

**Kentucky Public Pensions Authority  
Board of Trustees Meeting  
March 24, 2022, 10:00 a.m. ET  
Live Video Conference/Facebook Live  
AGENDA**

- |   |   |
|---|---|
| 1. Call to Order  | Keith Peercy                                      |
| 2. Legal Public Statement   | Office of Legal Services                          |
| 3. Roll Call/Public Comment   | Sherry Rankin                                     |
| 4. Approval of Meeting Minutes*<br>December 8, 2021 and January 27, 2022*   | Keith Peercy                                      |
| 5. Investment Update  | Steven Herbert                                    |
| 6. Joint Audit Committee Reports  | Betty Pendergrass<br>Kristen Coffey               |
| 7. Quarterly Financial Reports<br>a. YTD Financial Reports<br>b. Administrative Expense to Budget<br>c. Contribution Report | Rebecca Adkins                                    |
| 8. Administrative Expense Allocation*   | William O' Mara<br>Prewitt Lane<br>Rebecca Adkins |
| 9. Amendments to 105 KAR 1:390*   | Carrie Bass                                       |
| 10. Legislative Updates   | David Eager                                       |
| 11. KPPA Updates  | David Eager                                       |
| 12. New Business  | Keith Peercy                                      |
| 13. Closed Session**  | Keith Peercy                                      |
| 14. Adjourn*  | Keith Peercy                                      |

*\*Board Action Required*

*\*\*Board Action May Be Required*

**MINUTES OF MEETING  
KENTUCKY PUBLIC PENSIONS AUTHORITY  
MEETING VIA LIVE VIDEO TELECONFERENCE  
December 8, 2021 AT 10:00 AM**

At the meeting of the Board of the Kentucky Public Pensions Authority held on December 8, 2021 the following members were present: Keith Peercy (Chair), John Cheshire, Campbell Connell, Dr. Merl Hackbart, Prewitt Lane, William O'Mara, Betty Pendergrass, and Jerry Powell. Other Trustees present were Larry Totten and George Cheatham. Staff members present were KRS CEO John Chilton, CERS CEO Ed Owens, III, David Eager, Rebecca Adkins, Erin Surratt, Michael Board, Steven Herbert, Connie Davis, Kristen Coffey, Ashley Gabbard, D'Juan Surratt, Shaun Case, Phillip Cook, Glenna Frasher and Sherry Rankin. Others present included: Danny White and Janie Shaw with GRS; Ryan Graham and Allen Norvell with Blue & Company; and Sarah Bishop and Christopher Schaefer with Stoll Keenon Ogden.

Mr. Peercy called the meeting to order.

Mr. Board read the Legal Opening Statement.

Ms. Rankin called roll.

There being no *Public Comment* submitted, Mr. Peercy introduced agenda item *Approval of Minutes of the November 17, 2021*. Mr. Powell made a motion and was seconded by Mr. Cheshire to approve the minutes as presented. The motion passed unanimously.

Mr. Peercy introduced agenda item *Investment Update*. Mr. Herbert gave an overview of the Monthly Performance Reports. Mr. Herbert indicated that the format of these reports is still being modified and engaged a discussion regarding the formatting and material information that the Trustees desired to have included in these reports going forward. This material was presented for informational purposes only.

Mr. Peercy introduced agenda item *External Audit*. Mr. Allen Norvell with Blue and Co. indicated that the audit deadline approaches and final corrections and edits to the audit are near completion. Mr. Ryan Graham provided an overview of the corrections and edits made and stated that the full

audit would be issued to the Kentucky Department of Finance on this date. Ms. Pendergrass stated that the Joint Audit Committee had a detailed review of the draft of the audit report and indicates that the committee's recommendations have been incorporated into the final version of the audit report. She further stated that the Joint Audit Committee recommended acceptance of the Annual Audit Report. Ms. Pendergrass made a motion and was seconded by Mr. Powell to approve the Annual External Audit Report. The motion passed unanimously.

Mr. Peercy introduced agenda item *Joint Audit Committee Reports*. Ms. Pendergrass stated that two internal audit reports have been issued since the last meeting and requested Ms. Coffey to provide an overview of those reports. Ms. Coffey reviewed the report regarding security access, which reviewed the security access for all KPPA employees, which had five reportable findings. An interesting finding stated that seven (7) out of the total 271 KPPA employees had access greater than required for their current role. Ms. Coffey then reviewed the report regarding the employer penalty invoice waiver, which had two reportable findings. One recommendation that stemmed from this audit was that the Employer Penalty Invoice Waiver Policy and all related procedures needed to be updated. These reports were presented for informational purposes only.

Mr. Peercy introduced agenda item *Quarterly Financial Reports*. Ms. Adkins reviewed the Combining Statement of Fiduciary Net Position and Changes in Fiduciary Net Position for both the Pension and Insurance Funds. Ms. Adkins then reviewed the First Quarter Budget-to-Actual noting that this report includes a column to show the percent difference compared to Fiscal Year 2021, which was requested by the Trustees. She reviewed the Contribution Reports for both Pension and Insurance Funds broken down by each of the systems. These reports were presented for informational purposes only.

Mr. Peercy introduced agenda item *Biennial Budget Request*. Ms. Adkins reviewed the KPPA Administrative Budget Request for Fiscal Years 23 and 24. She thanked Elizabeth Smith and Vonda Donoho for their many hours worked in the preparation of this budget request. Ms. Adkins explained the processes for submitting a proposed budget request and receiving a finalized budget. She noted that all of the funds included in the budget do not come from General Funds, but rather are restricted funds, coming from the Pension Trusts. The request was submitted on November 1, 2021 to the Office of the State Budget Director. Therefore, no action is needed and this was presented for informational purposes only.

Mr. Peercy introduced agenda item *Bylaw Amendments*. Mr. Board reviewed the proposed amendment to the section regarding Amendments of Bylaws to include the ability to amend Bylaws at both a regular scheduled meeting as well as a special called meeting. This language is necessary to accommodate further amendments that will be needed to be made at a special called meeting regarding the meeting schedule. Mr. Powell made a motion and was seconded by Ms. Pendergrass to approve the amendment to the Bylaws as presented. The motion passed unanimously.

Mr. Peercy introduced agenda item *KPPA Updates*. Mr. Eager discussed the current status of the office, indicating that about 20% of KPPA employees are working onsite daily, with most in a rotating schedule. He announced that there are currently 248 employees, with ongoing interview process for two positions, and 10 more open positions posted for applicants.

Mr. Eager provided an update on the large scale project regarding the appeal process resulting from House Bill 8. He acknowledged Ashley Gabbard, Staci Receveur, D’Juan Surratt, Rebecca Adkins, Erin Surratt, Wes Crosthwaite, Vicki Hale and the other attorneys from the legal department, for their work and involvement in this project.

Mr. Eager acknowledged Trustee Larry Totten for his diligence in completing the modules provided by Board Smart, a tool used to assist and educate Trustees regarding their fiduciary responsibilities and tasks.

Mr. Eager acknowledged Ms. Adkins regarding an announcement about a special award given to a KPPA employee, Dominique McKinley. Ms. Adkins stated that Ms. McKinley, who is the Director of Enterprise and Technology Services for KPPA, received a CIO Award from Info-Tech that recognizes leaders who have demonstrated exceptional value to their organization and achieved high results through stakeholder satisfaction. Ms. Adkins expressed her gratitude to Ms. McKinley for her work and dedication to KPPA and congratulated her on this well-deserved award.

Mr. Peercy introduced agenda item – *New Business*. Ms. Adkins indicated that the Board needs to vote on the Annual Comprehensive Financial Report and Summary Annual Financial Report. Ms. Pendergrass made a motion and was seconded by Mr. O’Mara to authorize staff to issue the Annual Comprehensive Financial Report and the Summary Annual Financial Report based on the information that has been provided to all three boards.

Mr. Percy introduced agenda item – *Closed Session*. A motion was made by Ms. Pendergrass and seconded by Mr. Powell to go in to closed session. The motion passed unanimously.

Mr. Percy read the following statement and the meeting moved into closed session: A motion having been made in open session to move into a closed session for a specific purpose, and such motion having carried by majority vote in open, public session, the Board shall now enter closed session to consider litigation, pursuant to KRS 61.810(1)(c), because of the necessity of protecting the confidentiality of the Systems' litigation strategy and preserving any available attorney-client privilege. All public attendees exited the meeting. Mr. Percy, Mr. Cheshire and Mr. Eager all recused themselves from the closed session portion of this meeting.

Ms. Pendergrass called the meeting back to open session. There being no action taken during the closed session, Ms. Pendergrass opened the floor for a motion to adjourn. Mr. Powell made a motion and was seconded by Mr. Lane to adjourn the meeting. The motion passed unanimously.

Copies of all documents presented are incorporated as part of the Minutes of the KPPA Board held December 8, 2021 except documents provided during a closed session conducted pursuant to the open meetings act and exempt under the open records act.

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## CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the Board on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.805-61.850 were met in conjunction with this meeting.

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Recording Secretary

We, the Chair of the Board of Kentucky Public Pensions Authority and Executive Director, do certify that the Minutes of Meeting held on December 8, 2021 were approved on March 24, 2022.

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KPPA Board Chair

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Executive Director

I have reviewed the Minutes of the December 8, 2021 Kentucky Public Pensions Authority Meeting for content, form, and legality.

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Executive Director. Office of Legal Services

**MINUTES OF MEETING  
KENTUCKY PUBLIC PENSIONS AUTHORITY  
SPECIAL CALLED MEETING  
JANUARY 27, 2022 AT 10:00 AM  
VIA LIVE VIDEO TELECONFERENCE**

At the special called meeting of the Board of the Kentucky Public Pensions Authority held on January 27, 2022 the following members were present: Keith Peercy (Chair), John Cheshire, Campbell Connell, Dr. Merl Hackbart, Prewitt Lane, William O'Mara, Betty Pendergrass, and Jerry Powell. Other Trustees present were Michael Foster and Bruce Brown. Staff members present were KRS CEO John Chilton, CERS CEO Ed Owens, III, Rebecca Adkins, Erin Surratt, Michael Board, Steven Herbert, Connie Davis, Kristen Coffey, Ashley Gabbard, Vicki Hale, Shaun Case, Phillip Cook, and Sherry Rankin.

Mr. Peercy called the meeting to order.

Mr. Board read the Legal Opening Statement.

Ms. Rankin called roll.

There being no *Public Comment* submitted, Mr. Peercy introduced agenda item *Bylaw Amendments*. Mr. Board reviewed the proposed amendments to the KPPA Bylaws which were specific to the meeting schedule. In Section 3, pertaining to Meetings, under Regular Meetings, the specific dates were removed and replaced with the Board approval of a meeting schedule for the coming year finalized by no later than the December Board meeting. Mr. Powell made a motion and was seconded by Mr. Connell to approve the amendments as presented with the modification of the adoption date. The motion passed unanimously.

Mr. Peercy introduced agenda item *Adoption of 2022 Meeting Calendar*. Mr. Peercy indicated that a collaborative effort undertaken by the Chairs and CEOs of both the CERS and KRS systems in creating the 2022 Meeting Calendar of Board and Committee Meetings for the KPPA, CERS and KRS systems. Ms. Pendergrass stated an additional change was needed to the November calendar regarding the CERS Finance Committee meeting that is currently scheduled on November 17, 2022

should be moved to November 30, 2022. Ms. Adkins explained that while both KRS and CERS Boards meet in November to review the Valuation prior to the submission to LRC, KPPA will approve the Valuation at the December meeting. Therefore, it was determined that a November meeting for KPPA would not be necessary. Mr. Powell made a motion and was seconded by Ms. Pendergrass to adopt the 2022 meeting calendar with the noted change in the date of the November CERS Finance Committee meeting. The motion passed unanimously.

Mr. Peercy introduced agenda item – *Closed Session*. Mr. Peercy indicated that there were no items needing to be discussed in closed session and proceeded with the meeting agenda.

Mr. Powell made a motion and was seconded by Mr. Connell to adjourn the meeting. The motion passed unanimously.

Copies of all documents presented are incorporated as part of the Minutes of the KPPA Board held January 27, 2022 except documents provided during a closed session conducted pursuant to the open meetings act and exempt under the open records act.

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Recording Secretary

We, the Chair of the Board of Kentucky Public Pensions Authority and Executive Director, do certify that the Minutes of Meeting held on January 27, 2022 were approved on March 24, 2022.

---

KPPA Board Chair

---

Executive Director

I have reviewed the Minutes of the January 27, 2022 Kentucky Public Pensions Authority Board Meeting for content, form, and legality.

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Executive Director. Office of Legal Services



**KPPA Statutory Compliance Checklist: Website Postings**

**Per KRS 61.645 and 78.782**

“In order to improve public transparency regarding the administration of the system,” the following materials for each fund shall be updated on the KPPA website on a quarterly basis for fiscal years beginning on or after on or after July 1, 2017 and July 1, 2021, respectively:

- The dollar value of fees and commissions paid to each individual manager or partnership;
- The dollar value of any profit sharing, carried interest, or any other partnership incentive arrangements, partnership agreements, or any other partnership expenses received by or paid to each manager or partnership;
- As applicable, report each fee or commission by manager or partnership consistent with standards established by the Institutional Limited Partners Association (ILPA);
- Disclose the name and address of all individual underlying managers or partners in any fund of funds in which system assets are invested;
- An update of net of fees investment returns, asset allocations, and the performance of the funds against benchmarks adopted by the board for each fund, for each asset class administered by the board, and for each manager.

**Note:**

“(19) Notwithstanding the requirements of subsection (18) of this section, *the system shall not be required to furnish information that is protected under KRS 61.661, exempt under KRS 61.878, or that, if disclosed, would compromise the system's ability to competitively invest in real estate or other asset classes, except that no provision of this section or KRS 61.878 shall exclude disclosure and review of all contracts, including investment contracts, by the board, the Auditor of Public Accounts, and the Government Contract Review Committee established pursuant to KRS 45A.705 or the disclosure of investment fees and commissions as provided by this section. If any public record contains material which is not excepted under this section, the system shall separate the excepted material by removal, segregation, or redaction, and make the nonexcepted material available for examination.*”



## Combined CERS-NH & CERS-H Pension

### Investment Return Summary

As of December 31, 2021

	Market Value (\$USD)	% of Portfolio	MTD	QTD	FYTD	1 Year	3 Year	5 Year
<b>Total Portfolio</b>	<b>\$ 11,951,561,544</b>	<b>100.0%</b>	<b>2.7%</b>	<b>3.4%</b>	<b>4.7%</b>	<b>15.0%</b>	<b>13.2%</b>	<b>10.5%</b>
<i>CERS - NH Pension IPS Policy Index</i>			2.2%	3.0%	4.2%	14.0%	12.8%	10.1%
<b>Equity</b>	<b>\$ 6,605,667,954</b>	<b>55.3%</b>	<b>3.9%</b>	<b>5.0%</b>	<b>5.8%</b>	<b>20.8%</b>	<b>19.7%</b>	<b>14.9%</b>
<i>Equity Custom Benchmark</i>			2.7%	5.7%	6.4%	21.4%	20.7%	15.7%
<b>Fixed Income</b>	<b>\$ 4,012,697,647</b>	<b>33.6%</b>	<b>0.8%</b>	<b>0.7%</b>	<b>1.9%</b>	<b>5.3%</b>	<b>6.0%</b>	<b>5.1%</b>
<i>Fixed Income Custom Benchmark</i>			0.5%	0.4%	0.9%	1.8%	6.1%	4.1%
<b>Inflation Protected</b>	<b>\$ 1,333,746,595</b>	<b>11.2%</b>	<b>2.0%</b>	<b>4.0%</b>	<b>6.9%</b>	<b>17.0%</b>	<b>9.3%</b>	<b>7.2%</b>
<i>Inflation Protected Custom Benchmark</i>			2.7%	3.8%	5.9%	8.7%	4.5%	4.4%



## Combined CERS-NH & CERS-H Pension

### Asset Class Performance

As of December 31, 2021

	Market Value (\$USD)	% of Portfolio	MTD	QTD	FYTD	1 Year	3 Year	5 Year
<b>Total Portfolio</b>	\$ 11,951,561,544	100.0%	2.7%	3.4%	4.7%	15.0%	13.2%	10.5%
<i>CERS - NH Pension IPS Policy Index</i>			2.2%	3.0%	4.2%	14.0%	12.8%	10.1%
<b>Equity</b>	\$ 6,605,667,954	55.3%	3.9%	5.0%	5.8%	20.8%	19.7%	14.9%
<i>Equity Custom Benchmark</i>			2.7%	5.7%	6.4%	21.4%	20.7%	15.7%
<b>Public Equity</b>	\$ 5,630,342,538	47.1%	4.1%	5.2%	4.1%	17.3%	20.3%	14.2%
<i>MSCI All Country World Net Index</i>			4.0%	6.7%	5.6%	18.5%	20.4%	14.4%
<b>Private Equity</b>	\$ 975,325,415	8.2%	2.6%	4.0%	15.6%	43.0%	18.6%	17.9%
<i>Russell 3000 + Hurdle (Qtr Lag)</i>			-4.1%	0.7%	9.7%	34.9%	19.0%	19.8%
<b>Fixed Income</b>	\$ 4,012,697,647	33.6%	0.8%	0.7%	1.9%	5.3%	6.0%	5.1%
<i>Fixed Income Custom Benchmark</i>			0.5%	0.4%	0.9%	1.8%	6.1%	4.1%
<b>Cash</b>	\$ 227,666,738	1.9%	0.0%	0.0%	0.1%	0.1%	1.1%	1.3%
<i>FTSE Treasury Bill-3 Month</i>			0.0%	0.0%	0.0%	0.0%	1.0%	1.1%
<b>Core Fixed Income</b>	\$ 1,463,519,983	12.2%	0.0%	-0.4%	-0.2%	0.5%	4.7%	3.6%
<i>Bloomberg Barclays U.S. Aggregate Bond Index</i>			-0.3%	0.0%	0.1%	-1.5%	4.8%	3.6%
<b>Specialty Credit</b>	\$ 2,321,510,926	19.4%	1.3%	1.5%	3.5%	9.6%	7.6%	6.7%
<i>High Yield Custom Benchmark</i>			1.3%	0.7%	1.7%	5.2%	7.2%	
<b>Inflation Protected</b>	\$ 1,333,746,595	11.2%	2.0%	4.0%	6.9%	17.0%	9.3%	7.2%
<i>Inflation Protected Custom Benchmark</i>			2.7%	3.8%	5.9%	8.7%	4.5%	4.4%
<b>Real Return</b>	\$ 755,568,969	6.3%	2.0%	3.0%	3.4%	14.7%	8.2%	5.6%
<i>KRS CPI + 300 bpts</i>			0.7%	2.3%	3.5%	6.1%	3.5%	3.2%
<b>Real Estate</b>	\$ 578,177,625	4.8%	2.0%	5.0%	12.0%	19.4%	11.9%	11.5%
<i>NCREIF NFI ODCE Net 1Qtr in Arrears Index</i>			6.4%	6.4%	10.3%	13.6%	6.1%	6.6%

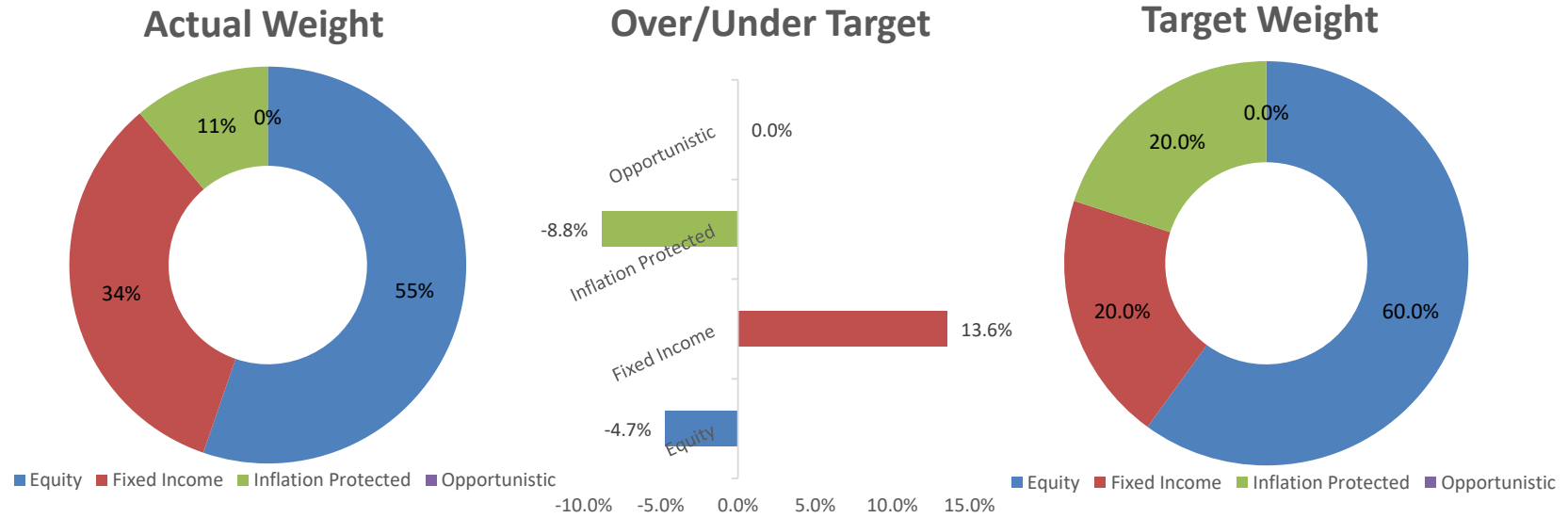


## Combined CERS-NH & CERS-H Pension

### Asset Allocation vs Targets

As of December 31, 2021

#### Actual vs Target Weights



Asset Allocation	Ending Market Value (\$USD)	Actual Weight	Target Weight	Relative
Equity	\$6,605,667,954	55.3%	60.0%	-4.7%
Fixed Income	\$4,012,697,647	33.6%	20.0%	13.6%
Inflation Protected	\$1,333,746,595	11.2%	20.0%	-8.8%
Opportunistic	\$0	0.0%	0.0%	0.0%

