Kentucky Retirement Systems Board of Trustees
Quarterly Board Meeting
September 10, 2026, 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 Minutes – June 11, 2026 and June 16, 2026***	**Keith Peercy**
5.	**Joint Retiree Health Plan Committee Report***	**Keith Peercy** **Connie Pettyjohn**
6.	**KRS ACFR – External Audit Planning Letter**	**Eide Bailly - Lealan Miller**
7.	**Quarterly Financial Reports**	**Michael Lamb**
8.	**SPRS Election Ballot***	**Kristen Coffey**
9.	**Investment Committee Report***	**Prewitt Lane** **Steve Willer** **KPPA Investment Staff**
10.	**CEO Report**	**John Chilton**
11.	**2027 Board and Committee Meeting Calendar***	**Keith Peercy**
12.	**KPPA Update**	**Ryan Barrow**
13.	**New Business**	**Keith Peercy**
14.	**Closed Session** - Litigation**	**Keith Peercy**
15.	**Adjourn***	**Keith Peercy**

**Board Action Required*
***Board Action May Be Required*

MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES SPECIAL CALLED MEETING
JUNE 11, 2026, AT 1:00 PM, E.T.
VIA LIVE VIDEO TELECONFERENCE

At the Special Called Meeting of the Kentucky Retirement Systems Board of Trustees held on June 11, 2026, the following members were present: Keith Peercy (Chair), Ramsey Bova, Mary Eaves, Prewitt Lane, Lynn Hampton, William Summers, V, Pamela Thompson, Larry Totten, and Mike Riley. Staff members present were KRS CEO John Chilton, Ryan Barrow, Michael Board, Phillip Cook, Sherry Rankin, and Mary Hill. Also present were Paul Harnice, Chris Schaefer, Connor Egan, and Andy Hagerman with Stoll Keenon Odgden PLLC, and Janet Jakubowicz with Dentons Bingham Greenbaum

1. Mr. Peercy called the meeting to ***order.***

2 Mr. Board read the ***Legal Public Statement.***

3. Ms. Rankin ***Called Roll*** and noted that there were no ***Public Comments.***

4. Mr. Peercy introduced agenda item ***Closed Session.*** *(Video 00:07:01 to 00:08:10)* and requested a motion to enter closed session to discuss pending litigation pursuant to KRS 61.810(c). A motion was made by Ms. Hampton and seconded by Mr. Totten. The motion passed unanimously.

   Mr. Peercy 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."*

******Closed Session******

Mr. Peercy reconvened the open session and noted no action had been taken during the closed session. *(Video - Part 2 - 00:00:34 to 00:02:05).* He then requested a motion to approve the settlement with Blackstone Alternative Asset Management and affiliated entities, as discussed in closed session, including authorizing the filing of any litigation required by the settlement and authorizing the KRS Chair to sign all settlement documents on behalf of the Board. Mr. Totten made a motion to approve, and the motion was seconded by Ms. Hampton. A vote was held and the motion passed unanimously.

Mr. Peercy then requested a motion to approve the settlement on behalf of the Officers and Trustees, as discussed in closed session, and authorizing the KRS Chair to sign all settlement documents on behalf of the Board. Mr. Riley made a motion to approve, and the motion was seconded by Mr. Totten. A vote was held and the motion passed unanimously.

5. There being no further business, Mr. Peercy ***adjourned*** the meeting.

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CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the Trustees on 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.

_____
Recording Secretary

I, the Chair of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of Meeting held on June 11, 2026, were approved on September 10, 2026.

_____
Chair of the Board of Trustees

I have reviewed the Minutes of the June 11, 2026, Board of Trustees Meeting for content, form, and legality.

_____
Executive Director
Office of Legal Services

MINUTES OF MEETING
KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES MEETING
JUNE 16, 2026, AT 10:00 AM, E.T.
VIA LIVE VIDEO TELECONFERENCE

At the meeting of the Kentucky Retirement Systems Board of Trustees held on June 16, 2026, the following members were present: Keith Peercy (Chair), Mary Eaves, Prewitt Lane, Lynn Hampton, Pamela Thompson, Larry Totten, and Michael Riley. Staff members present were KRS CEO John Chilton, Ryan Barrow, Michael Lamb, Odette Gwandi, Victoria Hale, Leigh Ann Davis, Nathan Goodrich, Carrie Bass, Steve Willer, Anthony Chiu, Brian Caldwell, Joe Gilbert, Ian Blaiklock, Connie Pettyjohn, Phillip Cook, Sherry Rankin, and Mary Hill. Also present was Janie Shaw with GRS; David Lindberg, Chris Tessman, and Craig Morton with Wilshire Advisors; Nick Zuiker with Reinhart; and Joe Cowles, Gabe Hellinger, and Stephanie Heller from Humana.

1. Mr. Peercy called the meeting to ***order.***

2 Ms. Hale read the ***Legal Public Statement***.

3. Ms. Rankin ***Called Roll*** and noted that no ***Public Comments*** were submitted.

4. Mr. Peercy introduced agenda item ***Approval of the April 16, 2026, Minutes.*** *(Video 00:07:27 to 00:07:46).* Mr. Totten made a motion to approve the minutes of the meeting held on April 16, 2026. Ms. Eaves seconded the motion. A vote was held and the motion passed unanimously.

5. Mr. Peercy introduced Ms. Pettyjohn for agenda item ***Joint Retiree Health Plan Committee Report. (****Video 00:07:48 to 00:21:08).* Ms. Pettyjohn began by informing the Board that at the Joint Retiree Health Plan Committee Meeting held on May 13, 2026, Keith Peercy and Dr. Patricia Carver were elected as Chair and Vice Chair, respectively. Humana reported an increase in pharmacy benefits claims and medical costs, while performance guarantees regarding Humana's Call Center and Customer Services are being

met and the quarterly reports are sent to the committee. The anticipated cost impact for 2027 includes an average 2.48% increase based on Medicare projections. Ms. Pettyjohn introduced Mr. Cowles to discuss the Inflation Reduction Act. He highlighted that the Act reduced maximum out-of-pocket ("MOOP") costs from $8,000 to $2,100, which will decrease member costs but increase plan costs by 15%-25%. Ms. Pettyjohn stated that in the Committee meeting, the Humana representatives were tasked with providing additional reporting on utilization and cost statistics into 2026 to evaluate impact.

Ms. Eaves inquired how specialty drugs have been contributing to the increase in pharmacy expenditures and Mr. Cowles affirmed that specialty drugs are, in large part, the reason for members reaching their MOOP so quickly. To help offset some of those costs, Humana is making changes to their formulary by adding biosimilar (akin to "generics") drugs as they come on the market. He also noted that the Centers for Medicaid and Medicare ("CMS") routinely negotiate prices for the most expensive drugs on the market to help keep costs low.

Ms. Pettyjohn closed her presentation with a discussion regarding the Kentucky Group Health Insurance Board. The goal of the board is to facilitate the need for comprehensive, effective planning, implementation, and administration of the state employee health insurance plan. The Insurance Board recommended that a retiree serve, and Mr. Larry Totten volunteered to do so. He was confirmed by the Joint Retiree Health Plan Committee and Ms. Pettyjohn sought ratification of his appointment. Mr. Peercy requested a motion to approve Mr. Totten's appointment to the Kentucky Group Health Insurance Board. Mr. Riley made the motion, and it was seconded by Ms. Eaves. A vote was held and the motion passed with Mr. Totten abstaining.

6. Mr. Peercy introduced agenda item ***Hybrid Percentage and KRS Allocation.*** *(Video 00:21:10 to 00:22:48).* Mr. Lamb discussed the approved Hybrid Percentage Plan for FY 2027 with allocations of 35.62% for KRS and 64.38% for CERS, effective July 1. He further explained that of those percentages, the Boards further allocate to their respective plans. Mr. Lane made a motion to approve the allocation as presented and Ms. Hampton

seconded. A vote was held and the motion carried unanimously.

7. Mr. Peercy introduced agenda item ***FY 2027 Draft Administrative Budget.*** *(Video 00:22:49 to 00:27:29).* Mr. Lamb presented the draft fiscal year 2027 KPPA administrative budget that will be presented to the KPPA Board on June 25 for approval. He stated that KPPA's biennium budget request, submitted in October, was about $1 million less than needed due to constraints based on baseline numbers like current headcount and salaries. House Bill 500 provided $49.8 million, which was $2 million less than requested, creating a shortfall. For fiscal year 27, $51.2 million is needed, leaving a $1.4 million shortfall after allocations. KPPA plans to manage a 4% to 5% adjustment in personnel costs as part of the strategy to address the budget shortfall. The draft budget includes a $1.4 million reduction primarily from decreased salaries and related expenses such as FICA and retirement contributions. Ms. Hampton asked about legal expenses and Mr. Lamb stated the legal expenses were reduced due to expected case closings, but cautioned these numbers are subject to fluctuations.

8. Mr. Peercy introduced agenda item ***Quarterly Financial Reports.*** *(Video 00:27:31 to 00:38:59).* Mr. Lamb continued to discuss the quarterly financial reports as of March 31. The total fiduciary net position for the KRS system as of March 31 is reported at $10.651 billion, representing a 14.8% increase ($1.4 billion) from the previous year. Pension plans total $7.7 billion, and insurance plans total $2.9 billion. Investments at fair value increased by 14.52% year-over-year, with public equities seeing the highest increase at 21%. The fiduciary net position increased by 15.66% this fiscal year, mainly due to $93 million higher net investment income. Total member and employer contributions for all three pension plans were $978.7 million this fiscal year, compared to $952.1 million in the prior year. Net investment income for the pension plans increased by $148.4 million, up 17.31% from the prior year. Pension plans paid out $946 million in benefits and expenses, a 1.9% increase from the previous year. The KERS non-hazardous, hazardous, and SPRS pension plans had positive net contributions for the third quarter, while insurance plans had negative net contributions.

Ms. Hampton requested some clarification on the negative numbers relating to health insurance and whether or not they were related to Humana's presentation. Mr. Lamb stated that those numbers are low because this plan is close to being fully funded and contributions are small. Mr. Peercy also noted that the KERS Hazardous plan hasn't received contributions for several years because the plan was over-funded and Mr. Lamb confirmed.

Past due accounts receivable at the end of March totaled nearly $8.3 million, with most being worked by KPPA Legal. He noted that between March 31 and May 15, most of the top ten (10) employers had paid their past-due amounts. One outlier accounts for $6.7 million of the total past due amount. Regarding the Administrative Budget to Actual, KPPA spent 66.98% of its budget by the third quarter, with an expenditure of $33.5 million, and is expected to end the fiscal year $4 million below budget.

Ms. Eaves asked about the increase in past-due invoices and how they are accounted for. Mr. Lamb stated that Seven Counties ceased accruing invoices due to a court order, whereas Kentucky River Community Care continues to accrue invoices, significantly contributing to the total past due amount.

9. Mr. Peercy introduced agenda item ***Investment Committee Report.*** *(Video 00:39:04 to 00:57:52).* Mr. Lane began the presentation and stated that the recent Investment Committee meetings focused on specialty investments, leading to positive outcomes. Wilshire representative Chris Tessman stated that Wilshire's capital market forecast predicts convergence between US stocks and core bonds, with a 70-30 portfolio expected to yield around 5% over ten (10) years. Market concerns include the US-Iran conflict impacting oil reserves and inflation, though inflation shock is seen as short-term. Fed rate expectations have shifted from potential cuts to more neutral or even rate hikes, driven by inflation and labor market data.

