |
| BSO-4c                                  | Develop meeting schedule for Boards & Committees                        |                   |                  |                |                  | XX                 |
| BSO-5                                   | Add provisions for interface with KPPA                                  |                   |                  |                |                  | XX                 |
| BSO-5                                   | Identify Trustees to serve on KPPA                                      | KRS 61.505(2)(f)  |                  |                | XX               |                    |
| BSO-6                                   | Identify Trustees to serve on PPW Board                                 | KRS 61.505(1)(d)  | Kathy Rupinen    |                | XX               |                    |
| BSO-7                                   | Fiduciary Liability Insurance   | KRS 78.782(2)(e)  | Rebecca Adkins   | XX             |                  |                    |
|   |   |                   |                  |                |                  |                    |

**COUNTY EMPLOYEES RETIREMENT SYSTEM  
CERS AD-HOC PLANNING COMMITTEE  
GOVERNANCE TRANSITION TASK LIST**

| #                                 | Task Name   | Authoritative Ref            | Staff Resources                | Recommend Adoption | Needs Discussion | Needs Research |
|-----------------------------------|---|------------------------------|--------------------------------|--------------------|------------------|----------------|
| <b>CERS INVESTMENT MANAGEMENT</b> |   |                              |                                |                    |                  |                |
| IM                                | Investment Management   | KRS 78.790                   | Stephen Herbert                |                    | XX               |                |
| IM-1                              | Evaluate whether to hire a separate investment consultant                     | KRS 78.782(2)(d)             |                                |                    | XX               |                |
| IM-2                              | Establish CERS ownership of CERS assets                                       | 2021 HB9, §30(2)             |                                |                    | XX               |                |
| IM-3                              | Verify transfer of Insurance Fund assets to new CERS Health Insurance Trust   | 2021 HB9, §30(2)             |                                |                    | XX               |                |
| IM-4                              | Develop Investment Policy Statement   | KRS 78.790                   |                                |                    | XX               |                |
| IM-5                              | Develop Investment Procurement Policy   | KRS 78.790 (1)(d)            |                                |                    | XX               |                |
| IM-6                              | Develop Agreement for KPPA staff to manage CERS Investments                   | KRS<br>61.505(1)(c)(5)       |                                |                    | XX               |                |
| IM-7                              | Develop agreement with KERS Board for pooled investments                      |                              |                                |                    | XX               |                |
| <b>CERS PLAN MANAGEMENT</b>       |   |                              |                                |                    |                  |                |
| PM-1                              | Actuarial Management  | KRS 61.505(1)(e)             | Rebecca Adkins<br>Erin Surratt |                    |                  |                |
| PM-1a                             | Outline process for actuarial experience studies                              |                              |                                |                    | XX               |                |
| PM-1b                             | Outline process for actuarial audits  |                              |                                |                    | XX               |                |
| PM-1c                             | Outline policy for Board adoption of assumptions                              |                              |                                |                    | XX               |                |
| PM-1d                             | Outline policy for Board review of annual valuation                           |                              |                                |                    | XX               |                |
| PM-1e                             | Outline policy for CERS presentation to PPOB                                  |                              |                                |                    | XX               |                |
| PM-2                              | Review Summary Plan Descriptions and Identify specific changes for CERS plans | KRS 61.540;<br>78.782(18)(f) | Erin Surratt                   |                    | XX               |                |
| PM-3                              | Benefit Processing  |                              |                                |                    | XX               |                |

\*Staff Designee is primary supervisor for administrative function and may include additional staff assigned to assist. KRS/KPPA Executive Director may also assist.

**COUNTY EMPLOYEES RETIREMENT SYSTEM  
CERS AD-HOC PLANNING COMMITTEE  
GOVERNANCE TRANSITION TASK LIST**

| #                                    | Task Name  | Authoritative Ref | Staff Resources                          | Recommend Adoption | Needs Discussion | Needs Research |
|--------------------------------------|--|-------------------|--|--------------------|------------------|----------------|
| <b>BOARD ADMINISTRATIVE POLICIES</b> |  |                   |  |                    |                  |                |
| Adm-1                                | Develop Board Orientation Training                 | KRS 78.782(17)(a) | David Eager; Rebecca Adkins; Alane Foley |                    | XX               |                |
| Adm-2                                | Evaluate key issues to be managed by KPPA          | KRS 61.505        | Rebecca Adkins                           |                    | XX               |                |
| Adm-2a                               | START System for Employer Reporting & Collections  |                   |  |                    | XX               |                |
| Adm-2b                               | Employer Reporting, Compliance & Education         |                   |  |                    | XX               |                |
| Adm-2c                               | Cash Management                                    |                   |  |                    | XX               |                |
| Adm-2d                               | Member Counseling                                  |                   |  |                    | XX               |                |
| Adm-2e                               | Disability & Survivor Benefit Administration       |                   |  |                    | XX               |                |
| Adm-2f                               | Retiree Services                                   |                   |  |                    | XX               |                |
| Adm-2g                               | Retiree Healthcare Administration                  |                   |  |                    | XX               |                |
| Adm-2h                               | Accounting & Financial Reporting                   |                   |  |                    | XX               |                |
| Adm-2i                               | IT Management & Security                           |                   |  |                    | XX               |                |
| Adm-2j                               | Human Resources                                    |                   |  |                    | XX               |                |
| Adm-2k                               | Schedule orientation for new trustees              |                   |  |                    | XX               |                |
| Adm-3                                | Evaluate staff policy for CERS cost tracking       | KRS 61.505(11)    | Rebecca Adkins                           |                    | XX               |                |
| Adm-4                                | CERS Contracts                                     |                   | Rebecca Adkins                           |                    | XX               |                |
|                                      | Identify services with separate contracts for CERS |                   |  |                    | XX               |                |
| Adm-4a                               | Audit  | KRS 78.782(12)    |  |                    | XX               |                |
| Adm-4b                               | Investment Consultant                              | KRS 78.782(2)(d)  |  |                    | XX               |                |
| Adm-4c                               | Legal  | KRS 78.782(2)(d)  |  |                    | XX               |                |
| Adm-4d                               | PPW  | KRS 78.782(2)(d)  |  |                    | XX               |                |
| Adm-5                                | Annual Financial Reporting                         | KRS 78.782(12)    | Connie Davis                             |                    | XX               |                |
| Adm-5a                               | Develop reporting strategy with KERS Board         |                   |  |                    | XX               |                |
| Adm-5b                               | Identify changes in current reporting process      |                   |  |                    | XX               |                |
| Adm-5c                               | Evaluate separate SAFR report                      |                   |  |                    | XX               |                |
| Adm-6                                | Board Management Policies                          | KRS 78.782(9)(d)  | Kathy Rupinen                            |                    | XX               |                |
| Adm-6a                               | Conflicts of Interests & Confidentiality           |                   |  |                    | XX               |                |
| Adm-6b                               | Disclosure   |                   |  |                    | XX               |                |
| Adm-6c                               | HIPPA Privacy Use and Disclosure                   |                   |  |                    | XX               |                |
| Adm-6d                               | Open Records                                       |                   |  |                    | XX               |                |
| Adm-6e                               | Trustee Election                                   |                   |  |                    | XX               |                |
| Adm-6f                               | Trustee Training                                   |                   |  |                    | XX               |                |
| Adm-6g                               | Trustee Per Diem                                   |                   |  |                    | XX               |                |
| Adm-6h                               | Business Continuity & Disaster Recovery            |                   |  |                    | XX               |                |
| Adm-6i                               | Leadership Continuity & Succession                 |                   |  |                    | XX               |                |

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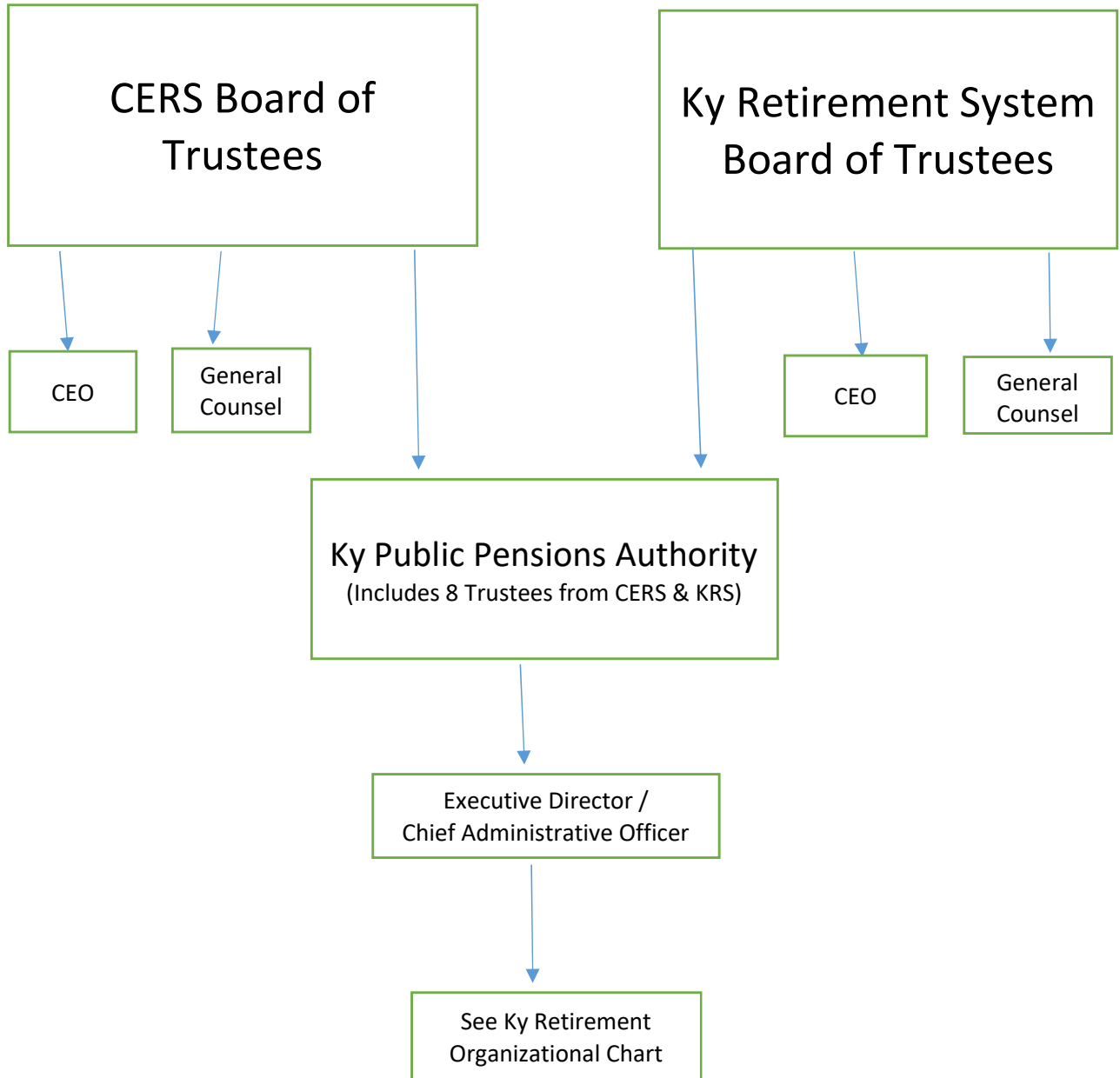
**COUNTY EMPLOYEES RETIREMENT SYSTEM  
CERS AD-HOC PLANNING COMMITTEE  
GOVERNANCE TRANSITION TASK LIST**

| #       | Task Name                                      | Authoritative Ref | Staff Resources | Recommend Adoption | Needs Discussion | Needs Research |
|---------|--|-------------------|-----------------|--------------------|------------------|----------------|
| Adm-7   | Develop Trustee Training Program               | KRS 78.782(17)    |                 |                    | XX               |                |
| Adm-8   | Evaluate benefit processing changes            |                   | Erin Surratt    |                    | XX               |                |
| Adm-8a  | Death Benefits                                 |                   |                 |                    | XX               |                |
| Adm-8b  | REMP   |                   |                 |                    | XX               |                |
| Adm-8c  | System values & Interface                      |                   |                 |                    | XX               |                |
| Adm-9   | Evaluate need for separate CERS Regulations    | KRS 78.782(9)(d)  | Kathy Rupinen   |                    | XX               |                |
| Adm-9a  | Review draft of Admin Regulation 105 KAR 1:360 |                   |                 |                    | XX               |                |
| Adm-10  | Communications                                 | KRS 78.782(18)    | Shawn Sparks    |                    | XX               |                |
| Adm-10a | Website  |                   |                 |                    | XX               |                |
| Adm-10b | Employers                                      |                   |                 |                    | XX               |                |
| Adm-10c | Member Newsletter                              |                   |                 |                    | XX               |                |
| Adm-10d | Facebook                                       |                   |                 |                    | XX               |                |
| Adm-10e | Other Social Media                             |                   |                 |                    | XX               |                |
| Adm-10f | Corporate branding                             |                   |                 |                    | XX               |                |

*\*Staff Designee is primary supervisor for administrative function and may include additional staff assigned to assist. KRS/KPPA Executive Director may also assist.*

## PROPOSED CERS BOARD & COMMITTEE MEETING SCHEDULE

| <u>Date</u>  | <u>Board</u>  | <u>Committee</u>           |
|--|---------------|----------------------------|
| NOTE: The DAC & ACC Joint Subcommittees will meet monthly. One Subcommittee will meet in even months and the other in odd months. Meeting schedules are determined by staff requests for case appeals. |               | Disability & Admin Appeals |
| February   |               |                            |
| First Wednesday  |               | Finance                    |
| Second Monday  |               | Health Care                |
| Second Wednesday   |               | Investment                 |
| Third Wednesday  | Regular Board |                            |
| March  |               |                            |
| Second Wednesday   |               | Actuarial                  |
| April  |               |                            |
| Third Wednesday  | Annual Board  |                            |
| May  |               |                            |
| First Wednesday  |               | Finance                    |
| Second Monday  |               | Health Care                |
| Second Wednesday   |               | Investment                 |
| Third Wednesday  | Regular Board |                            |
| August   |               |                            |
| Fourth Wednesday   |               | Investment                 |
| Fourth Monday  |               | Health Care                |
| September  |               |                            |
| First Wednesday  |               | Finance                    |
| Second Wednesday   | Regular Board |                            |
| October  |               |                            |
| Fourth Wednesday   |               | Health Care                |
| November   |               |                            |
| First Monday   |               | Actuarial Committee        |
| First Wednesday  |               | Finance                    |
| Second Monday  |               | Investment                 |
| Second Wednesday   | Regular Board |                            |
| December   |               |                            |
| First Wednesday  | Regular Board |                            |
|  |               |                            |



COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES  
STATEMENT OF BYLAWS AND COMMITTEE ORGANIZATION

[As Adopted: April xx, 2021]

**Section 1.1 GENERAL ADMINISTRATION.**

This Statement of Bylaws and Committee Organization of the Board of Trustees of the County Employees Retirement System (CERS) is adopted pursuant to the authority of KRS 78.782(2). State and Federal law shall control any inconsistency that exists or may exist between the law and this Statement of Bylaws and Committee Organization.

a. Definitions.

1. AAC: "AAC" refers to the Joint CERS and Kentucky Retirement Systems Administrative Appeals Committee.
2. Board: "The CERS Board" refers to the CERS Board of Trustees of the County Employees Retirement System.
3. Board Year: The CERS Board Year shall be from April 1 of each calendar year through March 31 of the following year.
4. Bylaws: "Bylaws" refers to the Statement of Bylaws and Committee Organization.
5. CEO: "CEO" refers to CERS Chief Executive Officer, as outlined in KRS 78.782(9) & (10).
6. CIO: "CIO" refers to KPPA Executive Director Office of Investments.
7. DAC: "DAC" refers to the Joint CERS and Kentucky Retirement Systems Disability Appeals Committee.
8. KPPA: "KPPA" refers to the Kentucky Public Pensions Authority.
9. KRS: "KRS" refers to the Kentucky Revised Statutes.
10. Committee member: "Committee member" or "member" used in relation to a Committee refers to a member of the CERS Board of Trustees of the County Employee Retirement System serving on one of its Standing or ad hoc Committees.
11. Member: "Member" or "members" used in relation to individuals participating in a system (or System) administered by the Kentucky Retirement System refers to individuals who are active members (i.e., currently participating as an employee), inactive members (i.e., formerly participated as an employee, but is not currently participating as an employee, has not retired, and has not taken a refund), or retired.
12. Retirement Office: "Retirement Office" refers to the offices of the KPPA located at 1270 Louisville Road, Frankfort, Ky 40601.
13. Take action on: "Take action on" used in relation to the Board refers a motion being made, seconded, and voted upon by the Board in compliance with Robert's Rules of Order. [RONR (11th ed., as amended)].
14. Trustee: "Trustee" refers to a member of the Board of Trustees of the County Employees Retirement System.

b. Quorum; Parliamentary Authority.