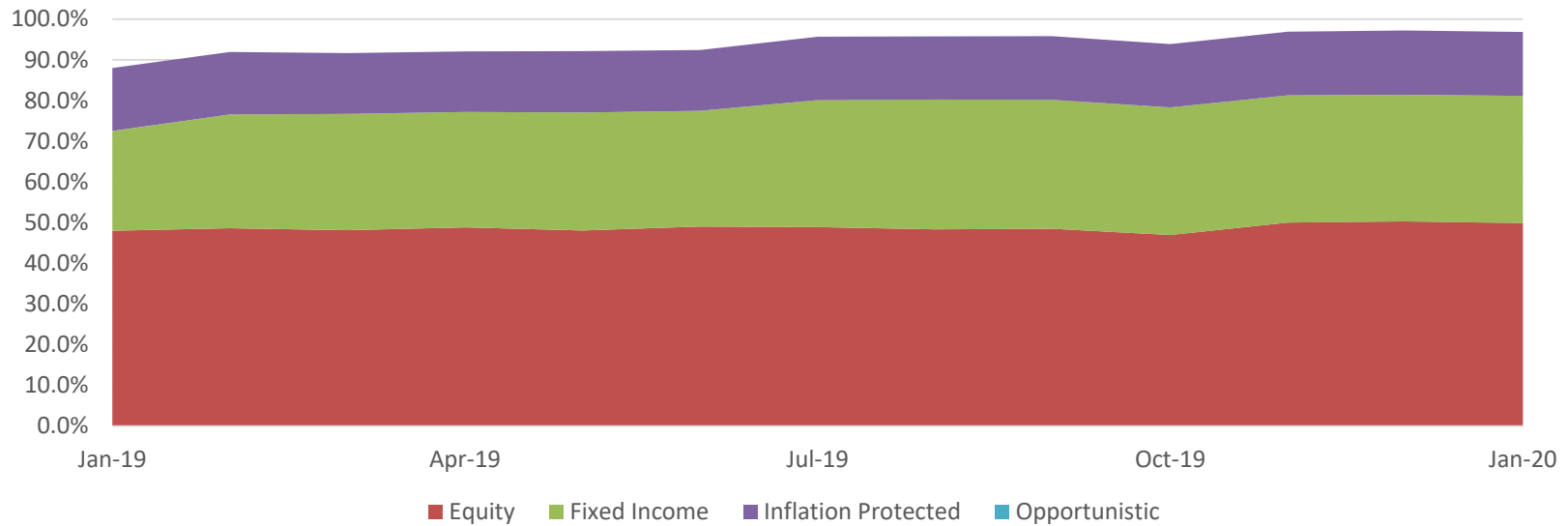


## Combined CERS-NH & CERS-H Pension

Asset Allocation Over Time

As of December 31, 2021

### Asset Allocation Over time



Asset Allocation	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021
Equity	55.26%	55.71%	54.97%	55.28%	54.71%	55.27%
Fixed Income	31.21%	31.11%	31.38%	30.57%	31.08%	33.57%
Inflation Protected	10.84%	10.59%	10.81%	11.34%	11.33%	11.16%
Opportunistic	2.69%	2.60%	2.84%	2.81%	2.88%	0.00%

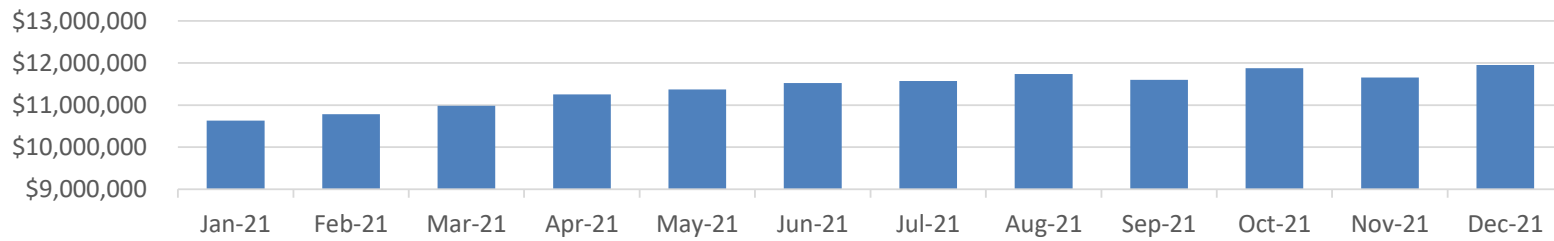


# Combined CERS-NH & CERS-H Pension

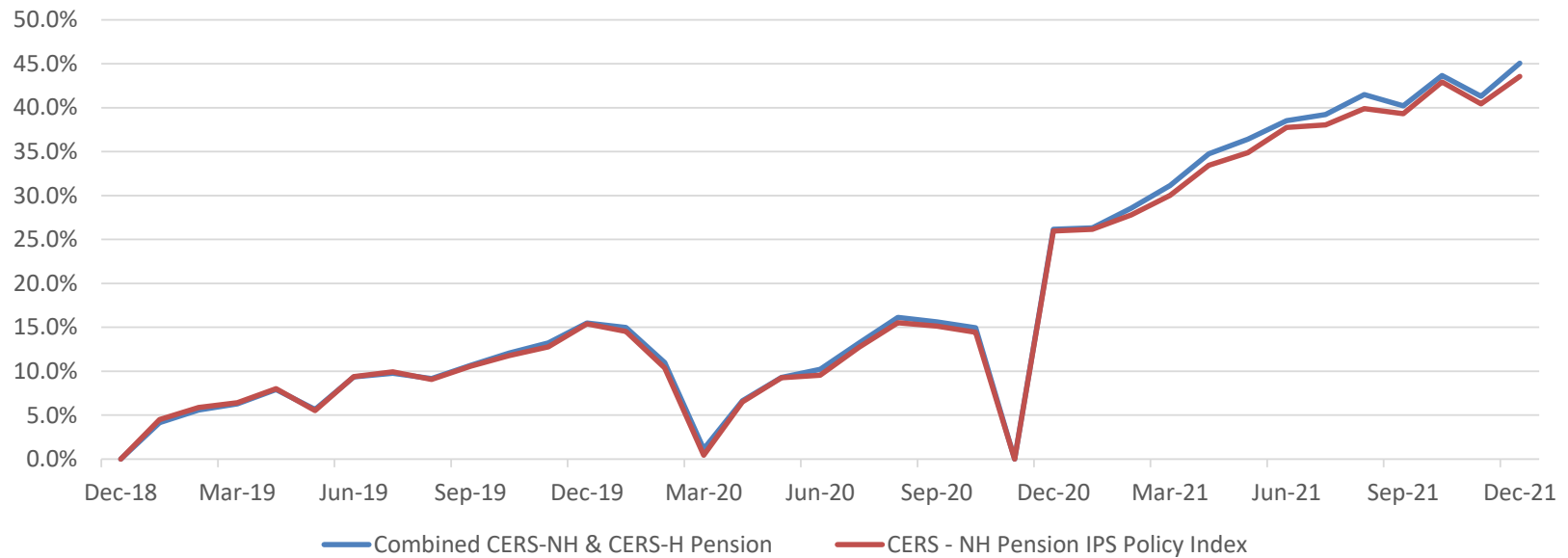
Summary

As of December 31, 2021

## Market Value Over Time (\$USD 000)



## Cumulative Performance Over 1 Year





## Combined CERS-NH & CERS-H Pension Funds Investment Return Summary As of December 31, 2021

	Market Value (\$USD)	% of Portfolio	MTD	QTD	FYTD	1 Year	3 Year	5 Year
<b>Total Investment Summary</b>	<b>\$ 11,951,561,544</b>	<b>100.0%</b>	<b>2.7%</b>	<b>3.4%</b>	<b>4.7%</b>	<b>15.0%</b>	<b>13.2%</b>	<b>10.5%</b>
<i>CERS - NH Pension IPS Policy Index</i>			2.2%	3.0%	4.2%	14.0%	12.8%	10.1%
<b>CERS - NH</b>	<b>\$ 8,923,323,682</b>	<b>74.7%</b>	<b>2.7%</b>	<b>3.5%</b>	<b>4.7%</b>	<b>15.0%</b>	<b>13.2%</b>	<b>10.5%</b>
<i>CERS - NH Pension IPS Policy Index</i>			2.2%	3.0%	4.2%	14.0%	12.8%	10.1%
<b>CERS - H</b>	<b>\$ 3,028,237,862</b>	<b>25.3%</b>	<b>2.6%</b>	<b>3.4%</b>	<b>4.7%</b>	<b>14.8%</b>	<b>13.1%</b>	<b>10.5%</b>
<i>CERS-H Pension IPS Policy Index</i>			2.2%	3.0%	4.2%	14.0%	12.8%	10.1%





## Combined CERS-NH & CERS-H Insurance

### Investment Return Summary

As of December 31, 2021

	Market Value (\$USD)	% of Portfolio	MTD	QTD	FYTD	1 Year	3 Year	5 Year
<b>Total Portfolio</b>	<b>\$ 4,983,257,222</b>	<b>100.0%</b>	<b>2.7%</b>	<b>3.4%</b>	<b>4.9%</b>	<b>14.7%</b>	<b>12.8%</b>	<b>10.4%</b>
<i>CERS - NH Insurance IPS Policy Index</i>			2.2%	3.1%	4.4%	13.5%	12.4%	9.9%
<b>Equity</b>	<b>\$ 2,620,008,939</b>	<b>52.6%</b>	<b>4.3%</b>	<b>5.2%</b>	<b>6.6%</b>	<b>21.1%</b>	<b>19.0%</b>	<b>14.6%</b>
<i>Equity Custom Benchmark</i>			2.7%	5.7%	6.4%	21.4%	20.7%	15.7%
<b>Fixed Income</b>	<b>\$ 1,833,718,579</b>	<b>36.8%</b>	<b>0.8%</b>	<b>0.7%</b>	<b>1.8%</b>	<b>5.1%</b>	<b>5.6%</b>	<b>4.8%</b>
<i>Fixed Income Custom Benchmark</i>			0.5%	0.4%	0.9%	1.8%	6.1%	4.1%
<b>Inflation Protected</b>	<b>\$ 529,845,479</b>	<b>10.6%</b>	<b>1.6%</b>	<b>4.0%</b>	<b>6.9%</b>	<b>16.2%</b>	<b>9.5%</b>	<b>7.3%</b>
<i>Inflation Protected Custom Benchmark</i>			2.7%	3.8%	5.9%	8.7%	4.5%	4.4%



## Combined CERS-NH & CERS-H Insurance

Asset Class Performance

As of December 31, 2021

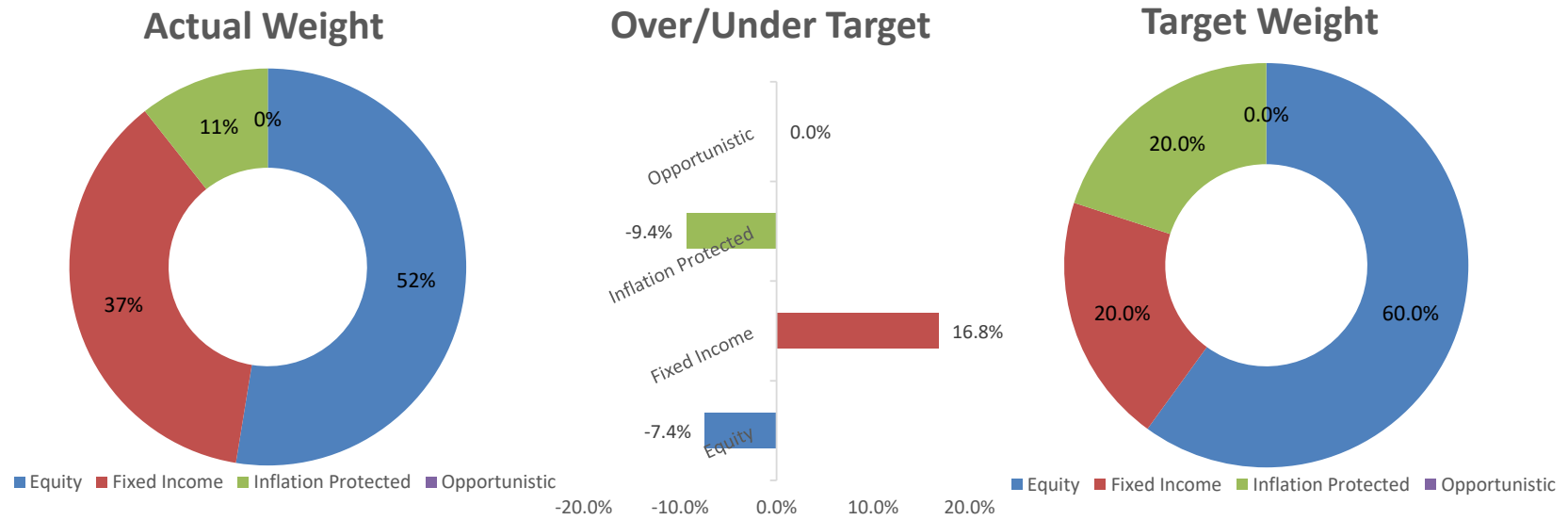
	Market Value (\$USD)	% of Portfolio	MTD	QTD	FYTD	1 Year	3 Year	5 Year
<b>Total Portfolio</b>	\$ 4,983,257,222	100.0%	2.7%	3.4%	4.9%	14.7%	12.8%	10.4%
<i>CERS - NH Insurance IPS Policy Index</i>			2.2%	3.1%	4.4%	13.5%	12.4%	9.9%
<b>Equity</b>	\$ 2,620,008,939	52.6%	4.3%	5.2%	6.6%	21.1%	19.0%	14.6%
<i>Equity Custom Benchmark</i>			2.7%	5.7%	6.4%	21.4%	20.7%	15.7%
<b>Public Equity</b>	\$ 2,180,185,983	43.8%	4.1%	5.1%	4.1%	17.3%	20.3%	14.1%
<i>MSCI All Country World Net Index</i>			4.0%	6.7%	5.6%	18.5%	20.4%	14.4%
<b>Private Equity</b>	\$ 439,822,956	8.8%	4.8%	5.6%	19.2%	41.0%	15.6%	16.6%
<i>Russell 3000 + Hurdle (Qtr Lag)</i>			-4.1%	0.7%	9.7%	34.9%	19.0%	19.8%
<b>Fixed Income</b>	\$ 1,833,718,579	36.8%	0.8%	0.7%	1.8%	5.1%	5.6%	4.8%
<i>Fixed Income Custom Benchmark</i>			0.5%	0.4%	0.9%	1.8%	6.1%	4.1%
<b>Cash</b>	\$ 264,931,518	5.3%	0.0%	0.0%	0.1%	0.1%	0.9%	1.2%
<i>FTSE Treasury Bill-3 Month</i>			0.0%	0.0%	0.0%	0.0%	1.0%	1.1%
<b>Core Fixed Income</b>	\$ 578,715,516	11.6%	0.0%	-0.3%	-0.1%	0.5%	4.5%	3.6%
<i>Bloomberg Barclays U.S. Aggregate Bond Index</i>			-0.3%	0.0%	0.1%	-1.5%	4.8%	3.6%
<b>Specialty Credit</b>	\$ 990,071,545	19.9%	1.6%	1.5%	3.4%	9.4%	7.3%	6.4%
<i>High Yield Custom Benchmark</i>			1.3%	0.7%	1.7%	5.2%	7.2%	
<b>Inflation Protected</b>	\$ 529,845,479	10.6%	1.6%	4.0%	6.9%	16.2%	9.5%	7.3%
<i>Inflation Protected Custom Benchmark</i>			2.7%	3.8%	5.9%	8.7%	4.5%	4.4%
<b>Real Return</b>	\$ 295,261,525	5.9%	1.2%	3.2%	3.6%	13.7%	8.5%	5.8%
<i>KRS CPI + 300 bpts</i>			0.7%	2.3%	3.5%	6.1%	3.5%	3.2%
<b>Real Estate</b>	\$ 234,583,954	4.7%	2.0%	4.9%	11.8%	19.1%	11.9%	11.6%
<i>NCREIF NFI ODCE Net 1Qtr in Arrears Index</i>			6.4%	6.4%	10.3%	13.6%	6.1%	6.6%



## Combined CERS-NH & CERS-H Insurance

### Asset Allocation vs Targets As of December 31, 2021

#### Actual vs Target Weights



Asset Allocation	Ending Market Value (\$USD)	Actual Weight	Target Weight	Relative
Equity	\$2,620,008,939	52.6%	60.0%	-7.4%
Fixed Income	\$1,833,718,579	36.8%	20.0%	16.8%
Inflation Protected	\$529,845,479	10.6%	20.0%	-9.4%
Opportunistic	\$0	0.0%	0.0%	0.0%

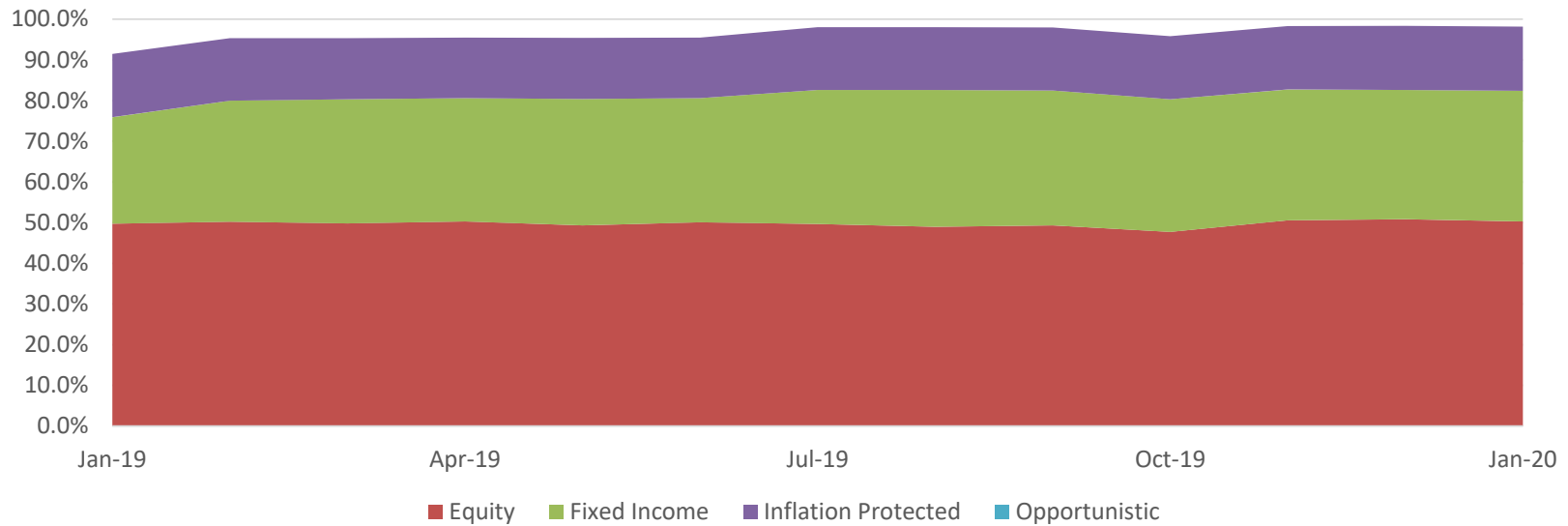


## Combined CERS-NH & CERS-H Insurance

### Asset Allocation Over Time

#### As of December 31, 2021

#### Asset Allocation Over time



Asset Allocation	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021
Equity	53.56%	53.80%	52.91%	53.05%	52.13%	52.58%
Fixed Income	32.93%	33.05%	33.56%	33.03%	33.77%	36.80%
Inflation Protected	10.45%	10.19%	10.32%	10.73%	10.86%	10.63%
Opportunistic	3.07%	2.96%	3.22%	3.19%	3.24%	0.00%

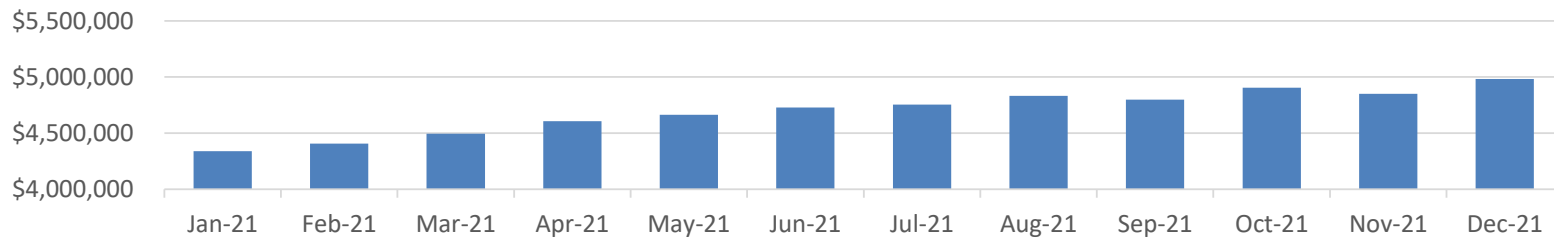


# Combined CERS-NH & CERS-H Insurance

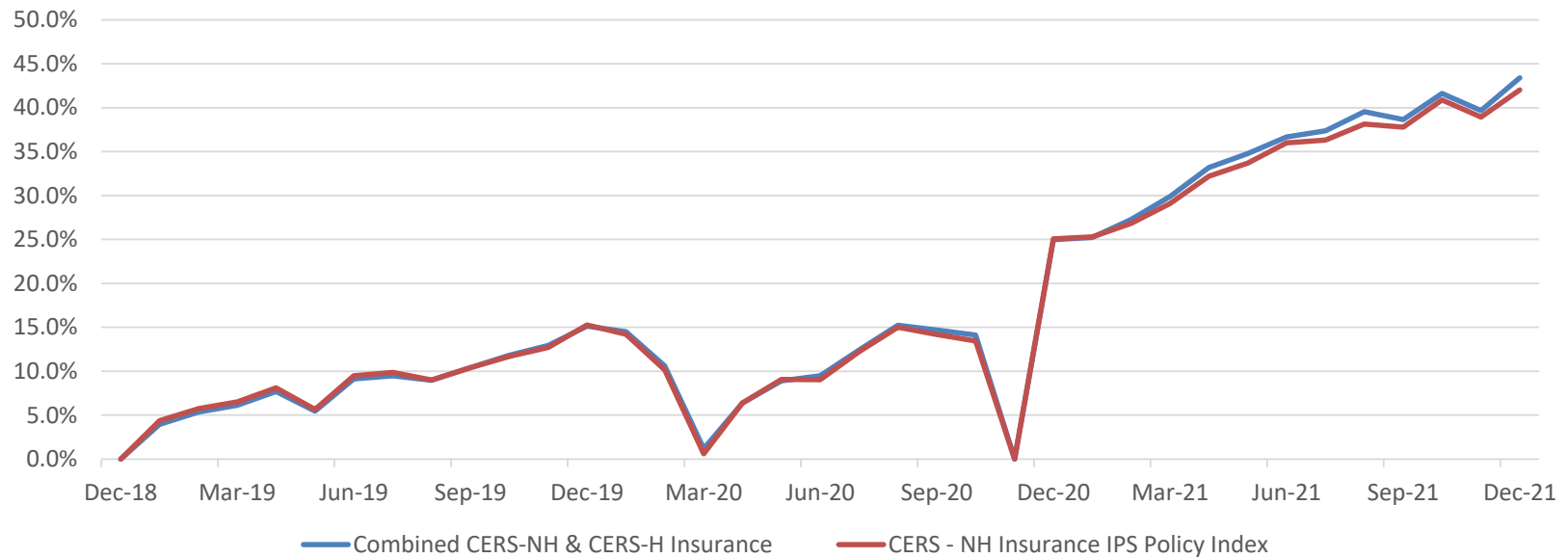
Summary

As of December 31, 2021

## Market Value Over Time (\$USD 000)



## Cumulative Performance Over 1 Year





## Combined CERS-NH & CERS-H Insurance Funds Investment Return Summary As of December 31, 2021

	Market Value (\$USD)	% of Portfolio	MTD	QTD	FYTD	1 Year	3 Year	5 Year
<b>Total Investment Summary</b>	<b>\$ 4,983,257,222</b>	<b>100.0%</b>	<b>2.7%</b>	<b>3.4%</b>	<b>4.9%</b>	<b>14.7%</b>	<b>12.8%</b>	<b>10.4%</b>
<i>CERS - NH Insurance IPS Policy Index</i>			2.2%	3.1%	4.4%	13.5%	12.4%	9.9%
<b>CERS - NH INS</b>	<b>\$ 3,306,721,515</b>	<b>66.4%</b>	<b>2.6%</b>	<b>3.4%</b>	<b>4.8%</b>	<b>14.6%</b>	<b>12.7%</b>	<b>10.4%</b>
<i>CERS - NH Insurance IPS Policy Index</i>			2.2%	3.1%	4.4%	13.5%	12.4%	9.9%
<b>CERS - H INS</b>	<b>\$ 1,676,535,707</b>	<b>33.6%</b>	<b>2.7%</b>	<b>3.5%</b>	<b>5.1%</b>	<b>15.0%</b>	<b>12.8%</b>	<b>10.5%</b>
<i>CERS-H Insurance IPS Policy Index</i>			3.2%	4.0%	5.4%	14.6%	12.7%	10.1%