   Mr. Willer continued with a brief discussion on performance for the quarter. Portfolio performance showed the KRS pension composite had a return of minus fifty-two (52) basis

points for the quarter, outperforming its benchmark, while the KRS insurance composite produced a return of minus 0.89%, outperforming the benchmark by thirty-seven (37) basis points. Overall, portfolios outperformed their benchmarks by between thirty-one (31) and fifty-five (55) basis points. The specialty credit portfolio outperformed its benchmark by ninety-four (94) basis points, with fifteen (15) out of seventeen (17) underlying portfolios outperforming. In terms of dollar amounts, Mr. Willer explained these numbers translated to outperformance of approximately $75 million in the pension composite and $20 million of outperformance in the insurance composites. The public equity portfolio underperformed its benchmark by twenty-seven (27) basis points and Mr. Willer noted that this was not unique to KRS portfolios, but common for active managers globally as they struggle to keep pace with performance indices.

Mr. Willer provided a few final updates, including renegotiated management fees with external managers, saving approximately $5.1 million annually. An additional commitment of up to $100 million was made in the IT Rail Fund for KERS and SPRS portfolios. Asset management responsibilities of the MSCI ACWI ex-US public equity mandate shifted from Franklin Equity Group to ClearBridge within Franklin Templeton, a move that is expected to improve overall international portfolio with improved performance, less risk, similar growth, and lower tracking error.

Ms. Bass then presented the Investment Related Policy Review *(Video 00:57:52 to 01:40:50)* and highlighted some of the changes being proposed for a consolidated policy manual. The new manual, if adopted, will result in one comprehensive policy document, incorporating various existing policies and delegating specific guidelines to the KPPA investment staff. Key proposed changes include delegating investment decision-making responsibilities below certain thresholds to the KPPA investment staff and maintaining larger decision-making at the Board level. The changes intend to separate procedural specifics from the policy, improving agility and risk management. An advisory vote structure for executive compensation will emphasize long-term performance alignment. One recommendation that will remain unchanged is that Trustees are fiduciaries and retain ultimate oversight.

Ms. Bass introduced Nick Zuiker to give a brief overview of the proposed changes to the proxy voting guidelines to reflect current governance concerns and fiduciary obligations. He noted that the guidelines were built with flexibility to address the rare unique case where a vote is not merely a formality. Following his presentation, Ms. Eaves inquired about the amount of discretion the new policy will give to staff and management. Ms. Bass noted that the policy preserves the right of the Board for the KPPA Investment staff to direct the proxy voting agent in cases of ambiguity. Mr. Gilbert stated that these situations are extremely rare occurrences and Mr. Zuiker clarified that further direction may be sought in these rare instances.

Mr. Chilton asked about the CERS Board adopting the same policies and Ms. Bass stated that while she did not know the answer to his question, she stated there were differences in effect between the investment-related policies for each Board. Ms. Hale clarified that differing policies are allowed by Kentucky Revised Statutes. Ms. Eaves also raised some concerns about some of the language in the revised policies and Ms. Bass stated those issues will be addressed. She then requested a motion to ratify the Investment Committee's adoption of the Kentucky Retirement Systems' Statement of Investment Objectives and Policies, including repealing the listed individual investment policies, with changes. Ms. Hampton made a motion, and it was seconded by Mr. Lane. A vote was held and the motion passed unanimously.

10. Mr. Peercy introduced agenda item ***Cost Efficiency RFP Update.*** *(Video 01:40:58 to 02:04:23.)* Mr. Willer gave a brief update on the Cost Efficiency RFP issued on July 9, 2025. On March 25th, 2026, the CERS Investment Committee recommended XTP implementation services to the CRS Board, which was approved by the CRS Board on April 15th, 2026. XTP provided a draft of their service agreement on April 27th, followed by KPPA's comments with revisions on May 5th, with finalization pending XTP's response. Ongoing discussions concern XTP's contingent fee, whether it is based on CERS's savings or total enterprise savings. The services outlined in the RFP include cost benchmarking, fee validation, and review of existing contracts. Progress is being made towards finalizing a contract, with a need to determine whether it is done jointly with KRS or remains

exclusively with CERS. Mr. Lane noted that the KPPA Investment Staff have been performing well and keeping costs low and Mr. Willer echoed that sentiment but stated that his staff are prepared to have discussions and/or negotiations with external providers, should the Board deem it necessary. A clarification was made regarding the requirement for policy approval by both the Board and the Finance Cabinet. There was further discussion about recovery and billing of the cost efficiency services and how those services will be billed and paid for between the systems. Ms. Hale stepped in to clarify that currently there is no contract, only ongoing negotiations on behalf of CERS, who had previously voted to move forward.

**** Mr. Peercy left the meeting, and Mr. Lane assumed the position of Chair****

11. Mr. Lane introduced agenda item ***CEO Update.*** *(Video 02:04:25 to 02:05:53).* Mr. Chilton gave a brief update of his activities over the last quarter, including conversations and document reviews regarding ongoing litigation; attending regular Committee, Board, and oversight meetings; introductory meetings with the newest Trustees; and providing Ms. Bass with feedback on the proposed changes to the Investment Policy Statements.

12. Mr. Lane introduced agenda item ***KPPA Executive Director's Update.*** *(Video 02:05:56 to 02:08:27).* Mr. Barrow gave a very brief overview of his quarterly report, including various internships and leadership programs happening at KPPA; updates on the Louisville office; and some KPPA kudos for employee excellence.

13. There was no ***new business*** to report.

14. There was no need to go into ***closed session.***

15. Mr. Lane ***adjourned*** the meeting.

CERTIFICATION

I do certify that I was present at this meeting, and I have recorded the above actions of the Trustees on 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.

_____
Recording Secretary

I, the Chair of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of Meeting held on June 16, 2026 were approved on September 10, 2026.

_____
Chair of the Board of Trustees

I have reviewed the Minutes of the June 16, 2026 Board of Trustees Meeting for content, form, and legality.

_____
Executive Director
Office of Legal Services

KENTUCKY PUBLIC PENSIONS AUTHORITY
Ryan Barrow, Executive Director
1260 Louisville Road • Frankfort, Kentucky 40601
kyret.ky.gov • Phone: 502-696-8800 • Fax: 502-696-8822

Kentucky Public Pensions Authority

TO: Members of the KRS Board of Trustees

FROM: Joint CERS & KRS Retiree Health Plan Committee

DATE: September 10, 2026

SUBJECT: Joint CERS & KRS Retiree Health Plan Committee Report

The Joint CERS & KRS Retiree Health Plan (RHP) Committee met on Thursday, September 03, 2026, to discuss and make recommendations regarding the Non-Medicare and Medicare eligible health plans for retirees of the systems administered by the Kentucky Public Pensions Authority (KPPA) for the 2027 plan year. The recommendations of the RHP Committee are documented below in the bolded red font.

Non-MedicareEligible Retirees (KEHP Plan)

NOTE: See the KPPA KEHP 2026 Presentation in the RHP OnBoard Book which contains the information for Board Decision Points.

1. Recommendations are as follows:

    - The 2027 Percentage Contribution Plan

        - **RHP Committee recommends that the Board selects the KEHP LivingWell PPO plan option as the contribution plan.**

    - The monthly maximum contribution amount for the Non-Medicare Eligible plan including the contribution for the hazardous Duty Spouse/Dependents

        - **RHP Committee recommends setting the contribution rate (at the single level) as the 100% contribution the Trust will pay for a retiree with a service credit of 240 months of service or greater and a participation date prior to July 1, 2003. Hazardous rates will also be tied to the rates for the LivingWell PPO Couple, Parent Plus and Family plans.**

- Tobacco Use Fee

    - **RHP Committee recommends the Tobacco Use Fee ($40 single level; $80 couple, family, parent plus) remain unchanged for 2027 Retirees (including spouses and dependents) who are tobacco users.**

- Access to the Consumer Directed Health Plans with embedded HRA

    - **RHP Committee recommends allowing access to the Consumer Directed Health Plans with embedded HRA.**

- Proposed LivingWell Promise incentive

    - **RHP Committee recommends Retirees or Planholders that fail to complete the LivingWell promise for plan year 2027 will not be entitled to the discount ($40) for 2028. The fee/discount remains unchanged for 2027.**

2. Recommendation for Cross Reference Retirees with Active Employee Spouse: KRS 61.702 provides the employer's contribution for the working member or spouse to be applied toward the premium, and the Insurance trust fund shall pay the balance not to exceed the monthly contribution. The Cross Reference plan is a Family plan. Unless, amended by the Board, the Cross Reference contribution will equal the monthly maximum contribution determined in number 1.

    - **RHP Committee recommends that the Board allow eligible retirees to select the Cross Reference plans.**

3. Recommendation to set contribution rate for KEHP Medicare Secondary Payer Plan – This plan is for retirees who are Medicare eligible and affected by the Medicare Secondary Payer Act due to reemployment with an employer that participates with the systems administered by KPPA. This group of retirees may be rated separately from the other KEHP population.

    - **RHP Committee recommends the same plan that is referenced in number 1 above as the contribution plan at the same contribution rate for this benefit.**

4. The KEHP Default Plan will no longer be available as of January 1, 2027 per the Department of Employee Insurance, the Plan Sponsor for the KEHP plans.

Medicare-Eligible Retirees

NOTE: See the KPPA Medicare Eligible presentation in the Retiree Health Plan Diligent Board Books, with information from Humana and Gabriel, Roeder, Smith & Company (GRS).

1. Recommendation for contribution rate for the Medicare-Eligible plan year 2027.

    - **RHP Committee recommends the Medicare Advantage Premium plan premium of $200.95 be set as the Monthly Contribution Rate amount for 2027, as the 100% contribution the Trust will pay for a retiree with a service credit of 240 months of service or greater and a participation date prior to July 1, 2003.**
    - **RHP Committee recommends setting the contribution rate for the KPPA MA Premium Plan as the 100% contribution the Trust will pay for a hazardous duty spouse and/or an eligible dependent.**
    - **RHP Committee approves the premium for the KPPA MA Premium Plan at the rate of $200.95.**
    - **RHP Committee approves the premium for the KPPA MA Essential Plan be set at a rate of $18.08.**
    - **The Committee recommends the Medical Only Plan premium be $199.52. The Medicare Advantage Mirror Premium Plan is $404.67. With the dental plan administrative fee ($5.29) added to this premium, the total is $409.96. The Medicare Advantage Mirror Essential Plan is $264.56.With the dental plan administrative fee ($5.29) added to this premium, the total is $269.85.**

2. Recommendation for individuals without Medicare Part B to enroll in the Mirror Plans and the individual would be responsible for the additional cost above the contribution amount. When the individual obtains Part B, KPPA will transition them to the Medicare Advantage Plan they choose on the Insurance Application. Upon implementation of the Medicare Advantage plans, the Boards have approved payment for administrative fees for individuals who need to be enrolled in one of the Mirror Plans as an exception.

    - **Upon implementation of the Medicare Advantage plans, the Boards have approved payment for administrative fees (estimated MA Premium $209.01 per month for 2027) for individuals who need to be enrolled in one of the Mirror Plans as an exception and/or no Part B, (Premiums and additional administrative fees are detailed on the GRS CY 20207 Medical Only and Mirror Plan Premiums).**

3. Recommendation to set the default plan for retirees and their dependents for 2027.

    - **RHP Committee recommends that the default plan for Medicare eligible retirees be the KPPA Medical Only Plan.**

The Committee also unanimously approved an updated HIPAA Policy for approval by the CERS, KRS, and KPPA Boards. The updated policy includes changes to federal law and would be a joint policy by the three boards due to the changes to governance from HB 484. The Policy establishes CERS, KRS, and KPPA as a "hybrid entity" and as "related entities" for HIPAA compliance purposes. The Policy names a Privacy Officer, Information and Complaint Official, and Security Official as required by federal law. The Policy also directs KPPA to establish HIPAA procedures to implement the Joint Policy.