1. CERS Board of Trustees: As required by KRS 78.782(8)(c), a majority of the trustees shall constitute a quorum and all actions taken by the CERS Board shall be by affirmative vote of a majority of the trustees present.

2. Committees of the CERS Board of Trustees: A majority of the trustees on any Committee of the Board appointed pursuant to Sections 2.1-2.5 of these Bylaws shall constitute a quorum and all actions taken by the Committee shall be by affirmative vote of a majority of the Committee trustees present.
3. The most recent edition of Robert's Rules of Order shall be the parliamentary authority. [RONR (11th ed., as amended)]
- c. Meetings. Meetings of the CERS Board and its Committees shall be conducted consistent with the Open Meetings Act, KRS 61.805 to 61.850. The Open Meetings Act shall control if any inconsistency exists between the Open Meetings Act and these Bylaws.
- d. Annual Meeting. The annual meeting of the CERS Board shall be held on the third Wednesday of April of each Board Year.
- e. Regular Meetings. Regular meetings of the Board shall be held on the third Wednesday of February and May, the second Wednesday of September and November, and on the first Wednesday of December.
- f. Special Meetings.
  1. Special meetings of the Board shall be held upon the call of the Chair of the CERS Board or the CERS CEO.
  2. Special meetings of a Standing or ad hoc Committee of the CERS Board of Trustees shall be held upon the call of the CERS Committee Chair or the CERS CEO.
  3. A trustee may request that the CERS CEO, Chair of the CERS Board (in the case of a special meeting of the CERS Board), or CERS Committee Chair (in the case of a special meeting of a Committee) call a special meeting by email or other written means. Upon receipt of email or other written requests to call a special meeting from a majority of the trustees, the CERS CEO, CERS Board Chair, or CERS Committee Chair shall call the requested special meeting.
- g. Notice of Meetings.
  1. Regular Meetings. Notice of a regular meeting of the CERS Board shall be posted at least ten (10) days (inclusive of weekends and holidays) before the meeting is scheduled. The notice of a regular meeting shall include the date, time, and location of the meeting, and the agenda for the meeting. The agenda shall be determined under the direction of and approval by the Chair of the CERS Board. Changes or revisions to the agenda may be proposed by the CERS CEO or a trustee; provided such proposal shall be delivered to the CERS Chair for approval not less than ninety-six (96) hours before the meeting is scheduled; and further provided that nothing in this sentence shall deprive a trustee from introducing new items of business during a regular meeting. Approved changes or revisions to the agenda shall be posted not less than seventy-two (72) hours before the meeting is scheduled.
  2. Special Meetings. When circumstances warrant a special meeting of the CERS Board or of a Committee, notice shall be posted as soon as reasonably possible, but not less than twenty-four (24) hours before the meeting is scheduled. The notice of a special meeting shall include the date, time, and location of the special meeting and the agenda for the meeting. Discussions and action at the meeting shall be limited to items listed on the agenda in the notice.
- h. Change in Meeting Dates. Any regular or special meeting of the CERS Board may be changed by following the procedure prescribed in these Bylaws for calling special meetings.

COUNTY EMPLOYEES RETIREMENT SYSTEM BOARD OF TRUSTEES

STATEMENT OF BYLAWS AND COMMITTEE ORGANIZATION

[As Adopted: [date]]

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- i. Records of Proceedings. All official acts of the CERS Board shall be recorded in the minutes of the regular or special meeting at which the action was approved or adopted. The CERS CEO shall cause the minutes to be transcribed and presented for approval or amendment at the next regular or special meeting. The minutes or a copy certified by the Chair of the CERS Board and CERS CEO shall be on file in the Retirement Office and open to public inspection.
- j. Chair and Vice-Chair of the CERS Board. The CERS Board shall elect a Chair and a Vice-Chair at each annual meeting to hold office for the ensuing CERS Board Year or until their successors are elected. The CERS Chair shall not serve more than four (4) consecutive years as Chair or Vice-Chair of the CERS Board. The CERS Vice-Chair shall not serve more than four (4) consecutive years as Chair or Vice-Chair of the CERS Board. A trustee who has served four (4) consecutive years as Chair or Vice-Chair of the CERS Board may be elected Chair or Vice-Chair of the CERS Board after an absence of two (2) years from both positions.
- k. CERS Committees. The CERS Board may create CERS Committees with such powers and duties as established by the CERS Board. The Chair of the CERS Board, unless otherwise stipulated or determined by the CERS Board, shall appoint the members of each CERS Standing or CERS Ad Hoc Committee, and such appointments shall be recorded in the minutes of the current or next-following regular or special CERS Board meeting. CERS Committee members shall serve concurrently with the appointing Chair.
- l. Conflicts of Interest.
  1. CERS Trustees shall file a statement of financial disclosure with the Executive Branch Ethics Commission within thirty (30) days of taking office.
  2. CERS Trustees shall also file a statement of financial disclosure by April 15 of each calendar year, and within thirty (30) days following departure from office as a CERS Trustee, or as otherwise provided by law.
  3. CERS Trustees shall also file a written conflict of interest statement as required pursuant to the County Employees Retirement System' Conflict of Interest Policy.
- m. Travel Policy Guidelines.
  1. All travel for official business of the County Employees Retirement System must be done in accordance with the requirements of and be consistent with KRS Chapter 45A and the County Employees Retirement System Board of Trustees Per Diem and Reimbursement Policy.
  2. No more than four (4) CERS Trustees may be passengers in the same common carrier. A Maximum of two (2) executive staff of the County Employees Retirement System may be passengers in the same common carrier.
  3. To avoid an accidental violation of Kentucky Open Meetings Laws, other than for CERS scheduled meetings, no more than four (4) CERS Trustees may attend the same off-site conference, training, etc., at the same time.
- n. Election Policy Guidelines. All elections for elected trustees of the CERS Board must be conducted in accordance with the provisions of KRS 78.782(4), 105 KAR 1:445 and the County Employees Retirement System Board of Trustees Election Policy and Procedures adopted by the CERS Board.
- o. Violations of Board Policies and Guidelines. If a complaint is made that a CERS Trustee violated these Bylaws or any policy approved by the CERS Board, the CERS Board shall follow the procedure found in the Conflict of Interest Policy in investigating the complaint.

**Section 1.2 CERS BOARD RESPONSIBILITIES.**

- a. The CERS Board shall make and maintain Bylaws.
- b. The CERS Board shall appoint a CEO and fix the CERS CEO's salary.
- c. The CERS Board shall appoint a General Counsel and fix the CERS General Counsel's salary.
- d. The CERS Board shall authorize the CERS CEO to appoint all employees deemed necessary to transact the business of the County Employees Retirement System.
- e. The CERS Board may act on contracts for professional services, including, but not limited to, the auditor, actuary, legal counsel, medical examiners, and hearing officers, in accordance with the requirements of the Commonwealth of Kentucky Model Procurement Act (KRS Chapter 45A).
- f. The CERS Board shall consider and take action on changes to administrative regulations proposed by the staff of the CERS and KPPA.
- g. The CERS Board shall take action on the audited financial statements.
- h. The CERS Board shall consider and take action on the recommendations of all of its Committees, except that:
  1. AAC and DAC shall have the authority to act upon the recommendations and reports of the hearing officer on behalf of the CERS Board in accordance with KRS Chapter 13B, and
  2. Pursuant to KRS 78.790(1)(b)(2), The CERS Board's Investment Committee shall have the authority to act on behalf of the CERS Board on all investment-related matters, though the CERS Board shall be kept informed of all such matters and shall be responsible for providing oversight on all investment-related matters in compliance with the fiduciary responsibilities of the CERS Board, state and federal law, and the CERS Board's Bylaws and Policies. All investment policies shall be adopted by the CERS Board and the CERS Investment Committee shall implement those policies.
- i. The CERS Board shall work with an actuary, who shall be a Fellow of the Conference of Consulting Actuaries or a member of the American Academy of Actuaries. KPPA will select and contract with the actuary pursuant to KRS 78.782(2) which allows the Board to carry out its obligations in accordance with KRS 78.784. The Board shall consider and take action on the recommendations of its actuary, including, but not limited to, determining the recommended contribution rates for employers in accordance with KRS 78.510 to 78.852.
- j. The CERS Board shall adopt contribution rates toward medical insurance premiums.
- k. The CERS Board shall provide oversight concerning programs and services for County Employees Retirement System members, beneficiaries, recipients, and participating employers.
- l. Legislative Issues. The Board will review and recommend statutory changes to the General Assembly related to the administration of benefits and compliance with federal law and determine which changes are in the best interests of the CERS plans. The Board will also review legislation proposed by the General Assembly that is likely to have significant impact on the funded status, existing member benefits, or system administration for any of the CERS plans.
- m. The CERS Board shall select candidates for each trustee ballot as provided in KRS 78.782(4) and **105 KAR x:xxx**.
- n. The CERS Board shall establish a formal trustee education program for all trustees of the CERS Board, pursuant to the requirements of KRS 78.782(17) and **105 KAR 1:440**, and ensure that CEO organizes process for this trustee education to occur.

- o. The CERS Board, and individual trustees, should ordinarily refer all news media inquiries to the CERS CEO and/or the CERS Board Chair, and should not speak on behalf of the CERS Board or County Employees Retirement System with the news media. However, nothing in this subsection is intended to prevent individual trustees from speaking to the media concerning their actions, opinions, and decisions as individual Trustees,
- p. The Board designates the Executive Director of the KPPA, or his designee as the custodian of records for the CERS.

**Section 1.3 CHIEF EXECUTIVE OFFICER RESPONSIBILITIES.**

- a. The CERS CEO shall ensure that all Board and/or Committee meeting materials are distributed to Trustees at least one week in advance of the meeting to allow Trustees ample time to review documents. The CERS CEO will collaborate with the KPPA Executive Director to identify materials that will be relevant to Board or Committee discussions and assist with compilation of those materials for distribution.
- b. The CERS CEO shall develop a biennial budget and necessary budget amendments for approval by CERS Board. The CERS CEO will coordinate approved budget requests with the KPPA Executive Director to ensure that CERS budget requests are integrated with the KPPA budget request for submission to the Governor's office. The CERS CEO (or designee) shall present a budget-to-actual expenditure analysis to the CERS Board at each regular quarterly meeting of the CERS Board.
- c. The CERS CEO shall be responsible for working with the KPPA Executive Director to ensuring compliance with meeting notice and open records legal and regulatory requirements. The CERS CEO shall also be responsible (in collaboration with KPPA staff) for compiling all relevant materials for consideration by the CERS Board or its Committees and strive to distribute materials to Trustees at least one week prior to the Board or Committee meeting. All materials must be distributed to Trustees in a timely fashion to ensure adequate time for Trustees to review and analyze information prior to the Board or Committee meeting.
- d. The CERS CEO shall coordinate with KPPA staff to ensure that information and record management is comprehensive and efficient, and shall ensure that a disaster recovery plan, continuity of operations plan, and policies to ensure cyber security are developed and maintained.
- e. The CERS CEO shall be responsible for implementing a formal trustee education program for all trustees of the CERS Board, pursuant to the requirements of KRS 78.782(17).
- f. The CERS CEO shall develop recommendations for improvements and revisions of CERS Board policies and submit such revisions for CERS Board approval. CERS CEO shall ensure that approved policies are implemented in conformance with statutes, regulations, and CERS Board policies.
- g. The CERS CEO shall collaborate with CERS General Counsel and KPPA Legal staff to monitor litigation affecting CERS plans. CERS CEO and CERS General Counsel shall report significant developments to the CERS Board.
- h. The CERS CEO shall be responsible for oversight of CERS investment management; provided, however, that the Investment Committee of the CERS Board shall have authority to implement the investment policies adopted by the CERS Board and shall act on behalf of the CERS Board on all investment related matters. CERS CEO will monitor investment performance and compliance reporting and ensure timely reporting to CERS Board. [Investment working group is revising this paragraph.]



- i. The CERS CEO will ensure that the KPPA Legislation Status Chart is provided to CERS Trustees and will schedule meetings based on an assessment of the impact of proposed legislation. The CERS CEO and CERS General Counsel may also prepare draft changes to Kentucky Revised Statutes based on CERS Board or CERS Legislative Committee recommendations, as well as housekeeping revisions to address technical issues and present them to Committee members prior to the date of a meeting. CERS CEO and General Counsel will research the impact of proposed changes and report the results to the Committee. CERS CEO and General Counsel will also make preliminary contacts with legislators, employers and interest groups to assist in formulating legislation to accommodate all interested parties. CERS CEO, General Counsel, and CERS Board Chair will work with the General Assembly, Legislative Research Commission, the Governor's Office, KPPA, and interest groups to advocate for passage of the Board's legislative proposals, or advocate for other interests supported by the Board.
- j. The CERS CEO shall act as legislative liaison, and represent the CERS Board at legislative hearings and other legislative meetings. CERS CEO and General Counsel will review proposed legislation that is likely to impact CERS plan or administrative management and advise the CERS Board about pending legislation.
- k. The CERS CEO shall provide technical assistance to the members of the General Assembly, Governor's office, and state and local government officials, as well as members, recipients, and beneficiaries of the County Employees Retirement System.
- l. The CERS CEO shall recommend legislative or regulatory changes and propose draft language. These recommendations shall be presented to the CERS Board for review and approval.
- m. The CERS CEO shall implement any statutory or regulatory changes and take appropriate action to conform to federal law. CERS CEO shall also collaborate with KPPA Executive Director to monitor implementation of any changes designated as KPPA's responsibilities.
- m. The CERS CEO shall sign all documents necessary to promulgate or amend an administrative regulation on behalf of the CERS Board as the head of the County Employees Retirement System in accordance with KRS 13A.220.
- n. The CERS CEO shall communicate with the mass media and other agencies, entities or institutions, and CERS stakeholders, including responding to correspondence or inquiries addressed to the CERS Board.
- o. The CERS CEO shall collaborate with the KPPA Executive Director on issues related to benefits administration and to coordinate reciprocal benefits with the other state administered retirement systems in Kentucky.
- p. In the case of emergency conditions that threaten the functioning of the County Employees Retirement System, the preservation or protection County Employees Retirement System' property or assets, vital data, or the health and safety of any person, and where a quorum of the CERS Board is unavailable, the CERS CEO may take actions necessary to prevent or mitigate the threat, even if a vote of the CERS Board would otherwise be necessary to take such action. When a quorum of the CERS Board becomes available, any such actions taken by the CERS CEO shall be reviewed and ratified as necessary.

**Section 2.1 STANDING COMMITTEES.**

The CERS Board shall have the Standing Committees specified in Section 2.2, each of them to have the duties and responsibilities as therein set forth, together with such other duties and responsibilities as the CERS Board may by resolution determine. In each CERS Board Year, the Chair, elected at the annual meeting, shall appoint

trustees to Committees as specified in Section 2.2, unless otherwise determined by the CERS Board. Each CERS Committee shall have a Chair and the CERS Board Chair shall appoint the Chair of each Committee, unless otherwise determined by the CERS Board. A CERS Committee may (but is not required to) elect a Vice-Chair from among its CERS Committee members by a majority vote of the Committee. A Vice-Chair so elected shall preside at meetings of the CERS Committee in the absence or inability to act of the Committee Chair. Any trustee may attend any meeting of any Committee of which he or she is not a Committee member, but shall not have a vote.