## Combined KERS & SPRS Pension

### Investment Return Summary

As of December 31, 2021

	Market Value (\$USD)	% of Portfolio	MTD	QTD	YTD	FYTD	1 Year	3 Year	5 Year
<b>Total Portfolio</b>	\$ 4,488,454,601	100.0%	1.9%	2.6%	12.8%	3.6%	12.8%	12.2%	9.9%
<i>Pension IPS Policy Index</i>			2.6%	3.3%	12.2%	4.3%	12.2%	11.9%	9.3%
<b>Growth</b>	\$ 2,646,574,793	59.0%	3.2%	4.0%	17.9%	5.2%	17.9%	16.5%	13.7%
<i>Growth Custom Benchmark</i>			2.2%	3.6%	16.9%	4.5%	16.9%	17.4%	
<b>Liquidity</b>	\$ 1,266,871,397	28.2%	0.0%	-0.3%	0.4%	-0.1%	0.4%	4.0%	3.0%
<i>Liquidity Custom Benchmark</i>			-0.2%	0.0%	-1.4%	0.1%	-1.4%	4.5%	
<b>Diversifying Strategies</b>	\$ 468,157,375	10.4%	2.0%	3.9%	16.7%	6.8%	16.7%	9.3%	7.2%
<i>Diversifying Strategies Custom</i>			1.9%	2.9%	10.1%	5.5%	10.1%	6.5%	
<b>Opportunistic</b>	\$ 107,057,848	2.4%	1.2%	3.1%	12.1%	6.1%			



## Combined KERS & SPRS Pension

### Asset Class Performance

As of December 31, 2021

			% of							
	Market Value (\$USD)	Portfolio	MTD	QTD	YTD	FYTD	1 Year	3 Year	5 Year	
<b>Total Portfolio</b>	\$ 4,488,454,601	100.0%	1.9%	2.6%	12.8%	3.6%	12.8%	12.2%	9.9%	
<i>Pension IPS Policy Index</i>			2.6%	3.3%	12.2%	4.3%	12.2%	11.9%	9.3%	
<b>Growth</b>	\$ 2,646,574,793	59.0%	3.2%	4.0%	17.9%	5.2%	17.9%	16.5%	13.7%	
<i>Growth Custom Benchmark</i>			2.2%	3.6%	16.9%	4.5%	16.9%	17.4%		
<b>Public Equity</b>	\$ 1,627,936,516	36.3%	4.1%	5.2%	17.3%	4.1%	17.3%	20.3%	14.2%	
<i>Pension Global Equity Blended Index</i>			4.0%	5.5%	16.9%	4.1%	16.9%	19.6%	14.0%	
<b>U.S. Equity</b>	\$ 838,649,262	18.7%	4.4%	9.1%	26.1%	8.9%	26.1%	25.3%	17.0%	
<i>KY Domestic Equity Blend</i>			3.9%	9.3%	25.7%	9.2%	25.7%	25.8%	18.0%	
<b>Non U.S. Equity</b>	\$ 789,287,254	17.6%	3.8%	1.0%	8.7%	-0.8%	8.7%	15.4%	11.5%	
<i>KY Ret. Int'l Eq. Blended Index</i>			4.1%	1.6%	8.5%	-1.0%	8.5%	13.6%	9.9%	
<b>Private Equity</b>	\$ 287,214,230	6.4%	2.6%	4.0%	43.0%	15.6%	43.0%	18.6%	17.9%	
<i>Pension Private Equity Custom Benchmark</i>			2.6%	4.0%	43.0%	15.6%	43.0%	18.6%	17.9%	
<b>High Yield/Specialty Credit</b>	\$ 731,424,048	16.3%	1.3%	1.5%	9.6%	3.5%	9.6%	7.6%	6.6%	
<i>High Yield Custom Benchmark</i>			1.3%	0.7%	5.2%	1.7%	5.2%	7.2%		
<b>Liquidity</b>	\$ 1,266,871,397	28.2%	0.0%	-0.3%	0.4%	-0.1%	0.4%	4.0%	3.0%	
<i>Liquidity Custom Benchmark</i>			-0.2%	0.0%	-1.4%	0.1%	-1.4%	4.5%		
<b>Core Fixed Income</b>	\$ 880,876,983	19.6%	0.0%	-0.4%	0.5%	-0.2%	0.5%	4.7%	3.6%	
<i>Bloomberg Barclays U.S. Aggregate Bond Index</i>			-0.3%	0.0%	-1.5%	0.1%	-1.5%	4.8%	3.6%	
<b>Cash</b>	\$ 385,994,415	8.6%	0.0%	0.0%	0.1%	0.1%	0.1%	1.1%	1.3%	
<i>FTSE Treasury Bill-3 Month</i>			0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	1.1%	
<b>Diversifying Strategies</b>	\$ 468,157,375	10.4%	2.0%	3.9%	16.7%	6.8%	16.7%	9.3%	7.2%	
<i>Diversifying Strategies Custom</i>			1.9%	2.9%	10.1%	5.5%	10.1%	6.5%		
<b>Real Return</b>	\$ 266,252,391	5.9%	2.0%	3.0%	14.7%	3.4%	14.7%	8.2%	5.6%	
<i>Pension Real Return Custom Bmk</i>			2.0%	3.0%	15.4%	3.9%	15.4%	8.4%	4.9%	
<b>Real Estate</b>	\$ 201,904,984	4.5%	2.0%	5.0%	19.4%	12.0%	19.4%	11.9%	11.5%	
<i>NCREIF NFI ODCE Net 1Qtr in Arrears Index</i>			6.4%	6.4%	13.6%	10.3%	13.6%	6.1%	6.6%	
<b>Opportunistic</b>	\$ 107,057,848	2.4%	1.2%	3.1%	12.1%	6.1%				



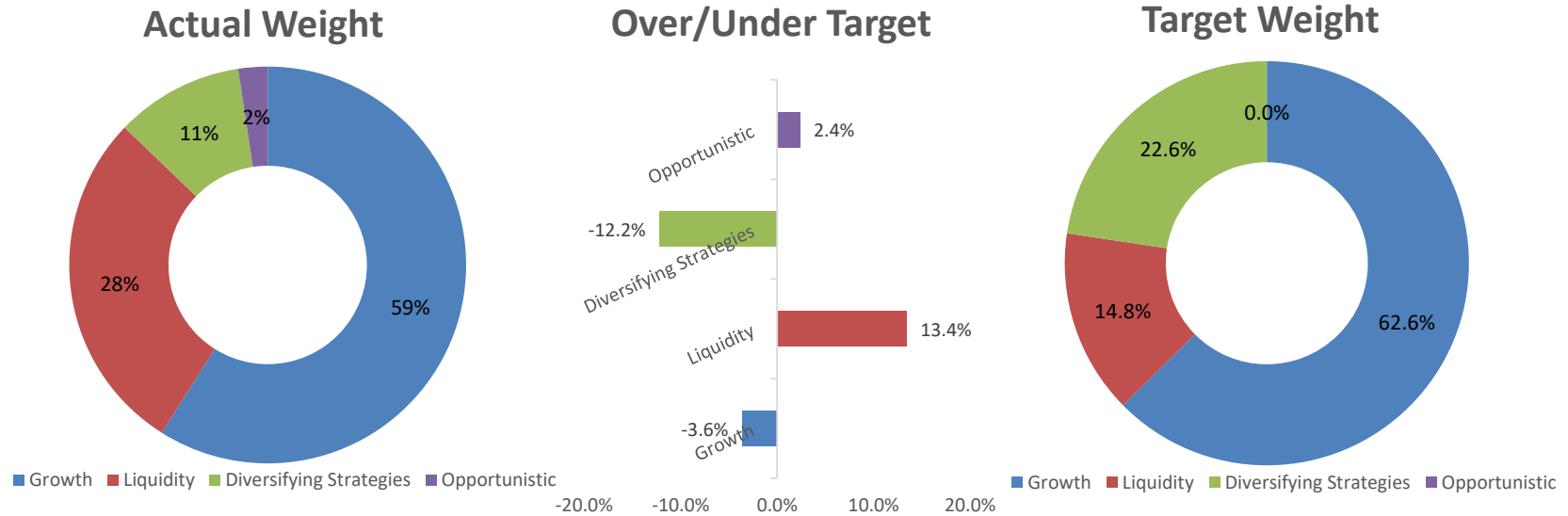


## Combined KERS & SPRS Pension

### Asset Allocation vs Targets

As of December 31, 2021

#### Actual vs Target Weights



Risk Categorization	Ending Market Value (\$USD)	Actual Weight	Target Weight	Relative
Growth	\$2,646,574,793	59.0%	62.6%	-3.6%
Liquidity	\$1,266,871,397	28.2%	14.8%	13.4%
Diversifying Strategies	\$468,157,375	10.4%	22.6%	-12.2%
Opportunistic	\$107,057,848	2.4%	0.0%	2.4%

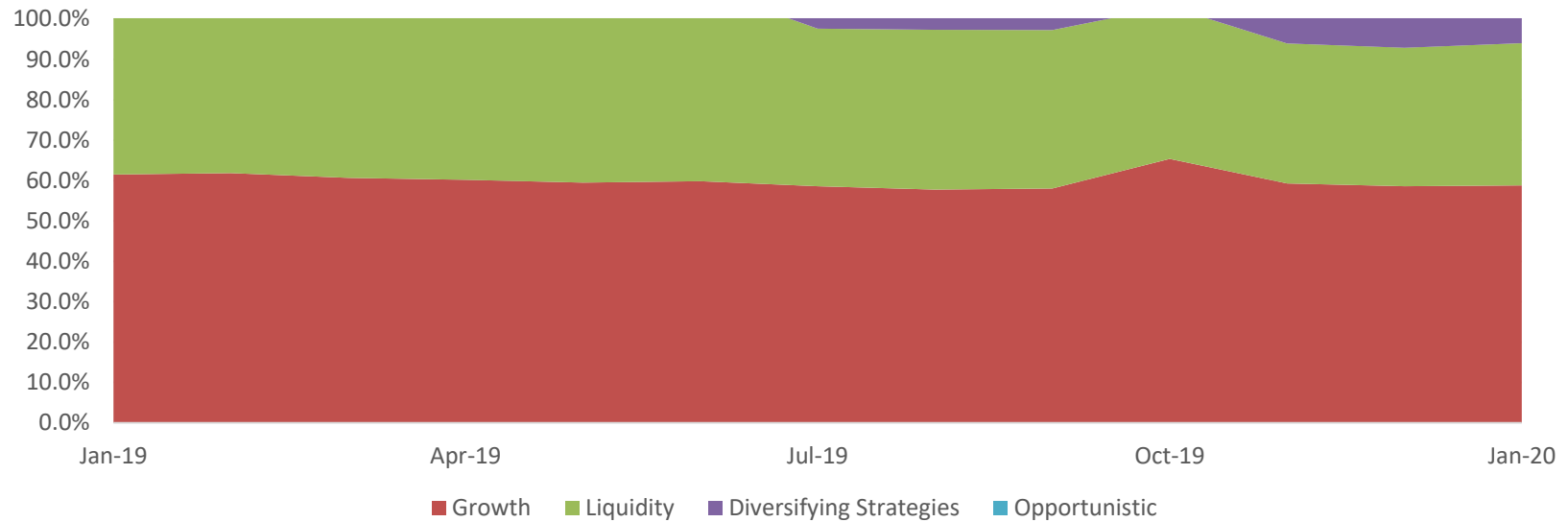


## Combined KERS & SPRS Pension

### Asset Allocation Over Time

As of December 31, 2021

#### Asset Allocation Over time



Risk Categorization	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021
Growth	59.31%	58.73%	58.26%	58.36%	57.67%	58.96%
Liquidity	28.23%	29.25%	29.39%	28.71%	29.34%	28.23%
Diversifying Strategies	10.18%	9.84%	9.97%	10.57%	10.58%	10.43%
Opportunistic	2.29%	2.18%	2.38%	2.36%	2.42%	2.39%

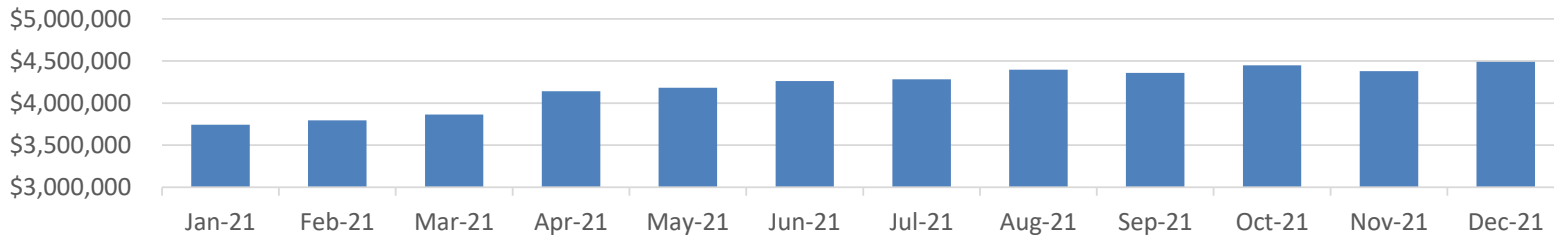


# Combined KERS & SPRS Pension

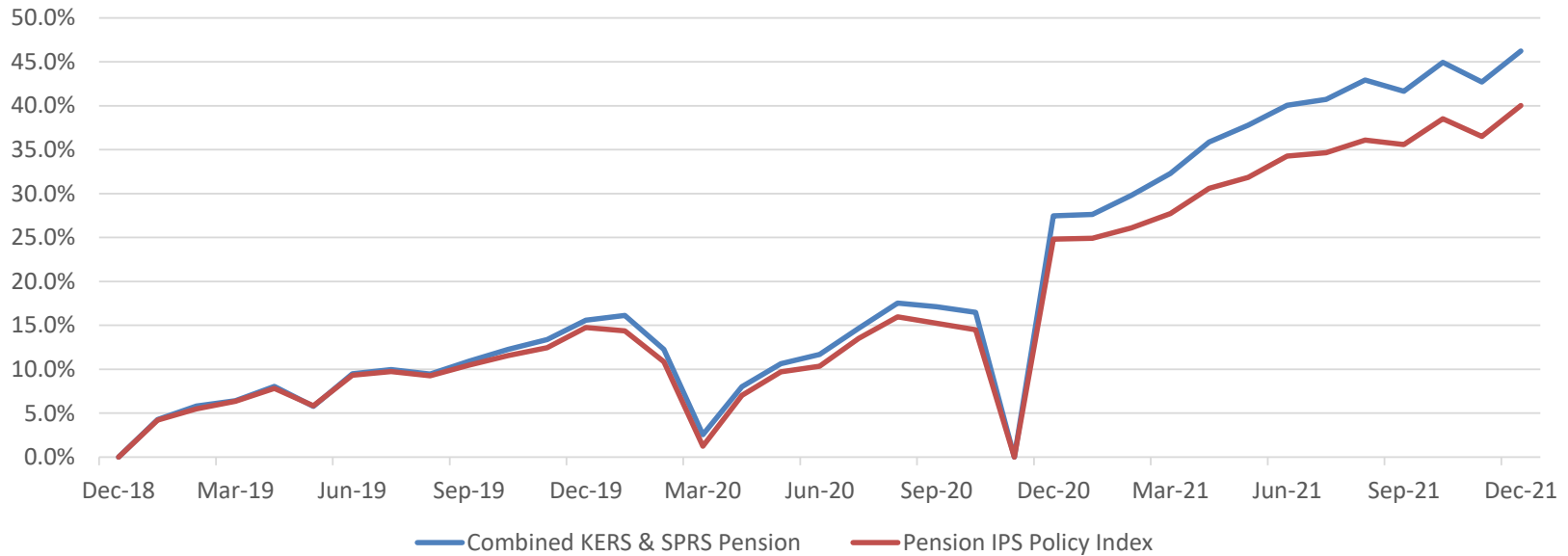
## Summary

### As of December 31, 2021

Market Value Over Time (\$USD 000)



Cumulative Performance Over 1 Year





## Combined KERS & SPRS Pension Plan/Funds Investment Return Summary As of December 31, 2021

	Market Value (\$USD)	% of Portfolio	MTD	QTD	YTD	FYTD	1 Year	3 Year	5 Year
<b>Total Investment Summary</b>	<b>\$ 4,488,454,601</b>	<b>100.0%</b>	<b>1.9%</b>	<b>2.6%</b>	<b>12.8%</b>	<b>3.6%</b>	<b>12.8%</b>	<b>12.2%</b>	<b>9.9%</b>
<i>Pension IPS Policy Index</i>			2.6%	3.3%	12.2%	4.3%	12.2%	11.9%	9.3%
<b>KERS - NH</b>	<b>\$ 3,217,062,172</b>	<b>71.7%</b>	<b>1.8%</b>	<b>2.5%</b>	<b>12.4%</b>	<b>3.4%</b>	<b>12.4%</b>	<b>11.8%</b>	<b>9.5%</b>
<i>KERS - NH Pension IPS Policy Index</i>			2.5%	3.1%	11.5%	4.1%	11.5%	11.5%	9.0%
<b>KERS - H</b>	<b>\$ 909,124,949</b>	<b>20.3%</b>	<b>2.6%</b>	<b>3.3%</b>	<b>14.4%</b>	<b>4.5%</b>	<b>14.4%</b>	<b>12.9%</b>	<b>10.4%</b>
<i>KERS-H Pension IPS Policy Index</i>			3.0%	3.8%	14.9%	5.0%	14.9%	13.1%	10.2%
<b>SPRS</b>	<b>\$ 362,267,479</b>	<b>8.1%</b>	<b>2.0%</b>	<b>2.7%</b>	<b>12.1%</b>	<b>3.7%</b>	<b>12.1%</b>	<b>11.8%</b>	<b>9.5%</b>
<i>SPRS Pension IPS Policy Index</i>			2.5%	3.1%	11.5%	4.1%	11.5%	11.5%	9.1%



## Combined KERS & SPRS Insurance

### Investment Return Summary

As of December 31, 2021

	Market Value (\$USD)	% of Portfolio	MTD	QTD	YTD	FYTD	1 Year	3 Year	5 Year
<b>Total Portfolio</b>	\$ 2,327,419,095	100.0%	2.7%	3.4%	14.2%	4.4%	14.2%	13.0%	10.2%
<i>Insurance IPS Policy Index</i>			3.2%	4.0%	14.6%	5.4%	14.6%	12.9%	10.1%
<b>Growth</b>	\$ 1,613,420,780	69.3%	3.5%	4.2%	17.8%	5.5%	17.8%	15.9%	13.2%
<i>Growth Custom Benchmark</i>			2.2%	3.6%	16.9%	4.5%	16.9%	17.4%	
<b>Liquidity</b>	\$ 413,081,514	17.7%	0.0%	-0.2%	0.4%	0.0%	0.4%	3.9%	2.9%
<i>Liquidity Custom Benchmark</i>			-0.2%	0.0%	-1.4%	0.1%	-1.4%	4.5%	
<b>Diversifying Strategies</b>	\$ 232,812,480	10.0%	1.6%	4.0%	16.0%	6.8%	16.0%	9.5%	7.3%
<i>Diversifying Strategies Custom</i>			1.9%	2.9%	10.1%	5.5%	10.1%	6.5%	
<b>Opportunistic</b>	\$ 68,251,869	2.9%	1.2%	3.1%	12.1%	6.1%			



## Combined KERS & SPRS Insurance

### Asset Class Performance

As of December 31, 2021

		% of								
	Market Value (\$USD)	Portfolio	MTD	QTD	YTD	FYTD	1 Year	3 Year	5 Year	
<b>Total Portfolio</b>	\$ 2,327,419,095	100.0%	2.7%	3.4%	14.2%	4.4%	14.2%	13.0%	10.2%	
<i>Insurance IPS Policy Index</i>			3.2%	4.0%	14.6%	5.4%	14.6%	12.9%	10.1%	
<b>Growth</b>	\$ 1,613,420,780	69.3%	3.5%	4.2%	17.8%	5.5%	17.8%	15.9%	13.2%	
<i>Growth Custom Benchmark</i>			2.2%	3.6%	16.9%	4.5%	16.9%	17.4%		
<b>Public Equity</b>	\$ 1,066,258,077	45.8%	4.2%	5.1%	17.3%	4.1%	17.3%	20.3%	14.1%	
<i>Insurance Global Equity Blended Index</i>			4.0%	5.4%	16.9%	4.0%	16.9%	19.6%	14.0%	
<b>U.S. Equity</b>	\$ 571,231,594	24.5%	4.4%	9.1%	26.0%	8.9%	26.0%	25.2%	17.0%	
<i>KY Domestic Equity Blend</i>			3.9%	9.3%	25.7%	9.2%	25.7%	25.8%	18.0%	
<b>Non U.S. Equity</b>	\$ 495,026,483	21.3%	3.8%	0.9%	8.6%	-0.9%	8.6%	15.3%	11.3%	
<i>KY Ret. Int'l Eq. Blended Index</i>			4.1%	1.6%	8.5%	-1.0%	8.5%	13.6%	9.9%	
<b>Private Equity</b>	\$ 156,054,021	6.7%	4.8%	5.6%	41.0%	19.2%	41.0%	15.6%	16.5%	
<i>Insurance Private Equity Custom Benchmark</i>			4.8%	5.6%	41.0%	19.2%	41.0%	15.6%	16.6%	
<b>High Yield/Specialty Credit</b>	\$ 391,108,681	16.8%	1.6%	1.5%	9.4%	3.4%	9.4%	7.3%	6.4%	
<i>High Yield Custom Benchmark</i>			1.3%	0.7%	5.2%	1.7%	5.2%	7.2%		
<b>Liquidity</b>	\$ 413,081,514	17.7%	0.0%	-0.2%	0.4%	0.0%	0.4%	3.9%	2.9%	
<i>Liquidity Custom Benchmark</i>			-0.2%	0.0%	-1.4%	0.1%	-1.4%	4.5%		
<b>Core Fixed Income</b>	\$ 276,546,139	11.9%	0.0%	-0.3%	0.5%	-0.1%	0.5%	4.5%	3.6%	
<i>Bloomberg Barclays U.S. Aggregate Bond Index</i>			-0.3%	0.0%	-1.5%	0.1%	-1.5%	4.8%	3.6%	
<b>Cash</b>	\$ 136,535,376	5.9%	0.0%	0.0%	0.1%	0.1%	0.1%	0.9%	1.2%	
<i>FTSE Treasury Bill-3 Month</i>			0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	1.1%	
<b>Diversifying Strategies</b>	\$ 232,812,480	10.0%	1.6%	4.0%	16.0%	6.8%	16.0%	9.5%	7.3%	
<i>Diversifying Strategies Custom</i>			1.9%	2.9%	10.1%	5.5%	10.1%	6.5%		
<b>Real Return</b>	\$ 136,982,990	5.9%	1.2%	3.2%	13.7%	3.6%	13.7%	8.5%	5.8%	
<i>Insurance Real Return Custom Bmk</i>			1.2%	3.2%	13.7%	3.6%	13.7%	8.5%	5.1%	
<b>Real Estate</b>	\$ 95,829,491	4.1%	2.0%	4.9%	19.1%	11.8%	19.1%	11.9%	11.6%	
<i>NCREIF NFI ODCE Net 1Qtr in Arrears Index</i>			6.4%	6.4%	13.6%	10.3%	13.6%	6.1%	6.6%	
<b>Opportunistic</b>	\$ 68,251,869	2.9%	1.2%	3.1%	12.1%	6.1%				