RECOMMENDATION: The RHP Committee recommends ratification of the above decisions by the KRS Board.

[Insert KPPA/CERS/KRS logo]	**Joint HIPAA Privacy & Security Policy**	Initial Date: [Insert date policy initially adopted] Revision Date: [Insert most recent revision date] Policy Owner: KPPA Executive Director

I. Purpose & Scope

In accordance with Kentucky Revised Statutes (KRS) 61.702 and 78.5536, the Systems provide the Plan for Recipients. The Administrators provide oversight for the Plan. The Officials and Business Associates, on behalf of the Systems, maintain Protected Health Information (PHI) of Recipients related to the Plan. The vast majority of PHI associated with the operations of the Plan is handled by third party administrators and administrative services providers, who are Business Associates of the Plan.

The Plan is subject to the Health Insurance Portability and Accountability Act (HIPAA) and shall comply with all applicable obligations under HIPAA, as amended by the Health Information Technology for Economic Clinical Health Act (HITECH), and the related Regulations (45 Code of Federal Regulations (C.F.R.) pts. 160 and 164). The Administrators, the Plan, and the Kentucky Public Pensions Authority (KPPA) designate themselves as a single covered entity for the purposes of compliance with HIPAA, HITECH, and the Regulations.

In carrying out the Plan's obligations under HIPAA and HITECH, the Administrators adopt this HIPAA Privacy and Security Policy ("Policy") to:

1) Establish the KPPA as a hybrid entity for HIPAA purposes;
2) Designate a privacy official and a contact person responsible for receiving complaints in accordance with 45 C.F.R. §164.530 and security personnel required by 45 C.F.R. §164.308;
3) Establish Plan compliance with HIPAA, HITECH, the related HIPAA Regulations, related federal laws, and applicable state privacy laws; and
4) Establish the obligation of trustees and board members of the Administrators relating to HIPAA.

The Administrators' trustees and board members (including in their roles as committee and subcommittee members), Officials, and Business Associates are subject to this Policy, and any policies and procedures established by the KPPA relating to the privacy and security of PHI. The Administrators reserve the right to amend or change this Policy at any time, including retroactive application. To the extent this Policy establishes requirements and obligations above and beyond those required by HIPAA, this Policy shall be aspirational and shall not be binding upon the Administrators, Administrators' trustees and board members, Officials, or Business Associates. No third-party rights (including rights of Recipients or Business Associates) are intended to be created by this Policy or the KPPA HIPAA Procedures.

This Policy is intended for use with the KPPA HIPAA Procedures and the HIPAA Appendix.

II. Definitions

Administrators mean the following Boards involved with oversight and administration of the Plan:

- KPPA;
- Kentucky Retirement Systems Board of Trustees; and
- County Employees Retirement System (CERS) Board of Trustees.

Breach means an unauthorized acquisition, access, use, or disclosure of PHI that violates the HIPAA Privacy Rule. *See* 45 C.F.R. § 164.402. A Breach may occur whether the PHI is in electronic, paper, or verbal form.

Business Associate means an individual or entity retained by the Officials to provide services related to covered functions or who might potentially access PHI in connection with claims processing and administration, billing or benefit management, IT or data storage, or similar activities. *See* 45 C.F.R. § 160.103. Business Associates include third party administrators, administrative services providers, insurance brokers, lawyers, accountants, actuaries, underwriters, consultants, IT consultants, data analysts, data storage providers, including cloud services providers, mobile health applications, and other service providers.

Covered Function means Plan administration and the related records and processes. *See* 45 C.F.R. § 164.103.

HIPAA Breach Notification Rule means the standards for Notification in the Case of Breach of Unsecured Protected Health Information at 45 C.F.R. pts. 160 and 164.

HIPAA Privacy Rule means the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. pts. 160 and 164.

HIPAA Security Rule means the Security Standards for Protecting Electronic Health Information at 45 C.F.R. pts. 160 and 164.

Officials means people or entities who are responsible for carrying out the policies to ensure HIPAA compliance including:

- KPPA and its employees;
- Employees of the Kentucky Retirement Systems and CERS; and
- KPPA independent contractors and leased employees.

Protected Health Information (PHI) means individually identifiable information about an individual's physical or mental health, or receipt or payment of health care, that is created or received in connection with the establishment or administration of the Plan. PHI includes all individual information received or maintained by or on behalf of the Plan relating to covered functions. *See* 45 C.F.R. § 160.103.

PHI does not include records maintained by the Officials for non-Plan purposes, including documents relating to a Systems' member's application for or receipt of disability retirement

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benefits, any information about a person who has been deceased for 50 years, or de-identified information.

Plan means the hospital and medical insurance coverage for Recipients, including the Kentucky Employees Health Plan, the Medical Only Plan, the Mirror Plan, the Essential Medicare Advantage Plan, the Premium Medicare Advantage Plan, and any other medical benefits provided from time to time. The Plan (jointly with the Administrators and the KPPA) is a covered entity as defined by 45 C.F.R. § 160.103.

Recipient means an individual enrolled in the Plan, including:

- Retired members of the Systems;
- Beneficiaries drawing a retirement allowance as a result of the member's death;
- A dependent child drawing a retirement allowance; and
- Other dependents who are eligible to become an additional person covered under the member's or beneficiary's hospital and medical plan coverage, which may include a member's or beneficiary's spouse and children.

Systems means the Kentucky Retirement Systems and CERS, collectively.

III. Statement of Hybrid Entity

Pursuant to KRS 61.505, the KPPA is responsible for carrying out the day-to-day operations of the Administrators, including the administration of hospital and medical insurance plan coverage to Recipients under the Plan. The KPPA is also responsible for carrying out numerous other operations that are not related to administering hospital and medical insurance plan coverage to Recipients.

Accordingly, the KPPA is a hybrid entity, meaning that it performs both covered functions under HIPAA, and functions that are not covered under HIPAA. *See* 45 C.F.R. §§ 164.103 and 164.105. Only Covered Functions are subject to this Policy, the *KPPA HIPAA Procedures*, and the HIPAA related Regulations. Other agency functions may still be subject to legal and policy requirements and restrictions under applicable state law.

IV. Privacy & Security Personnel

The HIPAA Privacy Rule and the HIPAA Security Rule require that an individual be responsible for:

- Overall compliance with the rules (the "Privacy Official");
- Information requests and complaints (the "Information and Complaint Official"); and
- Ensuring the security of PHI (the "Security Official").

Privacy Official**.** The Privacy Official shall be responsible for:

- Daily compliance with this Policy and the *KPPA HIPAA Procedures*;
- Receiving and acting on requests for PHI access, amendment, privacy protection, alternative communication, and disclosures;

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- Reviewing and monitoring receipt, collection, maintenance, and use of PHI in connection with the Plan to ensure that such information is protected from intentional or unintentional disclosures in violation of this Policy and the *KPPA HIPAA Procedures*;
- Maintaining HIPAA-related documentation in accordance with the KPPA Records Retention Schedule, KPPA internal policy and procedures, HIPAA law, and the *KPPA HIPAA Procedures*; and
- Ensuring that there are appropriate administrative and physical safeguards to protect the privacy of PHI.

See 45 C.F.R. § 164.530(a)(1)(i).

The Administrators designate the KPPA Compliance Officer as the Privacy Official for the Plan.

Information and Complaint Official**.** The Information and Complaint Official shall be responsible for:

- Responding to requests for, and providing information about, this Policy and the *KPPA HIPAA Procedures*;
- Receiving complaints of, and appropriately processing, potential privacy violations in connection with the Plan in compliance with this Policy, the *KPPA HIPAA Procedures*, and the HIPAA Privacy and Breach Notification Rules;
- Mitigating a prohibited use or disclosure of PHI as required by 45 C.F.R. § 164.530(f);
- Ensuring that no retaliatory or other acts, including intimidation, threats, coercion, discrimination, are taken against individuals on account of or due to the exercise of any rights available under the HIPAA Privacy Rule, including filing a complaint as required by 45 C.F.R. § 164.530(g); and
- Maintaining records of all complaints, responses to the individual complaining, sanctions implemented for individuals violating this Policy or the *KPPA HIPAA Procedures*, and actions taken to mitigate the harmful effect of any prohibited use or disclosure as required by 45 C.F.R. § 164.530(j)(1).

See 45 C.F.R. § 164.530(a)(1)(ii).

The Administrators designate the KPPA Office of Legal Services' Staff Assistant as the Information and Complaint Official for the Plan.

Security Official**.** The Security Official:

- Analyzes electronic security practices;
- Assists with evaluation of complaints or potential breaches involving health information maintained on computers or other devices, Mobile Health Apps, or on cloud storage platforms; and
- Ensures that appropriate physical and technical safeguards are in place to protect the privacy of PHI.

See 45 C.F.R. §164.308(a)(2).

The Administrators designate The KPPA Enterprise and Technology Services Assistant Director/Information Security Officer as the Security Official for the Plan.

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V. HIPAA Privacy Rule

General Information. The HIPAA Privacy Rule applies to PHI. PHI must not be shared or used for any purpose other than for Plan administration unless certain limited exceptions apply. *See* 45 C.F.R. §164.500*, et seq.*

Use and Disclosure. The Officials and Business Associates may use and disclose PHI pursuant to the "minimum necessary disclosure" standard solely for the purpose of carrying out Plan functions in accordance with this Policy and the *KPPA HIPAA Procedures*. *See* 45 C.F.R. §§ 164.502(b) and 164.504(f). PHI shall not be used or disclosed except as stated in this Policy and the *KPPA HIPAA Procedures*.

State Law. The Administrators, the Administrators' trustees and board members, Officials, and Business Associates will treat all Recipient account information in a confidential manner pursuant to KRS 61.661. Requests for a Recipient's account information shall be subject to the policies and procedures developed by the KPPA pursuant to KRS 61.661 and 61.931-61.933.

Genetic Information Nondiscrimination Act (GINA). GINA prohibits health plans from requesting (including eligibility or wellness questionnaires), obtaining, using, and disclosing genetic information from Recipients with limited exceptions. All information about conditions of a family member is genetic information. *See* 45 C.F.R. § 164.502(a)(5)(i*).*

VI. Safeguards, Training, & Complaints

Safeguards to Protect Privacy and Security of PHI. The Officials shall have appropriate administrative, technical, and physical safeguards in place to protect the privacy and security of PHI. *See* 45 C.F.R. §§ 164.530(c) and 164.302, *et seq.* Required safeguards are established in the *KPPA HIPAA Procedures* and KPPA policies and processes. Required safeguards are documented in the *HIPAA Appendix*.

Workforce and Administrators' Training. Training shall be provided to Administrators' trustees and board members, Officials, and Business Associates who handle covered functions or PHI directly or indirectly. *See* 45 C.F.R. §§ 164.308(a)(5) and 164.530(b). Even though Administrators' trustees and board members do not directly handle PHI, as fiduciaries, the Administrators must understand the obligations of the Plan.

Complaints to Information and Complaint Official. Any individual who believes that their PHI has or may have been used or disclosed in violation of this Policy, the *KPPA HIPAA Procedures*, or applicable privacy laws may submit a written complaint detailing the alleged misuse to the Information and Complaint Official. *See* 45 C.F.R. § 164.530(d). In response to a complaint, the Information and Complaint Official shall take all steps detailed in the *KPPA HIPAA Procedures*. If the complaint implicates a security breach or disclosure under state law or the Data Disclosure Notification Policy, the Information and Complaint Official shall also take the steps established in the applicable law or policy. Retaliation against the complainant is strictly prohibited. *See* 45 C.F.R. § 164.530(g).