**Section 2.2 STANDING COMMITTEES; DUTIES AND RESPONSIBILITIES.**

The Standing Committees of the CERS Board are, and shall have respective duties and responsibilities, as follows:

- a. **Actuarial Committee.** The CERS Actuarial Committee shall include (i) one (1) trustee with retirement administration experience appointed by the Governor pursuant to KRS 78.782(2)(b)(1-3); (ii) one (1) trustee elected by members of the County Employees Retirement System; and (iii) one (1) trustee with investment experience appointed by the Governor pursuant to KRS 78.782(2)(b)(4-6).
  1. Committee Responsibilities.
    - A. The Committee will meet semi-annually, with authority to convene additional meetings, as circumstances require. The regular meetings shall be held on the second Wednesday of March and the first Monday of November. Additional meetings may be convened in conjunction with experience studies or significant changes to federal or state statutory guidance for CERS.
    - B. The CERS Actuarial Committee will review and evaluate actuarial assumptions, funding methods and tables proposed by the actuary (including without limitation all economic, mortality, disability, etc., assumptions) for each tier within County Employees Retirement System that affect: (i) the annual determination of the actuarial valuation of assets and liabilities of the System within the meaning of KRS 78.784; (ii) the factors that apply to amounts payable to members (e.g., early commencement, commutation, repayment, etc.); and (iii) the actuarially recommended contribution rate for employers required under KRS 78, except as otherwise determined by law or regulation,
    - C. The CERS Actuarial Committee will report its findings and recommendations of each such review or evaluation to the CERS Board for the CERS Board to determine appropriate implementation and action.
- b. **Administrative Appeals Committee.** There shall be two (2) AACs, which may be combined with the DACs. The CERS Board shall collaborate with the Kentucky Retirement System Board to develop a timely disability and administrative appeals process. Consistent with the provisions of KRS Chapter 13B, the AACs shall meet in alternate months, as needed, to act in matters of administrative appeals. Each Committee shall consist of three (3) members; however, the members appointed to one committee may also serve from time to time on the other Committee. One of the AAC shall consist of two (2) CERS Trustees and one (1) Kentucky Retirement Systems trustee. The other AAC shall consist of one (1) CERS Trustee and two (2) Kentucky Retirement Systems trustees. The AACs shall ensure that the laws governing CERS are administered impartially and uniformly, and that the actions of the CERS resulting in the appeal were correct and fair under the applicable statutes and regulations.
  - A. AAC Responsibilities: In matters of administrative appeals; the Committee members shall consider the administrative record, including the recommended order and any exceptions filed in

compliance with KRS 13B.120. The AAC shall act on behalf of the entire CERS Board as the agency head in making a final order of the CERS Board in accordance with KRS 13B.120. The Committee may adopt the hearing officer's recommended order; or it may reject or modify, in whole or in part, the recommended order; or it may remand the matter, in whole or in part, to the hearing officer for further proceedings as appropriate; or it may act on cases properly remanded by a court of competent jurisdiction. The Committee may also recommend legislative changes to improve the administration of the benefits. Any recommended legislative changes shall be referred to the CERS CEO for study and development for the CERS review and approval.

- B. KPPA Executive Director Office of Benefits Responsibilities. The Executive Director, KPPA Office of Benefits or designated staff, in coordination with KPPA Legal Staff, will coordinate meeting dates and determine which cases will be reviewed by each AAC. Designated staff will compile the administrative records and distribute the files to the Committee members prior to each meeting. KPPA Legal Staff may provide legal or technical advice to the Committee,
- c. Finance Committee. The Committee shall consist of not less than three (3) and not more than four (4) members and will act on behalf of the CERS Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the internal and external audit processes, and the process for monitoring compliance with laws, regulations, and the applicable codes of conduct.
  - A. Committee Responsibilities.
    - A. The Committee will meet quarterly, with authority to convene additional meetings, as circumstances require. The regular quarterly meetings shall be held on the first Wednesday of February, May, September, and November.
    - B. The Committee shall have the authority to review reports by the KPPA Internal Audit Administration and to recommend appropriate policies and procedures to KPPA.

The Committee shall review and investigate the employees whose names have been certified by the applicable authority to meet the criteria of KRS 61.592 and 105 KAR 1:130 for hazardous duty, and also those employees who have been so certified who are not, or who no longer are, working in a hazardous duty position. Upon review and approval, the Finance Committee shall forward the results and its recommendations to the CERS Board for approval and ratification.
  - B. The Committee shall review interim financial reports and budget-to-actual comparisons for administrative budgets. Financial reports shall include, but are not limited to, statement of net position, statement of changes in net financial position, cash flow reports, accounts receivable, and collection activity reports for each plan (pension and insurance, nonhazardous and hazardous).
  - C. The Committee may request internal audits to analyze specific issues relevant to CERS plan management, investment performance, or administration.
  - D. Audit Charters. The Audit Committee Charter of the KPPA Board and the KPPA Division of Internal Audit Charter are hereby incorporated by reference.
  - E. Budget. The Committee shall review the County Employees Retirement System's biennial administrative budget and necessary budget amendments.
- d. Disability Appeals Committee. There shall be two (2) DACs, which may be combined with the AACs. Consistent with the provisions of KRS Chapter 13B, the DAC shall meet in alternate months, as needed, to act in matters of disability appeals. Each Committee shall consist of three (3) members; however,

the members appointed to one committee may also serve from time to time on the other Committee. One of the DAC shall consist of two (2) CERS Trustees and one (1) Kentucky Retirement Systems trustee. The other DAC shall consist of one (1) CERS Trustee and two (2) Kentucky Retirement Systems trustees. The Committees shall ensure that the disability retirement laws are administered impartially and uniformly, that all members of County Employees Retirement System who apply for disability retirement benefits and qualify under the applicable statutes are approved for benefits and that the actions of the County Employees Retirement System resulting in the appeal were correct and fair under the applicable statutes and regulations.

- A. Committee Responsibilities. In matters of disability appeals, the Committee members shall consider the administrative record, including the recommended order and any exceptions filed in compliance with KRS 13B.120. The Committee shall act on behalf of the entire CERS Board as the agency head in making a final order of the CERS Board in accordance with KRS 13B.120. The Committee may adopt the hearing officer's recommended order; or it may reject or modify, in whole or in part, the recommended order; or it may remand the matter, in whole or in part, to the hearing officer for further proceedings as appropriate; or it may act on cases properly remanded by a court of competent jurisdiction. The Committee may also recommend legislative changes to improve the administration of the benefits. Any recommended legislative changes shall be referred to the CERS CEO for study and development for the CERS Board review and approval.
- B. KPPA Executive Director Office of Benefits Responsibilities. The Executive Director, KPPA Office of Benefits, or designated staff, in coordination with KPPA Office of Legal Services staff, will coordinate meeting dates and determine which cases will be reviewed. Designated staff will compile the administrative records and distribute the files to the Committee members prior to each meeting. Staff may provide legal or technical advice to the Committee.
- e. Investment Committee. The Committee shall consist of six (6) members, as follows: the three (3) trustees appointed by the Governor pursuant to KRS 78.782(2)(b)(4-6), and three (3) trustees appointed by the CERS Board Chair, including two (2) Trustees elected by the membership (KRS 78.782(4) and one (1) Trustee appointed by the Governor pursuant to KRS 78.782(2)(b)(1-3).

## 2. Committee Responsibilities.

- A. Pursuant to KRS 78.790, the CERS Investment Committee shall have authority to implement the investment policies adopted by the Board, including without limitation the CERS Board's Statement of Investment Policy (pensions and health), and to act on behalf of the CERS Board on all investment-related matters, and to acquire, sell, safeguard, monitor, and manage the assets and securities of the several funds.
- B. The CERS Investment Committee will meet at least quarterly to review reports from investment staff, investment consultants, and investment managers with authority to convene additional meetings as circumstances require. The regular quarterly meetings shall be held on the second Wednesday of February and May, the fourth Wednesday of August, and the second Monday of November.
- C. The CERS Investment Committee will monitor investment performance and management practices and make reports and recommendations to the CERS Board. The CERS Investment Committee will approve the selection and termination of service providers. The CERS Investment Committee will evaluate whether the Investment Policy, the investment activities, and management controls and processes continue to be consistent with meeting the County

Employees Retirement System's financial and plan management goals, and perform other duties specified in the Statement of investment Policy.

- D. The Investment Committee may also recommend legislative changes to the CERS CEO and CERS Board to improve the administration of investment related matters.

3. Collaboration with KPPA Executive Director, Office of Investments (CIO).

- A. The CIO shall administer the assets of the County Employees Retirement System consistent with the policies, guidelines, and limits established by the law, the CERS Investment Committee and the CERS Statement of Investment Policy.
  - B. The CERS CEO will collaborate with the KPPA CIO to develop and monitor investment management and investment performance reporting for the CERS Investment Committee and CERS Board.
  - C. The KPPA CIO and CERS CEO shall provide members of the CERS Investment Committee with assessments of service providers and performance reports.
  - D. The KPPA CIO and CERS CEO shall identify issues for consideration by the CERS Investment Committee and prepare recommendations regarding those issues.
  - E. The CIO and CERS CEO shall recommend changes to the Investment Committee regarding service providers, statutes, policies or guidelines, as needed, to maintain a productive relationship between the investment program and its goals.
  - F. The CIO and/or CERS CEO shall communicate with the mass media and other agencies, entities, or institutions regarding investment related issues.
- f. CERS Investment Policy. The "CERS Investment Policy Statement: Pension Funds," the "CERS Investment Policy Statement: Insurance," and the "CERS Investment Procurement Policy" are hereby incorporated by reference.
  - g. Retiree Health Plan Committee. The Committee shall consist of a maximum of four (4) members; including at least one (1) CERS Trustee with retirement administration experience (KRS 78.782(2)(b)(1-3) and at least one (1) elected CERS Trustee (KRS 78.782(4)). The CERS Retiree Health Plan Committee shall assist the CERS Board in providing a group hospital and medical insurance plan for present and future recipients of a retirement allowance from the System administered by County Employees Retirement System as required by KRS 61.702.
    - 1. Committee Responsibilities.
      - A. The Committee will meet quarterly to review reports from KPPA staff and retiree health insurance consultants with authority to convene additional meetings, as circumstances require. The regular quarterly meetings shall be held on the second Monday of February and May, the first Monday of September, and the fourth Wednesday of October.
      - B. The Committee will monitor retiree health insurance matters and make reports and recommendations to the CERS Board. The Committee will evaluate retiree health insurance issues and obligations set forth in state and federal law. The Committee may, as deemed necessary, evaluate health insurance companies, health maintenance organizations, self-insurance proposals, and other ways of providing a group hospital and medical insurance plan for retired members as provided in KRS 61.702.

- C. The Committee may exercise oversight regarding the negotiate and selection of appropriate contracts for execution by the CERS Board, in accordance with the requirements of the Commonwealth of Kentucky Model Procurement Act (KRS 45A). The Committee may solicit reports and actuarial analyses in order to analyze issues regarding retiree health insurance. The Committee may also recommend legislative changes to improve the administration of retiree health insurance related matters. Any recommended legislative changes shall be referred to the Chief Executive Officer for study and development for the CERS Board review and approval.
- 2. Chief Executive Officer Responsibilities. The Chief Executive Officer and designated staff will maintain and provide the Committee with necessary information to execute its responsibilities. The Chief Executive Officer or designated staff will provide advice regarding state and federal laws and regulations. Staff will identify issues for consideration by the Committee and prepare recommendations regarding those issues.
  - h. In addition to the duties and responsibilities described in this Section 2.2, each Standing Committee may develop appropriate additional policies and proposals to be ratified by the CERS Board.

**Section 2.3 DELEGATIONS OF AUTHORITY BY THE CERS BOARD.**

Delegation of Authority. Except as may be prohibited by or inconsistent with law, the CERS Board may delegate to any CERS Standing Committee of the Board any power, authority, duty, or responsibility conferred on the Board by law. In the case of any such delegation, the decision or action of the CERS Committee within the scope of its delegated authority shall constitute the decision or action of the CERS Board. The CERS Board may at any time rescind the delegated authority as a whole or in part, except that a rescission of authority with respect to quasi-judicial matters delegated to a CERS Committee shall not operate to affect the proceedings or the final action of any such matter pending before the Committee when the CERS Board acts to rescind. This exception is designed to preclude the CERS Board from using its authority to rescind a delegation to interfere with the process or outcome of a quasi-judicial proceeding then in progress before a CERS Committee which had properly commenced the proceeding within the scope of its authority.

**Section 2.4 AD HOC COMMITTEES.**

In addition to the CERS Standing Committees specified in Section 2.2, the Chair or the CERS Board may at any time establish an ad hoc Committee of the CERS Board and fix its duties and responsibilities for any purpose which, in the judgment of the CERS Chair or the CERS Board, is better served by a temporary rather than CERS Standing Committee. Each such Committee shall consist of such number of members as the CERS Chair shall determine, and the CERS Chair shall also then appoint the CERS Chair and designate the other members of the CERS Committee, unless otherwise determined by the CERS Board.

**Section 2.5 LIMITATIONS ON AUTHORITY.**

No CERS Committee shall have any power or authority, nor shall the CERS Board delegate to itself, power or authority, as to any of the following:

- a. The amendment or repeal of any CERS Board resolution.
- b. Action on other matters committed by CERS Board resolution or by Kentucky law (including the common law of trusts respecting the delegation or the non-delegation of fiduciary responsibilities) to the CERS Board under terms or provisions that make such action non-delegable.

**Section 2.6 AMENDMENT OF BYLAWS.**

These Bylaws may be amended by presenting the proposed amendments at any regular or special meeting of the CERS Board of Trustees. Proposed amendments shall also be presented at a subsequent regular or special meeting of the CERS Board of Trustees. The subsequent meeting shall be scheduled no less than 48 hours after the meeting to first present the proposed amendments. Proposed amendments shall be posted on the KPPA website between the first and second presentation of the recommendations. Approval of proposed amendments to Bylaws requires a vote of a majority of the entire membership of the CERS Board for approval.

**Section 3.0 CERTIFICATION OF STATEMENT OF BYLAWS AND COMMITTEE ORGANIZATION.**

We, the Chair of the CERS Board of Trustees and the Chief Executive Officer of the County Employees Retirement System, do certify that this Statement of Bylaws and Committee Organization was approved and adopted by the CERS Board of Trustees on the \_ day, of April, 2021.

\_\_\_\_\_  
Chair, Board of Trustees

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Date





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## County Employees Retirement System

### Board of Trustees Election Policy

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#### I. INTRODUCTION

##### Adoption of Board Election Policy

Pursuant to the provisions of Kentucky Revised Statutes (KRS) 78.782, the Board of Trustees (Board) of the County Employees Retirement System (System) is permitted to adopt procedures necessary to conduct the business of the System as needed. State and federal law shall control if any inconsistency exists between the law and this policy.

##### Statement of Board Election Policy

The Board is composed of nine Trustees who shall be selected as follows:

1. Three (3) elected from members of the County Employees Retirement System.
  - a. Two (2) elected individuals shall have a majority of service credit earned in a nonhazardous position.
  - b. One (1) elected individual shall have a majority of service credit earned in a hazardous position.
2. Six (6) appointed by the Governor.
  - a. Three (3) Trustees with retirement experience.
    - i. One (1) appointed from a list of three (3) applicants submitted by the Kentucky League of Cities.
    - ii. One (1) appointed from a list of three (3) applicants submitted by the Kentucky Association of Counties.
    - iii. One (1) appointed from a list of three (3) applicants submitted by the Kentucky School Boards Association.
  - b. Three (3) Trustees with investment experience.
    - i. One (1) appointed from a list of three (3) applicants submitted by the Kentucky League of Cities.
    - ii. One (1) appointed from a list of three (3) applicants submitted by the Kentucky Association of Counties.
    - iii. One (1) Trustee appointed from a list of three (3) applicants submitted by the Kentucky School Boards Association.

KRS 78.782 (3) through (6) provides the basic statutory requirements for the election of the elected Trustees of the Board. The Board recognizes the need to establish consistent procedures for the implementation of these statutory provisions requiring the election of certain Trustees.

## Purpose

The purpose of this Board Election Policy (Policy) is to establish procedures to implement KRS 78.782 and 105 Kentucky Administrative Regulation 1:445, Electronic ballots in Trustee elections.

## **II. DEFINITIONS**

The following definitions and terms used in this Policy shall be applicable whenever used herein:

1. "Application" means the form adopted by the Board to be used by members seeking to be nominated and placed on the Official Ballot as a candidate.
2. "Ballot" or "Official Ballot" means a voting instrument, either electronic or paper, that includes the candidates for election as a Board Trustee and the following information for each of the candidates:
  - a. Name;
  - b. Recent photograph;
  - c. City and county of residence;
  - d. The System's current employing agency and position title or the System's employing agency from which the candidate last worked or retired and the position title of the last position held;
  - e. Education including schools and/or universities attended and degrees earned;
  - f. Whether or not the candidate has been convicted of a felony;
  - g. Any professional licenses or certifications held by the candidate; and
  - h. Any organization of which the candidate is a member that is listed on the candidate's application or résumé.