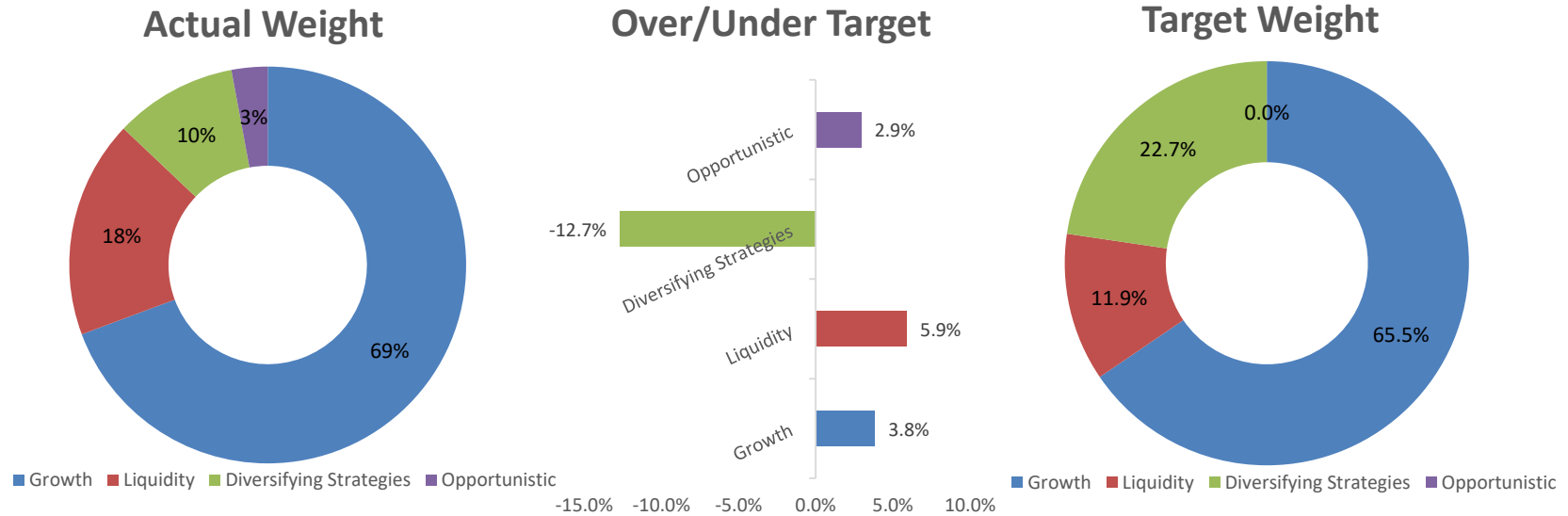


# Combined KERS & SPRS Insurance

## Asset Allocation vs Targets

### As of December 31, 2021

#### Actual vs Target Weights



Risk Categorization	Ending Market Value (\$USD)	Actual Weight	Target Weight	Relative
Growth	\$1,613,420,780	69.3%	65.5%	3.8%
Liquidity	\$413,081,514	17.7%	11.9%	5.9%
Diversifying Strategies	\$232,812,480	10.0%	22.7%	-12.7%
Opportunistic	\$68,251,869	2.9%	0.0%	2.9%

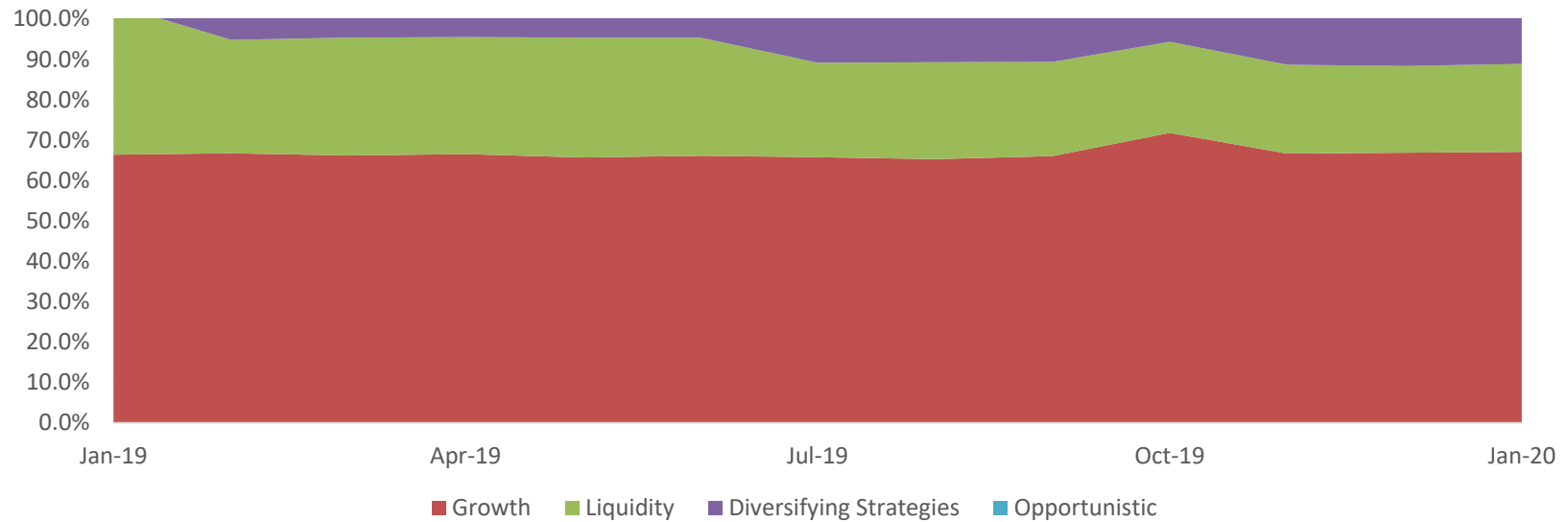


## Combined KERS & SPRS Insurance

### Asset Allocation Over Time

As of December 31, 2021

#### Asset Allocation Over time



Risk Categorization	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021
Growth	69.51%	69.31%	68.91%	68.96%	68.21%	69.32%
Liquidity	17.86%	18.44%	18.43%	18.09%	18.61%	17.75%
Diversifying Strategies	9.82%	9.56%	9.71%	10.04%	10.20%	10.00%
Opportunistic	2.81%	2.70%	2.95%	2.92%	2.97%	2.93%



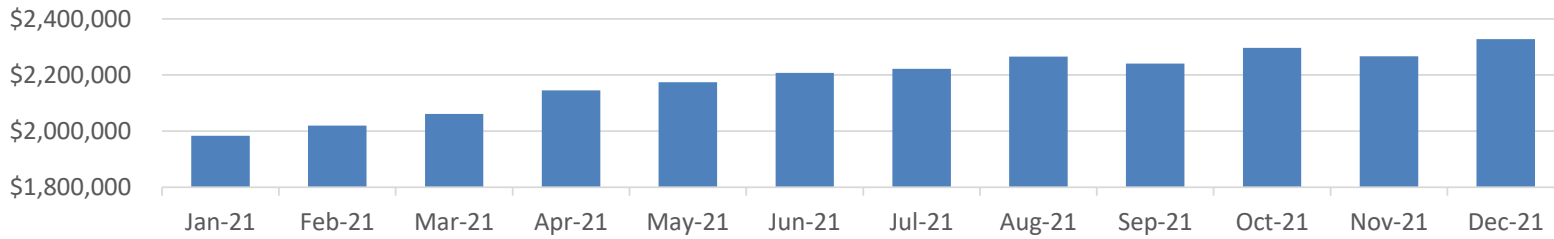


# Combined KERS & SPRS Insurance

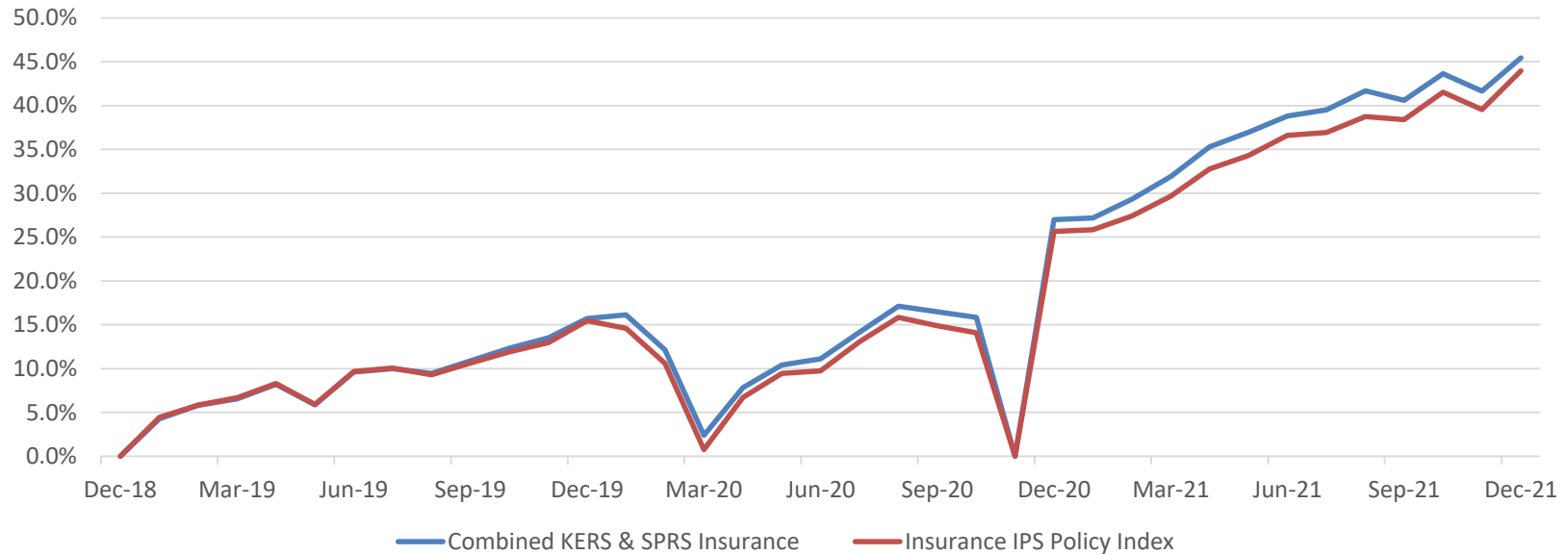
Summary

As of December 31, 2021

## Market Value Over Time (\$USD 000)



## Cumulative Performance Over 1 Year





## Combined KERS & SPRS Insurance Plan/Funds Investment Return Summary As of December 31, 2021

	Market Value (\$USD)	% of Portfolio	MTD	QTD	YTD	FYTD	1 Year	3 Year	5 Year
<b>Total Investment Summary</b>	<b>\$ 2,327,419,095</b>	<b>100.0%</b>	<b>2.7%</b>	<b>3.4%</b>	<b>14.2%</b>	<b>4.4%</b>	<b>14.2%</b>	<b>13.0%</b>	<b>10.2%</b>
<i>Insurance IPS Policy Index</i>			<i>3.2%</i>	<i>4.0%</i>	<i>14.6%</i>	<i>5.4%</i>	<i>14.6%</i>	<i>12.9%</i>	<i>10.1%</i>
<b>KERS - NH INS</b>	<b>\$ 1,425,458,096</b>	<b>61.2%</b>	<b>2.6%</b>	<b>3.4%</b>	<b>13.5%</b>	<b>4.1%</b>	<b>13.5%</b>	<b>12.9%</b>	<b>9.9%</b>
<i>KERS - NH Insurance IPS Policy Index</i>			<i>3.2%</i>	<i>4.0%</i>	<i>14.6%</i>	<i>5.4%</i>	<i>14.6%</i>	<i>13.0%</i>	<i>10.1%</i>
<b>KERS - H INS</b>	<b>\$ 646,763,437</b>	<b>27.8%</b>	<b>2.8%</b>	<b>3.6%</b>	<b>14.9%</b>	<b>5.0%</b>	<b>14.9%</b>	<b>12.8%</b>	<b>10.3%</b>
<i>KERS-H Insurance IPS Policy Index</i>			<i>3.2%</i>	<i>4.0%</i>	<i>14.6%</i>	<i>5.4%</i>	<i>14.6%</i>	<i>12.7%</i>	<i>10.1%</i>
<b>SPRS INS</b>	<b>\$ 255,197,572</b>	<b>11.0%</b>	<b>2.8%</b>	<b>3.5%</b>	<b>15.2%</b>	<b>5.1%</b>	<b>15.2%</b>	<b>13.1%</b>	<b>10.6%</b>
<i>SPRS Insurance IPS Policy Index</i>			<i>3.2%</i>	<i>4.0%</i>	<i>14.6%</i>	<i>5.4%</i>	<i>14.6%</i>	<i>12.7%</i>	<i>10.1%</i>



## KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

1260 Louisville Road • Frankfort, Kentucky 40601  
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822



Kentucky Public Pensions Authority

To: Kentucky Public Pensions Authority

From: Betty Pendergrass, CPA, CGFM, Chair  
Joint Audit Committee  
Kristen N. Coffey, CICA *KNC*  
Division Director, Internal Audit Administration

Date: March 24, 2022

Subject: Summary of Joint Audit Committee Meeting

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The County Employees Retirement System (CERS) and Kentucky Retirement Systems (KRS) Joint Audit Committee held a regularly scheduled meeting on February 22, 2022.

1. **No items were approved by the Joint Audit Committee that required ratification by the CERS or KRS Boards of Trustees or the Kentucky Public Pensions Authority (KPPA). The following items were presented for informational purposes:**
  - a. KPPA Archives Policy – this task will remain with staff until such a time that updates are made that need approval from one or more Boards of Trustees.
  - b. Financial statements for the quarter ended December 31, 2021.
  - c. Follow-up on the 2021 Annual Comprehensive Financial Report – *reviewed requested changes that were made to the report after it was presented to the various Boards of Trustees in December 2021.*
  - d. Fiscal Year End June 30, 2021 End of Year Audit Requirements – *all items were submitted by the required deadline.*
  - e. APA Approval Request for the Fiscal Year 2022 External Audit – *the APA will not be able to perform the audit for fiscal year 2023. There was a deadline of early October for the report, KPPA staff did follow-up and verify that we do not have to submit our report by that deadline since our GASB reports will not be ready until the end of October.*
  
2. **The following items were deferred and will be presented at a Special Called Joint Audit Committee meeting. That meeting date has not yet been set. Once the audit is presented to the Joint Audit Committee, additional information will be shared with the CERS and KRS Boards of Trustees and the KPPA.**
  - a. Results of the GASB 68 and GASB 75 Proportionate Share audits for fiscal year ended June 30, 2022.
  - b. Results of the Plan Liquidity Audit, Phase 1.
  - c. Additions to the Current Audit Plan.



## Combining Statement of Fiduciary Net Position - Pension Funds

As of December 31, 2021, with Comparative Totals as of December 31, 2020 (\$ in Thousands) (Unaudited)

ASSETS	CERS		KERS		SPRS	KPPA TOTAL		Percentage of Change	Note
	Non-Hazardous	Hazardous	Non-Hazardous	Hazardous		2022	2021		
<b>CASH AND SHORT-TERM INVESTMENTS</b>									
Cash Deposits	\$199	\$44	\$193	\$41	\$43	\$519	\$1,336	-61.16%	1
Short-term Investments	361,412	139,545	411,548	62,158	35,840	1,010,503	600,527	68.27%	2
<b>Total Cash and Short-term Investments</b>	<b>361,611</b>	<b>139,589</b>	<b>411,741</b>	<b>62,199</b>	<b>35,882</b>	<b>1,011,022</b>	<b>601,863</b>	<b>67.98%</b>	
<b>RECEIVABLES</b>									
Accounts Receivable	67,028	30,215	13,339	3,409	8,711	122,701	145,933	-15.92%	3
Accounts Receivable - Investments	91,192	31,328	37,662	9,302	4,315	173,800	413,270	-57.95%	4
<b>Total Receivables</b>	<b>158,220</b>	<b>61,544</b>	<b>51,001</b>	<b>12,711</b>	<b>13,026</b>	<b>296,501</b>	<b>559,204</b>	<b>(46.98)%</b>	
<b>INVESTMENTS, AT FAIR VALUE</b>									
Core Fixed Income	1,046,376	360,222	660,688	109,840	76,089	2,253,214	2,208,143	2.04%	
Public Equities	4,161,913	1,402,123	1,070,417	410,893	127,196	7,172,543	6,212,293	15.46%	5
Private Equities	730,453	244,872	200,360	67,307	19,548	1,262,540	1,139,237	10.82%	6
Specialty Credit	1,473,307	503,555	513,740	151,685	60,324	2,702,612	2,396,657	12.77%	7
Derivatives	(767)	(265)	(422)	(80)	(46)	(1,579)	4,031	-139.16%	8
Absolute Return	-	-	-	-	-	-	140,945	-100.00%	9
Real Return	535,104	180,738	178,271	51,325	20,862	966,300	869,771	11.10%	10
Opportunistic	255,392	84,429	74,680	23,153	9,224	446,879	370,906	20.48%	11
Real Estate	438,492	139,686	143,572	40,768	17,565	780,083	584,165	33.54%	12
<b>Total Investments, at Fair Value</b>	<b>8,640,271</b>	<b>2,915,360</b>	<b>2,841,305</b>	<b>854,893</b>	<b>330,763</b>	<b>15,582,591</b>	<b>13,926,147</b>	<b>11.89%</b>	
Securities Lending Collateral Invested	261,773	88,859	94,671	26,483	10,536	482,322	389,842	23.72%	13
<b>CAPITAL/INTANGIBLE ASSETS</b>									
Capital Assets	1,701	153	929	91	11	2,885	2,885	0.00%	
Intangible Assets	9,961	827	5,920	494	100	17,301	17,301	0.00%	
Accumulated Depreciation	(1,701)	(153)	(929)	(91)	(11)	(2,885)	(2,866)	0.68%	
Accumulated Amortization	(9,612)	(819)	(5,611)	(482)	(100)	(16,624)	(16,183)	2.73%	
<b>Total Capital Assets</b>	<b>349</b>	<b>8</b>	<b>309</b>	<b>11</b>	<b>-</b>	<b>677</b>	<b>1,138</b>	<b>(40.52)%</b>	
<b>Total Assets</b>	<b>9,422,223</b>	<b>3,205,360</b>	<b>3,399,026</b>	<b>956,296</b>	<b>390,208</b>	<b>17,373,113</b>	<b>15,478,193</b>	<b>12.24%</b>	
<b>LIABILITIES</b>									
Accounts Payable	3,563	681	1,585	159	31	6,019	6,442	-6.57%	
Investment Accounts Payable	169,551	57,996	73,453	17,228	8,650	326,878	575,068	-43.16%	14
Securities Lending Collateral	261,773	88,859	94,671	26,483	10,536	482,322	389,842	23.72%	15
<b>Total Liabilities</b>	<b>434,887</b>	<b>147,536</b>	<b>169,709</b>	<b>43,870</b>	<b>19,217</b>	<b>815,219</b>	<b>971,352</b>	<b>(16.07)%</b>	
<b>Total Fiduciary Net Position Restricted for Pension Benefits</b>									
	\$8,987,336	\$3,057,824	\$3,229,317	\$912,426	\$370,990	\$16,557,894	\$14,506,841	14.14%	

**NOTE - Variance Explanation** **Differences due to rounding**

- 1) Variance is a result of continuous fluctuation of deposits and transactions that flow through the cash account.
- 2) Short Term Investments is primarily comprised of the cash on hand with the custodial bank along with any small amounts of cash managers and brokers may have; therefore, the variance is driven by cash flow.
- 3) The decrease in Accounts Receivable is due to the decrease in the month end employer contributions accrual for KERS (normal cost ERCON for KERS--AALC invoices are created and paid prior to month end).
- 4) The variance in Accounts Receivable - Investments is due to pending trades.
- 5) The increase in Public Equities is due to additional funding and positive market conditions resulting in increased market values.
- 6) The increase in Private Equity is a result of positive market conditions resulting in increased market values.
- 7) The increase in Specialty Credit is due to additional funding and positive market conditions increasing market values.