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Prohibited Waiver of Rights. Individuals shall not be required to waive their rights to file complaints with the Secretary of the U.S. Department of Health and Human Services (HHS) under HIPAA, including complaints of alleged violations of the Breach Notification Rules. *See* 45 C.F.R. § 164.530(h). Individuals will not be required to waive the administrative requirements or the burden of proof under 45 C.F.R. § 164.414 as a condition of the provision of treatment, payment, enrollment in the Plan, or eligibility for benefits.

VII. Breach Notification

General Information. The HIPAA Breach Notification Rule imposes specific notice requirements on the Officials when the Officials or their Business Associates discover or have reason to believe that unsecured PHI has been the subject of a breach. *See* 45 C.F.R. § 164.400, *et seq*. The Officials and Business Associates shall respond to an actual or suspected Breach as established in the *KPPA HIPAA Procedures* and Business Associate Agreements.

Notification in the Event of a Breach. If an improper disclosure occurs or may have occurred, the Information and Complaint Official shall be notified and evaluate whether a Breach has occurred as established in *KPPA HIPAA Procedures, Section 10*. *See* 45 C.F.R. § 164.400, *et seq.*

HHS assesses and enforces separate penalties for each violation of the HIPAA Privacy Rules, HIPAA Security Rule, and HIPAA Breach Notification Rule. *See* 45 C.F.R. § 160.400, *et seq*. The Administrators, trustees and board members of the Administrators, and the Officials may be subject to penalties for violations of HIPAA rules.

VIII. HIPAA Procedures

The Administrators delegate responsibility for establishing detailed procedures that ensure compliance with the HIPAA privacy, security, and breach notification rules, as well as this Policy, to KPPA. The Administrators reserve the right to review and provide instructions regarding the procedures established by the KPPA.

IX. Penalties

Penalties are assessed pursuant to 45 C.F.R. § 160.404 where:

- The Officials or Administrators did not know of the violation and would not have known by exercising reasonable diligence.
- There was willful neglect, but the violations are corrected within 30 days after the violation was discovered, or would have been discovered, with reasonable diligence.
- There was willful neglect that was or is not corrected within 30 days after the violation was discovered or would have been discovered.

Attorneys fees may also be awarded.

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X. Compliance & Ownership

The KPPA Executive Director has the ultimate responsibility for establishing and maintaining this policy. The Compliance Officer has responsibility for monitoring compliance with this policy and reporting non-compliance to the Administrators.

XI. Review Period

This Policy, the *KPPA HIPAA Procedures*, and the *HIPAA Appendix* shall be reviewed no less frequently than every three (3) years

XII. Certification

We, the Chairs of the Kentucky Public Pensions Authority, Kentucky Retirement Systems, and County Employees Retirement System, hereby certify that this Joint HIPAA Privacy & Security Policy was made effective on Click or tap here to enter text..

Click or tap here to enter text.
Chair, KPPA Board

Click or tap here to enter text.
Date

Click or tap here to enter text.
Chair, County Employees Retirement System Board of Trustees

Click or tap here to enter text.
Date

Click or tap here to enter text.
Chair, Kentucky Retirement Systems Board of Trustees

Click or tap here to enter text.
Date

Appendix A: Revision History

Date	Details

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HIPAA Privacy Use and Disclosure Procedures
Kentucky Retirement Systems

Effective: 01/01/2006
Revised as of: 09/23/2009, 02/17/2010, and 8/18/2011

Introduction

Kentucky Retirement Systems (the Agency) sponsors and administers group health plans named the Kentucky Retirement Systems Health Plan – Medical Only, the Kentucky Retirement Systems Health Plan – Essential, and the Kentucky Retirement Systems Health Plan – Premium (the Plan). Members of the Agency's workforce may have access to the individually identifiable health information of Plan participants: (1) on behalf of the Plan itself; or (2) on behalf of the Agency, for administrative functions of the Plan.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its implementing regulations restrict the Agency's ability to use and disclose protected health information (PHI).

> *Protected Health Information.* Protected health information means information that is created or received by the Plan and relates to the past, present, or future physical or mental health or condition of a participant; the provision of health care to a participant; or the past, present, or future payment for the provision of health care to a participant; and that identifies the participant or for which there is a reasonable basis to believe the information can be used to identify the participant. Protected health information includes information of persons living or deceased. It includes information in any format (*e.g.*, verbal, written or electronic).

The Health Information Technology for Economic and Clinical Health Act (HITECH Act) was passed under the American Recovery and Reinvestment Act of 2009. The HITECH Act updates HIPAA privacy rules to include breach notification requirements, effective September 23, 2009, and to update other HIPAA privacy standards and to make such standards applicable to business associates of the Plan in the same way HIPAA applies to the Plan, generally effective August 18, 2011.

It is the Agency's policy to comply fully with HIPAA's requirements, as updated by the HITECH Act. To that end, all members of the Agency's workforce who have access to PHI must comply with these Use and Disclosure Procedures. For purposes of these Use and Disclosure Procedures and the Agency's HIPAA Privacy Policy, the Agency's workforce includes individuals who would be considered part of the workforce under HIPAA, such as employees, volunteers, trainees, and other persons whose work performance is under the direct control of the Agency, whether or not they are paid by the Agency. The term "employee" includes all of these types of workers.

The Agency will treat member account information, which may or may not be PHI, in a confidential manner pursuant to KRS 61.661 and, to the extent PHI is involved, the HIPAA Privacy Rule. Requests for member account information shall be subject to Agency policies developed pursuant to KRS 61.661 and as described herein.

No third party rights (including but not limited to rights of Plan participants, beneficiaries, covered dependents, or business associates) are intended to be created by these Use and Disclosure Procedures. The Agency reserves the right to amend or change these Use and Disclosure Procedures at any time (and even retroactively) without notice. To the extent these Use and Disclosure Procedures establish requirements and obligations above and beyond those required by HIPAA, these Use and Disclosure Procedures shall be aspirational and shall not be binding upon the Agency. These Use and Disclosure Procedures do not address requirements under other federal laws or under state laws.

How These Use and Disclosure Procedures Are Organized: These Use and Disclosure Procedures include two Parts.

"Procedures for Use and Disclosure of PHI" includes the use and disclosure procedures that must be followed when PHI will be used or disclosed for the Plan's own payment and health care operations purposes and when PHI will be disclosed to third parties (but not the individual).

"Procedures for Complying With Individual Rights" includes procedures for complying with an individual's right to access, amendment, and accounting of PHI held in a designated record set. This section also includes procedures for addressing individual requests for confidential communications and for limits on use and disclosure.

Procedures for Use and Disclosure of PHI

I. Use and Disclosure Defined

The Agency and the Plan will use and disclose PHI only as permitted under HIPAA. The terms "use" and "disclosure" are defined as follows:

- ***Use***. The sharing, employment, application, utilization, examination, or analysis of individually identifiable health information by any person working within the Agency.

- ***Disclosure***. For information that is PHI, disclosure means any release, transfer, provision of access to, or divulging in any other manner of individually identifiable health information to persons not employed by or working within the Agency.

II. Workforce Must Comply With Agency's Policy and Procedures

All members of the Agency's workforce (described at the beginning of these Use and Disclosure Procedures and referred to herein as "employees") must comply with these Use and Disclosure Procedures and the Agency's HIPAA Privacy Policy.

III. Access to PHI Is Limited

The following employees ("employees with access") have access to significant amounts of PHI:

- *HIPAA Privacy Official* who has general oversight responsibility for the Agency's HIPAA privacy practices and performs various other administrative functions directly on behalf of the Plan;

- *HIPAA Security Official* who performs data security functions and other administrative functions directly on behalf of the Plan;

- *Business Associates*: The Division of Retiree Healthcare (RHC) will provide enrollment and termination information (including name, social security number, address, date of birth, Medicare status, and effective date) to business associates as needed to enroll and dis-enroll members and dependents in a timely manner.

- *RHC Call Center and Division of Retiree Healthcare:* The RHC Call Center and Division of Retiree Healthcare Services will respond to inquiries from members and their personal representatives as to enrollment options, enrollment status, premiums due, and general plan design issues. Inquiries about the status of a particular claim, how to file a claim, availability of network providers, deductible and out-of-pocket status, covered and excluded procedures, formularies, and other specifics of the member's plan coverage will be directed to the third party administrator or pharmacy benefits manager.

Inquiries that the third party administrator or pharmacy benefits manager is unable to respond to, or unable to respond to in a manner satisfactory to the member, will be directed to the manager for RHC

- □ *Senior Advisor Retiree Health Care*: The Senior Advisor, Retiree Health Care and his/her staff shall disclose only de-identified, summary information about use of plan resources to the Executive Staff, the Board, and other individuals responsible for managing the Plan.

- □ *Internal audit staff* when conducting HIPAA compliance audits; and

- □ *Members of Legal Services staff* who will have access to PHI on behalf of the Agency for the purpose of providing advice related to receipt, use, and disclosure of PHI and other legal issues involving health insurance.

- □ For all other requests for disclosures of PHI, contact the Privacy Official, who will ensure that the amount of information disclosed is the minimum necessary to accomplish the purpose of the disclosure.

□ These employees with access may use and disclose PHI for Plan administrative functions, and they may disclose PHI to other employees with access for Plan administrative functions (but the PHI disclosed must be limited to the minimum amount necessary to perform the Plan administrative function). Employees with access may not disclose PHI to employees (other than employees with access) except in accordance with these Use and Disclosure Procedures.

Other employees have access to limited amounts of PHI (*i.e.*, no diagnosis or other medical information) as described below in these Use and Disclosure Procedures.

IV. Permitted Uses and Disclosures of PHI: Payment, Treatment and Health Care Operations

OBJECTIVE: Facilitate use or disclosure of PHI for payment purposes, treatment activities, and health care operations under circumstances permitted by HIPAA.

Definitions

Payment. Payment includes activities undertaken to obtain Plan contributions or to determine or fulfill the Plan's responsibility for coverage and provision of benefits under the Plan, or to obtain or provide reimbursement for the provision of health care. Payment also includes:

- eligibility and coverage determinations including coordination of benefits or the determination of cost sharing amounts, and adjudication or subrogation of health benefit claims;

- risk adjusting based on enrollee status and demographic characteristics;

- billing, claims management, collection activities, obtaining payment under any contract for reinsurance (including stop-loss insurance and excess loss insurance) and related health care data processing;

- review of health care services with respect to medical necessity, coverage under a health plan, appropriateness or justification of charges;

- utilization review activities, including precertification and preauthorization of services and concurrent and retrospective review of services; and

- disclosure to consumer reporting agencies of any of the following PHI relating to collection of premiums or reimbursement:

    - name and address;
    - date of birth;
    - Social Security number;
    - payment history;
    - account number; and
    - name and address of the health care provider and/or health plan.

Treatment. Treatment means the provision, coordination or management of health care and related services by one or more health care providers, including the coordination or management of health care by a health care provider with a third party; consultation between health care providers relating to a patient; or the referral of a patient for health care from one health care provider to another.