The ballot shall contain the website address where each candidate's application, cover letter, and résumé shall be available for viewing. Candidates' position on the ballot shall be determined by random lottery, performed and certified by a representative from the Kentucky Public Pensions Authority (KPPA) Division of Internal Audit Administration. Identification information for each eligible voter shall be protected by bar code or other means. The ballot shall include the ability to write-in candidates.

3. "Candidate" means a potential candidate who has been nominated and placed on the Official Ballot by the current Board or by petition from the membership of the System.
4. "Constitutionally eligible individual" means a potential candidate who does not have a conflict of interest on the basis of holding a constitutionally elected or appointed position pursuant to KRS 78.782 and Kentucky Constitution Section 165.
5. "Cover Letter" means a document submitted to the KPPA at the Frankfort retirement office by a member, which details the member's qualifications for serving as a Trustee to the board.
6. "Eligible voter" means any person who was a member of the System on or before December 31 of the year preceding the election year and who has provided the KPPA

at the Frankfort retirement office with a valid email or physical address as set forth in KRS 78.782.

7. "Member" shall mean individuals of the System, whether that individual is active (i.e. currently employed), inactive (i.e. formerly employed, but not retired and has not taken an account refund), or retired.
8. "Petition" means a document submitted by a potential candidate requesting to be nominated and placed on the Official Ballot by the members of the System. A petition shall meet the following standards or, if it fails to meet the following standards, shall be deemed invalid and the requesting individual shall not be a potential candidate qualified for nomination and placement on the Official Ballot as a candidate:
  - a. The petition shall contain the names, the last four digits of Social Security numbers, and signatures of not less than one-tenth of the number of members voting in the last election for the System. Each member may only be counted once on the petition.
  - b. A potential candidate seeking nomination by petition shall submit a fully completed application, cover letter, résumé, and a release for a criminal background check at the same time the petition is submitted to the KPPA at the Frankfort retirement office.
9. "Plurality of votes" means a majority of votes cast in the election on a Valid Ballot.
10. "Potential candidate" means a member who is seeking nomination as a candidate by the current Board or by valid petition from the membership of the System and who meets the following criteria:
  - a. Is a member of the System;
  - b. Has fully completed and submitted an application, cover letter, résumé, and a release for a criminal background check by the required deadline;
  - c. Is a constitutionally eligible individual;
  - d. Is not statutorily prohibited from being a Trustee by virtue of the term limits in KRS 78.782 (3);
  - e. Is not a current or former employee of the System, Kentucky Retirement System, or KPPA; and
  - f. Is not in violation of any provision of KRS 11A.020 or 11A.040 by a court of competent jurisdiction or any other statute.
11. "Résumé" means a document submitted to the KPPA at the Frankfort retirement office by a member, which shall include the member's name, address, phone number, e-mail address, educational, and professional background as well as any certifications and relevant memberships not included on the application.
12. "Term of Office" means the period of membership on the Board, which shall begin on April 1 of the year elected or appointed and shall end on March 31 four years thereafter.
13. "Valid Ballot" means a current version of the electronic or paper ballot provided to an eligible voter that has been marked to show the voter's choice of at least one (1), but not more than the maximum number of eligible candidates for the number of vacancies being filled.

- a. Electronic ballots shall be cast by March 1.
- b. Paper ballots shall contain the signature of the voter and be postmarked to the System in care of a predetermined post office box number at a United States Post Office no later than March 1.

Any ballot that does not meet these standards shall be deemed an invalid ballot and shall not be counted. In addition, if multiple votes are cast by one (1) individual, only the first counted vote will be considered valid and will be counted; all subsequent votes shall be invalid and will not be counted.

14. "Write-in candidate" means an individual whose full name (first, middle, and last name) was written in the space provided on at least one Valid Ballot. Should a write-in candidate receive a plurality of votes, a representative from the KPPA Division of Internal Audit Administration will ensure the write-in candidate meets all of the following criteria. If the criteria is not met, the write-in candidate will not be allowed to serve as Trustee:
  - a. Is a member of the System;
  - b. Is a constitutionally eligible individual;
  - c. Is not statutorily prohibited from being a Trustee by virtue of the term limits in KRS 78.782 (3);
  - d. Is not a current or former employee of the System, Kentucky Retirement System, or KPPA; and
  - e. Is not in violation of any provision of KRS 11A.020 or 11A.040 by a court of competent jurisdiction or any other statute.

### **III. REQUESTS FOR CANDIDATES**

1. The KPPA shall notify the membership that applications are being accepted from members who would like to be considered for nomination by the Board as a candidate for the position of Trustee. The notice shall include information, or direct the membership on how to find information, regarding the qualifications necessary for candidacy as well as the due dates for applications and other required documents.
2. A member seeking nomination by the Board must submit a completed application, cover letter, résumé, and a release for a criminal background check to the KPPA at the Frankfort retirement office by July 31 of the year prior to the expiration of a term of office.
3. Personal information for each member requesting nomination by the Board will be forwarded to the Office of the Attorney General of Kentucky to determine whether the member is a constitutionally eligible individual.
  - a. If the member is not a constitutionally eligible individual, the member shall be notified of his or her ineligibility, and that he or she will not be listed as a potential candidate for nomination by the Board, unless the member agrees to resign from the position causing the constitutional ineligibility. This resignation would only be required if the member were to be declared a winner of the election.
  - b. The Board also shall be notified if the member seeking to be listed as a potential candidate for nomination by the Board is determined not to be a constitutionally

eligible individual.

4. Any information requested by a potential candidate and approved by designed KPPA staff to be provided to the potential candidate shall be forwarded to all other potential candidates, providing the information does not violate the confidentiality requirements specified in KRS 61.661 or any other binding law.

#### **IV. NOMINATION BY THE BOARD**

1. The System's Chief Executive Officer or designee shall provide written notice to the Board of election procedures at the first quarterly meeting in the Board year preceding the expiration of the term of office.
2. The Board shall nominate no more than three (3) candidates for each position to be elected. No more than six (6) candidates can be nominated who have a majority of service in a non-hazardous position and no more than three (3) candidates can be nominated that have a majority of service in a hazardous position. Therefore, the ballot shall contain no more than nine (9) names. This nomination shall take place no less than six (6) months prior to the expiration of the current elected Trustee's term of office. Prior to making the nominations, the current Trustees will be given a list of all potential candidates seeking nomination by the Board.
3. From the list provided, each current Trustee may vote for up to three (3) potential candidates, per open position. Voting will occur in a roll call manner so that each current Trustee verbally confirms his or her nominations. Current Trustees may nominate up to a maximum of nine (9) candidates.
4. After voting under Paragraph four (4) of this section is completed, a representative from the KPPA Division of Internal Audit Administration will review the number of votes received by each potential candidate. The potential candidates that receive the highest number of votes will be placed on the Official Ballot. No more than the maximum allowed nominated candidates under Paragraph two (2) of this section will be placed on the Official Ballot.
5. If multiple potential candidates receive the same number of votes under Paragraph four (4) of this section resulting in more than the maximum allowed nominated candidates under Paragraph two (2) of this section, another vote will be taken only of those potential candidates receiving a tying vote for the last spot(s) on the Official Ballot. Trustees will vote for up to one (1) potential candidate per remaining spot to be filled on the Official Ballot. After the additional vote is taken, the potential candidate(s) receiving the highest number of votes will be placed on the Official Ballot. The voting shall continue in this manner until the ties are broken resulting in no more than the maximum number of allowed nominated candidates under Paragraph two (2) of this section.
6. If voting under Paragraphs four (4) and/or six (6) of this section results in fewer than the maximum number of allowed potential candidates being nominated to the Official Ballot under Paragraph two (2), the Trustees must take one (1) of the following actions by affirmative majority vote:

- a. Allow only those potential candidates with the highest number of votes under Paragraphs four (4) and/or six (6) to be placed on the Official Ballot, or
  - b. From the original list of potential candidates, vote in accordance with Paragraph six (6) of this section for potential candidates who have not received sufficient votes under Paragraphs four (4) or six (6) to be placed on the ballot until the maximum number of potential candidates under Paragraph two (2) are nominated to be on the Official Ballot.
7. The KPPA will publish the candidates nominated by the Board on the KPPA website. Deadlines as set out below shall be provided on the website.

## **V. NOMINATION BY PETITION**

1. After the candidates are nominated by the Board, a member may also seek nomination by petition from members of the System. The petition nomination process will be published on the KPPA website.
2. To be nominated as a candidate on the Official Ballot, a member seeking nomination by petition from the membership of the System must submit a petition complying with the requirements as set out in the definitions above and adhere to the following requirements:
  - a. The petition may only contain the name of one (1) potential candidate.
  - b. The petition shall be delivered to the Executive Director of the KPPA or other designee no later than November 30 of the year prior to the expiration of a term of office.
3. Names and last four digits of Social Security numbers on petitions shall be verified by designated KPPA staff and the results shall be certified by a representative from the KPPA Division of Internal Audit Administration. The certification of additional candidates shall become part of the official minutes of the Board.
4. Personal information for each member submitting a petition will be forwarded to the Office of the Attorney General of Kentucky to determine whether the member is a constitutionally eligible individual.
  - a. If the member is not a constitutionally eligible individual, the member shall be notified of his or her ineligibility, and that he or she does not qualify as a potential candidate for nomination by petition, unless the member agrees to resign from the position causing the constitutional ineligibility. This resignation would only be required if the member were to be declared a winner of the election.
  - b. The Board also shall be notified if the member seeking to qualify as a potential candidate for nomination by petition is determined not to be a constitutionally eligible individual.
5. Any information requested by a potential candidate and approved by designated KPPA staff to be provided to the potential candidate shall be forwarded to all other potential candidates, providing the information does not violate the confidentiality requirements specified in KRS 61.661 or any other binding law.

## **VI. ELECTION BY THE MEMBERSHIP**

1. An Official Ballot, complying with the requirements as set out in the definitions above, shall be prepared no later than three (3) months prior to the expiration of the term of office in question.
  - a. Electronic ballots shall include instructions on voting for a candidate, including write-in candidates. The deadline by which electronic votes must be cast shall be included on the electronic ballots.
  - b. Paper ballots shall include instructions for voting for a candidate, including write-in candidates, and for marking and returning the ballots. The postmark deadline for the paper ballots shall be printed on the ballots. Paper ballots shall be addressed to the System in care of a predetermined post office box number at a United States Post Office.
2. The KPPA Executive Director or designee shall initiate a bid for a contracted firm to administer the election (hereafter referred to as the “Election Services Vendor”) using the procurement procedures then in place. The bid shall outline vendor security requirements, the technical requirements for both electronic and paper ballots (including paper ballot printing specifications), and the required election timeline.
3. The Election Services Vendor shall obtain the post office box for receipt of paper ballots. Access to this post office box shall be limited to the Election Services Vendor. An agreement shall be made between KPPA and the Election Services Vendor concerning the location of the postal box and the Business Reply Permit Number that shall be used.
4. All eligible voters will be provided with an electronic ballot or mailed a paper ballot on or before January 20.
5. Only one (1) ballot will be provided to an eligible voter. Ballots will be distributed as follows:
  - a. Electronic ballots for the election of Trustees shall be distributed via email addresses on file at KPPA.
  - b. Paper ballots for the election of Trustees shall be distributed via the United States Postal Service to each voter that does not have a valid email address on file at KPPA or to each eligible voter that requests a paper ballot by November 30 of the year prior to the expiration of a term of office.
6. Duplicate ballots will not be produced.
  - a. If an eligible voter fails to receive a ballot (paper or electronic) because of an act or omission of the System or the KPPA and makes the System or the KPPA aware of this before the voting has closed, a representative from the KPPA Division of Internal Audit Administration shall work with the Election Services Vendor to provide a replacement ballot. If the System or the KPPA is made aware of the situation on or before one (1) week prior to the postmark deadline, the eligible voter may request either a paper or electronic ballot. If the System or the KPPA is made aware of the situation with less than a week before for the

postmark deadline, only an electronic ballot will be provided to the eligible voter.

- b. If a paper ballot is returned to the Election Services Vendor, the System, or KPPA with an invalid address, but a corrected address is received from the United States Postal Service on or before one (1) week prior to the postmark deadline, a representative from the KPPA Division of Internal Audit Administration may work with the Election Services Vendor to mail a subsequent paper ballot to the eligible voter at the corrected address.
7. The Election Services Vendor shall count each ballot. In so doing, the Election Services Vendor shall review the validity of the ballot in accordance with the definition above. All votes via valid ballots shall be counted for the candidates marked. During the process of the count, all ballots shall be in the exclusive control of the Election Services Vendor, with proper security to ensure that no one other than the Election Services Vendor has access to the ballots.
  8. Official ballots returned to the System or KPPA will be processed in accordance with 105 KAR 1:445 Sections 4, 6.
  9. After counting all valid ballots, the Election Services Vendor shall certify in writing the results of the election to the Chair of the Board in care of the System's Chief Executive Officer and the KPPA Executive Director on or before March 15 of the year in which a term of office expires.
  10. The two (2) candidates with a majority of service in a non-hazardous duty position and the one (1) candidate with a majority of service in a hazardous position receiving a plurality of the votes shall be designated as the winners. Winning candidates shall begin their term of office as Trustee on April 1 and shall be sworn in at the annual meeting of the Board.
  11. Once ballots have been counted and the election is deemed final, the Election Services Vendor shall destroy all ballots and provide a certificate to that effect to the System's Chief Executive Officer and the KPPA Executive Director.

## **VII. FILLING A VACANCY**

1. Any vacancy that may occur in a Trustee position other an elected Trustee position, except by the expiration of the term, shall be filled in the same manner that provides for the selection of that non-elected Trustee position under KRS 78.782.
2. Any vacancy, which may occur in an elected position, other than by the expiration of the term, shall be filled within ninety (90) days by appointment by a majority vote of the remaining elected Trustees.
  - a. The KPPA shall notify the membership that applications are being accepted from members who would like to be considered for appointed to the position of Trustee.
  - b. A member seeking appointment by the Board must submit a completed application, cover letter, résumé, and release for criminal background check to the KPPA at the Frankfort retirement office no later than sixty (60) days after



- the vacancy occurs. The specific due date will be listed in the provided notice.
- c. Personal information for each member requesting appointment by the Board will be forwarded to the Office of the Attorney General of Kentucky to determine whether the member is a constitutionally eligible individual.
    - i. If a member is not a constitutionally eligible individual, the member shall be notified of ineligibility, and that he or she will not be considered for appointment to the vacant position, unless the member agrees to resign from the position causing the constitutional ineligibility. This resignation would only be required if the member were appointed to the position of Trustee.
    - ii. The Board shall also be notified if a member seeking appointment is determined not to be a constitutionally eligible individual.
  3. Each current elected Trustee may make one (1) nomination for the vacant seat.
  4. All individuals nominated by the current elected Trustees shall meet the requirements of a potential candidate as defined above.
  5. If more than two (2) candidates are nominated for appointment to fill the vacancy of an elected position, then the Board remaining elected Trustees shall reduce the number to two (2) candidates by use of the voting procedure set forth above in Nomination by the Board Procedures Paragraphs 4, 5, and 6.
  6. Any such vacancies shall only be filled for the expiration of the unexpired term.

## **VIII. PROCUREMENT OF THE ELECTION SERVICES VENDOR**

1. When procuring an Election Services Vendor, the request for proposal (RFP) shall indicate that the selected vendor will sign the KPPA's Business Associate and Confidentiality Agreements as well as provide a summary of security policies and standard security procedures related to ensuring election integrity. The RFP must include specific security details to which the vendor must adhere. The security details should include, but not be limited to, the following topics:
  - a. Technology systems, network, and application software used to process sensitive information.
  - b. Vendor risk and threat management responsibilities.
  - c. Software License Agreements.
  - d. Service Level Agreement and Support.
2. The team that drafts the RFP and evaluates the bid proposals should include KPPA employees from the Divisions of Internal Audit Administration, Communications, and Enterprise and Technology Services. The KPPA Executive Management team and Office of Legal Services employees as well as the System's Chief Executive Officer and General Counsel should be consulted as needed.

**IX. ETHICS**

Ethics in the election process shall conform to the Executive Branch Code of Ethics as set forth in KRS Chapter 11A.

**X. CERTIFICATION**

We, the Chair of the County Employees Retirement System Board, the Chief Executive Officer of the County Employees Retirement System, and the Executive Director of KPPA do hereby certify that this Board Election Policy was adopted by the Board on this the 1st day of April, 2021.