**NOTE - Variance Explanation continued on next page.**

- 8) *Variance is a result of hedging and arbitration of risk within the portfolios.*
- 9) *The decline in Absolute Return is a result of the merging of the Absolute Return asset class with the Real Return asset class.*
- 10) *The increase in Real Return is a result of the merging of the Absolute Return asset class with the Real Return asset class and positive market conditions resulting in increased market values.*
- 11) *The increase in Opportunistic is due to additional funding and positive market conditions increasing market values.*
- 12) *The increase in Real Estate is due to additional funding and positive market conditions increasing market values.*
- 13) *Variance is a result of the demands of the Securities Lending Program.*
- 14) *The variance in Accounts Payable is due to pending trades.*
- 15) *Variance is a result of the demands of the Securities Lending Program.*



## Combining Statement of Changes In Fiduciary Net Position - Pension Funds

For the six month period ending December 31, 2021, with Comparative Totals as of December 31, 2020 (\$ in Thousands) (Unaudited)

	CERS	CERS	KERS	KERS	SPRS	KPPA Total		Percentage of Change	Note
	Non-Hazardous	Hazardous	Non-Hazardous	Hazardous		2022	2021		
<b>ADDITIONS</b>									
Member Contributions	\$88,222	\$35,629	\$44,991	\$10,096	\$2,426	\$181,364	\$167,605	8.21%	
Employer Contributions	270,101	107,105	468,396	30,165	30,519	906,287	855,283	5.96%	
Pension Spiking Contributions	29	33	8	-	-	70	128	-45.51%	1
Health Insurance Contributions (HB1)	(1)	1	6	2	-	8	(4)	315.61%	2
Employer Cessation Contributions	-	-	50,464	-	-	50,464	-	100.00%	3
<b>Total Contributions</b>	<b>358,351</b>	<b>142,769</b>	<b>563,865</b>	<b>40,263</b>	<b>32,945</b>	<b>1,138,193</b>	<b>1,023,012</b>	<b>11.26%</b>	
<b>INVESTMENT INCOME</b>									
From Investing Activities									
Net Appreciation (Depreciation) in FV of Investments									
	338,334	111,843	81,138	31,330	9,829	572,474	1,670,655	-65.73%	4
Interest/Dividends	124,563	42,108	35,791	12,291	4,298	219,050	167,321	30.92%	5
Total Investing Activities Income	462,897	153,951	116,929	43,621	14,126	791,524	1,837,976		
Less: Investment Expense	23,279	6,659	3,959	1,811	535	36,241	29,604	22.42%	6
Less: Performance Fees	35,221	11,541	8,531	3,187	967	59,447	26,305	125.99%	7
Net Income from Investing Activities	404,398	135,751	104,439	38,623	12,625	695,836	1,782,067		
From Securities Lending Activities									
Securities Lending Income	275	95	96	28	11	506	458		
Less: Securities Lending Borrower Rebates (Income)/Expense	(479)	(163)	(140)	(49)	(17)	(848)	(305)		
Less: Securities Lending Agent Fees	113	39	35	12	4	203	114		
Net Income from Securities Lending	641	219	201	65	24	1,151	649	77.35%	8
<b>Net Investment Income</b>	<b>405,039</b>	<b>135,971</b>	<b>104,640</b>	<b>38,689</b>	<b>12,649</b>	<b>696,987</b>	<b>1,782,716</b>	<b>(60.90)%</b>	
<b>Total Additions</b>	<b>763,390</b>	<b>278,739</b>	<b>668,505</b>	<b>78,952</b>	<b>45,594</b>	<b>1,835,179</b>	<b>2,805,728</b>	<b>(34.59)%</b>	
<b>DEDUCTIONS</b>									
Benefit Payments	425,838	151,804	512,550	38,190	32,039	1,160,422	1,125,717	3.08%	
Refunds	9,785	2,548	5,656	2,627	101	20,716	16,796	23.34%	9
Administrative Expenses	11,098	984	5,995	636	124	18,838	17,591	7.09%	
<b>Total Deductions</b>	<b>446,721</b>	<b>155,336</b>	<b>524,201</b>	<b>41,454</b>	<b>32,264</b>	<b>1,199,976</b>	<b>1,160,105</b>	<b>3.44%</b>	
Net Increase (Decrease) in Fiduciary Net Position									
Restricted for Pension Benefits	316,668	123,403	144,303	37,498	13,330	635,203	1,645,624		
<b>Total Fiduciary Net Position Restricted for Pension Benefits</b>									
<b>Beginning of Period</b>	<b>8,670,667</b>	<b>2,934,421</b>	<b>3,085,014</b>	<b>874,928</b>	<b>357,660</b>	<b>15,922,691</b>	<b>12,861,218</b>	<b>23.80%</b>	
<b>End of Period</b>	<b>\$8,987,336</b>	<b>\$3,057,824</b>	<b>\$3,229,317</b>	<b>\$912,426</b>	<b>\$370,990</b>	<b>\$16,557,894</b>	<b>\$14,506,841</b>	<b>14.14%</b>	

**NOTE - Variance Explanation**

*Differences due to rounding.*

1) Pension Spiking contributions decreased due to a change in statute. Pension spiking is now the member's responsibility.

2) Health Insurance Contributions continue to fluctuate in the Pension accounts due to corrections being processed.

3) Employer Cessation payment received from Kentucky Housing Corporation.

4) The decrease in Net Appreciation in Fair Value of Investments is a result of less favorable market conditions resulting in unrealized losses in public equity for the first half of FY22 when compared to the first half of FY21.

5) The increase in Interest/Dividends is due to increased income from Private Equity, Real Estate, and Specialty Credit asset classes.

**NOTE - Variance Explanation continued on next page.**

## KPPA Meeting - Quarterly Financial Reports

- 6) *The increase in Investment Expense is a result of an increase in assets due to additional contributions and increase in market values.*
- 7) *The increase in Performance fees is due to realized and unrealized gains resulting in higher performance fees primarily within private equity.*
- 8) *Variance is a result of the demand of the Securities Lending Program.*
- 9) *The increase in Refunds is due to an increase in refunds taken by CERS, KERS and KERH members who terminated employment and were not eligible for a retirement benefit.*



## Combining Statement of Fiduciary Net Position - Insurance Fund

As of December 31, 2021, with Comparative Totals as of December 31, 2020 (\$ In Thousands) (Unaudited)

ASSETS	CERS	CERS	KERS	KERS	SPRS	KPPA Total		Percentage of Change	Note
	Non-Hazardous	Hazardous	Non-Hazardous	Hazardous		2022	2021		
<b>CASH AND SHORT-TERM INVESTMENTS</b>									
Cash Deposits	\$48	\$57	\$46	\$56	\$49	\$257	\$380	-32.42%	1
Short-term Investments	270,552	96,577	150,018	23,134	13,271	553,551	249,770	121.62%	2
<b>Total Cash and Short-term Investments</b>	<b>270,600</b>	<b>96,634</b>	<b>150,064</b>	<b>23,190</b>	<b>13,321</b>	<b>553,808</b>	<b>250,151</b>	<b>121.39%</b>	
<b>RECEIVABLES</b>									
Accounts Receivable	18,592	7,859	5,150	426	807	32,835	37,444	-12.31%	3
Investment Accounts Receivable	33,231	16,972	14,776	6,743	2,578	74,300	179,755	-58.67%	4
<b>Total Receivables</b>	<b>51,822</b>	<b>24,831</b>	<b>19,927</b>	<b>7,169</b>	<b>3,385</b>	<b>107,134</b>	<b>217,199</b>	<b>-50.67%</b>	
<b>INVESTMENTS, AT FAIR VALUE</b>									
Core Fixed Income	371,036	195,341	168,107	73,644	28,899	837,027	845,726	-1.03%	
Public Equities	1,423,930	732,251	655,287	287,538	111,740	3,210,745	2,804,931	14.47%	5
Specialty Credit	550,144	273,680	227,541	117,414	42,344	1,211,122	1,064,842	13.74%	6
Private Equities	281,560	158,263	76,780	54,618	24,657	595,877	548,052	8.73%	
Derivatives	(202)	(106)	(91)	(40)	(16)	(455)	1,825	-124.95%	7
Absolute Return	-	-	-	-	-	-	57,728	-100.00%	8
Real Return	182,361	95,616	75,850	38,240	14,658	406,725	371,840	9.38%	
Opportunistic	103,122	56,180	36,869	22,920	8,463	227,553	188,868	20.48%	9
Real Estate	151,537	83,047	47,602	34,888	13,340	330,413	246,753	33.90%	10
<b>Total Investments, at Fair Value</b>	<b>3,063,489</b>	<b>1,594,270</b>	<b>1,287,944</b>	<b>629,220</b>	<b>244,085</b>	<b>6,819,008</b>	<b>6,130,565</b>	<b>11.23%</b>	
Securities Lending Collateral Invested	88,366	44,868	38,094	17,324	6,833	195,485	148,525	31.62%	11
<b>Total Assets</b>	<b>3,474,277</b>	<b>1,760,603</b>	<b>1,496,029</b>	<b>676,904</b>	<b>267,624</b>	<b>7,675,436</b>	<b>6,746,440</b>	<b>13.77%</b>	
<b>LIABILITIES</b>									
Accounts Payable	221	68	98	9	2	398	444	-10.34%	12
Investment Accounts Payable	60,550	31,283	27,280	12,333	4,737	136,183	249,204	-45.35%	13
Securities Lending Collateral	88,366	44,868	38,094	17,324	6,833	195,485	148,525	31.62%	14
<b>Total Liabilities</b>	<b>149,137</b>	<b>76,218</b>	<b>65,472</b>	<b>29,667</b>	<b>11,572</b>	<b>332,066</b>	<b>398,173</b>	<b>-16.60%</b>	
<b>Total Fiduciary Net Position Restricted for OPEB</b>	<b>\$3,325,140</b>	<b>\$1,684,385</b>	<b>\$1,430,557</b>	<b>\$647,237</b>	<b>\$256,052</b>	<b>\$7,343,370</b>	<b>\$6,348,267</b>	<b>15.68%</b>	

**NOTE - Variance Explanation** **Differences due to rounding**

- 1) Variance is a result of continuous fluctuation of deposits and transactions that flow through the cash account.
- 2) Short Term Investments is primarily comprised of the cash on hand with the custodial bank along with any small amounts of cash managers and brokers may have; therefore, the variance is driven by cash flow.
- 3) The decrease in Accounts Receivable is due to the decrease in the month end employer contributions accrual for KERS (normal cost ERCON for KERS--AALC invoices are created and paid prior to month end).
- 4) The variance in Investment Accounts Receivable is due to pending trades.
- 5) The increase in Public Equities is due to additional funding and positive market conditions resulting in increased market values.
- 6) The increase in Specialty Credit is due to additional funding and positive market conditions increasing market values.
- 7) Variance is a result of hedging and arbitration of risk within the portfolios.
- 8) The decline in Absolute Return is a result of the merging of the Absolute Return asset class with the Real Return asset class.
- 9) The increase in Opportunistic is due to additional funding and positive market conditions increasing market values.
- 10) The increase in Real Estate is due to additional funding and positive market conditions increasing market values.
- 11) Variance is a result of the demands of the Securities Lending Program.
- 12) The decrease in Accounts Payable is due to a fluctuation of outstanding credit employer invoices.
- 13) The variance in Investment Accounts Payable is due to pending trades.
- 14) Variance is a result of the demands of the Securities Lending Program.





## Combining Statement of Changes In Fiduciary Net Position - Insurance

For the six month period ending December 31, 2021, with Comparative Totals as of December 31, 2020 (\$ In Thousands)

	CERS	CERS	KERS	KERS	SPRS	KPPA Total		Percentage of Change	Note
	Non-Hazardous	Hazardous	Non-Hazardous	Hazardous		2022	2021		
<b>ADDITIONS</b>									
Employer Contributions	\$78,695	\$35,546	\$58,234	\$1	\$4,386	\$176,862	\$171,839	2.92%	
Medicare Drug Reimbursement	1	-	-	1	-	2	1	73.90%	1
Insurance Premiums	267	4	89	5	(2)	364	365	-0.31%	
Humana Gain Share Payment	8,912	1,259	7,321	548	342	18,381	42,896	-57.15%	2
Retired Re-employed Healthcare	2,409	711	2,471	630	-	6,221	6,193	0.44%	
Health Insurance Contributions (HB1)	7,530	1,827	3,202	611	110	13,281	11,805	12.50%	3
Employer Cessation Contributions	-	-	9,536	-	-	9,536	-	100.00%	4
<b>Total Contributions</b>	<b>97,815</b>	<b>39,347</b>	<b>80,852</b>	<b>1,797</b>	<b>4,836</b>	<b>224,647</b>	<b>233,099</b>	<b>(3.63)%</b>	
<b>INVESTMENT INCOME</b>									
From Investing Activities									
Net Appreciation (Depreciation) in FV of Investments	130,326	70,607	45,727	26,472	10,844	283,977	745,512	-61.91%	5
Interest/Dividends	42,592	22,295	16,899	8,898	3,435	94,119	72,852	29.19%	6
Total Investing Activities Income	172,918	92,902	62,627	35,370	14,279	378,096	818,364		
Less: Investment Expense	7,563	4,007	2,959	1,581	621	16,731	14,595	14.63%	7
Less: Performance Fees	13,648	7,670	4,509	2,956	1,213	29,997	15,574	92.61%	8
Net Income from Investing Activities	151,707	81,224	55,159	30,832	12,445	331,368	788,195		
From Securities Lending Activities									
Securities Lending Income	96	48	42	19	7	212	190		
Less: Securities Lending Borrower Rebates (Income)/Expense	(151)	(77)	(66)	(30)	(12)	(337)	(137)		
Less: Securities Lending Agent Fees	37	19	16	7	3	82	49		
Net Income from Securities Lending	210	106	92	42	16	466	278	67.80%	9
<b>Net Investment Income</b>	<b>151,917</b>	<b>81,331</b>	<b>55,251</b>	<b>30,874</b>	<b>12,461</b>	<b>331,834</b>	<b>788,472</b>	<b>(57.91)%</b>	
<b>Total Additions</b>	<b>249,732</b>	<b>120,678</b>	<b>136,103</b>	<b>32,671</b>	<b>17,298</b>	<b>556,481</b>	<b>1,021,571</b>	<b>(45.53)%</b>	
<b>DEDUCTIONS</b>									
Healthcare Premiums Subsidies	64,117	43,727	57,412	10,218	7,206	182,680	194,240	-5.95%	
Administrative Expenses	471	248	414	63	37	1,233	1,131	9.05%	
Self-Funded Healthcare Costs	1,785	129	840	42	6	2,802	2,600	7.76%	
Excise Tax Insurance	6	-	3	-	-	9	-		
<b>Total Deductions</b>	<b>66,378</b>	<b>44,104</b>	<b>58,669</b>	<b>10,324</b>	<b>7,249</b>	<b>186,724</b>	<b>197,971</b>	<b>(5.68)%</b>	
Net Increase (Decrease) in Fiduciary Net Position Restricted for OPEB	183,354	76,574	77,434	22,347	10,048	369,757	823,601		
<b>Total Fiduciary Net Position Restricted for OPEB</b>									
<b>Beginning of Period</b>	<b>3,141,786</b>	<b>1,607,811</b>	<b>1,353,123</b>	<b>624,889</b>	<b>246,004</b>	<b>6,973,613</b>	<b>5,524,666</b>	<b>26.23%</b>	
<b>End of Period</b>	<b>3,325,140</b>	<b>1,684,385</b>	<b>1,430,557</b>	<b>647,237</b>	<b>256,052</b>	<b>7,343,370</b>	<b>6,348,267</b>	<b>15.68%</b>	

NOTE - Variance Explanation on next page.

Differences due to rounding

- 1) *Medicare drug reimbursement payments fluctuate year to year based on claims reviewed.*
- 2) *Humana Gain Share payments will fluctuate based on timing and actual claims paid.*
- 3) *Health Insurance Contributions will continue to rise as Tier 3 members increase.*
- 4) *Employer Cessation payment received from Kentucky Housing Corporation.*
- 5) *The decrease in Net Appreciation in Fair Value of Investments is a result of less favorable market conditions resulting in unrealized losses in public equity for the first half of FY22 when compared to the first half of FY21.*
- 6) *The increase in Interest/Dividends is due to increased income from Private Equity, Core Fixed Income, and Specialty Credit asset classes.*
- 7) *The increase in Investment Expense is a result of an increase in assets due to additional contributions and increase in market values.*
- 8) *The increase in Performance fees is due to realized and unrealized gains resulting in higher performance fees primarily within private equity.*
- 9) *Variance is a result of the demand of the Securities Lending Program.*

KPPA ADMINISTRATIVE BUDGET FY 2021-2022						
BUDGET-TO-ACTUAL ANALYSIS						
FOR THE SIX MONTHS ENDING DECEMBER 31, 2021, WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2020						
Account Name	Budgeted	2022 Actual Expenditures	Remaining	Percent Remaining	FY 2021 Expenditures	Percent Difference
<b>PERSONNEL</b>						
<b>Staff</b>						
Salaries/Wages	\$16,900,000	\$8,048,638	\$8,851,362	52.37%	\$7,824,564	2.86%
Wages (Overtime)	342,000	107,186	234,814	68.66%	36,699	192.07%
Emp Paid Retirement	14,478,107	6,422,459	8,055,649	55.64%	6,251,083	2.74%
Emp Paid Health Ins	2,500,000	1,296,865	1,203,135	49.26%	1,258,840	3.02%
Emp Paid Sick Leave	115,650	800	114,850	99.31%	6,092	(86.87)%
Workers Compensation	77,100	75,163	1,937	2.51%	75,163	0.00%
Unemployment	3,600	-	3,600	100.00%	5,412	
Other Personnel	1,130,250	573,531	556,719	49.26%	558,889	2.62%
Employee Training	18,400	4,843	13,557	73.68%	4,843	0.00%
Bonds	-	41	(41)	0.00%	-	100.00%
<b>Staff Subtotal</b>	<b>35,565,107</b>	<b>16,529,526</b>	<b>19,035,582</b>	<b>53.52%</b>	<b>16,021,585</b>	<b>3.17%</b>
<b>LEGAL &amp; AUDITING SERVICES</b>						
Legal Hearing Officers	84,600	32,314	52,286	61.80%	20,683	56.23%
Legal (Stoll, Keenon)	180,000	60,445	119,556	66.42%	65,411	(7.59)%
Frost Brown (Tax Advisor)	173,000	1,464	171,536	99.15%	108,875	(98.66)%
Reinhart	24,000	-	24,000	100.00%	-	
Ice Miller	336,000	21,533	314,467	93.59%	133,966	(83.93)%
Johnson, Bowman, Branco LLC	150,000	43,225	106,775	21.18%	-	100.00%
Denton	150,000	-	150,000	100.00%	-	
Legal Expense	12,000	-	12,000	100.00%	202	
Auditing	118,350	85,655	32,695	27.63%	46,360	84.76%
<b>CONSULTING SERVICES</b>						
Medical Reviewers	1,200,000	625,666	574,334	47.86%	64,525	869.65%
Escrow for Actuary Fees	12,000	-	12,000	100.00%	-	0.00%
<b>CONTRACTUAL SERVICES</b>						
Miscellaneous Contracts	22,750	12,079	10,671	46.91%	5,944	103.21%
Human Resources Consulting	6,600	5,794	806	12.21%	5,794	0.00%
Actuarial Services	700,000	147,747	552,253	78.89%	207,053	(28.64)%
Facility Security Charges	112,000	38,862	73,138	65.30%	35,029	10.94%
<b>PERSONNEL SUBTOTAL</b>	<b>\$38,846,407</b>	<b>\$17,604,309</b>	<b>\$21,242,099</b>	<b>54.68%</b>	<b>\$16,715,426</b>	<b>5.32%</b>
<b>OPERATIONAL</b>						
Natural Gas	25,200	7,144	18,056	71.65%	5,536	29.05%
Electric	138,000	55,442	82,558	59.82%	68,569	(19.14)%
Rent-NonState Building	52,000	25,321	26,679	51.31%	30,121	(15.94)%
Building Rental - PPW	1,100,000	481,016	618,984	56.27%	533,516	(9.84)%
Copier Rental	122,587	31,247	91,340	74.51%	28,217	10.74%
Rental Carpool	4,800	1,940	2,860	59.58%	1,940	0.00%
Vehicle/Equip. Mainten.	1,350	249	1,101	81.56%	-	
Postage	610,000	150,771	459,229	75.28%	146,228	3.11%
Freight	600	155	445	74.17%	-	
Printing (State)	6,000	4,548	1,452	24.20%	2,425	87.55%
Printing (non-state)	112,500	30,002	82,498	73.33%	25,753	16.50%
Insurance	6,000	5,422	578	9.63%	3,591	50.99%

KPPA ADMINISTRATIVE BUDGET FY 2021-22							
FOR THE SIX MONTHS ENDING DECEMBER 31, 2021, WITH COMPARATIVE TOTALS AS OF DECEMBER 31, 2020							
Account Name	Budgeted	Actual Expenditures	Remaining	Percent Remaining	FY 2021 Expenditures	Percent Difference	
Garbage Collection	6,000	2,647	3,353	55.88%	2,647	0.00%	
Conference Expense	25,750	9,052	16,699	64.85%	6,501	39.24%	
MARS Usage	52,800	13,550	39,250	74.34%	23,823	(43.12)%	
COVID-19 Expenses	168,000	6,171	161,829	96.33%	91,586	(93.26)%	
Office Supplies	42,600	25,767	16,833	39.51%	13,828	86.34%	
Furniture & Office Equipment	9,600	-	9,600	100.00%	-		
Travel (In-State)	12,600	3,611	8,989	71.34%	933	287.03%	
Travel (Out of State)	45,150	382	44,768	99.15%	(169)	326.04%	
Dues & Subscriptions	61,600	32,839	28,761	46.69%	26,983	21.70%	
Miscellaneous	1,600	31,063	(29,463)	1841.44%	618	4926.38%	
COT Charges	24,000	9,850	14,150	58.96%	6,350	55.12%	
Telephone - Wireless	5,400	2,817	2,583	47.84%	2,387	18.01%	
Telephone - Other	120,000	62,180	57,820	48.18%	49,265	26.22%	
Computer Equip./Software	2,640,000	1,397,212	1,242,788	47.08%	1,015,433	37.60%	
<b>OPERATIONAL SUBTOTAL</b>	<b>\$5,394,137</b>	<b>\$2,390,398</b>	<b>\$3,003,740</b>	<b>55.69%</b>	<b>\$2,086,081</b>	<b>14.59%</b>	
<b>SUB-TOTAL</b>	<b>\$44,240,544</b>	<b>\$19,994,704</b>	<b>\$24,245,838</b>	<b>54.80%</b>	<b>18,801,507</b>	<b>6.35%</b>	
<b>Major Legislative Implementation</b>	<b>3,764,956</b>	<b>-</b>	<b>3,764,956</b>	<b>100.00%</b>			
<b>TOTAL</b>	<b>\$48,005,500</b>	<b>\$19,994,706</b>	<b>\$28,010,794</b>	<b>58.35%</b>	<b>\$18,801,507</b>	<b>6.35%</b>	

*Differences due to rounding*

Plan	Budgeted	Actual Expenditures	% of Total KPPA Actual Expenditures
CERS	\$28,683,286	\$11,946,837	59.75%
CHAZ	\$2,539,491	\$1,057,720	5.29%
KERS	\$14,824,098	\$6,174,365	30.88%
KHAZ	\$1,636,988	\$681,819	3.41%
SPRS	\$321,637	\$133,965	0.67%
<b>TOTAL</b>	<b>\$48,005,500</b>	<b>\$19,994,706</b>	

Plan - Specific Expenses	CERS		KERS		SPRS	Amount
	CERS	Hazardous	KERS	Hazardous		
CERS Legal Adjustment	\$-	\$-	\$-	\$-	\$-	\$57,097
CERS Legal Actual	-	-	-	-	-	-
KERS Legal Adjustment	-	-	-	-	-	61,550
KERS Legal Actual	-	-	-	-	-	-
Subtotal Plan Specific Legal	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$11,946,837</b>	<b>\$1,057,720</b>	<b>\$6,174,365</b>	<b>\$681,819</b>	<b>\$133,965</b>	<b>\$118,647</b>