Health Care Operations. Health care operations means any of the following activities to the extent that they are related to Plan administration:

- conducting quality assessment and improvement activities, including outcomes evaluation and development of clinical guidelines, provided that the obtaining of generalizable knowledge is not the primary purpose of any studies resulting from such activities; population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, contacting of health care providers and patients with information about treatment alternatives; and related functions that do not include treatment;

- reviewing the competence or qualifications of health care professionals, evaluating practitioner and provider performance, health plan performance, conducting training programs in which students, trainees, or practitioners in areas of health care learn under supervision to practice or improve their skills as health care providers, training of non-health care professionals, accreditation, certification, licensing, or credentialing activities;

- underwriting, premium rating, and other activities relating to the creation, renewal or replacement of a contract of health insurance or health benefits, and ceding, securing, or placing a contract for reinsurance of risk relating to claims for health care (including stop-loss insurance and excess of loss insurance), provided that the health plan receiving individually identifiable health information does not disclose such information if the insurance or benefits are not placed with it;

- conducting or arranging for medical review, legal services, and auditing functions and compliance programs;

- business planning and development, such as conducting cost-management and planning-related analyses related to managing and operating the entity, including formulary development and administration, development or improvement of methods of payment or coverage policies; and

- business management and general administrative activities, including, but not limited to:

  - management activities relating to implementation of and compliance with the requirements of the HIPAA regulations;
  - customer service, including the provision of data analyses for policy holders, plan sponsors, or other customers, provided that PHI is not disclosed to such policy holder, plan sponsor, or customer;
  - resolution of internal grievances;
  - the sale, transfer, merger, or consolidation of all or part of the covered entity with another covered entity, or an entity that, following such activity, will become a covered entity and due diligence related to such activity; and
  - creating de-identified health information or a limited data set, and fundraising for the benefit of the covered entity.

Procedure

□ *Uses and Disclosures for Plan's Own Payment Activities or Health Care Operations, or the Health Care Operations of Any Other Covered Entity That Participates With the Plan in an Organized Health Care Arrangement.* An employee may use and disclose a Plan participant's PHI to perform the Plan's own payment activities or health care operations (or the health care operations of any other covered entity that participates with the Plan in an organized health care arrangement).

  □ Disclosures must comply with the "Minimum-Necessary Standard." (Under that procedure, if the disclosure is not routine, the disclosure must be approved by the Privacy Official.)

- Non-routine disclosures must be documented in accordance with the procedure for "Documentation Requirements."

- *Disclosures for Another Entity's Payment Activities.* An employee may disclose a Plan participant's PHI to another covered entity or health care provider to perform the other entity's payment activities. Disclosures may be made under the following procedures:

  - Disclosures must comply with the "Minimum-Necessary Standard." (Under that procedure, if the disclosure is not routine, the disclosure must be approved by the Privacy Official.)

  - Non-routine disclosures must be documented in accordance with the procedure for "Documentation Requirements."

- *Disclosures for Treatment Activities.* An employee may disclose PHI for treatment activities of a health care provider. Disclosures may be made under the following procedures:

  - Disclosures must comply with the "Minimum-Necessary Standard." (Under that procedure, if the disclosure is not routine, the disclosure must be approved by the Privacy Official.)

  - Non-routine disclosures must be documented in accordance with the procedure for "Documentation Requirements."

- *Disclosures for Certain Health Care Operations of the Receiving Entity.* An employee may disclose PHI for the following purposes if the other covered entity has (or had) a relationship with the individual and the PHI requested pertains to that relationship:

  - Detection of fraud and abuse or health care compliance.

  - Conducting quality assessment and improvement activities (including outcomes evaluation and development of clinical guidelines), provided that the obtaining of generalizable knowledge is not the primary purpose of any studies resulting from such activities.

  - Population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, contacting of health care providers and patients with information about treatment alternatives, and related functions that do not involve treatment.

  - Reviewing the competence or qualifications of health care professionals.

  - Evaluating practitioner performance or health plan performance.

- Conducting training programs in which students, trainees, or practitioners in areas of health care learn under supervision to practice or improve their skills as health care providers.

- Training of non-health care professionals.

- Accreditation, certification, licensing, or credentialing services.

Such disclosures are subject to the following:

- The disclosure must be approved by the Privacy Official.

- Disclosures must comply with the "Minimum-Necessary Standard."

- Disclosures must be documented in accordance with the procedure for "Documentation Requirements."

- *Use or Disclosure for Purposes of Non-Health Benefits.* Unless an authorization from the individual (as discussed in "Disclosures Pursuant to an Authorization") has been received, an employee may not use a participant's PHI for the payment or operations of the Agency's "nonhealth" benefits (*e.g.*, disability, retirement benefits, and life insurance). If an employee requires a participant's PHI for the payment or health care operations of non-Plan benefits, follow these steps:

  - Obtain an Authorization. First, contact the Privacy Official to determine whether an authorization for this type of use or disclosure is on file. If no form is on file, request an appropriate form from the Privacy Official. ***Employees shall not attempt to draft authorization forms.*** All authorizations for use or disclosure for non-Plan purposes must be on a form provided by (or approved by) the Privacy Official.

  - The disclosure must be approved by the Privacy Official.

  - Disclosures must comply with the authorization form.

- *Questions?* Any employee who is unsure as to whether a task he or she is asked to perform qualifies as a payment activity or a health care operation of the Plan should contact their manager. Managers who need guidance to address the employee's question should contact the Privacy Official.

V. Mandatory Disclosures of PHI: to Individuals and U.S. Department of Health and Human Services

OBJECTIVE: Facilitate disclosures when required by HIPAA to individuals upon request and to the U.S. Department of Health and Human Services ("DHHS") for purposes of enforcing HIPAA.

Procedure

- *Request From Individual.* Upon receiving a request from an individual (or an individual's representative) for disclosure of the individual's own PHI, the employee must follow the procedure for "Disclosures to Individuals Under Right to Access Own PHI."

- *Request From DHHS.* Upon receiving a request from a DHHS official for disclosure of PHI, the employee must take the following steps:

  - Follow the procedures for verifying the identity of a public official set forth in "Verification of Identity of Those Requesting Protected Health Information."

  - Disclosures must be documented in accordance with the procedure for "Documentation Requirements."

VI. Permissive Disclosures of PHI: for Legal and Public Policy Purposes

OBJECTIVE: Facilitate disclosures for legal and public policy purposes under circumstances permitted by HIPAA.

Definitions

A *health oversight agency* means an agency or authority of the United States, a State, a territory, a political subdivision of a State or territory, or an Indian tribe, or a person or entity acting under a grant of authority from or contract with such public agency, including the employees or agents of such public agency or its contractors or persons or entities to whom it has granted authority, that is authorized by law to oversee the health care system (whether public or private) or government programs in which health information is necessary to determine eligibility or compliance, or to enforce civil rights laws for which health information is relevant.

A *public health authority* means an agency or authority of the United States, a State, a territory, a political subdivision of a State or territory, or an Indian tribe, or a person or entity acting under a grant of authority from or contract with such public agency, including the employees or agents of such public agency or its contractors or persons or entities to whom it has granted authority, that is responsible for public health matters as part of its official mandate.

Procedure

- *Disclosures for Legal or Public Policy Purposes.* An employee who receives a request for disclosure of an individual's PHI that appears to fall within one of the categories described below under "Legal and Public Policy Disclosures Covered" must contact the Privacy Official. Disclosures may be made under the following procedures:

- □ The disclosure must be approved by the Privacy Official and must be consistent with 45 CFR § 164.512.

- □ Disclosures must comply with the "Minimum-Necessary Standard."

- □ Disclosures must be documented in accordance with the procedure for "Documentation Requirements."

Legal and Public Policy Disclosures Covered

□ *Disclosures about victims of abuse, neglect or domestic violence* to a government authority (such as social services or protective services), if the following conditions are met:

- The disclosure is required by law and the disclosure complies with and is limited to the relevant requirements of such law;

- The individual agrees with the disclosure; or

- The disclosure is expressly authorized by statute or regulation and:

  - the Privacy Official, in the exercise of professional judgment, believes the disclosure is necessary to prevent serious harm to the individual (or other victims); or

  - the individual is unable to agree because of incapacity and a law enforcement or other public official authorized to receive the report represents that the PHI for which disclosure is sought is not intended to be used against the individual and that an immediate enforcement activity that depends upon the disclosure would be materially and adversely affected by waiting until the individual is able to agree to the disclosure.

If a disclosure is made without informing the individual, the individual must be promptly informed of the disclosure unless, in the professional judgment of the Privacy Official, this would place the individual at risk of serious harm, or involve a personal representative who is believed by the Privacy Official to be responsible for the abuse, neglect or violence.

□ *For Judicial and Administrative Proceedings,* in response to:

- An order of a court or administrative tribunal (disclosure must be limited to PHI expressly authorized by the order); or

- A subpoena, discovery request or other lawful process, not accompanied by a court order or administrative tribunal, upon receipt of assurances that one of the following sets of criteria has been satisfied:

(i) The person seeking PHI has made reasonable efforts to ensure that the individual whose PHI is being sought has been given notice of the request. Such notice must be in writing and must also be provided to the Plan. It must contain sufficient information about the litigation or proceeding to which the PHI is sought to permit the individual to raise an objection to the court or administrative body. Before the disclosure is made, the party seeking the disclosure must also certify in writing to the Plan that the time for the individual to raise objections has expired and that no objections were filed or any objections were denied by the court or administrative body; or

(ii) The person seeking the PHI has made reasonable efforts to obtain a qualified protective order. It must be an order of a court or of an administrative tribunal or a stipulation by the parties to the litigation or administrative proceeding that prohibits the parties from using or disclosing the PHI for any purpose other than the litigation or proceeding for which it was requested and requires the return to the Plan or destruction of the PHI (including all copies made) at the end of the litigation or proceeding. The person seeking PHI must provide a written statement to the Plan that such an order has been secured (as well as a copy of the order) or that it has been requested.

□ *To a Law Enforcement Official for Law Enforcement Purposes,* under the following conditions:

- Pursuant to a process and as otherwise required by law, the Plan may disclose PHI:
  - as required by law, including laws that require the reporting of certain types of wounds or other physical injuries; or
  - in compliance with and as limited by the relevant requirements of:
    - a court order or court-ordered warrant, or a subpoena or summons issued by a judicial officer;
    - a grand jury subpoena; or
    - an administrative request, including an administrative subpoena or summons, a civil or an authorized investigative demand, or similar process authorized under law, provided that:
      - the information sought is relevant and material to a legitimate law enforcement inquiry;
      - the request is specific and limited to amounts reasonably practicable in light of the purpose for which the information is sought; and

- de-identified information could not reasonably be used.

- Information requested is limited information to identify or locate a suspect, fugitive, material witness or missing person. In such case, the Plan may disclose only the following information:

  - name and address;
  - date and place of birth;
  - Social Security number;
  - ABO blood type and rh factor;
  - type of injury;
  - date and time of treatment;
  - date and time of death, if applicable; and
  - a description of distinguishing physical characteristics, including height, weight, gender, race, hair and eye color, presence or absence of facial hair (beard or moustache), scars, and tattoos.

- Information about a suspected victim of a crime if:

  - the individual agrees to disclosure; or

  - the Plan is unable to obtain the individual's agreement because of Incapacity or other emergency circumstance, provided that:

    - the law enforcement official represents that such information is needed to determine whether a violation of law by a person other than the victim has occurred, and such information is not intended to be used against the victim, and

    - the disclosure is in the best interests of the individual, as determined by the Privacy Official, in the exercise of professional judgment.

- Information about a deceased individual upon suspicion that the individual's death resulted from criminal conduct.

- Information that constitutes evidence of criminal conduct that occurred on the Agency's premises.