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XXXXX, Chair of County Employees Retirement System Board of Trustees      Date

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XXXXX, County Employees Retirement System Chief Executive Officer      Date

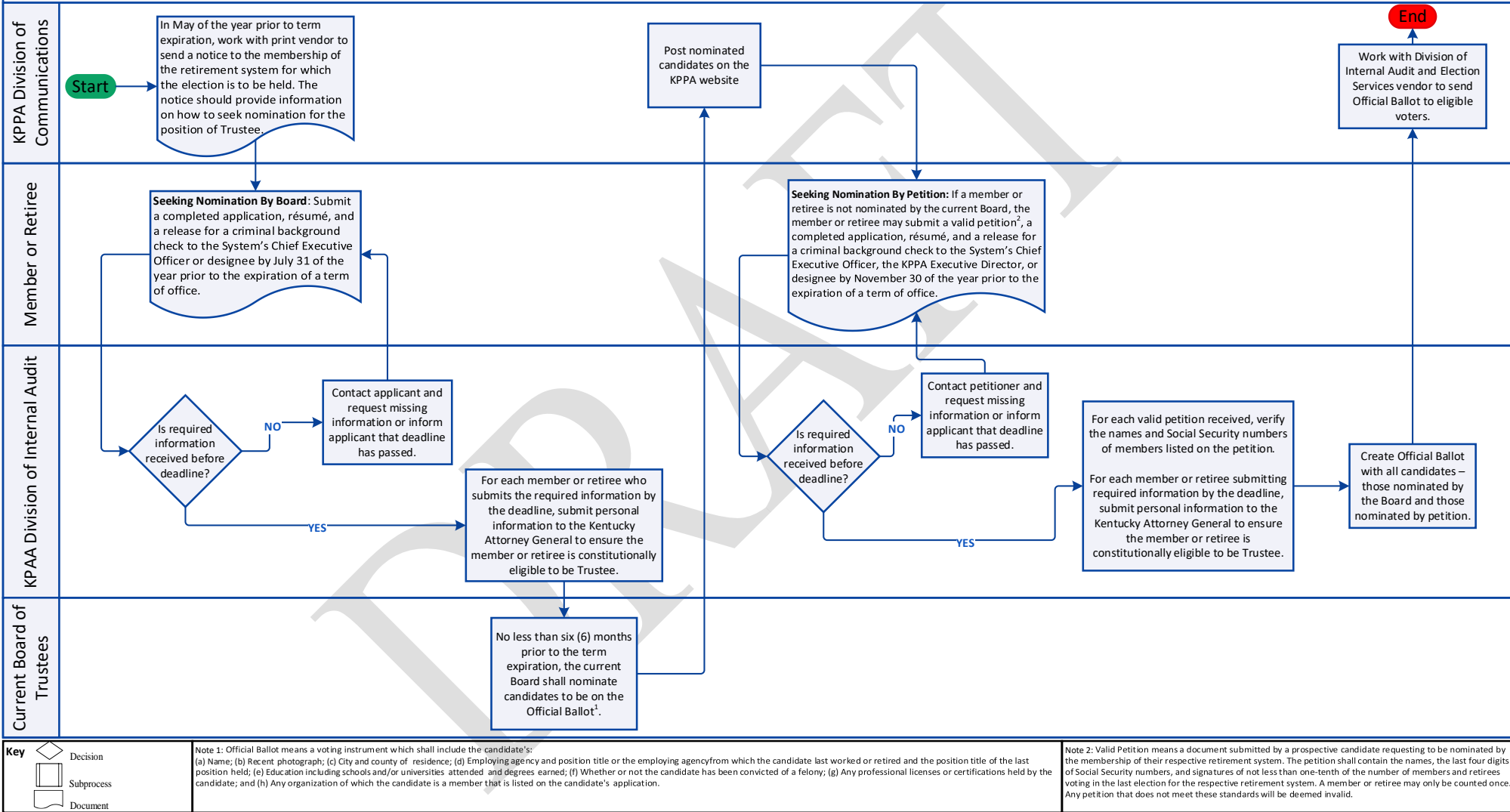
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XXXXX, KPPA Executive Director      Date

History:      Approval Date: April 1, 2021  
                 Amended:

# Exhibit A

## Election Process for Board of Trustees (Board)



**COUNTY EMPLOYEES RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
CONFIDENTIALITY POLICY**

Effective \_\_\_\_\_

**INTRODUCTION**

**Adoption of Confidentiality Policy:**

In accordance with Kentucky Revised Statutes 78.782, the Board of Trustees (Board) of the County Employees Retirement System (CERS) is authorized to adopt procedures necessary to conduct the business of the retirement system as needed.

**Statement of Confidentiality Policy:**

Individuals and organizations associated with CERS must not release information about CERS or any of its members that would be in contravention to its statutory mandate, under Kentucky Revised Statutes 61.661, 78.545(25), and 61.931, et seq., to administer member accounts in a confidential manner or would breach any duty to protect such information. CERS recognizes the need to establish procedures to prevent such breaches.

Additionally, individuals covered by this Confidentiality Policy (Policy) must keep matters discussed in closed session pursuant to Kentucky Revised Statutes 61.810 confidential. Individuals covered by this Policy must also avoid using “confidential information acquired during his or her tenure with [CERS] to further his or her own economic interests or that of another person” in accordance with Kentucky Revised Statutes 61.655(1)(f) and 78.545.

This Policy is intended to be applied concurrently with other CERS internal policies, internal policies of the Kentucky Public Pensions Authority (KPPA), and Board policies. State and federal law shall control if any inconsistency exists between the law and this Policy.

**Purpose:**

The purpose of this Policy is to: a) establish the individuals and organizations that are subject to this Policy; b) establish the specific standards of conduct with regard to confidentiality; c) establish confidentiality agreements required for certain individuals and organizations; and d) establish procedures for responding to a potential violation of the confidentiality provisions of this Policy and state and federal law.

**PROCEDURES REGARDING CONFIDENTIALITY POLICY**

**Section 1: Application of Policy**

1. This Policy shall apply to all individuals and organizations who have a statutory, contractual, or working relationship with CERS, including employees and contractors of the KPPA.
2. Individuals and organizations affected by this Policy shall include, but are not limited to:
  - a. Employees of CERS;

- b. Members of the Board of Trustees of the County Employees Retirement System;
- c. Independent contractors of CERS;
- d. Vendors and service providers of CERS with whom a contractual obligation to CERS exists;
- e. Employees of the KPPA;
- f. Independent contractors of the KPPA; and
- g. Vendors and service providers of the KPPA with whom a contractual obligation to the KPPA exists.

Section 2: Standards of Conduct Regarding Confidentiality

1. Individuals and organizations associated with CERS may be granted access to confidential information in the course of employment, as a CERS Trustee, or within a contractual relationship with CERS.
2. This confidential information may include, but is not limited to, individual member information, including but not limited to, Social Security numbers, names, addresses, phone numbers, birth dates, beneficiaries, health insurance information, Personal Identification Numbers (PIN), as well as documents, records, programs, files, scientific or technical information, or other information made available to individuals and organizations for purposes of completing their obligations to CERS.
3. This confidential information also includes any matters discussed in closed session pursuant to Kentucky Revised Statutes 61.810.
4. Individuals and organizations associated with CERS have a duty to keep confidential the information to which they are granted access as a result of their association with CERS, and avoid using such information “acquired during his or her tenure with [CERS] to further his or her own economic interests or that of another person” in accordance with Kentucky Revised Statutes 61.655(1)(f) and 78.545.
5. CERS and these individuals and organizations shall also recognize that confidential information is protected under Kentucky Revised Statutes 61.661, 78.545(25) and 61.931, et seq., as well as HIPAA (the Health Insurance Portability and Accountability Act), as amended by the HITECH Act (the Health Information Technology for Economic Clinical Health Act, Title XIII of the American Recovery and Reinvestment Act of 2009), which are addressed more specifically in a separate policy.

Section 3: Written Statements of Confidentiality

1. Confidentiality Statement (Trustees): Within sixty (60) days of being sworn in as a Trustee, each Trustee shall provide to the CEO or designee a completed Confidentiality Statement attesting that the Trustee has reviewed this Policy and is aware of his or her obligation to abide by the law and this Policy governing the confidentiality of certain information that will be available to the Trustee during the course of his or her service on the Board.
2. Confidentiality Agreement (Contractors; Vendors; Service Providers): Upon proposal for a contract that requires the exchange or disclosure of confidential CERS information, the contractor, vendor, or service provider making the proposal shall file a written

confidentiality agreement on a form provided by CERS and approved by the Board. The confidentiality agreement may be amended to conform to specific needs of the proposed contract as well as the individual contractor, vendor, or service provider.

3. Confidentiality Agreement (Others): Other individuals or organizations covered by this Policy may also be requested to file a written confidentiality statement as needed or requested by the Board.

#### Section 4: Violations of Confidentiality Policy

1. Any person who suspects that any individual or organization covered by this Policy has violated this Policy, the Bylaws, any County Employees Retirement System policy, or state and federal law shall, as soon as possible, notify the KPPA Office of Legal Services, Division of Non-Advocacy, of the possible violation by emailing the Division of Non-Advocacy at [Legal.Non-Advocacy@kyret.ky.gov](mailto:Legal.Non-Advocacy@kyret.ky.gov), by leaving a voicemail at (502) 696-5501, or by mailing a written statement to the attention of the KPPA Division of Non-Advocacy, Office of Legal Services, at 1260 Louisville Road, Frankfort, Kentucky 40601.
2. Notifications of possible violations should include the name of the relevant person or organization and a detailed description of the alleged violation including the time, date, and place, if known. All evidence regarding the alleged violation should also be provided to the KPPA Office of Legal Services, Division of Non-Advocacy.
3. Individuals who contact the KPPA Office of Legal Services, Division of Non-Advocacy, are not guaranteed complete anonymity; however, individuals who are employees of County Employees Retirement System or Kentucky Public Pensions Authority filing a complaint may be protected by the Kentucky Whistleblower Statute, Kentucky Revised Statutes 61.102.
4. If the alleged violation of this Policy involves an employee of the KPPA and the KPPA Office of Legal Services, Division of Non-Advocacy, determines that a violation of this Policy, state law, federal law, and/or the KPPA's internal policies has occurred, then the following KPPA staff shall be notified of the violation, as appropriate:
  - a. Director of Internal Audit,
  - b. Select Executive Staff (the Executive Director, the Executive Director of the Office of Operations, the Executive Director of the Office of Benefits, and Executive Director of the Office of Legal Services),
  - c. Information Security Officer,
  - d. Incident Response team, and/or
  - e. The employee's supervisors.
5. If the alleged violation of this Policy involves a contractor, vendor, or service provider of the KPPA and the KPPA Office of Legal Services, Division of Non-Advocacy, determines

that a violation of this Policy, state law, federal law, and/or the KPPA's internal policies has occurred, then the following KPPA shall be notified of the violation, as appropriate:

- a. KPPA Staff Assistant (Procurement) for the Office of Operations,
  - b. Select KPPA Executive Staff (the Executive Director, the Executive Director of the Office of Operations, the Executive Director of the Office of Benefits, and Executive Director of the Office of Legal Services),
  - c. KPPA Information Security Officer, and/or
  - d. KPPA Incident Response team.
6. If the alleged violation of this Policy involves (i) a CERS Trustee, (ii) the CERS Chief Executive Officer, (iii) the CERS General Counsel, or (iv) a CERS contractor, vendor, or service provider, the following individuals shall be notified of the alleged violation and shall be kept apprised of the determination of whether the alleged violation in fact violates this Policy, state law, and/or federal law, as appropriate:
- a. The CERS CEO,
  - b. The Chair of the Board,
  - c. The KPPA Information Security Officer, and/or
  - d. The KPPA Incident Response team.

#### Section 5: Required Actions Upon Disclosure of Confidential Information

1. If the disclosure of confidential information is a possible "security breach" of "personal information" as set forth in Kentucky Revised Statutes 61.931–61.934, then the provisions of these statutes, including notification and investigation as mandated by state law, shall be followed.
2. If the disclosure of confidential information implicate HIPAA and HITECH, then such disclosures shall be addressed in accordance with the Board HIPAA Privacy Use and Disclosure Procedures Policy, with notification, reporting, and further action as mandated by federal law.

**CERTIFICATION**

We, the Chair of the Board of Trustees of the County Employees Retirement System, and the Chief Executive Officer of the County Employees Retirement System, do hereby certify that this Confidentiality Policy was made effective by the Board of Trustees of the County Employees Retirement System on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Chair of the Board of Trustees  
County Employees Retirement System

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chief Executive Officer  
County Employees Retirement System

\_\_\_\_\_  
Date

\_\_\_\_\_  
Executive Director  
Kentucky Public Pensions Authority

\_\_\_\_\_  
Date

DRAFT



**COUNTY EMPLOYEES RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
TRUSTEE CONFIDENTIALITY STATEMENT**

Adopted: \_\_\_\_\_

**Instructions:**

The Board of Trustees of the County Employees Retirement System (Board) has adopted a Confidentiality Policy outlining the confidentiality of certain information Trustees will be provided while serving on the Board.

Pursuant to the Board's Confidentiality Policy, within sixty (60) days of being sworn in as a Trustee, each Trustee shall provide to the CEO or designee a completed copy of this Confidentiality Statement.

Please submit this Confidentiality Statement by e-mailing this completed document to: \_\_\_\_\_ Completed forms may also be faxed to: \_\_\_\_\_.

**Statement:**

I have read the County Employees Retirement System Board of Trustees Confidentiality Policy made effective on \_\_\_\_\_. I acknowledge my obligation under state and federal law to maintain the confidentiality of:

1. All member account information pursuant to Kentucky Revised Statutes 61.661, 78.545(25) and 61.931, et seq.;
2. Protected health information pursuant to HIPAA (the Health Insurance Portability and Accountability Act), as amended by the HITECH Act (the Health Information Technology for Economic Clinical Health Act, Title XIII of the American Recovery and Reinvestment Act of 2009);
3. Closed session discussions pursuant to Kentucky Revised Statutes 61.810; and
4. Information acquired during my tenure as a Trustee, which cannot be used to further my own economic interests or that of another person in accordance with Kentucky Revised Statutes 61.655(1)(f) and 78.545.

**Certification:**

\_\_\_\_\_  
Signature  
(For email submissions, sign “/s/ First Last.”)

\_\_\_\_\_  
Date

**COUNTY EMPLOYEES RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
CONFLICT OF INTEREST POLICY**

Effective: \_\_\_\_\_

**INTRODUCTION**

**Adoption of Conflict of Interest Policy:**

In accordance with Kentucky Revised Statutes 78.782, the Board of Trustees (Board) of the County Employees Retirement System (CERS) is authorized to adopt procedures necessary to conduct the business of the retirement system as needed.

**Statement of Conflict of Interest Policy:**

Pursuant to Kentucky Revised Statutes (KRS) 78.790, 61.650, and 78.545, and other relevant state and federal law, the Trustees of the Board (Trustees), employees of CERS, employees of the Kentucky Public Pensions Authority (KPPA) working on behalf of CERS, or other fiduciaries shall discharge duties with respect to CERS solely in the interest of the members and beneficiaries, and for the exclusive purpose of providing benefits to members and beneficiaries and paying reasonable expenses of administering the system. Furthermore, no CERS Trustee, employee of CERS, or employee of KPPA working on behalf of CERS shall have any interest, direct or indirect, in the gains or profits of any investment or any other legal, business, or financial transaction made by the Board. The law shall control if any inconsistency exists between the law and this policy.

**Purpose:**

The purpose of this Conflict of Interest Policy (Policy) is to: a) establish which individuals are subject to conflict of interest provisions of CERS' statutes; and b) establish the specific standards of conduct with regard to conflicts of interest.

**PROCEDURES REGARDING CONFLICTS OF INTEREST POLICY**

**Section 1: Application of Policy**

1. This Policy shall apply to all individuals who have a statutory, contractual, or working relationship with CERS.
2. Individuals affected by this Policy shall include, but are not limited to:
  - a. Employees of CERS;
  - b. Members of the Board;
  - c. Independent contractors of CERS, if required by the Board;
  - d. Vendors and service providers of CERS with whom a contractual obligation to CERS exists, if required by the Board;
  - e. Employees of the KPPA providing services to CERS;
  - f. Independent contractors of the KPPA, if required by the Board; and

- g. Vendors and service providers of the KPPA with whom a contractual obligation to the KPPA exists, if required by the Board.