## Pension Fund Contribution Report

For the period ending December 31, 2021, with Comparative Totals as of December 31, 2020 (\$ in Millions)



### County Employees Retirement System

#### Non-Hazardous

#### Hazardous

	FY22	FY21	FY22	FY21
Member Contributions	\$ 88.2	\$ 79.0	\$ 35.6	\$ 31.8
Employer Contributions	270.1	226.9	107.1	88.9
Net Investment Income	66.7	61.3	24.1	20.6
<b>Total Inflows</b>	<b>425.0</b>	<b>367.2</b>	<b>166.8</b>	<b>141.3</b>
Benefit Payments/Refunds	435.6	417.2	154.4	146.1
Administrative Expenses	11.1	10.5	1.0	0.9
<b>Total Outflows</b>	<b>446.7</b>	<b>427.7</b>	<b>155.4</b>	<b>147.0</b>
<b>NET Contributions</b>	<b>(21.7)</b>	<b>(60.5)</b>	<b>11.4</b>	<b>(5.7)</b>
Realized Gain/(Loss)	282.7	100.0	95.4	34.2
Unrealized Gain/(Loss)	55.6	849.5	16.4	286.6
<b>Change in Net Position</b>	<b>316.6</b>	<b>889.0</b>	<b>123.2</b>	<b>315.1</b>
<b>Beginning of Period</b>	<b>8,670.7</b>	<b>7,110.9</b>	<b>2,934.4</b>	<b>2,395.7</b>
<b>End of Period</b>	<b>\$ 8,987.3</b>	<b>\$ 7,999.9</b>	<b>\$ 3,057.6</b>	<b>\$ 2,710.8</b>

## Insurance Fund Contribution Report

For the period ending December 31, 2021, with Comparative Totals as of December 31, 2020 (\$ in Millions)



### County Employees Retirement System

#### Non-Hazardous

#### Hazardous

	FY22	FY21	FY22	FY21
Employer Contributions	\$78.7	\$59.8	\$35.5	\$30.2
Insurance Premiums	9.2	21.0	1.3	3.0
Retired Reemployed Healthcare	2.4	2.7	0.7	0.6
Health Insurance Contributions	7.5	6.4	1.8	1.6
Net Investment Income	21.6	19.3	10.7	9.5
<b>Total Inflows</b>	<b>119.4</b>	<b>109.2</b>	<b>50.0</b>	<b>44.9</b>
Healthcare Premiums	65.9	73.0	43.9	42.1
Administrative Expenses	0.5	0.4	0.2	0.2
<b>Total Outflows</b>	<b>66.4</b>	<b>73.4</b>	<b>44.1</b>	<b>42.3</b>
<b>NET Contributions</b>	<b>53.0</b>	<b>35.8</b>	<b>5.9</b>	<b>2.6</b>
Realized Gain/(Loss)	97.8	34.2	52.0	18.1
Unrealized Gain/(Loss)	32.6	300.6	18.6	156.4
<b>Change in Net Position</b>	<b>183.4</b>	<b>370.6</b>	<b>76.5</b>	<b>177.1</b>
<b>Beginning of Period</b>	<b>3,141.7</b>	<b>2,498.1</b>	<b>1,607.8</b>	<b>1,305.1</b>
<b>End of Period</b>	<b>\$3,325.1</b>	<b>\$2,868.7</b>	<b>\$1,684.3</b>	<b>\$1,482.2</b>

## Pension Fund Contribution Report

For the period ending December 31, 2021, with Comparative Totals as of December 31, 2020 (\$ in Millions)



	Kentucky Employees Retirement System				State Police Retirement System	
	Non-Hazardous		Hazardous		FY22	FY21
	FY22	FY21	FY22	FY21		
Member Contributions	\$45.0	\$44.2	\$10.1	\$10.2	\$2.4	\$2.4
Employer Contributions	518.9	478.9	30.2	31.3	30.5	29.5
Net Investment Income	23.5	21.2	7.4	6.3	2.8	2.7
<b>Total Inflows</b>	<b>587.4</b>	<b>544.3</b>	<b>47.7</b>	<b>47.8</b>	<b>35.7</b>	<b>34.6</b>
Benefit Payments/Refund	518.2	508.8	40.8	38.8	32.1	31.7
Administrative Expenses	6.0	5.5	0.6	0.6	0.1	0.1
<b>Total Outflows</b>	<b>524.2</b>	<b>514.3</b>	<b>41.4</b>	<b>39.4</b>	<b>32.2</b>	<b>31.8</b>
<b>NET Contributions</b>	<b>63.2</b>	<b>30.0</b>	<b>6.3</b>	<b>8.4</b>	<b>3.5</b>	<b>2.8</b>
Realized Gain/(Loss)	74.4	31.0	27.6	9.8	9.1	3.6
Unrealized Gain/(Loss)	6.7	243.1	3.7	83.5	0.7	29.4
<b>Change in Net Position</b>	<b>144.3</b>	<b>304.1</b>	<b>37.6</b>	<b>101.7</b>	<b>13.3</b>	<b>35.8</b>
<b>Beginning of Period</b>	<b>3,085.0</b>	<b>2,362.2</b>	<b>874.9</b>	<b>697.4</b>	<b>357.7</b>	<b>295.0</b>
<b>End of Period</b>	<b>\$3,229.3</b>	<b>\$2,666.3</b>	<b>\$912.5</b>	<b>\$799.1</b>	<b>\$371.0</b>	<b>\$330.8</b>

## Insurance Fund Contribution Report

For the period ending December 31, 2021, with Comparative Totals as of December 31, 2020 (\$ in Millions)



	Kentucky Employees Retirement System				State Police Retirement System	
	Non-Hazardous		Hazardous		FY22	FY21
	FY22	FY21	FY22	FY21		
Employer Contributions	\$67.8	\$77.1	\$0.0	\$0.0	\$4.4	\$4.7
Insurance Premiums	7.4	17.3	0.6	1.3	0.3	0.8
Retired Reemployed Healthcare	2.5	2.2	0.6	0.6	0.0	0.0
Health Insurance Contributions	3.2	3.2	0.6	0.6	0.1	0.1
Net Investment Income	9.5	8.9	4.4	3.9	1.6	1.4
<b>Total Inflows</b>	<b>90.4</b>	<b>108.7</b>	<b>6.2</b>	<b>6.4</b>	<b>6.4</b>	<b>7.0</b>
Healthcare Premiums	58.3	64.2	10.3	10.1	7.2	7.4
Administrative Expenses	0.4	0.4	0.1	0.1	0.0	0.0
<b>Total Outflows</b>	<b>58.7</b>	<b>64.6</b>	<b>10.4</b>	<b>10.2</b>	<b>7.2</b>	<b>7.4</b>
<b>NET Contributions</b>	<b>31.7</b>	<b>44.1</b>	<b>(4.2)</b>	<b>(3.8)</b>	<b>(0.8)</b>	<b>(0.4)</b>
Realized Gain/(Loss)	30.6	13.2	18.9	6.7	8.0	2.7
Unrealized Gain/(Loss)	15.1	127.5	7.6	61.6	2.8	24.5
<b>Change in Net Position</b>	<b>77.4</b>	<b>184.8</b>	<b>22.3</b>	<b>64.5</b>	<b>10.0</b>	<b>26.8</b>
<b>Beginning of Period</b>	<b>1,353.1</b>	<b>1,006.5</b>	<b>624.9</b>	<b>514.7</b>	<b>246.0</b>	<b>200.2</b>
<b>End of Period</b>	<b>\$1,430.5</b>	<b>\$1,191.3</b>	<b>\$647.2</b>	<b>\$579.2</b>	<b>\$256.0</b>	<b>\$227.0</b>



## KENTUCKY PUBLIC PENSIONS AUTHORITY

David L. Eager, Executive Director

1260 Louisville Road · Frankfort, Kentucky 40601  
kyret.ky.gov · Phone: 502-696-8800 · Fax: 502-696-8822



To: Kentucky Public Pensions Authority Board

From: Administrative Expense Allocation Work Group  
William O'Mara, CERS Trustee and CERS Finance Committee Chair  
C. Prewitt Lane, KRS Trustee and KRS Investment Committee Chair  
David L. Eager, KPPA Executive Director  
Ed Owens III, CERS CEO  
John Chilton, KRS CEO

Date: March 24, 2022

Subject: Allocation of Administrative Expenses

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In accordance with KRS 61.505 11(a), the Kentucky Public Pensions Authority (KPPA) Board has the responsibility of determining how to prorate, assign or allocate to County Employees Retirement System and to Kentucky Retirement Systems all expenses incurred by or on behalf of the KPPA.

KPPA administrative expenses are reported quarterly to the CERS, KRS and KPPA boards. The report includes any plan-specific legal expenses that are allocated exclusively to one or more of the plans via end-of-fiscal year adjustments. The issue for the Board's consideration is which methodology to utilize to allocate the bulk of administrative expenses.

The KPPA Board assigned the task of researching allocation options to a work group of trustees and staff leadership who have been meeting since October 2021. The group was tasked with bringing an allocation recommendation back to the KPPA Board. The following is a summary of the research that was considered and the recommendation.

### Current Allocation Calculation

Under the previous governance structure, the former Kentucky Retirement Systems Board of Trustees allocated administrative expenses based on the number of members (retired, active and inactive) in each of the pension funds administered by that Board. This was the basis of the calculation for many years.

Direct expenses were allocated to the specific plan in which the cost occurred and were not reflected in the administrative budget but were tracked within the trust expenditures. Examples of direct expenses are benefit payments, insurance premium costs, and legal case expenses specific to investments. Investment fees are not tracked in administrative expenses and are allocated based on asset allocation. If it is an investment administrative expense, like a research/news resource, the allocation is based on the overall asset allocation of the entire portfolio. Manager fees are based on the specific manager's account asset allocation.

The reasoning behind this methodology is that the number of members who require services would be a significant factor in determining the number of counselors required, brochures ordered, benefits calculated, postage, server storage for data and images, etc. As membership increases, the costs of providing services to the membership also increases. This is especially true for staffing which is a significant portion of the administrative budget. In fiscal year 2021, salaries and benefits accounted for 82% of the actual administrative expenditures (\$29,308,549 of \$35,750,705).

#### Potential Allocation Methodologies

While exploring possible allocation methodologies, the work group strived to be both equitable and simple – equitable to all plans and yet simple enough to maintain transparency and auditability and to limit manual entries.

#### Membership

As has been done historically, this allocation methodology uses the premise that more membership necessitates more KPPA staff, and staff is a critical component of administrative expenses. Conversely, not all staffing types are membership dependent. For example, not all administrative expenses increase or decrease with membership changes. For example, the actuary has stated that preparing the valuation costs about the same for KERS as it does for CERS. The systems are so large that the difference in membership is not a factor in costs.

Additionally, the work group decided there are different types of staffing positions and that while some positions increased with membership increases not all did. Legal staff, for example, is more dependent on the number of court cases, legislative changes and system complexity than with membership count.



### **Assets Under Management**

Staff explored basing the allocation on percentage of assets under management (AUM) as of June 30 of the previous fiscal year. Important to note is that investment expenses are not tracked within administrative expenses. Neither are assets and liabilities connected to non-investment staffing and compensation levels which can be a driver of administrative costs. However, the work group did consider that AUM is a driver for investment staff compensation.

### **Even Division between CERS and KRS**

Another option explored is a 50/50 split between the CERS and KRS funds. The primary reasoning on this option is that not all services are membership dependent. The example provided earlier is the actuary. Additionally, while staffing constitutes a major portion of the administrative budget, not all staffing positions increase when membership increases. Executive leadership, for example, is based on defined roles and not on membership. Information Technology security and development is not exclusively driven by the number of members but also by the complexity of the plan rules.

### **Hybrid**

A final option considered by staff is a hybrid of membership count, sharing expenses evenly and AUM. The premise for this is that while there is merit to each allocation methodology. None is a perfect solution on its own.

With the overarching goals of being equitable to all plans and yet simple enough to maintain transparency and auditability and to limit manual errors, the work group decided a hybrid approach may be best. However, for simplicity one percentage to use on all expenditures is critical to reduce human error. Therefore, the decision was made to use a hybrid approach to calculate one percentage for each Board for all expenses.

The administrative budget was split into large categories. Large categories were defined as the usual budget categories and any line items that are \$100,000 or more. Each category was assigned the allocation method that best fit that category. Multiplying the budget for that category by the methodology percentage, an overall total budgeted dollar amount by system was calculated. Using the total dollar amount by system and the total fiscal year budget a single hybrid percentage was calculated for each Board.



**Recommendation:**

The work group recommends the following:

1. A combination of all of these methodologies be used to define a fiscal percentage for CERS and for KRS  
CERS 62.39%  
KRS 37.61%
2. Allow KRS and CERS Boards to determine the split for the plans under their administrative purview
3. Reevaluate the CERS/KRS split prior to the beginning of every fiscal year
4. Make the effective date of the recommended CERS/KRS percentages July 1, 2021, and instruct KPPA accounting staff to make correcting entries to implement that date
5. Since the evaluation process was just completed, use the FY 2022 hybrid percentage for FY 2023

**KRS 61.505 11(a)**

- (11) (a) All expenses incurred by or on behalf of the Kentucky Public Pensions Authority shall be paid by the systems administered by the Kentucky Retirement Systems or the County Employees Retirement System and shall be prorated, assigned, or allocated to each system as determined by Kentucky Public Pensions Authority.** Any additional initial costs determined by the authority to be attributable solely to establishing a separate County Employees Retirement System board and the Kentucky Public Pensions Authority as provided by this section and KRS 78.782 shall be paid by the County Employees Retirement System. Any additional ongoing annual administrative and investment expenses that occur after the establishment of a separate County Employees Retirement System board and the Kentucky Public Pensions Authority that are determined by the authority to be a direct result of establishing a separate County Employees Retirement System board and the Kentucky Public Pensions Authority shall be paid by the County Employees Retirement System.
- (b) Any other statute to the contrary notwithstanding, authorization for all expenditures relating to the administrative operations of the Kentucky Public Pensions Authority, the Kentucky Retirement Systems, and the County Employees Retirement System shall be contained in the biennial budget unit request, branch budget recommendation, and the financial plan adopted by the General Assembly pursuant to KRS Chapter 48. The request from the Kentucky Public Pensions Authority shall include any specific administrative expenses requested by the Kentucky Retirement Systems board of trustees or the County Employees Retirement System board of trustees pursuant to KRS 61.645(13) or 78.782(13), as applicable, that are not otherwise expenses specified by paragraph (a) of this subsection.

<b>KPPA Personnel - Exec</b>	<b>KPPA Personnel - Legal</b>
Select Executive Staff	All Legal Staff
David Eager	Andrea Freadreacea
Rebecca Adkins	Barry Seidl
Michael Board	Beth Camic
Sherry Rankin	Carrie Bass
Ashley Gabbard	Carrie Slayton
	Crystal Smith
	Dana Todd
	Jenny Jones
	Jillian Hall
	Kathy Rupinen
	Kevin Edelman
	Kristi Wackowski
	Laura Stevens
	Leigh Ann Davis
	Lisa Perry
	Nathan Goodrich
	Tracy Chambers
	Vicki Hale

## MEMORANDUM

TO: Kentucky Public Pensions Authority Board (“KPPA Board”)

FROM: Michael Board, Executive Director, Office of Legal Services  
Carrie Bass, Staff Attorney Supervisor, Office of Legal Services

DATE: March 9, 2022

RE: KPPA Board approval and authorization of staff to file an amended administrative regulation, 105 KAR 1:390, Employment after retirement, with the Legislative Research Commission.

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### **Background:**

Kentucky Revised Statutes 61.505(1)(f) authorizes the KPPA Board to promulgate and amend administrative regulations “on behalf of the Kentucky Retirement Systems and the County Employees Retirement System, individually or collectively” as long as the regulations are consistent with the provisions of ... KRS [“Kentucky Revised Statutes”] 16.505 to 16.652, 61.510 to 61.705, 78.510 to 78.852, and 61.505.”

105 KAR 1:390, Employment after retirement, addresses purely day-to-day functions necessary to ensure that retired members who become reemployed with a participating employer after retirement do so in a manner that complies with state and federal law. As currently written, 105 KAR 1:390, Employment after retirement, describes state and federal law requirements for retired members who reemploy with a participating employer. 105 KAR 1:390, Employment after retirement, also incorporates by reference the various forms required for a retired member to reemploy with a participating employer as an employee, independent contractor, or leased employee (through a staffing company) within twelve (12) calendar months of retirement or to provide services to a participating employer within twelve (12) calendar months of retirement.

The proposed amendments to 105 KAR 1:390, Employment after retirement, clarify the existing administrative regulation, and incorporate minor changes to the existing administrative regulation necessitated by the creation of separate statutes for the County Employees Retirement System in House Bill 484 (2020) and House Bill 9 (2021). Additionally, the proposed amendments to 105 KAR 1:390, Employment after retirement, explain how health insurance premium reimbursements will be allocated when a retired member is reemployed by multiple participating employers in a manner that constitutes reemployment in a regular full-time position as defined by statute. Finally, the proposed amendments to 105 KAR 1:390, Employment after retirement, incorporate by reference various forms required for participating employers to be exempt from payment of employer contributions and health insurance premium reimbursements for retired members reemployed as police officers and school resource officers.

Please note that there are a few minor changes that need to be made to some of the forms incorporated by reference to reflect changes made by House Bill 484 (2020) and House Bill 9 (2021), including changing “Kentucky Retirement Systems” to the “Kentucky Public Pensions Authority” in the

instructions for the Form 6769, "Certification of Employed Police Officers Calendar Year 2015," and the addition of KRS 78.5540 (the County Employees Retirement System statute governing post-retirement reemployment) on several of the forms. These changes will be made prior to filing the amendments to 105 KAR 1:390, Employment after retirement, with LRC.

**Staff Recommendation:**

The Office of Legal Services requests that the KPPA Board review the attached materials and authorize 105 KAR 1:390, Employment after retirement, to be filed with LRC with minor changes made to the forms incorporated by reference.

1 FINANCE AND ADMINISTRATION CABINET

2 Kentucky Retirement Systems

3 (Amendment to Administrative Regulation)

4 105 KAR 1:390. Employment after retirement.

5 RELATES TO: KRS 15.420(2)(a), 16.010, 16.505[(15)], 61.505, 61.510, 61.565, 61.590,  
6 61.637, 61.675, 61.702, 70.291 - 70.293, 78.510[(3), (18)], 78.545, 78.5540, 78.625,  
7 78.635, 95.022, 158.441, 164.952, 26 U.S.C. 401(a), 26 C.F.R. 1.401-1, 1.401(a)-1

8 STATUTORY AUTHORITY: KRS 61.505(1)(f), 61.590, 61.637(18),  
9 78.5540(5)[61.645(9)(e)]

10 NECESSITY, FUNCTION, AND CONFORMITY: KRS 61.505(1)(f) authorizes the  
11 Kentucky Public Pensions Authority~~[61.645(9)(e) requires the Board of Trustees of~~  
12 ~~Kentucky Retirement Systems]~~ to promulgate administrative regulations on behalf of the  
13 Kentucky Retirement Systems and the County Employees Retirement System that are  
14 consistent with~~[necessary or proper in order to carry out the purposes and provisions of]~~  
15 KRS 61.510 to 61.705, 16.505 to 16.652, and 78.510 to 78.852. KRS 61.637(18) and  
16 78.5540(5) require[s] the Kentucky Public Pensions Authority~~[Retirement Systems]~~ to  
17 promulgate administrative regulations to implement the requirements of KRS 61.637 and  
18 78.5540. This administrative regulation concerns the administration of KRS 61.637 and  
19 78.5540 in conjunction with federal law regarding bona fide separation from service and  
20 changes in employment relationship if a retired member returns to employment with a



1 ~~[Kentucky Retirement Systems-]~~participating employer in a retirement system operated  
2 by the Kentucky Public Pensions Authority. 26 C.F.R. 1.401-1(a)(2) requires that a  
3 qualified plan expressly provide in its statutes and administrative regulations (plan  
4 documents) how it shall administer its plan in accordance with federal law in order to  
5 maintain the tax qualified status of the plan. This administrative regulation is necessary  
6 to maintain the tax qualified status of the Kentucky Employees Retirement System, the  
7 County Employees Retirement System, and the State Police Retirement System under  
8 26 U.S.C. 401(a), and to comply with the provisions established in 26 C.F.R. 1.401-  
9 1(b)(1)(i) and 1.401(a)-1.~~[This administrative regulation establishes provisions relating to~~  
10 ~~employment after retirement.]~~

11 Section 1. Definitions.

12 (1) Unless otherwise defined in this section, the definitions contained in KRS 16.505,  
13 61.510, and 78.510 shall apply to this administrative regulation.

14 (2) Prior to April 1, 2021, "agency" means the Kentucky Retirement Systems, which  
15 administered the State Police Retirement System, the Kentucky Employees Retirement  
16 System, and the County Employees Retirement System. Effective April 1, 2021, "agency"  
17 means the Kentucky Public Pension Authority, which is authorized to carry out the day-  
18 to-day administrative needs of the Kentucky Retirement Systems (comprised of the State  
19 Police Retirement System and the Kentucky Employees Retirement System) and the  
20 County Employees Retirement System.

21 (3) "File" means a form has been received at the retirement office by mail, fax, secure  
22 email, in-person delivery, or upload via Self Service on the Web site maintained by the  
23 agency (if available).

1 (4) "Retirement[Initial retirement] date" means the member's effective retirement date as  
2 described in KRS 61.590(5) and 78.545.

3 (5) "Non-participating position" means any position of employment with a participating  
4 employer other than a regular full-time position as defined by KRS 61.510(21) and  
5 78.510(21) or a regular full-time officer position as defined by KRS 16.505(22).

6 (6)[(2)] "Participating employer" means any employer that participates in one (1) of the  
7 systems operated[administered] by the agency[Kentucky Retirement Systems].

8 (7)[(3)] "Participating position" means a regular full-time position as defined by KRS  
9 61.510(21) and 78.510(21) or a regular full-time officer position as defined by KRS  
10 16.505(22).

11 (8)[(4)] "Reemployment" means the retired member's first date of employment with a  
12 participating employer following his or her most recent[initial] retirement date.

13 (9) "Systems" means the State Police Retirement System, the Kentucky Employees  
14 Retirement System, and the County Employees Retirement System.

15 Section 2. Form 6000 Certification.

16 (1) In order to retire with the systems operated by the agency[Kentucky Retirement  
17 Systems], an eligible member shall submit a Form 6000, Notification of Retirement, as  
18 incorporated by reference in 105 KAR 1:200. The Form 6000, Notification of Retirement,  
19 shall comply with the requirements of KRS 61.590, KRS 78.545, and 105 KAR 1:200.

20 (2) The agency[Kentucky Retirement Systems] shall not process a Form 6000,  
21 Notification of Retirement, until the member certifies on the Form 6000 that there is no  
22 prearranged agreement for reemployment with a participating employer after the  
23 member's [initial] retirement date.