□ *To Appropriate Public Health Authorities for Public Health Activities* disclosures may be made for the following purposes:

- To a public health authority that is authorized by law to collect or receive such information for the purpose of preventing or controlling disease, injury, or disability, including, but not limited to, the reporting of disease,

injury, vital events such as birth or death, and the conduct of public health surveillance, public health investigations, and public health interventions; or, at the direction of a public health authority, to an official of a foreign government agency that is acting in collaboration with a public health authority;

- To a public health authority or other appropriate government authority authorized by law to receive reports of child abuse or neglect;

- To a person subject to the jurisdiction of the Food and Drug Administration (FDA) with respect to an FDA-regulated product or activity for which that person has responsibility, for the purpose of activities related to the quality, safety or effectiveness of such FDA-regulated product or activity; or

- To a person who may have been exposed to a communicable disease or may otherwise be at risk of contracting or spreading a disease or condition, if the Plan or public health authority is authorized by law to notify such person as necessary in the conduct of a public health intervention or investigation.

□ *To a Health Oversight Agency for Health Oversight Activities,* as authorized by law.

□ *To a Coroner or Medical Examiner About Decedents,* for the purpose of identifying a deceased person, determining the cause of death or other duties as authorized by law.

□ *For Cadaveric Organ, Eye or Tissue Donation Purposes,* to organ procurement organizations or other entities engaged in the procurement, banking, or transplantation of organs, eyes or tissue for the purpose of facilitating transplantation.

□ *For Certain Limited Research Purposes,* provided that a waiver of the authorization required by HIPAA has been approved by an appropriate privacy board or an institutional review board.

□ *To Avert a Serious Threat to Health or Safety,* upon a belief in good faith that the use or disclosure is necessary to prevent a serious and imminent threat to the health or safety of a person or the public.

□ *For Specialized Government Functions,* including disclosures of an inmates' PHI to correctional institutions and disclosures of an individual's PHI to authorized federal officials for the conduct of national security activities.

□ *For Workers' Compensation Programs,* to the extent necessary to comply with laws relating to workers compensation or other similar programs.

VII. Disclosures of PHI Pursuant to an Authorization

OBJECTIVE: Facilitate disclosures of PHI as permitted by HIPAA when authorized by the individual whose PHI will be disclosed. PHI disclosed pursuant to an individual authorization may be disclosed for any purpose so long as the disclosure is consistent with the terms of the authorization.

Procedure

- □ *Disclosure Pursuant to Individual Authorization.* Any requested disclosure to a third party (*i.e.*, not the individual to whom the PHI pertains) that does not fall within one of the categories for which disclosure is permitted or required under these Use and Disclosure Procedures may be made pursuant to an individual authorization. If disclosure pursuant to an authorization is requested, the following procedures should be followed:

- □ Follow the procedures for verifying the identity of the individual (or individual's representative) set forth in "Verification of Identity of Those Requesting Protected Health Information."

- □ Submit the authorization to the Privacy Official, who will determine if the authorization is valid. Valid authorization forms are those that:

  - □ Are properly signed and dated by the individual or the individual's representative;

  - □ Are not expired or revoked (the expiration date of the authorization form must be a specific date [such as July 1, 2011] or a specific time period [*e.g.*, one year from the date of signature], or an event directly relevant to the individual or the purpose of the use or disclosure [*e.g.*, for the duration of the individual's coverage];

  - □ Contain a description of the information to be used or disclosed;

  - □ Contain the name of the entity or person authorized to use or disclose the PHI;

  - □ Contain the name of the recipient of the use or disclosure;

  - □ Contain a description of each purpose of the requested use or disclosure; and

  - □ Contain a statement regarding the individual's right to revoke the authorization and the procedures for revoking authorizations.

- □ In addition, the authorization must advise the individual of the following rights:

- □ The individual's right to revoke the authorization in writing, and any exceptions to the right to revoke (*i.e.*, as to disclosures that have already been made in reliance on the authorization or when the authorization was required as a condition for enrollment).

- □ The ability of the Plan to condition payment, enrollment, or eligibility for benefits on the authorization by stating either:

  - The Plan may not condition payment, enrollment, or eligibility for benefits on whether the individual signs the authorization; or

  - The consequences to the individual of a refusal to sign the authorization when the Plan can condition enrollment or eligibility for benefits on the individual's signing of the authorization;

- □ A statement that information disclosed pursuant to the authorization may potentially be subject to redisclosure by the party receiving the information and it may no longer be protected by state or federal privacy laws.

- □ The Plan and the third-party administrator will allow individuals to revoke an authorization at any time, in writing. If the Plan has already relied upon the authorization, or if the authorization was obtained as a condition for obtaining coverage, the authorization will not be revoked as to such matters.

- □ All uses and disclosures made pursuant to an authorization must be consistent with the terms and conditions of the authorization.

VIII. Disclosure of PHI to Business Associates

OBJECTIVE: Verify that disclosure of PHI to business associates is consistent with a valid business associate contract.

Definition of Business Associate

A *business associate* is an entity or person who:

- performs or assists in performing a Plan function or activity involving the use and disclosure of PHI (including claims processing or administration; data analysis, underwriting, etc.); or

- provides legal, accounting, actuarial, consulting, data aggregation, management, administrative, accreditation, or financial services, where the performance of such services involves giving the service provider access to PHI.

Procedure

- *Use and Disclosure of PHI by business associate.* All uses and disclosures by a "business associate" must be made in accordance with a valid business associate agreement. Before providing PHI to a business associate, employees must contact the Privacy Official and verify that a business associate contract is in place. The following additional procedures must be satisfied:
  - Disclosures must be consistent with the terms of the business associate contract.
  - Disclosures must comply with the "Minimum-Necessary Standard." (Under that procedure routine disclosures will be subject to analysis to address the minimum-necessary requirement, and each non-routine disclosure must be approved by the Privacy Official.)
  - Certain non-routine disclosures (*i.e.*, those made for a reason other than Payment, Treatment or Health Care Operations) must be documented in accordance with the procedure for "Documentation Requirements."
- *Contents of business associate contracts.* The Plan's business associate contracts will, at a minimum:
  - establish the permitted and required uses and disclosures of PHI by the business associate;
  - permit the business associate to provide data aggregation services relating to the health care operations of the Plan; and
  - require the business associate to:
    - not use or further disclose the PHI except as allowed by the contract or as required by law and to limit any use or disclosure, or any request for PHI, to the minimum amount of PHI necessary to accomplish the purpose of the use, disclosure, or request;
    - use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by its contract;
    - comply with the security and privacy provisions made directly applicable to business associates under the HITECH Act;
    - report to the Plan any use or disclosure of the PHI not provided for under the contract;
    - provide such information as required within the timeline allowed by the contract in the case of a breach of unsecured PHI;

- censure that any agents or subcontractors to whom the business associate provides PHI received from, or created or received by the business associate on behalf of the Plan agree to the same restrictions and conditions that apply to the business associate with respect to such information;

- make available PHI so that the Plan can satisfy its access, amendment, and accounting obligations to individuals;

- make its internal practices, books, and records relating to the use and disclosure of PHI available to the Secretary of Health and Human Services for purposes of determining the Plan's compliance with HIPAA;

- at termination of the contract, if feasible, return or destroy all PHI received from, or created or received by the business associate on behalf of, the Plan that the business associate still maintains in any form and retain no copies of such information or, if not feasible, extend the protections of the contract to the information and limit further uses and disclosure to those purposes that make the return or destruction of the information infeasible; and

- authorize termination of the contract and any other agreement with the business associate by the Plan, if either party determines that the other party has violated a material term of the contract.

□ *Documentation.* The Privacy Official will maintain copies of each business associate contract for at least 6 years after the contract's final term ends.

IX. Requests for Disclosure of PHI From Spouses, Family Members, and Friends

OBJECTIVE: Protect privacy of individual's PHI by disclosing it only as authorized.

The Plan and Agency will not disclose PHI to family and friends of an individual except as required or permitted by HIPAA. Generally, an authorization is required before another party, including a spouse, family member or friend, will be able to access PHI. The Plan may disclose a limited amount of PHI (excluding diagnosis) in an explanation of benefits as part of the Plan's payment functions.

Procedure

□ If an employee receives a request for disclosure of an individual's PHI from a spouse, family member, or personal friend of an individual, and the spouse, family member, or personal friend is either: (1) the parent of the individual and the individual is a minor child; or (2) the personal representative of the individual, then follow the procedure for "Verification of Identity of Those Requesting Protected Health Information."

- Once the identity of a parent or personal representative is verified, then follow the procedure for "Request for Individual Access."

- Except in emergency situations or under other circumstances approved by the Privacy Official, all other requests from spouses, family members, and friends must be authorized by the individual whose PHI is involved. See the procedures for "Disclosures Pursuant to Individual Authorization."

- In emergency situations or under other circumstances approved by the Privacy Official, the Plan may disclose PHI to people involved in an individual's care or payment for care if the Plan first: (1) informs the individual of the request and provides the individual with an opportunity to object to the disclosure; or (2) if the individual is not available, is incapacitated, or if an emergency exists, in the exercise of professional judgment, the Privacy Official determines that the disclosure is in the individual's best interest.

X. Disclosures of De-Identified Information

OBJECTIVE: Permit disclosure of de-identified information in accordance with HIPAA.

Definition of De-Identified Information

De-identified information is health information that does not identify an individual and with respect to which there is no reasonable basis to believe that the information can be used to identify an individual. There are two ways a covered entity can determine that information is de-identified: (i) by professional statistical analysis; or (ii) by removing the following 18 specific identifiers:

- names;
- all geographic subdivisions smaller than a State, including street address, city, county, precinct, zip code, and their equivalent geocodes, except for the initial three digits of a zip code if, according to the current publicly available data from the Bureau of the Census:
  - the geographic unit formed by combining all zip codes with the same three initial digits contains more than 20,000 people; and
  - the initial three digits of a zip code for all such geographic units containing 20,000 or fewer people is changed to 000;
- all elements of dates (except year) for dates directly related to an individual, including birth date, admission date, discharge date, date of death, and all ages over 89 and all elements of dates (including year) indicative of such age, except that such ages and elements may be aggregated into a single category of age 90 or older;
- telephone numbers;
- fax numbers;

- □ electronic mail addresses;
- □ Social Security numbers;
- □ medical record numbers;
- □ health plan beneficiary numbers;
- □ account numbers;
- □ certificate/license numbers;
- □ vehicle identifiers and serial numbers, including license plate numbers;
- □ device identifiers and serial numbers;
- □ web Universal Resource Locators (URLs);
- □ internet Protocol (IP) address numbers;
- □ biometric identifiers, including finger and voice prints;
- □ full face photographic images and any comparable images; and
- □ any other unique identifying number, characteristic, or code, except as permitted for purposes of re-identification.

Procedure

- □ Obtain approval from Privacy Official prior to converting PHI into de-identified information and prior to making a disclosure of such information. The Privacy Official will verify that the information is de-identified.

- □ The Plan may freely use and disclose de-identified information. De-identified information is not PHI.

XI. Verification of Identity of Those Requesting Protected Health Information

OBJECTIVE: Verify identity and authority of individual requesting access to PHI.

Procedure

- □ *Verifying Identity and Authority of Requesting Party.* Employees must take steps to verify the identity of individuals who request access to PHI. They must also verify the authority of any person to have access to PHI, if the identity or authority of such person is not known. Separate procedures are set forth below for verifying the identity and authority, depending on whether the request is made by the individual, a parent seeking access to the PHI of his or her minor child, a personal representative, or a public official seeking access.

- □ *Request Made by Individual.* When an individual requests access to his or her own PHI, the following steps should be followed:

- Request a form of identification from the individual. Employees may rely on a valid drivers license, passport or other photo identification issued by a government agency.