## Section 2: Standards of Conduct Regarding Conflicts of Interest

1. Individuals have an obligation to diligently identify, disclose, avoid and manage conflicts of interest or potential conflicts of interest.
2. Potential conflicts of interest exist when an individual or an individual's family, as defined in KRS 11A.010<sup>1</sup>, may be directly or indirectly financially impacted, whether favorably or detrimentally, by a decision made or considered by CERS or the KPPA on behalf of CERS in which the individual participates or would participate.
3. Individuals and their family members shall not enter into any contract with CERS, with the KPPA on behalf of CERS, or with any organization doing business with CERS for financial gain, apart from an employment contract, without full disclosure and satisfactory management of any potential conflict of interest in accordance with the Executive Branch Code of Ethics provisions, as set forth in KRS Chapter 11A.
4. Individuals shall not be involved in the decision to hire or in the supervision of any member of their family as defined in KRS 11A.010.
5. Individuals shall not conduct business or participate in decisions with a company or organization in which the individual or family member as defined in KRS 11A.010 is employed or is actively seeking employment.
6. Individuals shall not accept gifts, loans, gratuities, discounts, favors, hospitality, services, or other compensation under circumstances from which it could reasonably be inferred that a major purpose of the donor is to influence the individual in the performance of their duties.
7. Individuals must avoid all conduct which in any way might lead the public to believe that the individual is using his or her position with CERS to further a professional or private interest.
8. Individuals not covered by the conflict of interest provisions under KRS Chapter 11A must not violate any conflict of interest statute or principle by the performance of their duties for CERS. These individuals must not engage directly or indirectly in any financial or other transaction with a Board Trustee, CERS employee, or KPPA employee that would violate the standards of the Executive Branch Code of Ethics, as set forth in KRS Chapter 11A.

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<sup>1</sup> KRS 11A.010(4) defines "family" as "spouse and children, as well as a person who is related to a public servant as any of the following, whether by blood or adoption: parent, brother, sister, grandparent, grandchild, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister[.]"

### Section 3: Written Statements of Conflict of Interest

#### 1. Board Conflict of Interest Statement (CERS Trustees, CERS employees, and KPPA employees performing duties for CERS):

- a. No later than December 1<sup>st</sup> of each calendar year, a blank Conflict of Interest Statement form approved by the Board shall be provided by the CERS Chief Executive Officer, or designee, to all of the following individuals:
  - i. CERS Chief Executive Officer,
  - ii. CERS General Counsel,
  - iii. The KPPA Executive Director,
  - iv. The KPPA Executive Director of the Office of Investments,
  - v. The KPPA Executive Director of the Office of Operations,
  - vi. The KPPA Executive Director of the Office of Benefits,
  - vii. The KPPA Executive Director of the Office of Legal Services,
  - viii. All employees of the KPPA Office of Investments, and
  - ix. All KPPA Division Directors.
- b. A blank Conflict of Interest Statement form approved by the Board shall be provided to all CERS Trustees along with the materials for the December regular meeting of the Board by the CERS Chief Executive Officer, or designee.
- c. Completed Conflict of Interest Statement forms must be completed and turned in, no later than December 31<sup>st</sup> of each calendar year, to the following designated individuals:
  - i. The CERS Chief Executive Officer shall collect all completed forms from the CERS Board,
  - ii. The KPPA Executive Director or designee shall collect all forms from the CERS and KPPA staff and shall notify the Chair of the Board of CERS if CERS Chief Executive Officer or CERS General Counsel fail to file a completed form. These forms shall be retained in the personnel files for each employee maintain by the KPPA Office of Human Resources.
- d. If the CERS Chief Executive Officer or CERS General Counsel fails to file a completed Conflict of Interest Statement on the form approved by the Board on or prior to December 31<sup>st</sup> of a calendar year, the Chair of the Board shall be responsible for bringing this to the attention of the Board to decide the appropriate course of action for reprimanding the Chief Executive Officer or General Counsel.
- e. If any CERS Trustee fails to file a completed Conflict of Interest Statement on the form approved by the Board on or prior to December 31<sup>st</sup> of a calendar year, the CERS Chief Executive Officer is authorized to decline to pay any per diems and travel expenses due to the Trustee until the Trustee has filed a completed Conflict

of Interest Statement on the form approved by the Board with CERS Chief Executive Officer. The Trustee will forfeit all per diems and travel expense reimbursements due to the Trustee for the period during which the Trustee had failed to timely file a completed Conflict of Interest Statement.

- f. If the KPPA Executive Director fails to file a completed Conflict of Interest Statement on the form approved by the Board on or prior to December 31<sup>st</sup> of a calendar year, the matter shall be referred to the KPPA Board to decide the appropriate course of action for reprimanding the Executive Director.
- g. If any of the following KPPA employees fail to file a completed Conflict of Interest Statement on the form approved by the Board on or prior to December 31<sup>st</sup> of a calendar year, the supervisor of the employee shall file a written reprimand to be stored in the personnel file of the employee:
  - i. The KPPA Executive Director of the Office of Investments,
  - ii. The KPPA Executive Director of the Office of Operations,
  - iii. The KPPA Executive Director of the Office of Benefits,
  - iv. The KPPA Executive Director of the Office of Legal Services,
  - v. All employees of the KPPA Office of Investments, and
  - vi. All KPPA Division Directors.

2. Executive Branch Ethics Commission Statements of Financial Disclosure:

- a. As frequently as required by KRS 11A.050 and 9 KAR 1:010, all CERS and KPPA “officers” as defined in KRS 11A.010(7), including, but not limited to, the following individuals, shall be required to file completed Statements of Financial Disclosure with the Executive Branch Ethics Commission:
  - i. CERS Chief Executive Officer,
  - ii. CERS General Counsel,
  - iii. All CERS Trustees,
  - iv. The KPPA Executive Director,
  - v. The KPPA Executive Director of the Office of Investments,
  - vi. The KPPA Executive Director of the Office of Operations,
  - vii. The KPPA Executive Director of the Office of Benefits,
  - viii. The KPPA Executive Director of the Office of Legal Services, and
  - ix. All KPPA Division Directors.
- b. Questions regarding the Executive Branch Ethics Commission Statements of Financial Disclosure shall be directed to the KPPA Ethics Compliance Officer.

- c. Failure to file completed Statements of Financial Disclosure with the Executive Branch Ethics Commission may result in penalties under the Executive Branch Code of Ethics as determined by the Executive Branch Ethics Commission.
3. Board Conflict of Interest Statement (Others): The Board may request that other individuals, including, but not limited to, independent contractors of CERS, vendors and service providers of CERS with whom a contractual obligation to CERS exists, independent contractors of KPPA providing services to CERS, vendors and service providers of KPPA with whom a contractual obligation to KPPA exists (providing services or products to CERS via KPPA), file a completed Conflict of Interest Statement on the form approved by the Board.

#### Section 4: Violations of Conflict of Interest Policy

1. Any person who suspects that a CERS employee, a CERS Trustee, a KPPA employee, or a CERS or KPPA contractor, vendor, or service provider has violated this Policy, the Board's Bylaws, or any Board policy, may file a complaint in writing at the offices of the KPPA.
2. The written complaint shall be in the form of a letter addressed to the Chair of the CERS Board, or if the complaint is about the Chair of Board, the complaint shall be addressed to the Vice Chair of the Board. A complaint may be filed anonymously. Employees of CERS or KPPA filing a complaint may be protected by the Kentucky Whistleblower Statute, Kentucky Revised Statutes 61.102.
3. A complaint shall include the name of the person or organization against whom the complaint is made and include a detailed description of the alleged violation including the time, date, and place, if known. The complainant should attach to the complaint all evidence in his or her possession regarding the alleged violation.
4. If the complaint is against an employee of the KPPA (other than the KPPA Executive Director), the complaint shall be forwarded to the CERS Chief Executive Officer (or delegate) and the KPPA Executive Director (or delegate) for investigation, or in the discretion of the Chief Executive Officer (or delegate) and the KPPA Executive Director (or delegate) may be referred to the Executive Branch Ethics Commission. If the alleged violation is found to be true by the CERS Chief Executive Officer (or delegate) and the KPPA Executive Director (or delegate), the employee shall be disciplined in accordance with procedures established by the Personnel Cabinet.
5. If the complaint is against a contractor, vendor, or service provider of CERS or of the KPPA, the complaint shall be forwarded to the CERS Chief Executive Officer for investigation. If the alleged violation is found to be true, any action taken shall be consistent with the contract between CERS and the contractor, vendor, or service provider, or between the KPPA and the contractor, vendor, or service provider.

6. If the complaint is against the KPPA Executive Director, the complaint shall be referred to the KPPA Board to decide the appropriate course of action.
7. If the complaint is against (i) a CERS Trustee, (ii) the CERS Chief Executive Officer, or (iii) the CERS General Counsel, the Chair or, if the complaint is against the Chair, the Vice Chair shall, in consultation with the Trustees not implicated in the complaint:
  - a. Appoint an *ad hoc* special committee (“Special Committee”) in accordance with the Board Bylaws, to investigate the complaint and report its conclusions and recommendations to the rest of the Board, or
  - b. If the complaint alleges a violation of the Executive Branch Code of Ethics (Kentucky Revised Statutes Chapter 11A), refer the complaint to the Executive Branch Ethics Commission (KRS 11A.060), the Kentucky Attorney General or other appropriate entity.
8. Upon appointment of a Special Committee in accordance with number seven (7) above, the Chair of the Board shall appoint a Chair of the Special Committee and designate other CERS Trustees (which shall be not less than three (3) nor more than four (4) Trustees, including the Chair of the Special Committee).
  - a. The Chair of the Special Committee shall forward the complaint to the person against whom the complaint is made. The person may file a written response to the complaint, which should include all evidence in his or her possession regarding the alleged violation.
  - b. The Special Committee shall determine how the investigation of the complaint is to proceed; provided that the investigation and any information gathered in the course of investigation shall be conducted and maintained on a confidential basis.
  - c. The Special Committee may request the the KPPA Executive Director assign staff of the KPPA to investigate the alleged violation or may engage a third party to investigate the alleged violation.
  - d. Information obtained during the investigation shall be deemed confidential if it is not subject to public disclosure pursuant to the Kentucky Open Records Act, Kentucky Revised Statutes 61.872 to 61.884, at the time of its disclosure or use.
  - e. If the result of the investigation indicates that the facts are not sufficient to constitute a violation of this (or other applicable) Policy or Bylaws, the Special Committee shall immediately terminate the investigation and report its determination and recommendations to the Board . If the Board decides to take no action, the Special Committee shall prepare an explanation of the decisions to take



no action and shall maintain a copy of the complaint and the explanation in a confidential file. A copy of the explanation shall be sent to the person against whom the allegations were made and no further disclosure shall be made.

- f. If the results of the investigation indicate that there is cause to believe that a violation of this (or other applicable) Policy has occurred, the Special Committee shall report its determination to the Board for its consideration at the next regular or special Board meeting.
    - i. The Board's discussion of the allegations and the report of the Special Committee, including any proposed disciplinary action, shall be conducted in closed session pursuant to KRS 61.810(f).
    - ii. The Board's decision regarding disciplinary action shall be made in open session as required by KRS 61.815(1)(c).
      1. The Board's determination that disciplinary action imposed on the Chief Executive Officer or General Counsel for violation of this (or any applicable) Policy shall require a vote of two-thirds (2/3) of the total Trustees serving on the Board.
      2. The Board's determination that a CERS Trustee violated this (or other applicable) Policy shall require a vote of two-thirds (2/3) of the remaining Trustees who are not alleged to be in violation of this (or other applicable) Policy. If there are not sufficient Trustees present at a meeting, the Chair may pass the matter to the next regular or special meeting of the Board.
9. If the Board finds that the Chief Executive Officer or General Counsel has violated this (or other applicable) Policy, the Board may impose one of the following disciplinary actions:
- a. Verbal reprimand;
  - b. Written reprimand, which will be added to the minutes and placed in the personnel file of the Chief Executive Officer or General Counsel.
  - c. Suspension without pay for a period of time; or
  - d. Termination of employment.

The Chief Executive Officer or General Counsel shall not have the right to appeal any disciplinary action imposed under paragraphs seven (7) and eight (8) above and this paragraph.

10. If a Board finds that one of its Trustee has violated this (or other applicable) Policy, the remaining Trustees who are not alleged to be in violation of this (or other applicable) Policy may impose any or all of the following disciplinary actions:



- a. Remove the Trustee from any or all Board committees to which the Trustee is assigned;
- b. Verbal public reprimand; and/or
- c. Written public reprimand.

11. If the Board becomes aware of violations of its Conflict of Interest Policy, no provision of this (or other applicable) Policy shall be interpreted to limit the Board's remedies provided pursuant to the terms of an applicable contract, and by state or federal law.

**GENERAL STATEMENT CONCERNING EXECUTIVE BRANCH ETHICS**

Individuals as set forth above shall conform to the Executive Branch Code of Ethics with regard to conflicts of interest as set forth in KRS Chapter 11A.

**CERTIFICATION**

We, the Chair of the Board of Trustees of the County Employees Retirement System, and the Chief Executive Officer of the County Employees Retirement System, do hereby certify that this Conflict of Interest Policy was made effective by the Board of Trustees of the County Employees Retirement System on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Chair of the Board of Trustees  
County Employees Retirement System

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chief Executive Officer  
County Employees Retirement System

\_\_\_\_\_  
Date

\_\_\_\_\_  
Executive Director  
Kentucky Public Pensions Authority

\_\_\_\_\_  
Date

**COUNTY EMPLOYEES RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
FUNDING POLICY**

Effective \_\_\_\_\_

**I. Introduction**

- A. Adoption of Board Funding Policy: Pursuant to the provisions of Kentucky Revised Statutes (KRS) 78.782, the Board of Trustees (Board) of the County Employees Retirement System is permitted to adopt policies regarding the administration of the System as needed.
- B. Background. The Board administers the County Employees Retirement System (the Plan), a public employee retirement system with a nonhazardous plan and a hazardous plan. The Board also administers a health insurance trust fund for eligible members and beneficiaries of the Plan.
- C. Statement of Purpose of Board Funding Policy: Adoption of a formal policy defining priorities and guidelines for the funding of retirement and health insurance benefits is a best practice for public employee retirement systems. This Funding Policy outlines the Board's goals and strategies for financing the Plan and health insurance trust fund it administers, including the principal goal of achieving a funded ratio<sup>1</sup> that is equal to or greater than one hundred percent (100%) for the Plan and the insurance trust fund. In the event that this Funding Policy conflicts with state or federal law, the law shall prevail.

**II. Scope of authority**

- A. The Kentucky General Assembly determines:
  - 1. The design of the Plan's retirement and insurance benefits;
  - 2. Employee (member) contributions;
  - 3. The frequency and deadlines for the Board to conduct an actuarial valuation and recommend employer contributions;
  - 4. A minimum frequency for the Board to cause an actuarial investigation to be made of all the experience under the Plan relative to the actuarial assumptions and funding methods previously adopted by the Board;
  - 5. Actuarial methods to be used in setting employer contributions; and

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<sup>1</sup> "Funded ratio" is defined as the actuarial value of Plan's assets divided by the Plan's actuarial accrued liability before adjustments for changes in benefits, actuarial methods, and/or actuarial assumptions.

6. Limits on employer contributions to the Plan administered by the Board.

- B. The Board has authority to establish, approve, and revise actuarial assumptions<sup>2</sup>, and the Board has the authority over the investment of trust assets, including determining and approving the asset allocation, investment policies, and strategies for investment asset classes.

### **III. Funding goals**

- A. The principal funding goal of the Board is to fully fund the long-term cost of retirement and health insurance benefits provided to the Plan's members and beneficiaries by statute through disciplined and timely collection of required contributions and the prudent investment of assets.
- B. The Board's principal funding goal is to strive to have the funded ratio for the Plan and the health insurance fund to be equal to or greater than one hundred percent (100%).
- C. In order to achieve the principal funding goal, employee contributions, employer contributions, and net investment returns, when combined, should be sufficient to pay benefits to eligible members and beneficiaries of the Plan.
- D. The Board shall ensure full payment of employer contributions in compliance with Kentucky Revised Statutes 78.635, including the payment of normal cost contributions and actuarially accrued liability contributions.