1 Section 3. Employment After Retirement.

2 (1) A retired member who is reemployed with a participating employer in any position,  
3 including participating positions and non-participating positions, shall have:

4 (a) A bona fide separation from service as provided in subsection (2) of this section; and

5 (b) A break in service as provided in subsection (3) of this section.

6 (2)(a) "Bona fide separation from service" as provided in this section shall include a  
7 cessation of the employment relationship between the member and the member's  
8 employer without a prearranged agreement when the member retires that he or she will  
9 return to work for any participating employer in any capacity.

10 (b) "Prearranged agreement" as provided in this section shall not include reemployment  
11 accepted more than twelve (12) calendar months after the member's ~~[initial-]~~retirement  
12 date.

13 (c) An elected official's retirement shall be voided due to the existence of a prearranged  
14 agreement if, within twelve (12) months of ~~[initial-]~~retirement, the official is reelected and  
15 takes office in the same position as the elected official held prior to retirement~~[from which~~  
16 ~~the official retired]~~.

17 (3) "Break in service" as provided in this section shall require that:

18 (a) A member who retired from a hazardous position shall have a one (1) calendar month  
19 break in service before returning to work with any participating employer in a hazardous  
20 participating position.

21 (b) Except as provided in paragraph (a) of this subsection, a member who retired from a  
22 hazardous or nonhazardous position shall have a three (3) calendar month break in  
23 service before returning to work with any participating employer.

1 (4)~~(a)~~ If a retired member seeks reemployment with a participating employer within  
2 twelve (12) months of his or her ~~[initial]~~retirement date, then the following shall be filed  
3 at the retirement office:

4 (a) The~~the~~ participating employer shall certify that there was no prearranged agreement  
5 on~~[-. The participating employer shall file at the retirement office]~~ a completed Form 6751,  
6 Employer Certification Regarding Reemployment, [-]

7 (b) A~~The retired member shall file at the retirement office a completed]~~ Form 6754,  
8 Member Reemployment Certification, completed by the retired member, and

9 (c) Any other information requested by the agency from the participating employer and  
10 the retired member.

11 (5) (a)The agency~~[Kentucky Retirement Systems]~~ shall issue a final determination to the  
12 retired member no later than thirty (30) days after receipt of all required forms and  
13 additional requested information.

14 (b) If the agency~~[Kentucky Retirement Systems]~~ determines that the retired member failed  
15 to have a bona fide separation from service or a break in service and returned to work  
16 with any participating employer in any position, including a participating position or a non-  
17 participating position, the retired member's retirement shall be voided and he or she shall  
18 repay all retirement allowances, dependent child payments, and health plan premiums  
19 paid by the systems~~[Kentucky Retirement Systems]~~.

20 Section 4. Independent Contractors and Leased Employees.

21 (1) If a retired member seeks to provide services to a participating employer as an  
22 independent contractor, under a professional services contract, or as a leased  
23 employee~~(a) Both the retired member and the participating employer shall file written~~

1 ~~notice at the retirement office if,]~~ within twelve (12) months of the retired member's [initial  
2 ]retirement date, then the following shall be filed at the retirement office:~~[the retired~~  
3 ~~member provides services to a participating employer as an independent contractor or as~~  
4 ~~a leased employee.]~~

5 (a) A~~[(b) The participating employer shall file at the retirement office a]~~ Form 6752,  
6 Employer Certification of Independent Contractor/Leased Employee, completed by the  
7 participating employer.~~[-]~~

8 (b) A~~[(c) The retired member shall file at the retirement office a completed]~~ Form 6754,  
9 Member Reemployment Certification, completed by the member,

10 (c) A~~[and a]~~ complete copy of any contract under which services are provided by the  
11 retired member to the participating employer, and

12 (d) Any other information requested by the agency from the participating employer and  
13 the retired member.

14 (2) The agency shall apply common law factors used by the Internal Revenue Service to  
15 determine whether a retired member is an employee of the participating employer or an  
16 independent contractor of the participating employer.

17 (3) (a) The agency~~[Kentucky Retirement Systems]~~ shall issue a final determination to the  
18 retired member no later than thirty (30) days after receipt of all required forms and  
19 requested information.

20 (b) If the agency~~[Kentucky Retirement Systems]~~ determines that the retired member is an  
21 employee of the participating employer, rather than an independent contractor or leased  
22 employee through a leasing company, staffing agency, or other entity, the retired member

1 shall be subject to the provisions of Section 3 of this administrative regulation and shall  
2 be required to have a "bona fide separation from service" and "break in service."

3 (c) If the agency determines that the retired member is an employee of the participating  
4 employer, rather than an independent contractor or leased employee through a leasing  
5 company, staffing agency, or other entity, the employer shall be required to do the  
6 following:

7 1. Report the retired member as required by KRS 61.675, KRS 78.625, and 105 KAR  
8 1:145,

9 2. Pay employer contributions for the retired member as specified by KRS 61.565, 61.702,  
10 and 78.635, and

11 3. Reimburse the systems for the cost of health insurance premiums paid by the systems  
12 for the retired member.

13 Section 5. Volunteers.

14 (1) If a retired member seeks to volunteer with a participating employer~~[(a) Both the retired~~  
15 ~~member and participating employer shall file written notice at the retirement office if,~~  
16 ~~within twelve (12) months of the retired member's [initial]retirement date, then the~~  
17 ~~following shall be filed at the retirement office:[the retired member seeks to volunteer with~~  
18 ~~a participating employer.]~~

19 (a) A~~[(b) The participating employer shall file at the retirement office a completed]~~ Form  
20 6753, Employer Certification of Volunteer, completed by the participating employer,[-]

21 (b) A~~[(c) The retired member shall file at the retirement office a completed]~~ Form 6754,  
22 Member Reemployment Certification, completed by the retired member, and

1 (c) Any other information requested by the agency from the participating employer and  
2 retired member.

3 (2)(a) The agency~~[Kentucky Retirement Systems]~~ shall issue a final determination to the  
4 retired member no later than thirty (30) days after receipt of all required forms and  
5 requested information.

6 (b) If the Agency~~[Kentucky Retirement Systems]~~ determines that the retired member is  
7 an employee of the participating employer, rather than a volunteer, the retired member  
8 shall be subject to the provisions of Section 3 of this administrative regulation and shall  
9 be required to have a "bona fide separation from service" and "break in service."

10 (c) If the agency determines that the retired member is an employee of the participating  
11 employer, rather than a volunteer, the employer shall be required to do the following:

12 1. Report the retired member as required by KRS 61.675, KRS 78.625, and 105 KAR  
13 1:145.

14 2. Pay employer contributions for the retired member as specified by KRS 61.565, 61.702,  
15 and 78.635, and

16 3. Reimburse the systems for the cost of health insurance premiums paid by the systems  
17 for the retired member.

18 Section 6. Health insurance premium reimbursements for retired members reemployed  
19 by multiple participating employers.

20 If a retired member is reemployed by multiple participating employers in a calendar month  
21 in positions that qualify as regular full-time pursuant to KRS 61.510(21), 61.680(6),  
22 78.510(21), and 78.545(16), each participating employer shall be responsible for  
23 reimbursing the systems for a portion of the health insurance premium paid by the

1 systems to provide coverage for the retired member for that calendar month that is equal  
2 to the cost of the premium divided by the number of participating employers that are not  
3 exempt from reimbursement of health insurance premiums. Participating employers that  
4 are exempt from reimbursement of health insurance premiums under Section 7 of this  
5 administrative regulation, or by virtue of being a school board employing the retired  
6 member for eighty (80) days or less during the fiscal year, are not responsible for health  
7 insurance premiums under this Section.

8 Section 7. Exemption for payment of employer contributions and reimbursement of health  
9 insurance premiums for retired members reemployed as police officers and school  
10 resource officers.

11 (1)(a) A participating employer shall be exempt from paying employer contributions and  
12 from reimbursing the systems for the cost of the health insurance premiums paid by the  
13 systems for a retired member reemployed as a police officer pursuant to KRS 70.291 to  
14 70.293 for a term of appointment of no more than one (1) year if a completed Form 6760,  
15 County Police or Sheriff Appointment of Retired Police Officer, and the supporting  
16 documentation required by the Form 6760 are on file at the retirement office prior to the  
17 start of the retired member's term of appointment.

18 (b) If a completed Form 6760, County Police or Sheriff Appointment of Retired Police  
19 Officer, and the supporting documentation required by the Form 6760 are not on file at  
20 the retirement office prior to the start of the retired member's term of appointment as a  
21 police officer pursuant to KRS 70.291 to 70.293, then the participating employer shall be  
22 exempt from paying employer contributions and reimbursements of health insurance  
23 premiums for a retired member reemployed as a police officer pursuant to KRS 70.291 to



1 70.293 effective in the calendar month after a completed Form 6760 and supporting  
2 documentation are on file at the retirement office.

3 (2)(a) For each subsequent term of reappointment after the initial term of appointment  
4 listed on the completed Form 6760, County Police or Sheriff Appointment of Retired  
5 Police Officer, described in subsection (1) of this Section, the participating employer shall  
6 be exempt from paying employer contributions and from reimbursing the systems for the  
7 cost of the health insurance premiums paid by the systems for a retired member  
8 reemployed as a police officer pursuant to KRS 70.291 to 70.293 for a term of  
9 reappointment of no more than one (1) year if a completed Form 6764, Recertification of  
10 Retired Police Officer, is on file at the retirement office prior to the start of the retired  
11 member's term of reappointment.

12 (b) If a completed Form 6764, Recertification of Retired Police Officer, is not on file at the  
13 retirement office prior to the start of the retired member's term of reappointment as a  
14 police officer pursuant to KRS 70.291 to 70.293, then the participating employer shall be  
15 exempt from paying employer contributions and reimbursements of health insurance  
16 premiums for a retired member reemployed as a police officer pursuant to KRS 70.291 to  
17 70.293 effective in the calendar month after a completed Form 6764 and supporting  
18 documentation are on file at the retirement office.

19 (3)(a) A participating employer shall be exempt from paying employer contributions and  
20 from reimbursing the systems for the cost of the health insurance premiums paid by the  
21 systems to provide coverage for a retired member reemployed as a school resource  
22 officer pursuant to KRS 158.441 for a term of appointment of no more than one (1) year  
23 if a completed Form 6766, Appointment of Retired School Resource Officer, and the

1 supporting documentation required by the Form 6766 are on file at the retirement office  
2 prior to the start of the retired member's term appointment.

3 (b) If a completed Form 6766, Appointment of Retired School Resource Officer, and the  
4 supporting documentation required by the Form 6766 are not on file at the retirement  
5 office prior to the start of the retired member's term appointment, then the participating  
6 employer shall be exempt from paying employer contributions and reimbursements of  
7 health insurance premiums for a retired member reemployed as a school resource officer  
8 pursuant to KRS 158.441 effective in the calendar month after a completed Form 6766  
9 and supporting documentation are on file at the retirement office.

10 (4)(a) A participating employer shall be exempt from paying employer contributions and  
11 from reimbursing the systems for the cost of the health insurance premiums paid by the  
12 systems for a retired member reemployed as a Kentucky State Police school resource  
13 officer pursuant to KRS 158.441 for a term of appointment of no more than one (1) year  
14 if a completed Form 6767, Appointment of Kentucky State Police School Resource  
15 Officer, and the supporting documentation required by the Form 6767 are on file at the  
16 retirement office prior to the start of the retired member's term appointment.

17 (b) If a completed Form 6767, Appointment of Kentucky State Police School Resource  
18 Officer, and the supporting documentation required by the Form 6767 are not on file at  
19 the retirement office prior to the start of the retired member's term appointment, then the  
20 participating employer shall be exempt from paying employer contributions and  
21 reimbursements of health insurance premiums for a retired member reemployed as a  
22 Kentucky State Police school resource officer pursuant to KRS 158.441 effective in the

1 calendar month after a completed Form 6767 and supporting documentation are on file  
2 at the retirement office.

3 (5)(a) A participating employer shall be exempt from paying employer contributions and  
4 from reimbursing the systems for the cost of the health insurance premiums paid by the  
5 systems for a retired member reemployed as a police officer by a postsecondary  
6 institution pursuant to KRS 164.952 for a term of appointment of no more than one (1)  
7 year if a completed Form 6768, Postsecondary Institution Appointment of Retired Police  
8 Officer, and the supporting documentation required by the Form 6768 are on file at the  
9 retirement office prior to the start of the retired member's term appointment.

10 (b) If a completed Form 6768, Postsecondary Institution Appointment of Retired Police  
11 Officer, and the supporting documentation required by the Form 6768 are not on file at  
12 the retirement office prior to the start of the retired member's term appointment, then the  
13 participating employer shall be exempt from paying employer contributions and  
14 reimbursements of health insurance premiums for a retired member reemployed as a  
15 police officer by a postsecondary institution pursuant to KRS 164.952 in the calendar  
16 month after a completed Form 6768 and supporting documentation are on file at the  
17 retirement office.

18 (6) A participating employer shall not be eligible for exemption from payment of employer  
19 contributions or from reimbursing the systems for the costs of health insurance premiums  
20 for any retired members reemployed as a police officer pursuant to KRS 95.022 unless a  
21 Form 6769, Certification of Employed Police Officers Calendar Year 2015, is on file at the  
22 retirement office.

1 (7)(a) A participating employer with a Form 6769, Certification of Employed Police  
2 Officers Calendar Year 2015, on file at the retirement office shall be exempt from paying  
3 employer contributions and from reimbursing the systems for the costs of health  
4 insurance premiums for a retired member reemployed as a police officer pursuant to KRS  
5 95.022 for a term of appointment of no more than one (1) year if a completed Form 6770,  
6 City Appointment of Retired Police Officer, and the supporting documentation required by  
7 the Form 6770 are on file at the retirement office prior to the start of the retired member's  
8 term of appointment.

9 (b) If a completed Form 6770, City Appointment of Retired Police Officer, and the  
10 supporting documentation required by the Form 6770 are not on file at the retirement  
11 office prior to the start of the retired member's term of appointment, then the participating  
12 employer with a Form 6769, Certification of Employed Police Officers Calendar Year  
13 2015, on file at the retirement office shall be exempt from paying employer contributions  
14 and reimbursements of health insurance premiums for a retired member reemployed as  
15 a police officer pursuant to KRS 95.022 effective in the calendar month after a completed  
16 Form 6770 and supporting documentation are on file at the retirement office.

17 (8)(a) Each subsequent term of reappointment after the initial term of appointment listed  
18 on the completed Form 6770, City Appointment of Retired Police Officer, described in  
19 subsection (7) of this Section, the participating employer with a Form 6769, Certification  
20 of Employed Police Officers Calendar Year 2015, on file shall be exempt from paying  
21 employer contributions and health insurance premiums paid by the systems for a retired  
22 member reemployed as a police officer pursuant to KRS 95.022 for a term of  
23 reappointment of no more than one (1) year if a completed Form 6774, City Recertification

1 of Retired Police Officer, is on file at the retirement office prior to the start of the retired  
2 member's term of reappointment.

3 (b) If a completed Form 6774, City Recertification of Retired Police Officer, is not on file  
4 at the retirement office prior to the start of the retired member's term of reappointment,  
5 then the participating employer shall be exempt from paying employer contributions and  
6 reimbursements of health insurance premiums for retired member reemployed as a police  
7 officer pursuant to KRS 95.022 in the calendar month after a completed Form 6764 is on  
8 file at the retirement office.

9 Section 8[6]. Incorporation by Reference.

10 (1) The following material is incorporated by reference:

11 (a) Form 6751, "Employer Certification Regarding Reemployment," April 2021~~[June~~  
12 ~~2019]~~;

13 (b) Form 6752, "Employer Certification of Independent Contractor/Leased Employee,"  
14 April 2021~~[June 2019]~~;

15 (c) Form 6753, "Employer Certification of Volunteer," ~~April 2021;~~~~[June 2019;~~ and]

16 (d) Form 6754, "Member Reemployment Certification," April 2021;

17 (e) Form 6760, "County Police or Sheriff Appointment of Retired Police Officer," April  
18 2021;

19 (f) Form 6766, "Appointment of Retired School Resource Officer," April 2021;

20 (g) Form 6767, "Appointment of Kentucky State Police School Resource Officer," April  
21 2021;

22 (h) Form 6768, "Postsecondary Institution Appointment of Retired Police Officer," April  
23 2021;

- 1 (i) Form 6769, "Certification of Employed Police Officers Calendar Year 2015," July 2016;  
2 (j) Form 6770, "City Appointment of Retired Police Officer," July 2016; and  
3 (k) Form 6774, "City Recertification of Retired Police Officer," July 2016.~~[June 2019.]~~  
4 (2) This material may be inspected, copied, or obtained, subject to applicable copyright  
5 law, at the Kentucky Public Pensions Authority, 1260 Louisville Road, Frankfort, Kentucky  
6 40601, Monday through Friday, from 8:00 a.m. to 4:30 p.m. This material is also available  
7 on the Authority's website at [kyret.ky.gov](http://kyret.ky.gov).

APPROVED:

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DAVID L. EAGER,  
EXECUTIVE DIRECTOR  
KENTUCKY PUBLIC PENSIONS AUTHORITY

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DATE

**PUBLIC HEARING:** A public hearing on this administrative regulation shall be held on Tuesday, June 28, 2022 at 2:00 p.m. at the Kentucky Public Pensions Authority, 1270 Louisville Road, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given the opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until June 30, 2022. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

**CONTACT PERSON:** Michael Board, Executive Director Office of Legal Services, Kentucky Public Pensions Authority, 1260 Louisville Road, Frankfort, KY 40601, email michael.board@kyret.ky.gov, telephone (502) 696-8800 ext. 8647, facsimile (502) 696-8801.



## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation number: 105 KAR 1:390  
Contact person: Michael Board  
Phone number: 502-696-8800 ext. 8647  
Email: Legal.Non-Advocacy@kyret.ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the forms, procedures, and requirements for the reemployment of retired members by employers that participate in the systems operated by the Kentucky Public Pensions Authority.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the forms, procedures, and requirements for both members and participating employers when a member is reemployed by a participating employer after retirement. Additionally, KRS 61.637(18) and 78.5540(5) require the promulgation of administrative regulations to implement KRS 61.637 and 78.5540.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the authorizing statute by establishing the forms, procedures, and requirements for reemployment of a retired member by a participating employer in accordance with KRS 15.420(2)(a), 16.010, 16.505, 61.505, 61.510, 61.565, 61.590, 61.637, 61.675, 61.702, 70.291 - 70.293, 78.510, 78.545, 78.5540, 78.625, 78.635, 95.022, 158.441, 164.952, and 26 U.S.C. 401(a) and 26 C.F.R. 1.401-1, 1.401(a)-1. In particular, KRS 61.637(18) and 78.5540(5) require the promulgation of administrative regulations to implement KRS 61.637 and 78.5540.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation assists in the effective administration of the statutes by establishing the forms, procedures, and requirements for both members and participating employers when a member is reemployed by a participating employer after retirement. Specifically, KRS 61.637(18) and 78.5540(5) require the promulgation of administrative regulations to implement KRS 61.637 and 78.5540.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendment updates this administrative regulation to reflect the changes enacted by the General Assembly in House Bill 484 (2020) and House Bill 9 (2021). The amendment also clarifies the existing regulation and incorporates by reference additional forms related to reemployment after retirement.

(b) The necessity of the amendment to this administrative regulation: The amendment updates this administrative regulation to reflect the changes enacted by the General Assembly in House Bill 484 (2020) and House Bill 9 (2021). The amendment also clarifies the existing regulation and incorporates by reference additional forms related to reemployment after retirement.

(c) How the amendment conforms to the content of the authorizing statutes: This amendment conforms to the authorizing statute by updating the forms, procedures, and requirements for reemployment of a retired member by a participating employer in accordance with KRS 15.420(2)(a), 16.010, 16.505, 61.505, 61.510, 61.565, 61.590, 61.637, 61.675, 61.702, 70.291 - 70.293, 78.510, 78.545, 78.5540, 78.625, 78.635, 95.022, 158.441, 164.952, and 26 U.S.C. 401(a) and 26 C.F.R. 1.401-1, 1.401(a)-1.

(d) How the amendment will assist in the effective administration of the statutes: This amendment assists in the effective administration of the statutes by updating the forms, procedures, and requirements for reemployment of a retired member by a participating employer in accordance with KRS 15.420(2)(a), 16.010, 16.505, 61.505, 61.510, 61.565, 61.590, 61.637, 61.675, 61.702, 70.291 - 70.293, 78.510, 78.545, 78.5540, 78.625, 78.635, 95.022, 158.441, 164.952, and 26 U.S.C. 401(a) and 26 C.F.R. 1.401-1, 1.401(a)-1.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: One (1) entity that provides day-to-day operations for the three (3) public pensions systems: Kentucky Public Pensions Authority (the public pension systems are the Kentucky Employees Retirement System, the County Employees Retirement System, and the State Police Retirement System). Potentially, as many as 401,043 individuals who are members of the Kentucky Employees Retirement System, County Employees Retirement System, and State Police Retirement System. 124,061 participating employers, including local governments (county and city), school boards, other local agencies, state departments, state boards, other executive and quasi-governmental agencies, and the Kentucky State Police.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: These amendments will require participating employers seeking exemption from paying employer contributions and health insurance reimbursements for certain reemployed retired police officers and school resource officers to submit forms and other documentation in order to qualify for the exemption. Additionally, participating employers employing retired members that are also employed by other participating employers will have to reimburse a portion of the health insurance premiums paid by the systems operated by the Kentucky Public Pensions Authority for the retired member, unless the participating employer qualifies for an exemption. All other amendments made are for the purpose of clarifying the existing regulation and do not require additional action by any of the regulated entities.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): The cost of compliance with the amendments for regulated entities should be negligible. However, upon compliance with the amendments to this administrative regulation, some participating employers may experience a change in the employer contributions and health insurance premium reimbursements owed to the systems operated by the Kentucky Public Pensions Authority. Whether the employer contributions and health insurance premium reimbursements owed by the various affected participating employers will increase or

decrease and the amount of the fluctuations in costs are not known (and are expected to vary by participating employer).

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): Entities will have greater assurance that they are reemploying retired police officers and school resource officers that meet the statutory requirements for exemption from employer contributions and health insurance premium reimbursements. Accordingly, these entities are less likely to owe potentially significant back payments of employer contributions and health insurance premium reimbursements when the entity accidentally hires a retired police officer or school resource officer that does not meet the statutory requirements to allow the entity to be exempt from paying employer contributions and health insurance premium reimbursements. Additionally, splitting the cost of health insurance premium reimbursements evenly based on the number of participating employers employing the retired member is a fair way for the participating employer hiring a retired member that works for multiple participating employers to anticipate the hiring costs up front.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: The costs associated with the implementation of the amendments to this administrative regulation should be negligible.

(b) On a continuing basis: The costs associated with the implementation of the amendments to this administrative regulation should be negligible.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Administrative expenses of the Kentucky Public Pensions Authority are paid from the Retirement Allowance Account (trust and agency funds).