- Verify that the identification matches the identity of the individual requesting access to the PHI. If you have any doubts as to the validity or authenticity of the identification provided or the identity of the individual requesting access to the PHI, contact the Privacy Official.

- Make a copy of the identification provided by the individual and file it with the individual's designated record set.

- If the individual requests PHI over the telephone, the member's PIN must be provided before any PHI will be released.

- Non-routine disclosures must be documented in accordance with the procedure for "Documentation Requirements."

- *Request Made by Parent Seeking PHI of Minor Child.* When a parent requests access to the PHI of the parent's minor child, the following steps should be followed:

  - Seek verification of the person's relationship with the child. Such verification may take the form of confirming enrollment of the child in the parent's plan as a dependent. If the parent seeks information other than enrollment information from the Agency, the request must be reviewed by the Privacy Official and Legal Services. For requests for information related to information held by business associates, such as claims information or claims adjudication information, the requestor will be referred to the appropriate business associate.

  - Disclosures must be documented in accordance with the procedure "Documentation Requirements."

- *Request Made by Personal Representative.* When a personal representative requests access to an individual's PHI, the following steps should be followed:

  - Require a copy of a valid power of attorney, which addresses health care decisions.

  - Make a copy of the documentation provided and file it with the individual's designated record set.

  - Disclosures must be documented in accordance with the procedure for "Documentation Requirements."

- *Request Made by Public Official.* If a public official requests access to PHI, and if the request is for one of the purposes set forth above in "Mandatory

Disclosures of PHI" or "Permissive Disclosures of PHI," the following steps should be followed to verify the official's identity and authority:

- □ If the request is made in person, request presentation of an agency identification badge, other official credentials, or other proof of government status. Make a copy of the identification provided and file it with the individual's designated record set.

- □ If the request is in writing, verify that the request is on the appropriate government letterhead;

- □ If the request is by a person purporting to act on behalf of a public official, request a written statement on appropriate government letterhead that the person is acting under the government's authority or other evidence or documentation of agency, such as a contract for services, memorandum of understanding, or purchase order, that establishes that the person is acting on behalf of the public official.

- □ Request a written statement of the legal *authority* under which the information is requested, or, if a written statement would be impracticable, an oral statement of such legal authority. If the individual's request is made pursuant to legal process, warrant, subpoena, order, or other legal process issued by a grand jury or a judicial or administrative tribunal, contact the Legal Department.

- □ Obtain approval for the disclosure from the Privacy Official.

- □ Disclosures must be documented in accordance with the procedure for "Documentation Requirements."

XII. Complying with the "Minimum-Necessary" Standard

OBJECTIVE: Limit the PHI used, disclosed, or requested to the "minimum necessary" to accomplish the purpose of the use, disclosure, or request, unless an exception applies.

Definition of Minimum Necessary

When using or disclosing PHI, or when requesting PHI from another covered entity (health care provider, health plan, or health care clearinghouse), employees must make reasonable efforts to limit PHI to the *minimum necessary* to accomplish the intended purpose of the use, disclosure, or request. Until such time as the Secretary of the Department of Health and Human Services issues guidance on what constitutes "minimum necessary," employees will limit such PHI, to the extent practicable, to the limited data set in order to comply with the "minimum necessary" requirement, or, if needed by the Plan, to the minimum necessary to accomplish the intended purpose of the use, disclosure, or request.

Definition of Limited Data Set

A *limited data set* is PHI that excludes the following direct identifiers of the individual or of relatives, employers, or household members of the individual:

- □ names;
- □ postal address information, other than town or city, State, and zip code;
- □ telephone numbers;
- □ fax numbers;
- □ electronic mail addresses;
- □ Social Security numbers;
- □ medical record numbers;
- □ health plan beneficiary numbers;
- □ account numbers;
- □ certificate/license numbers;
- □ vehicle identifiers and serial numbers;
- □ Web Universal Resource Locators (URLs)
- □ Internet Protocol (IP) address numbers;
- □ biometric identifiers, including finger and voice prints; and
- □ full face photographic images and any comparable images.

Procedure

The Plan has identified the following persons who need access to PHI to carry out their duties:

- □ *Business Associates*: The Division of Retiree Healthcare (RHC) will provide enrollment and termination information (including name, social security number, address, date of birth, Medicare status, and effective date) to business associates as needed to enroll and dis-enroll members and dependents in a timely manner.

- □ *RHC Call Center and Division of Retiree Healthcare:* The RHC Call Center and Division of Retiree Healthcare Services will respond to inquiries from members and their personal representatives as to enrollment options, enrollment status, premiums due, and general plan design issues. Inquiries about the status of a particular claim, how to file a claim, availability of network providers, deductible and out-of-pocket status, covered and excluded procedures, formularies, and other specifics of the member's plan coverage will be directed to the third party administrator or pharmacy benefits manager. Inquiries that the third party administrator or pharmacy benefits manager is

unable to respond to, or unable to respond to in a manner satisfactory to the member, will be directed to the manager for RHC

- *Senior Advisor Retiree Health Care*: The Senior Advisor, Retiree Health Care and his/her staff shall disclose only de-identified, summary information about use of plan resources to the Executive Staff, the Board, and other individuals responsible for managing the Plan.

- *HIPAA Privacy Official* who has general oversight responsibility for the Agency's HIPAA privacy practices and performs various other administrative functions directly on behalf of the Plan;

- *HIPAA Security Official* who performs data security functions and other administrative functions directly on behalf of the Plan;

- *Internal audit staff* when conducting HIPAA compliance audits; and

- *Members of Legal Services staff* who will have access to PHI on behalf of the Agency for the purpose of providing advice related to receipt, use, and disclosure of PHI and other legal issues involving health insurance.

- For all other requests for disclosures of PHI, contact the Privacy Official, who will ensure that the amount of information disclosed is the minimum necessary to accomplish the purpose of the disclosure.

Procedures for Requests

- RHC Call Center: If the member or personal representative knows the member's PIN, the RHC Call Center will release the member's effective date, plan coverage, and payment status to the inquiring party.

- Senior Advisor Retiree Health Care: The Senior Advisor Retiree Health Care and his/or her staff shall routinely report general plan usage information to the Board, but in no event may the staff disclose details of individual claims or claim usage. The Senior Advisor and staff shall assist business associates with requests for information that involve eligibility, enrollment and other coverage.

- For all other requests for PHI, contact the Privacy Official, who will ensure that the amount of information requested is the minimum necessary to accomplish the purpose of the disclosure.

Exceptions

- The "minimum-necessary" standard does not apply to any of the following:

  - Disclosures to or requests by a health care provider for treatment;
  - Uses or disclosures made to the individual;

- Uses or disclosures made pursuant to an individual authorization;
- Disclosures made to DHHS;
- Uses or disclosures required by law; and
- Uses or disclosures required to comply with HIPAA.

XIII. Documentation Requirements

OBJECTIVE: Comply with the HIPAA mandate to document uses and disclosures of PHI.

Procedure

□ *Documentation.* The Privacy Official (or his/or her designated representative) shall maintain copies of all of the following items for a period of at least 7 years from the date created or last in effect, whichever is later:

- □ "Notices of Privacy Practices" that are issued to participants.
- □ Copies of policies and procedures;
- □ Individual authorizations;
- □ When disclosure of PHI is made under circumstances which, pursuant to these Use and Disclosure Procedures, require the disclosure to be documented in accordance with this "Documentation Requirements" procedure, maintain with respect to each such disclosure:
  - the date of the disclosure;
  - the name of the entity or person who received the PHI and, if known, the address of such entity or person;
  - a brief description of the PHI disclosed;
  - a brief statement of the purpose of the disclosure; and
  - any other documentation required under these Use and Disclosure Procedures.

Note: The retention requirement only applies to documentation required by HIPAA. It does not apply to all medical records.

XIV. Mitigation of Inadvertent Disclosures of PHI

OBJECTIVE: Comply with the HIPAA mandate to mitigate, to the extent possible, the harmful effects that result from an unlawful use or disclosure of an individual's PHI.

Procedure

Mitigation: Reporting Required. HIPAA requires that a covered entity mitigate, to the extent possible, any harmful effects that become known to the Agency of a use or disclosure of an individual's PHI in violation of the policies and procedures set forth in this manual. As a result, if an employee becomes aware of a disclosure of PHI, either by an employee of the Plan or an outside consultant/contractor, that is not in compliance with the policies and procedures set forth in this manual, immediately contact the Privacy Official so that the appropriate steps to mitigate the harm to the individual can be taken.

XV. Delegation of Authority

The Privacy Official shall obtain agreements to comply with the HIPAA Privacy, Transactions and Security Rules from all business associates prior to allowing the Plan to share PHI with the business associate. The Privacy Official shall maintain the business associate agreement for at least 7 years following termination of the business associate relationship.

As of January 1, 2010, UMR Inc. is the Plan's business associate for purposes of adjudicating claims, including handling appeals, coordinating benefits and pursuing third party liability, cutting benefits checks, and providing utilization management. Catalyst Rx, Inc. is the Plan's business associate for purposes of dispensing prescription drugs, including related utilization management and appeals. This Plan shall promptly refer all issues involving specific individuals to the appropriate business associate. The referral is made by explaining that a certain function or service is done by the business associate and helping the requestor understand how to contact the business associate.

XVI. Training

OBJECTIVE: Comply with the HIPAA mandate to educate and train members of the Plan's workforce as to the appropriate manner of handling PHI in order to carry out their job functions and to appropriately sanction those members who fail to comply with the Plan's privacy policies and procedures.

Procedure

- The Privacy Official (or his/her designated representative) will be responsible for identifying those individuals who perform a function for the Plan involving the use of PHI and are part of the Plan's workforce, as defined above. The Privacy Official will ensure that each member of the Plan's workforce receives training according to the following schedule:

  (i) within a reasonable period of time after the person joins the Plan's workforce; and

(ii) to each member of the Plan's workforce whose functions are affected by a material change in the policies or procedures, within a reasonable period of time after the material change becomes effective.

- The Plan will provide additional training as to the Plan's Policies and Procedures to any individual employee or business associate of the Plan, upon request.

- Training will involve an overview of the Plan's obligations under Privacy Regulations and the Plan's Policies and Procedures that are applicable to the members of the workforce being trained. The training may be presented in written and/or verbal form.

- The Privacy Official (or his/her designated representative) will document the content, date, and attendance at each of the training sessions as described above and will retain such documentation for at least 7 years from the date of creation, or the date it last was in effect, whichever is later.

- Members of the Plan's workforce who use or disclose an individual's PHI in violation of the training provided, the Privacy Regulations, or the Plan's Policies and Procedures will be subject to sanctions that will be consistent with the nature of the violation. Such sanctions may include, but are not be limited to, verbal and written warnings, suspensions, and termination. Sanctions will be imposed by the Agency in consultation with the Privacy Official who will document any sanctions that are imposed.

XVII. "Whistleblowing" and Workforce Member Crime Victims

OBJECTIVE: To disclose PHI to appropriate individuals for purposes of reporting certain unlawful conduct or dangerous conditions in compliance with HIPAA.

Procedure

- The Plan, a workforce member, or a business associate may disclose PHI without authorization from an individual to whom the information relates in the following circumstances:

  - if the workforce member or business associate believes in good faith that the Plan has engaged in conduct that is unlawful or otherwise violates professional standards, or that the services provided by the Plan potentially endanger one or more patients, workers, or the public; and

  - the disclosure is to:

    - a health oversight agency or public health authority authorized by law to investigate or otherwise oversee the relevant conduct or conditions of the Plan or to an appropriate health care accreditation organization

for the purpose of reporting the allegation of failure to meet professional standards or misconduct by the Plan; or

- an attorney retained by or on behalf of the workforce member or business associate for the purpose of determining the legal options of the workforce member or business associate with regard to the relevant conduct.