### **IV. Benchmarks**

- A. To achieve the previously outlined funding goals, the Board shall cause an actuarial valuation to be made annually in compliance with Kentucky Revised Statutes 78.784.
- B. Additionally, no fewer than every five (5) years, in compliance with Kentucky Revised Statutes 78.784, the Board shall cause an actuarial investigation to be made of all the experience under the Plan relative to the actuarial assumptions and funding methods previously adopted by the Board, and the Board shall make the appropriate revisions following this actuarial investigation.
- C. As required by Kentucky Revised Statutes 78.784, all actuarial investigations, analyses, and valuations shall be certified to the Board by an actuary who shall be a fellow of the Conference of Consulting Actuaries or a member of the American Academy of Actuaries.
- D. The annual actuarial valuation conducted in accordance with Kentucky Revised Statutes 78.784 shall specify employer contributions to be paid by employers participating in the System, and such employer contributions shall be equal to the sum

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<sup>2</sup> However, the General Assembly provides oversight concerning the actuarial assumptions.

of the “normal cost contribution” and the “actuarially accrued liability contribution” as required by Kentucky Revised Statutes 78.635.

- E. Increases in benefits for members and beneficiaries of the Plan shall only be provided in accordance with Kentucky Revised Statutes 61.691 and Kentucky Revised Statutes 78.545(8).

## **V. Actuarial methods**

Pursuant to Kentucky Revised Statutes 78.635, the Board shall use the following methods for the purpose of actuarial valuations and, accordingly, for determining employer contributions:

- A. Cost method: The cost method shall be the entry age normal cost funding method.
- B. Asset smoothing: Investment gains and losses shall be spread over a five (5) year period.
- C. Amortization policy: The actuarially accrued liability contribution shall be amortized as required by Kentucky Revised Statutes 78.635.

## **VI. Review of funding policy**

This Funding Policy shall be reviewed no less frequently than every five (5) years, following the actuarial experience investigation conducted pursuant to Kentucky Revised Statutes 78.784, although it is the intent of the Board to review this Funding Policy more frequently. This Funding Policy may be amended at any time to reflect changes to the System’s enabling statutes, Board policies, or best practices for public employee retirement plans.

**VII. Certification**

We, the Chair of the Board of Trustees of the County Employees Retirement System, and the Chief Executive Officer of the County Employees Retirement System, do hereby certify that this Funding Policy was made effective by the Board of Trustees of the County Employees Retirement System on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Chair of the Board of Trustees  
County Employees Retirement System

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chief Executive Officer  
County Employees Retirement System

\_\_\_\_\_  
Date

DRAFT

**COUNTY EMPLOYEE RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
PER DIEM AND REIMBURSEMENT POLICY**

Approval Date: April \_\_\_\_, 2021

**Section 1: Scope**

- A. This policy is enacted pursuant to Kentucky Revised Statutes (“KRS”) 78.782, which provides that the Board of Trustees (“Board”) of the County Employees Retirement System (“System”) is permitted to adopt procedures necessary to conduct the business of the System as needed. As well, this policy is enacted consistent with the Bylaws of the Board, which provide for reimbursement of the Board in their official duties for the System.
- B. Pursuant to KRS 78.780, Trustees who do not otherwise receive a salary from the State Treasury shall receive a per diem of \$80 for each day they are in session or on official duty, and shall be reimbursed for their actual and necessary expenses in accordance with state administrative regulations and standards.
- C. All payments of per diem and/or reimbursement under this policy shall be made consistent with the Model Procurement Code as set forth in KRS Chapter 45A, 200 KAR 2:006, and the Executive Branch Code of Ethics as set forth in KRS Chapter 11A.
- D. In every event, Trustees shall endeavor to conduct the official affairs of the System in such a manner as to minimize the cost of providing efficient guidance and administration of the funds entrusted to the Board.
- E. Nothing in this Policy shall be interpreted so as to prohibit or discourage Trustees from attending all official functions of the Board or its Committees, or legislative or other functions, which such Trustee wishes to attend at his or her own expense.

**Section 2: Official Duty**

- A. “In Session” shall include the following:
  - (1) Meetings of the full Board;
  - (2) Meetings of Committees of which the Trustee is a member or alternate (if needed to make a quorum); and
- B. “Official Duty” shall include the following:
  - (1) Preparation for Board or Committee meetings;
  - (2) New Trustee Orientation at the Kentucky Public Pension Authority office building in Frankfort;
  - (3) Self-selected training and training seminars in an amount not to exceed the training requirements in the Board Trustees Education Policy;

- (4) Sessions of the General Assembly, the Legislative Research Commission, or another legislative subcommittee at the invitation of the Legislature, or a Legislator limited to the Chair or Vice Chair only.
- C. The following are not considered to be “in session” or “on official duty” in order to permit the Trustee to seek a per diem reimbursement, unless specific permission is given by the Chair and the Chief Executive Officer or designee:
  - (1) Group or Association meetings;
  - (2) Membership meetings;
  - (3) Other constituent meetings; and
  - (4) When requested to appear by a court or other government entity.
- D. Trustees attending functions as described in Section 2, subsection (C) above shall only be considered to be on official duty when attendance is at the written request, invitation or permission of the Chair of the Board and the Chief Executive Officer or designee. Approval will only be granted for a reasonable number of these functions per year.
- E. If the Chair requests authorization for functions as provided under Section 2, subsections (C) and (D) above, the Vice Chair shall approve such requests.

### **Section 3: Authorization**

- A. Prior to attending a non-System and/or non-State (e.g. industry conference) function, a Trustee shall obtain authorization to be reimbursed for attending such a function on official business of the System by the Chief Executive Officer or designee.
- B. Authorization shall be obtained through written or e-mailed communication, and should contain the following information:
  - (1) Name of Trustee requesting authorization;
  - (2) Purpose of the function;
  - (3) Vicinity and length of time of travel;
  - (4) Estimated cost of travel;
  - (5) Signature of person requesting authorization; and
  - (6) Signature of Chief Executive Officer or designee.
- C. Attendance at full Board meetings or Committee meetings of which the Trustee is a member requires no separate authorization.

### **Section 4: Preparation for Meetings**

- A. Preparation for a meeting of the Board or a Committee of the Board shall include time spent reviewing written and/or video transcripts of formal administrative hearings or the records, exhibits, documents and memoranda provided to Trustees by the System prior to each Board or Committee meeting.
- B. Trustees shall be compensated for preparation for a meeting of the Board or a Committee of the Board as provided under Section 4, subsection (A), at an hourly rate equal to the per diem divided by seven and one-half (7 ½) hours. Each member

of the Board or Committee shall report the number of hours spent in preparation on the Preparation Reimbursement Form provided by the System.

- C. The Chief Executive Officer or designee shall review all Preparation and Reimbursement Forms and approve all hours for payment as deemed appropriate for the required task.

**Section 5: Reimbursement**

- A. Following the function, all travel expenses should be timely claimed on a Commonwealth of Kentucky Finance and Administration Cabinet Travel Voucher form. In no event shall a Trustee be reimbursed by the System for any expenses also claimed reimbursable from another state agency.
- B. Actual and necessary travel expenses shall be paid in accordance with 200 KAR 2:006.
- C. Twice a month, the Chief Executive Officer or designee shall prepare the Per Diem Compensation Schedule and approve such payments.
- D. Reimbursement will be made only for individuals who are doing business on behalf of the Systems.
- E. All reimbursement under this Section must be made consistent with the requirements of the Executive Branch Code of Ethics, KRS Chapter 11A. Please refer to the Executive Branch Ethics Commission web site for more information at: <http://ethics.ky.gov/>.

**Section 6: Forms**

- A. The following forms are attached and are incorporated by reference.
  - (1) Preparation Reimbursement Form - General
  - (2) Preparation Reimbursement Form – DAC/AAC
  - (3) Commonwealth of Kentucky Finance and Administration Cabinet Travel Voucher form
  - (4) All forms incorporated by reference in 200 KAR 2:006
  - (5) Per Diem Compensation Schedule
- B. These forms may be updated and amended as necessary without effect to this Policy.



**Section 7: Certification**

We, the Chair of the Board of Trustees of the County Employee Retirement System, and the Chief Executive Officer of the County Employee Retirement System, do hereby certify that this Per Diem and Reimbursement Policy was amended and made effective by the Board of Trustees of the County Employees Retirement System on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Chair of the Board of Trustees  
County Employee Retirement System

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chief Executive Officer  
County Employee Retirement System

\_\_\_\_\_  
Date

DRAFT

**COUNTY EMPLOYEES RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
TRUSTEES EDUCATION PROGRAM**

Adopted: \_\_\_\_\_

**I. Introduction**

1. Adoption of Board Trustees Education Program. Pursuant to the provisions of Kentucky Revised Statute (KRS) 78.782 and 105 Kentucky Administrative Regulation (KAR) 1:440, the Board of Trustees (Board) of the County Employees Retirement System (System) is required to establish a formal Trustees Education Program (Program) for all Trustees of the Board.
2. Background. KRS 78.782(17) provides the basic statutory requirements for the Program.
3. Statement of Purpose of Board Trustees Education Program. The purposes of this document are to outline the Program and to establish a procedure for ensuring compliance with the state, federal, and common law. In the event that any portion of this document conflicts with state, federal, or common law, the law shall prevail.

**II. Definitions**

The following definitions and terms used in this Policy shall be applicable whenever used herein:

1. “Approved Education Activity” is a Trustee Education Activity that has been approved for credit hours of training by the Chief Executive Officer (CEO) or designee by signing the Trustee Education Activity Certification of Completion form.
2. “Trustee Education Activity” is any educational activity, program, or training which provides instruction in one or more of the following areas:
  - A. Benefits;
  - B. Benefits administration;
  - C. Investment concepts;
  - D. Investment policies;
  - E. Current composition and administration of retirement systems investments;
  - F. State or federal statutes, regulations, case law, and/or other applicable authority governing CERS or fiduciaries;
  - G. Bylaws of the Board;
  - H. Actuarial and financial concepts pertaining to the retirement systems;
  - I. Governmental accounting and audit; and/or
  - J. Performance planning.

3. “Chief Executive Officer” or “CEO” is the Chief Executive Officer of the System or his or her designee.
4. “Credit hour” is sixty (60) minutes of actual time spent on Approved Education Activities, which may be accrued in increments of not less than fifteen (15) minutes.
5. “Education Year” is the twelve (12) months commencing on a Trustee’s date of appointment and on the anniversary of that date thereafter.
6. “Trustee” is a member of the Board.

### **III. Board Approved Education Activities**

The Board hereby states that the following shall be approved by the CEO or designee as Approved Education Activities:

1. Presentations by the CEO, General Counsel, and/or staff of the Kentucky Public Pensions Authority (KPPA) on any of the areas included under “Trustee Education Activity.”
2. Attendance at meetings (e.g., Board, Committee) where there is a presentation on a topic identified as a Trustee Education Activity and where the meeting agenda states that the presentation is an Approved Education Activity; or
3. Workshops and conferences<sup>1</sup> presented by the following:
  - A. The National Association of State Retirement Administrators (NASRA),
  - B. The National Association of Public Pension Attorneys (NAPPA),
  - C. The National Conference on Public Employee Retirement Systems (NCPERS), and
  - D. The Institutional Limited Partners Association (ILPA).
4. In order to receive credit hours for attending a Board Approved Education Activity, Trustees must submit a completed Trustee Education Activity Certification of Completion form as described below in Sections V and VI after participating in an Approved Education Activity.

### **IV. Chief Executive Officer (or Designee) Approved Education Activities**

1. A Trustee Education Activity not delineated as a Board Approved Education Activity may be approved by the CEO or designee upon a Trustee’s submission of a completed

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<sup>1</sup> For in-person workshops and conference, no more than four (4) Trustees may attend to ensure that no quorum of the Board is present.

Trustee Education Activity Certification of Completion form as described below in Sections V and VI after participating in a Trustee Education Activity.

2. The Trustee Education Activity Certification of Completion form must be submitted with appropriate documentation, such as a sample agenda, course outline, or materials describing the content of the Trustee Education Activity. The CEO or designee may request additional supporting materials on a case-by-case basis.
3. The Board will not pay for the educational activity unless it is approved by the CEO or designee on a Trustee Education Activity Certification of Completion form.
4. Types of education activities that may be submitted for approval by the CEO or designee:
  - A. Review of educational material related to public pensions and/or investments;
  - B. Workshops and conferences presented by other state retirement systems;
  - C. Workshops and conferences presented by non-profit organizations other than those noted in Section III, Number Three (3);
  - D. Workshops and conference presented by trade groups, vendors, potential vendors, and other for-profit entities (however, before any such educational opportunities are approved, the program must be reviewed by Kentucky Public Pensions Authority staff for compliance with the Executive Branch Code of Ethics under KRS Chapter 11A and the Executive Branch Procurement Code under KRS Chapter 45A);
  - E. Educational Material reviewed by the Trustee outside of a workshop or conference program and not provided by Kentucky Public Pensions Authority staff.
5. The CEO or designee shall review each Trustee Education Activity Certification of Completion form and shall notify the Trustee of whether the educational activity is approved for credit hours as an Approved Education Activity. An approval in any given year shall not bind the CEO or designee to approve an educational activity as an Approved Education Activity in any future year.

## **V. New Trustee Orientation Program**

1. After a new Trustee (New Trustee) is sworn in as a member of the Board, the New Trustee shall be required to complete the New Trustee Orientation Program during his or her first Education Year.

2. The New Trustee Orientation Program shall consist of no less than eight (8) credit hours of Approved Education Activities.
3. The Chief Executive Officer shall be responsible for working with KPPA staff to make the New Trustee Orientation Program available for New Trustees, and may designate other Approved Education Activities for fulfilling the requirements of the New Trustee Orientation Program.
4. The New Trustee Orientation Program shall include training in each of the categories listed under "Trustee Education Activity" in Section II. The New Trustee Orientation Program shall emphasize legal and fiduciary responsibilities of Trustees, including, but not limited to, presentations on these topics by independent third party experts. New Trustees shall also be informed about the operations of System through presentations by any of the following: the CEO, the General Counsel, the KPPA Executive Director, the KPPA Chief Investment Officer, the KPPA Executive Director of the Office of Operations, the KPPA Executive Director of the Office of Benefits, the KPPA Executive Director of the Office of Legal Services, the KPPA Internal Audit Director, the KPPA Information Security Officer, and other qualified KPPA staff members designated by the CEO.
5. If a New Trustee fails to complete the New Trustee Orientation Program within one (1) year following the date the New Trustee is sworn in, in accordance with KRS 78.782(17)(a), the System shall withhold payment of all per diems and travel expenses due to the New Trustee (or which subsequently may come due) until such time as the New Trustee completes the New Trustee Orientation Program.
6. Each New Trustee attending an Approved Education Activity for the New Trustee Orientation Program shall certify to the CEO or designee on a Trustee Education Activity Certification of Completion form that the New Trustee attended the Trustee Education Activity, the total number of credit hours sought, and all other information required by the form.
7. A Trustee Education Activity Certification of Completion form for the New Trustee Orientation Program must be received by the CEO or designee no later than May 31<sup>st</sup> of the calendar year following the New Trustee's first Education Year. A Trustee Education Activity Certification of Completion form received later than May 31<sup>st</sup> of the calendar year following the New Trustee's first Education Year will not be approved.
8. The CEO or designee shall maintain a record of all Approved Education Activities attended and/or performed by each New Trustee. At the end of the New Trustee's first Education Year, the CEO or designee shall report in writing to the New Trustee whether the New Trustee has complied with the requirements of the New Trustee Orientation Program. The report shall include the number of credit hours earned and

any remaining credit hours that need to be earned to fulfill the requirements of the New Trustee Orientation Program.

## **VI. Annual Required Training**

1. For every Education Year, Trustees shall complete a minimum of twelve (12) credit hours of Approved Education Activities. The eight (8) credit hours of New Trustee Orientation Program for New Trustees shall be applied toward the annual twelve (12) credit hour requirement for the New Trustee's first Education Year. Accordingly, New Trustees shall be required to complete four (4) credit hours in addition to the New Trustee Orientation Program in order to meet their annual required training requirements during their first Education Year.
2. The CEO shall make available Approved Education Activities and may approve other Trustee Education Activities for fulfilling the annual training requirements.
3. Each Trustee attending an Approved Education Activity shall certify to the CEO on a Trustee Education Activity Certification of Completion form that the Trustee attended the Trustee Education Activity, the total number of credit hours sought, and all other information required by the form.
4. A Trustee Education Activity Certification of Completion form must be received by the CEO or designee no later than May 31<sup>st</sup> of the calendar year following the Education Year in which the Trustee Education Activity occurred. A Trustee Education Activity Certification of Completion form received later than May 31<sup>st</sup> of the calendar year following the Education Year in which the Trustee Education Activity occurred will not be approved.
5. If a Trustee fails to complete the annual required training, in accordance with KRS 78.782(17)(b), the System shall withhold payment of all per diems and travel expenses due to the Trustee (or which subsequently may come due) until such time as the Trustee completes the annual required training.
6. The CEO or designee shall maintain a record of all Approved Education Activities attended and/or performed by each Trustee. At the end of each Trustee's Education Year, the CEO or designee shall report in writing to the Trustee whether the Trustee has complied with the annual training requirements. The report shall include the number of credit hours earned and any remaining credit hours that need to be earned to fulfill the annual required training.