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: There is no increase in fees or funding required.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish any fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied. All members and participating employers are subject to the same processes and procedures.

## FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation number: 105 KAR 1:390  
Contact person: Michael Board  
Phone number: 502-696-8800 ext. 8647  
Email: Legal.Non-Advocacy@kyret.ky.gov

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? This administrative regulation impacts 124,061 employers that participate in the systems operated by the Kentucky Public Pensions Authority, including local governments (county and city), school boards, other local agencies, state departments, state boards, other executive and quasi-governmental agencies, and the Kentucky State Police. Additionally, this administrative regulation impacts the Kentucky Public Pensions Authority and the three systems for which it provides day-to-day operations (the County Employees Retirement System, the Kentucky Employees Retirement System, and the State Police Retirement System).

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 61.505, 61.637, and 78.5540.

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. This administrative regulation will not affect revenues of a state or local government agency. However, expenditures of state and local government agencies may fluctuate based on the incorporation of forms and other documentation required for certain participating employers to claim exemption from paying employer contributions and health insurance reimbursements for certain reemployed retired police officers and school resource officers. Whether expenditures of the various affected participating employers will increase or decrease and the amount of the fluctuations in expenditures are not known (and are expected to vary by participating employer).

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? None.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? None.

(c) How much will it cost to administer this program for the first year? The cost to Kentucky Public Pensions Authority to administer this administrative regulation should be negligible.

(d) How much will it cost to administer this program for subsequent years? The cost to Kentucky Public Pensions Authority to administer this administrative regulation should be negligible.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):  
Expenditures (+/-):  
Other Explanation:



Form 6751  
Revised 04/2021

## Employer Certification Regarding Reemployment

Member Information	
Reemploying Employer:	Employer Code:
Member Name:	Member ID:
Start date:	

It is a violation of federal and state law for a member to receive retirement benefits or a refund if there has not been a bona fide separation from service with the participating employer (and affiliated entities). Bona fide separation from service means a cessation of the employment relationship between the member and the member's employer without a prearranged agreement that, upon retirement, the member will return to work for any Kentucky Public Pensions Authority's participating employer in any capacity. A prearranged agreement means any agreement, whether written or verbal, prior to the member's effective retirement date between the member and a participating employer for the member to return to work with the participating employer upon retirement.

My name is: \_\_\_\_\_ . I am the agency head, appointing authority, or authorized designee for the participating employer. I acknowledge that if my agency reemploys a Kentucky Public Pensions Authority's retired member within twelve (12) months of the member's initial retirement date, my agency is required by law to submit the required form and any additional requested information to confirm the retired member's employment status. If my agency fails to certify the reemployment status of the retired member or provide any additional information requested by Kentucky Public Pensions Authority, the retired member's retirement benefits shall be voided and the retired member required to repay all retirement allowances, dependent child payments, and health plan premiums paid by Kentucky Public Pensions Authority. I have made a personal inquiry and confirm that this participating employer: (check one)

- DID NOT** have a prearranged agreement with the above-named retired member to return to work in any capacity following the member's initial retirement date.
- DID** have a prearranged agreement with the above-named retired member to return to work in some capacity following the member's initial retirement date.

By submitting this form, I further understand that if my agency employs a retired member prior to the member's required months of break in service pursuant to KRS 61.637(17)(a)-(d), benefits shall be voided and the retired member shall be required to repay all retirement allowances, etc.

### Employer Certification (signature, job title, and date required)

By signing this Form 6751, I acknowledge with full understanding that any person who provides a false statement, report, or representation is subject to penalty of perjury in accordance with KRS 523.010, et seq.

Signature: \_\_\_\_\_ Job Title: \_\_\_\_\_ Date: \_\_\_\_\_



Form 6752  
04/2021

## Employer Certification of Independent Contractor / Leased Employee

### Member Information

Reemploying Employer:	Employer Code:
Member Name:	Member ID:
Start date:	

My name is: \_\_\_\_\_ . I am the agency head, appointing authority, or authorized designee of the employer participating in the Kentucky Public Pensions Authority, where the above referenced member will be providing services as  an Independent Contractor  a Leased Employee.

The position title and principal job duties that the member will provide to the participating employer include (attach additional pages if necessary):

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### Participating Employer Inquiry

As the agency head, appointing authority or authorized designee of the employer, I have conducted an inquiry and confirm the following:

- The participating employer previously employed the member as an  employee,  independent contractor,  leased employee or  none.
- The participating employer issued a Request for Proposal (RFP) to the general public soliciting the services now to be provided by the member.  Yes  No
- The participating employer will require the member to comply with agency instructions related to when, where and how services are to be provided.  Yes  No
- The participating employer will require the member to adhere to established work schedules and agency hours of operation.  Yes  No
- The participating employer will provide the member with training, which may include attending meetings and working with experienced employees of the participating employer.  Yes  No
- The participating employer will require the member to provide services on-site with access and usage of the participating employer's tools and equipment.  Yes  No
- The participating employer will require the member to provide regular written or oral progress / completion reports related to the services provided.  Yes  No
- The participating employer will require the member to work full-time.  Yes  No
- The participating employer will pay the member a salary or hourly wage for a specified duration of time for services provided.  Yes  No
- The participating employer will pay the member a flat fee for all services provided.  Yes  No

- The participating employer will issue the member with an IRS Form W-2  Yes  No or an IRS Form 1099-MISC  
 Yes  No
- A third party or staffing company is responsible for paying the member's salary or wages for services provided to the participating employer.  Yes  No
- The participating employer will reimburse the member for any business or travel expenses incurred while performing services.  
 Yes  No
- Both the participating employer and the member will retain the right to voluntarily terminate the work relationship without liability or penalty.  Yes  No
- The participating employer will permit the member to provide similar services to other participating employers, business entities or the general public at the same time the member is performing services for the participating employer.  
 Yes  No
- The participating employer will allow the member to subcontract other persons on behalf of the member to provide services for the participating employer.  Yes  No
- The participating employer will permit the member to hire and supervise employees for the participating employer in the performance of these services.  Yes  No

**Participating Employer Supporting Documentation**

The following documents pertaining to the member's employment relationship with the participating employer are attached to this Form 6752: (check all applicable)

- A complete copy of the labor contract entered into between the participating employer and member.
- A complete copy of the labor contract entered into between the participating employer and a third party or staffing service related to the member's reemployment with the participating employer.
- A complete copy of the Request for Proposal (RFP) for the solicitation of services that are to be provided by the member and responses submitted.
- Other (please specify): \_\_\_\_\_

**Participating Employer Certification**

By signing this Form 6752, I acknowledge with full understanding that any person who provides a false statement, report, or representation is subject to penalty of perjury in accordance with KRS 523.010, et seq.

Signature: \_\_\_\_\_ Job Title: \_\_\_\_\_ Date: \_\_\_\_\_





Form 6753  
04/2021

## Employer Certification of Volunteer

### Member Information

Reemploying Employer:	Employer Code:
Member Name:	Member ID:
Volunteer start date:	

My name is: \_\_\_\_\_ . I am the agency head, appointing authority, or authorized designee of the employer participating in the Kentucky Public Pensions Authority, where the above referenced member will be volunteering as (please describe the job title and principal volunteer duties below and attach additional pages if needed):

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### Participating Employer Inquiry

As the agency head, appointing authority or authorized designee of the participating employer, I have conducted an inquiry and confirm the following:

- The member  **was**  **was not** previously employed by the participating employer.
- The member  **did**  **did not** previously receive creditable compensation from the participating employer.
- The member  **did**  **did not** previously earn retirement service credit from the participating employer.
- The member  **is**  **is not** volunteering for the participating employer freely and without pressure or coercion.
- The member  **will**  **will not** receive compensation for volunteering for the participating employer.
- The member  **will**  **will not** receive reimbursement from the participating employer for actual expenses incurred while volunteering.
- The member  **will**  **will not** receive a nominal fee in the amount of \$ \_\_\_\_\_ for volunteer services performed for the participating employer.

### Participating Employer Certification

I acknowledge that, subject to penalty of perjury for providing false information in accordance with KRS 523.010 to 523.110, the information provided herein is true and accurate.

Signature: \_\_\_\_\_ Job Title: \_\_\_\_\_ Date: \_\_\_\_\_



Form 6754  
Revised 04/2021

### Member Reemployment Certification

**Member Information** Please provide your Member ID or Social Security number in the Member ID box below.

Member Name:	Member ID:
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**Pursuant to 105 KAR 1:390, any retired member who desires to reemploy as an employee, independent contractor, leased employee, or volunteer with a participating employer of Kentucky Public Pensions Authority within twelve (12) calendar months of the retired member's initial retirement date must disclose that information.**

**A retired member reemploying twelve (12) calendar months after the retired member's initial retirement date is not required to submit this Form.**

1. Participating employer full name: \_\_\_\_\_

2. Job title: \_\_\_\_\_

3. Anticipated start date (mm/dd/yyyy): \_\_\_\_\_

4. Check whether the position is:

Full-time or  Part-time

5. Check whether you are Medicare eligible:

Yes  No

6. Check the space below identifying the type of position:

Employee  Independent Contractor  Leased Employee  Volunteer

**7. If you checked independent contractor, leased employee or volunteer in the previous question, please provide a description of job duties and responsibilities and other relevant information in the space below (attach additional pages if necessary). If you are returning to work as an independent contractor or leased employee, you must include a complete copy of your work contract.**

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**Member Certification (signature and date required)**

I acknowledge that, subject to penalty of perjury for providing false information in accordance with KRS 523.010 to 523.110, and subject to having my retirement voided requiring my repayment of all retirement allowances, dependent child payments, and health insurance premiums paid to me by the Kentucky Public Pensions Authority, the information provided herein is true and

Signature: \_\_\_\_\_

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



### County Police or Sheriff Appointment of Retired Police Officer

**IMPORTANT NOTICE: The appointing employer will be invoiced unless this form is fully completed, all supporting documentation is submitted along with this form, and the retired member has received a response from Kentucky Public Pensions Authority authorizing this return to employment.**

Member Information	
Member Name:	Member ID:
Reemploying Employer:	Employer Code:
Did the member retire as a police officer as defined in KRS 70.291? <input type="radio"/> Yes <input type="radio"/> No	

Appointment Information	
Initial Appointment: <input type="radio"/> Yes <input type="radio"/> No	Date of the Appointment:
Term of Appointment (cannot exceed one year):	

Employer Certification
<p>Pursuant to Penalty of Perjury, I certify that the following statements are true:</p> <ol style="list-style-type: none"> <li>1. My name is _____ and I hold the office of Chief of Police/Sheriff for _____ County, which will be employing the retired member identified above;</li> <li>2. The retired member identified above participated in the Kentucky Law Enforcement Foundation program and I have provided a certification of participation from the Kentucky Department of Criminal Justice Training, which administers the program;</li> <li>3. The retired member identified above retired on _____ from _____ with no administrative charges pending and I have attached a notarized statement from the agency listed above certifying that there were no pending administrative charges at the time of the member's retirement;</li> <li>4. The return to employment for the retired member identified above is consistent with KRS 61.637 and, if reemploying within twelve (12) months of retirement, the retired member has received a response from Kentucky Public Pensions Authority authorizing this return to employment;</li> <li>5. I acknowledge that if I fail to submit this Form prior to the beginning of the member's term of appointment that Kentucky Public Pensions Authority shall administer the member's reemployment pursuant to KRS 61.637 until the first month following submission of the proper documentation.</li> </ol> <p>I further acknowledge that I have full understanding that any person who provides a false statement, report, or representation is subject to the penalty of perjury in accordance with KRS 523.010, et seq.</p> <p>Signature: _____ Date: _____</p> <p>Title: _____</p>



## Appointment of Retired School Resource Officer

**IMPORTANT NOTICE: The appointing employer will be invoiced unless this form is fully completed, all supporting documentation is submitted along with this form, and the retired member has received a response from Kentucky Public Pensions Authority authorizing this return to employment.**

Member Information	
Member Name:	Member ID:
Reemploying Employer:	Employer Code:

Appointment Information	
Initial Appointment: <input type="radio"/> Yes <input type="radio"/> No	Date of the Appointment:

Employer Certification
<p>Pursuant to Penalty of Perjury, I certify that the following statements are true:</p> <ol style="list-style-type: none"> <li>1. My name is _____ and I hold the position of _____ which will be employing the retired member identified above;</li> <li>2. The retired member identified above is a sworn law enforcement officer or a special law enforcement officer appointed pursuant to KRS 61.902, who has specialized training to work with youth at a school site.</li> <li>3. The retired member identified above will be employed as a school resource officer as defined in KRS 158.441.</li> <li>4. The return to employment for the retired member identified above is consistent with KRS 61.637 and, if reemploying within twelve (12) months of retirement, the retired member has received a response from Kentucky Public Pensions Authority authorizing this return to employment; and</li> <li>5. I acknowledge that Kentucky Public Pensions Authority shall administer the member's reemployment pursuant to KRS 61.637 until the first month following submission of the proper documentation.</li> </ol> <p>I further acknowledge that I have full understanding that any person who provides a false statement, report, or representation is subject to the penalty of perjury in accordance with KRS 523.010, et seq.</p> <p style="margin-top: 20px;">Signature: _____ Date: _____</p> <p>Title: _____</p>



Form 6767  
04/2021

## Appointment of Kentucky State Police School Resource Officer

**IMPORTANT NOTICE: This form is to identify a current/retired Kentucky State Police officer, CVE R Class, or Trooper R class employed by a school district in the capacity of a Kentucky State Police School Resource Officer (KSPSRO) in accordance with KRS 158.441. Please attach a copy of the member's KSPSRO employment contract.**

Member Information	
Member Name:	Member ID:
Employer Name:	Employer Code:

Appointment Information
Date of the Appointment:

### Employer Certification

Pursuant to Penalty of Perjury, I certify that the following statements are true:

1. My name is \_\_\_\_\_ and I hold the position of \_\_\_\_\_ for the school district listed above.
2. The member identified above possesses sworn law enforcement authority and has specialized training in school-based policing and crisis response including all training required of a school resource officer.
3. The member identified above is a Kentucky State Police officer, CVE R Class, or Trooper R class, as identified in KRS 16.010, and will be employed by the school district as a KSPSRO. Any salary or wages paid to the member for services as a KSPSRO shall be excluded from creditable compensation pursuant to KRS 16.505(8)(c), 61.510(13)(c), and 78.510(13)(c).
4. If the member identified above is retired, the return to employment is consistent with KRS 61.637 and, if reemploying within twelve (12) months of retirement, the retired member has received a response from Kentucky Public Pensions Authority authorizing this return to employment.
5. I acknowledge that Kentucky Public Pensions Authority shall administer the member's employment in the capacity of a KSPSRO upon submission of this properly completed form and a copy of the member's employment contract entered into pursuant to the KSPSRO program.

I further acknowledge that I have full understanding that any person who provides a false statement, report, or representation is subject to the penalty of perjury in accordance with KRS 523.010, et. seq.

Signature: \_\_\_\_\_

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

Title: \_\_\_\_\_



Form 6768  
04/2021

## Postsecondary Institution Appointment of Retired Police Officer

**IMPORTANT NOTICE: The appointing employer will be invoiced unless this form is fully completed, all supporting documentation is submitted along with this form, and the retired member has received a response from Kentucky Public Pensions Authority authorizing this return to employment.**

### Member Information

Member Name:	Member ID:
Reemploying Postsecondary Institution:	Employer Code:
Did the member retire as a police officer pursuant to KRS 164.950 - 164.980? <input type="radio"/> Yes <input type="radio"/> No	

### Appointment Information

Initial Appointment: <input type="radio"/> Yes <input type="radio"/> No	Date of the Appointment:
Term of Appointment (cannot exceed one year):	

### Employer Certification

Pursuant to Penalty of Perjury, I certify that the following statements are true:

1. My name is \_\_\_\_\_ and I hold the office of Chief of Police/  
Reporting Official for \_\_\_\_\_ which will be employing the retired member  
identified above;
2. The retired member identified above participated in the Kentucky Law Enforcement Foundation program and I have provided a certification of participation from the Kentucky Department of Criminal Justice Training, which administers the program, retired as a commissioned officer pursuant to KRS Chapter 16, or retired as a police officer from a postsecondary institution.
3. The retired member identified above retired on \_\_\_\_\_ from \_\_\_\_\_  
with no administrative charges pending and I have attached a notarized statement from the agency listed above certifying that there were no pending administrative charges at the time of the member's retirement;
4. The return to employment for the retired member identified above is consistent with KRS 61.637 and, if reemploying within twelve (12) months of retirement, the retired member has received a response from Kentucky Public Pensions Authority authorizing this return to employment; and
5. I acknowledge that if I fail to submit this Form prior to the beginning of the member's term of appointment that Kentucky Public Pensions Authority shall administer the member's reemployment pursuant to KRS 61.637 until the first month following  
submission of the proper documentation.

I further acknowledge that I have full understanding that any person who provides a false statement, report, or

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

Title: \_\_\_\_\_



Form 6769  
Revised 07/2016

## Certification of Employed Police Officers Calendar Year 2015

**IMPORTANT NOTICE:** The City employer will not be approved to appoint retired police officers under the provisions of KRS 95.022 until this form is completed and approved.

### Employer Information

Employer Name:

Employer Code:

### Instructions for Completing Form 6769

Pursuant to KRS 95.022, prior to hiring a retired police officer, City employers must disclose to Kentucky Retirement Systems the number of police officers it employed on average in calendar year 2015. This average determines the number of retired police officers that may be hired prospectively. If the average number of police officers employed by the City in calendar year 2015 is:

- Less than or equal to five (5), the City employer may hire an unlimited number of retired police officers; or
- Greater than five (5) but less than or equal to one hundred (100), the City employer may hire up to five (5) retired police officers or 25% of the average number of police officers employed by the City in calendar year 2015, whichever is greater; or
- Greater than one hundred (100), the City may hire up to twenty-five (25) retired police officers or 10% of the average number of police officers employed by the City in calendar year 2015, whichever is greater.

If you as a City employer desire to hire retired police officers, you **MUST** complete and return this form including the Detailed Listing of Police Officers Employed for Calendar Year 2015. Attach additional sheets as needed. If employment begin or end dates are not provided, the individual is assumed to have been employed the entire calendar year.

### Employer Certification

Pursuant to Penalty of Perjury, I certify that the following statement is true:

My name is \_\_\_\_\_ and I am the Chief of Police for the City of \_\_\_\_\_, which is seeking to employ retired police officers pursuant to KRS 95.022.

The City employed an average of \_\_\_\_\_ police officers in calendar year 2015 and is entitled to hire up to \_\_\_\_\_ retired police officers pursuant to KRS 95.022.

I further acknowledge that I have full understanding that any person who provides false statement, report, or representation is subject to the penalty of perjury in accordance with KRS 523.010, et. seq.

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

Title: \_\_\_\_\_

## Detailed Listing of Police Officers Employed for Calendar Year 2015

**Employer Information**

Employer Name:

Employer Code:

Name: (Last, First)	KRS Member ID	Employment Begin Date	Employment End Date





Form 6770  
07/2016

## City Appointment of Retired Police Officer

**IMPORTANT NOTICE: The appointing employer will be invoiced unless this form is fully completed, all supporting documentation is submitted along with this form, and a response to a properly submitted Form 6751 has been issued by Kentucky Retirement Systems.**

### Member Information

Member Name:	Member ID:
Reemploying City:	Employer Code:
Did the member retire as a police officer as defined by KRS 70.291? <input type="radio"/> Yes <input type="radio"/> No	
Initial Appointment: <input type="radio"/> Yes <input type="radio"/> No	Date of the Appointment: _____
Term of Appointment (cannot exceed one year) : _____	

### Employer Certification

Pursuant to Penalty of Perjury, I certify that the following statements are true:

1. My name is \_\_\_\_\_ and I am the Chief of Police for the City of \_\_\_\_\_, which will be employing the retired member identified above;
2. The retired member identified above participated in the Kentucky Law Enforcement Foundation program and I have provided a certification of participation from the Kentucky Department of Criminal Justice Training, which administers the program;
3. The retired member identified above retired on \_\_\_\_\_ from \_\_\_\_\_ with no administrative charges pending and I have attached a notarized statement from the agency listed above certifying that there were no pending administrative charges at the time of the member's retirement;
4. The return to employment for the retired member identified above is consistent with KRS 61.637 and the member has received a response from Kentucky Retirement Systems approving this return to employment following the submission of Form 6751; and
5. I acknowledge that if I fail to submit this Form prior to the beginning of the member's term of appointment that Kentucky Retirement Systems shall administer the member's reemployment pursuant to KRS 61.637 until the first month following submission of the proper documentation.

I further acknowledge that I have full understanding that any person who provides a false statement, report, or representation is subject to the penalty of perjury in accordance with KRS 523.010, et seq.

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

Title: \_\_\_\_\_



**KENTUCKY PUBLIC PENSIONS AUTHORITY**  
 1260 Louisville Road • Frankfort, KY 40601  
 Phone: (502) 696-8800 • Fax: (502) 696-8822 • kyret.ky.gov



Form 6774  
 07/2016

**City Recertification of Retired Police Officer**

**IMPORTANT NOTICE: The appointing employer will be invoiced unless this form is fully completed.**

Member Information	
Member Name:	Member ID:
Reemploying City:	Employer Code:
Was the member previously approved for reemployment pursuant to KRS 70.291 - 70.293? <input type="radio"/> Yes <input type="radio"/> No	
Term of Appointment (cannot exceed one year):      Begin Date: _____      End Date: _____	

**Employer Certification**

Pursuant to Penalty of Perjury, I certify that the following statements are true:

My name is \_\_\_\_\_ and I am the Chief of Police for the City of \_\_\_\_\_ and I have reappointed the retired member identified above for the term identified above.

I further acknowledge that I have full understanding that any person who provides a false statement, report, or representation is subject to the penalty of perjury in accordance with KRS 523.010, et seq.

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

Title: \_\_\_\_\_



**KENTUCKY PUBLIC PENSIONS AUTHORITY**

**David L. Eager, Executive Director**

1260 Louisville Road · Frankfort, Kentucky 40601  
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To: KPPA Board  
 From: Rebecca H. Adkins  
 Deputy Executive Director  
 Date: March 24, 2022  
 Subject: Actuary Request for Proposal

Kentucky Public Pensions Authority (KPPA) is required under Kentucky Revised Statute 45A, the Kentucky Model Procurement Code, to elicit a request for proposal (RFP) for the procurement of services. The current contract for actuarial services has no more renewals, so KPPA posted an RFP for these services for fiscal year 2023. As allowed under the procurement code, the KPPA procurement team notified as many potential vendors as we are aware of, including all that are registered with the Commonwealth of Kentucky.

Please reference the table below for an anticipated timeline for the RFP:

<b>Milestone</b>	<b>Anticipated Date</b>
Release of RFP	February 21, 2022
Written Questions due by: 3 pm Eastern Time	February 28, 2022
Anticipated Commonwealth Response to Written Questions	March 14, 2022
Proposals Due by: 3pm Eastern Time	March 29, 2022

**Action Needed: This memo is for information purposes only.**