## **VII. Trustee Education Activity and Continuing Education Requirements**

The CEO or designee may authorize an education activity that is a continuing education requirement for a Trustee's private accreditation not related to a Board function as an Approved Education Activity for which a Trustee may receive credit hours if the education activity provides

instruction on one or more of the areas listed under “Trustee Education Activity.” However, the Board shall not pay for any such training and the Trustee shall not receive any per diem or reimbursement under the Board’s Per Diem and Reimbursement Policy for an Approved Education Activity for which the Trustee also receives continuing education credits unrelated to the Trustee’s service on the Board.

**VIII. Certification**

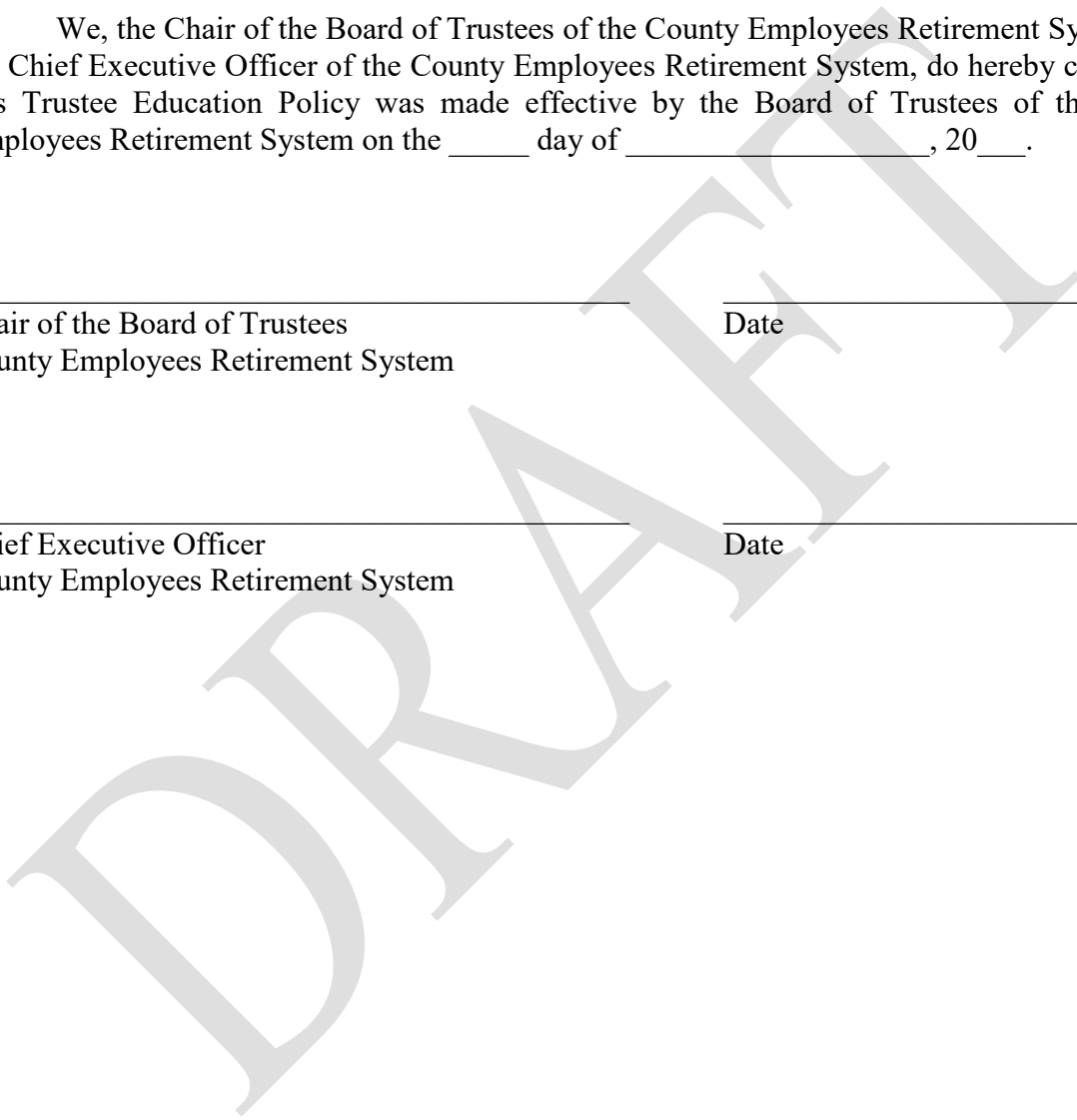
We, the Chair of the Board of Trustees of the County Employees Retirement System, and the Chief Executive Officer of the County Employees Retirement System, do hereby certify that this Trustee Education Policy was made effective by the Board of Trustees of the County Employees Retirement System on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Chair of the Board of Trustees  
County Employees Retirement System

\_\_\_\_\_  
Date

\_\_\_\_\_  
Chief Executive Officer  
County Employees Retirement System

\_\_\_\_\_  
Date



**COUNTY EMPLOYEES RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
TRUSTEE EDUCATION ACTIVITY APPROVAL REQUEST**

Adopted: \_\_\_\_\_

**Instructions:**

The Board of Trustees of the County Employees Retirement System (Board) has adopted a Trustee Education Policy establishing a formal Trustee training program and outlining the training requirements for the New Trustee Orientation Program and annual required training. Under the Trustee Education Policy, the Board has authorized Trustees to receive training credit hours for certain Approved Education Activities. Alternatively, Trustees can seek approval of the CEO or designee for receive credit hours for Trustee Education Activities.

Requests for CEO approval of credit hours for Trustee Education Activities must be submitted on this Trustee Education Activity Approval Request form at least thirty (30) days in advance of the activity. In certain cases, the CEO may approve requests filed less than thirty (30) days in advance, or requests filed after the Trustee Education Activity.

The CEO shall review each Trustee Education Activity Approval Request and notify the Trustee of whether the Trustee Education Activity is approved for Trustee training credit hours. An approval in any given year shall not bind the CEO to approve a Trustee Education Activity in any future year.

This form must be accompanied by a sample agenda, course outline, or materials describing the content of the Trustee Education Activity. The CEO may request additional supporting materials on a case-by-case basis.

Please submit by e-mailing this form and accompanying documentation to:  
\_\_\_\_\_ Completed forms may also be faxed to: \_\_\_\_\_.

[See Next Page]



**Trustee Name:**

**Preferred contact information (email address or phone number):**

**Trustee Education Activity course, activity, or materials title:**

**Trustee Education Activity course, activity, or materials presented or authored by:**

**Delivery method of Trustee Education Activity (virtual instruction, in-person instruction, review of materials):**

**Location of Trustee Education Activity (physical address or “online” for virtual):**

**Topic(s) covered in Trustee Education Activity:**

**Date of Trustee Education Activity:**

**Approximate time spent on Trustee Education Activity:**

**Cost of Trustee Education Activity:**

\_\_\_\_\_  
Signature

(For email submissions, sign “/s/ First Last.”)

\_\_\_\_\_  
Date

**Submission of this form does not guarantee approval by the CEO.**

**COUNTY EMPLOYEES RETIREMENT SYSTEM  
BOARD OF TRUSTEES  
TRUSTEE EDUCATION ACTIVITY CERTIFICATION OF COMPLETION FORM**

Adopted: \_\_\_\_\_

**Instructions:**

The Board of Trustees of the County Employees Retirement System (Board) has adopted a Trustee Education Policy establishing a formal Trustee training program and outlining the training requirements for the New Trustee Orientation Program and annual required training. Under the Trustee Education Policy, the Board has authorized Trustees to receive credit hours for Approved Education Activities. The Board has also authorized the Chief Executive Officer (CEO) or designee to approve other Trustee Education Activities as Approved Education Activities.

Pursuant to the Board's Trustee Education Policy, in order for Trustees to receive credit hours for a Trustee Education Activity, a Trustee Education Activity Certification of Completion form must be received by the CEO or designee no later than May 31st of the calendar year following the Education Year in which the Trustee Education Activity occurred. For the New Trustee Orientation Program, a Trustee Education Activity Certification of Completion form for the New Trustee Orientation Program must be received by the CEO or designee no later than May 31<sup>st</sup> of the calendar year following the New Trustee's first Education Year.

This form must be accompanied by a sample agenda, course outline, or materials describing the content of the Trustee Education Activity. The CEO or designee may request additional supporting materials on a case-by-case basis.

Please submit by e-mailing this form and accompanying documentation to:  
\_\_\_\_\_ Completed forms may also be faxed to: \_\_\_\_\_.

**Form:**

**Trustee Name:**

**Preferred contact information (email address or phone number):**

**Trustee Education Activity course, activity, or materials title:**

**Delivery method of Trustee Education Activity (virtual instruction, in-person instruction, review of materials):**

**Topic(s) covered in Trustee Education Activity:**

**Date of Trustee Education Activity:**

**Approximate time spent on Trustee Education Activity:**

**Cost of Trustee Education Activity:**

**Continuing education:**

I will also receive continuing education credits for a purpose not related to my service as a Trustee on the Board: \_\_\_\_\_ Yes \_\_\_\_\_ No.

**Certification:**

I hereby attest that the foregoing is true is accurate and I completed the Trustee Education Activity as described above.

\_\_\_\_\_  
Signature  
(For email submissions, sign “/s/ First Last.”) \_\_\_\_\_  
Date

---

*For CERS CEO Only*

Approved by: \_\_\_\_\_  
CERS Chief Executive Officer \_\_\_\_\_  
Date

Number of credit hours approved: \_\_\_\_\_

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**KENTUCKY PUBLIC PENSIONS AUTHORITY  
AUTHORITY MEMBERS  
POLICY AND PROCEDURES  
REGARDING OPEN RECORDS REQUESTS  
MADE IN ACCORDANCE WITH KENTUCKY REVISED STATUTES 61.870-61.884**

The Authority Members of the Kentucky Public Pensions Authority (KPPA), in accordance with Kentucky Revised Statutes 61.876, hereby establishes the following policy and procedures regarding Open Records Requests made in accordance with Kentucky Revised Statutes 61.870-61.884.

- (1) Kentucky Revised Statutes 61.876 provides that "(e)ach public agency shall adopt rules and regulations in conformity with the provisions of Kentucky Revised Statutes 61.870 to 61.884 to provide full access to public records, to protect public records from damage and disorganization, to prevent excessive disruption of its essential functions, to provide assistance and information upon request and to insure efficient and timely action in response to application for inspection."
- (2) The policy of the Authority Members is to provide broad access to all public records subject to the restrictions imposed by federal and state law. Kentucky Revised Statutes 61.878(1)(l) provides an exemption for public records or information the disclosure of which is prohibited or restricted or otherwise made confidential by enactment of the General Assembly. Kentucky Revised Statutes 61.661(1)(a) provides that "(e)ach current, former, or retired member's account shall be administered in a confidential manner and specific data regarding a current, former, or retired member shall not be released for publication." In 13-ORD-008, the Kentucky Attorney General found that denying Open Records Requests for documents regarding individual members of the retirement systems is a proper denial pursuant to KRS 61.878(1)(l). The decision states "...Retirement properly denied [the] request on the basis of [Kentucky Revised Statutes] 61.661(1), incorporated into the Open Records Act by operation of [Kentucky Revised Statutes] 61.878(1)(l)."

The KPPA shall not release any information regarding a current, former, or retired member without express written authorization or PIN number from the member or a court order or subpoena from a court of competent jurisdiction, except when the request asks for certain information relating to members or retired members who are current or former officeholders in the Kentucky General Assembly as provided in Kentucky Revised Statutes 61.661(a)(3)(a), in which case KPPA shall provide the requested information as mandated by statute.

- (3) Procedures for Accessing Public Records from the KPPA:

- A. The Kentucky Employees Retirement System and the County Employees Retirement System shall both designate a custodian of records according to each systems' respective bylaws.
- B. All Open Records Requests received by the KPPA shall be forwarded to the Office of Legal Services, Non-Advocacy Division, which shall be responsible for responding to all such requests.
- C. Requests under open records must be made in writing and be in sufficient detail to allow the KPPA to identify the records requested for review.
- D. Requests may be submitted to the KPPA by:
  - (i) Hand delivery at the retirement office;
  - (ii) U.S. Mail;
  - (iii) Electronic mail at [krsopenrecords@kyret.ky.gov](mailto:krsopenrecords@kyret.ky.gov); or
  - (iv) Fax to (502) 696-8615.
- E. Requests for Open Records submitted by U.S. Mail should be addressed to:

Executive Director or designee  
Kentucky Public Pensions Authority  
1260 Louisville Road  
Frankfort, Kentucky 40601
- F. Public records may be reviewed in person at the offices of the KPPA at 1270 Louisville Road, Frankfort, Kentucky during normal business hours, Monday through Friday from 8:00 a.m. to 4:30 p.m., with the exception of state holidays, or when closed to the public during a State of Emergency as declared by the Governor of Kentucky. The respective custodian of records or the Office of Legal Services, Non-Advocacy Division will designate a KPPA employee to monitor any in person inspection.
- G. The KPPA will respond to all requests under open records as provided in Kentucky Revised Statutes 61.870-61.884. Under Kentucky Revised Statutes 61.880(1) and 61.872(5), responses to Open Records Requests are to be provided within three (3) business days unless more time is needed. If more time is needed, the KPPA will send notice of such which explains the circumstances for any delay. This timeline may also be suspended or extended by Order of the Governor of Kentucky.
- H. If the KPPA deems any responsive records exempt under Kentucky Revised Statutes 61.878, it shall so state the relevant exemptions in its response. If the KPPA deems any sections of the responsive records as needing redaction, it shall state the reasons for each such redaction.
- I. For responsive records in an electronic format sent by attachment to secure email, the KPPA will impose no charge for the production of the records, unless costs

were incurred according to sections K and L of this policy. In order to ensure compliance with the provisions of Kentucky Revised Statutes 61.661, which mandates that members' retirement accounts be administered confidentially, the KPPA will convert all records in an electronic format to a non-editable electronic format (e.g. portable document format, or PDF) and otherwise remove any metadata prior to the production of responsive records. For responsive records in an electronic format that are too large to be sent by email, the KPPA will burn such records to a compact disc ("CD") and send the CD by U.S. Mail. Prior to mailing, the KPPA shall provide an invoice to the requestor indicating the costs for production of the records and postage. Upon receipt of payment, the KPPA will mail the responsive records.

- J. The KPPA may charge ten (10) cents per page for copies of records plus postage, if the requester wants the copies sent by U. S. Mail. Upon a request for copies to be mailed, the KPPA shall provide an invoice to the requester consisting of the costs of production and postage. Copies of nonwritten records (photographs, maps, material stored in computer files or libraries, etc.) shall be furnished on request, on payment of a charge equal to the actual cost of producing copies of such records by the most economic process not likely to damage or alter the record pursuant to Kentucky Revised Statutes 61.874(1). Estimated costs for the production of copies shall be communicated to the requester prior to incurring the costs. Upon written agreement by the requester to pay the estimated amount, the KPPA will commence production of any copies and communicate the final cost to the requester by invoice. Upon the payment of the invoice, the KPPA shall produce the responsive records to the requester.
- K. The KPPA may recover actual costs and staff costs to produce records when the request specifies production of the records in a nonstandardized format or tailoring the format to meet the request of an individual or a group pursuant to Kentucky Revised Statutes 61.874(3). Any such costs shall be identified on an invoice. The decision to produce records in a nonstandardized format or tailored to fit the needs of the requester is solely at the discretion of the KPPA.
- L. The KPPA may further charge an additional fee to produce copies of records requested for a commercial purpose pursuant to Kentucky Revised Statutes 61.874(4), including the cost of staff time required to produce the records, the cost of mechanical processing, and the cost of media (e.g. a CD). Any such costs shall be identified on an invoice. The KPPA may require a requester to verify whether their request is for a commercial purpose as defined in Kentucky Revised Statutes 61.870.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Chair of Authority Members  
Kentucky Public Pensions Authority

Signed: \_\_\_\_\_

Executive Director  
Kentucky Public Pensions Authority

Date: \_\_\_\_\_

DRAFT