- A workforce member who provides service to the Plan and who is the victim of a criminal act may disclose PHI to a law enforcement official if:

  - the information disclosed is about the suspected perpetrator of the criminal act; and

  - the information disclosed is limited to the following information:

    - name and address;
    - date and place of birth;
    - Social Security number
    - ABO blood type and rh factor;
    - type of injury;
    - date and time of treatment;
    - date and time of death, if applicable; and
    - a description of distinguishing physical characteristics, including height, weight, gender, race, hair and eye color, presence or absence of facial hair (beard or moustache), scars, and tattoos.

XVIII. Technical, Administrative and Physical Safeguards

OBJECTIVE: Comply with the HIPAA's requirements to implement technical, administrative and physical safeguards with respect to PHI.

Procedure

The Plan shall use the following methods to protect PHI:

(i) The Senior Advisor Retiree Healthcare shall maintain member enrollment information in a secure area. Employees will set computer screens to lock upon leaving their work stations.

(ii) Counselors will close their doors when meeting with members. PHI shared by the member will not be recorded, unless needed to accomplish a legitimate Agency business function. Any recording of PHI will be performed subject to the "minimum necessary" standard described in these HIPAA Privacy Use and Disclosure

Procedures. His/her computer will be set to lock upon departure from the work station.

(iii) The Senior Advisor Retiree Health Care and his/her staff will be seated in an isolated area. Personnel will close their doors when discussing PHI with members, business associates, or other members of the Agency in person or on the telephone. Member information will be maintained in locked drawers. His/her computer will be set to lock upon departure from the work station.

(iv) The internal audit staff will maintain audit records containing PHI in a locked cabinet in a locked office. Audit records containing PHI will be retained for at least 7 years from the date created.

(v) System security measures are addressed in the HIPAA Security Policy.

(vi) The Agency is locked at all times, except during business hours at entrances designated for public access. At public access entrances, the receptionist will bar visitors from entering business areas unless the visitor is accompanied by an employee. Employees gain admittance with keys at locked doors at all entrances not designated for public access. Visitors are escorted at all times.

XIX. Securing PHI and Notification in Case of Breach of Unsecured PHI

OBJECTIVE: Comply with the HITECH Act's notification requirements in the event of a breach of unsecured PHI.

Definitions

Breach means the acquisition, access, use, or disclosure of PHI in a matter not permitted under the Privacy Regulations which compromises the security or privacy of the PHI. A breach excludes:

- Any unintentional acquisition, access, or use of PHI by a workforce member or person acting under the authority of the Plan or a business associate, if such acquisition, access, or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under the Privacy Regulations.

- Any inadvertent disclosure by a person who is authorized to access PHI at a covered entity or business associate to another person authorized to access PHI at the same covered entity or business associate, or organized health care arrangement in which the covered entity participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted under the Privacy Regulations.

- A disclosure of PHI where a covered entity or business associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.

Unsecured PHI means PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary of the Department of Health and Human Services in the guidance issued under the HITECH Act.

Procedure

- To the extent practicable, the Plan will secure all PHI by rendering such PHI unusable, unreadable, or indecipherable to unauthorized individuals by either encryption or destruction, depending on what is appropriate for the circumstances. The notification requirements discussed in these Use and Disclosure Procedures will not apply to any PHI that is secured by one of the approved methods. In the event of a breach of PHI, the Privacy Official will determine if the breach relates to secured PHI, in which case the notification requirements will not apply, or if the breach relates to unsecured PHI, in which case the notification requirements will apply.

- The Privacy Official will be responsible for implementing reasonable systems for discovery of breaches of PHI, both internally and with the Plan's business associates, to ensure the timely compliance with all notice requirements in the event of a breach of unsecured PHI, including the following:

    - The Privacy Official will be responsible for ensuring that the Plan's workforce is trained to effectively identify and communicate any discovery of a breach of PHI (whether unsecured or secured). Workforce members who believe there may have been a breach of unsecured PHI shall notify the Privacy Official immediately.

    - Business associates are required by law to comply with the breach notification rules under the HITECH Act. The Plan will amend its contracts with business associates to appropriately define the role of the Plan and the business associate in the event of a breach of unsecured PHI.

    - The Privacy Official will be responsible for promptly investigating all reports of potential breaches of PHI and determining whether a breach has occurred, whether such breach involves unsecured PHI, and what additional information may be required to comply with all notice requirements in a timely manner.

- *Notification of individuals:*

    - Following the discovery of a breach of unsecured PHI, the Plan will notify each individual whose unsecured PHI has been, or is reasonably believed

by the Plan to have been, accessed, acquired, used, or disclosed as a result of such breach.

- ☐ The Plan will treat the date on which a breach of unsecured PHI is discovered as the first day that the breach is known to the Plan, or the first day on which the breach would have been known to the Plan had it been exercising reasonable diligence.

- ☐ Except in the case that law enforcement requests a delay, the Plan will send the required notification without unreasonable delay and in no case later than 60 calendar days after the date the breach was discovered by the Plan. In the case that the breach is first discovered by a business associate of the Plan, the Plan will send out the required notification no later than 60 calendar days after the business associate notifies the Plan of the breach.

- ☐ The notification provided to the individual will include the following information in plain language:

  - A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known;

  - A description of the types of unsecured PHI that were involved in the breach (such as full name, Social Security number, date of birth, home address, account number, diagnosis, disability code, or other types of information);

  - Any steps individuals should take to protect themselves from potential harm resulting from the breach;

  - A brief description of what the Plan is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; and

  - Contact procedures for individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, website, or postal address.

- ☐ The Plan may provide the notification to each affected individual by electronic mail to such individuals who have agreed to receive notification by electronic mail, and for all others, the Plan will send the notification by first-class mail to each such individual's last known address. In the case that the Plan has insufficient or out-of-date contact information that precludes a written notification, the Plan may provide a substitute notice, which may be made by telephone if the Plan has insufficient contact information for fewer than 10 individuals. If the Plan has insufficient contact information for 10 or more individuals, it may provide notice through either a conspicuous posting on the Plan's website for 90 days that includes a toll-free number to call for further information, or a

conspicuous notice in major print or broadcast media in the geographic area where the individuals affected by the breach likely reside that includes a toll-free number that is active for at least 90 days. In any case deemed by the Privacy Official to require urgency, the Plan may, in addition to the above methods of notification, provide information to individuals by telephone or other appropriate means. The notification may be sent in more than one installment, as information regarding the breach becomes available.

- *Notification to the media:* The Plan will provide notice to prominent media outlets serving a state or jurisdiction in the event of a breach of unsecured PHI that affects or is reasonably believed to have affected more than 500 residents of such state or jurisdiction. The Plan will provide this notice in the form of a press release within the same timeframe that it provides individual notifications and containing the same information provided to affected individuals.

- *Notification to the Secretary of DHHS:* The Plan will notify the Secretary of DHHS of breaches of unsecured PHI. If the breach involves 500 or more individuals, the Plan will notify the Secretary within the same timeframe that it provides individual notifications. If the breach involves fewer than 500 individuals, the Privacy Official will maintain a log of such breaches and annually submit the log to the Secretary, within 60 days following the end of the calendar year in which the breaches occurred. The Plan will provide information about any breaches to the Secretary in the manner specified on the DHHS website.

- *Notification by a business associate:* The Plan will require, through appropriate amendment of its business associate contracts, that any business associate of the Plan that discovers a breach of unsecured PHI promptly notify the Plan of the breach so that the Plan can notify affected individuals. The Plan will further require the business associate to provide the Plan, to the extent possible, with the identification of each affected individual and any other available information that the Plan is required to include in notification to the individual. The business associate contracts will govern the timing and other details required of business associates in the event of a breach of unsecured PHI.

- *Law enforcement delay:* The Plan will delay the notification required under these Use and Disclosure Procedures if a law enforcement official states that notification will impede a criminal investigation or cause damage to national security. In the event such a delay is requested, the Privacy Official will document the request and the identity of the official making the statement.

- *Documentation of impermissible uses and disclosures:* In the case of any impermissible use or disclosure of PHI, the Privacy Official shall maintain documentation to demonstrate that all required notifications were made under

these Use and Disclosure Procedures, or, alternatively, that the impermissible use or disclosure did not constitute a breach of unsecured PHI, and, therefore, notifications were not required.

XX. Fundraising, Marketing, and Sale of PHI

OBJECTIVE: Comply with HIPAA's (1) restrictions on fundraising and marketing with respect to an individual's PHI and (2) prohibition on the sale of PHI, as updated by the HITECH Act.

Definition of Marketing

Marketing means either of the following:

- To make a communication about a product or service that encourages recipients of the communication to purchase or use the product or service, unless the communication is made:
  - to describe a health-related product or service (or payment for such product or service) that is provided by, or included in a plan of benefits of, the covered entity making the communication, including communications about: the entities participating in a health care provider network or health plan network; replacement of, or enhancements to, a health plan; and health-related products or services available only to a health plan enrollee that add value to, but are not part of, a plan of benefits;
  - for treatment of the individual; or
  - for case management or care coordination for the individual, or to direct or recommend alternative treatments, therapies, health care providers, or settings of care to the individual.
- An arrangement between a covered entity and any other entity whereby the covered entity discloses PHI to the other entity, in exchange for direct or indirect remuneration, for the other entity or its affiliate to make a communication about its own product or service that encourages recipients of the communication to purchase or use that product or service.

Procedure

- The Plan will not use or disclose PHI for the purpose of fundraising or marketing, nor will it receive any indirect or direct remuneration for any PHI.
- Marketing does not include communications made by the Plan to describe a health-related product or service (or payment for such product or service) that is provided by, or included in a plan of benefits of, the Plan. Therefore, the Plan will continue to use and disclose PHI without the individual's authorization to communicate with individuals about entities participating in a

health care provider network or health plan network, about replacement of, or enhancements to the benefits offered by the Plan, and other health related products or services available only to Plan participants, and for case management or care coordination for the individual.

- Marketing further does not include any communications made by the Plan as described in the previous paragraph for which the Plan receives or has received direct or indirect payment in exchange for making such communications under the following circumstances:
  - Where such communication describes only a drug or biologic that is currently being prescribed for the recipient of the communication, and any payment received by the Plan in exchange for making such communication is reasonable in amount; or
  - Where such communication is made by the Plan and the Plan obtains from the recipient of the communication a valid authorization; or
  - Where such communication is made by a business associate on behalf of the Plan and the communication is consistent with the business associate agreement.
- The Plan may not sell any PHI or otherwise receive any direct or indirect remuneration in exchange for PHI. The following circumstances are not prohibited by the Plan's policy against selling PHI or receiving direct or indirect remuneration in exchange for PHI:
  - For public health activities;
  - For research if the price charged reflects the costs of preparation and transmittal of data;
  - For treatment of an individual;
  - In connection with the sale of the company where the buyer takes over the health plan;
  - To pay a business associate for a service provided to the health plan that involves disclosing PHI; and
  - To provide someone with a copy of their own PHI.
- Any requests for the use or disclosure of PHI for fundraising or marketing purposes, or for the sale of PHI, shall be directed to the Privacy Official who shall deny such requests.

XXI. Disclosure of PHI to the Agency

OBJECTIVE: Allow the Plan to disclose PHI to the Agency for the Agency to carry out plan administration functions that the Agency performs for the Plan, in compliance with HIPAA.

Procedure

- Before the Plan discloses PHI to the Agency for plan administration functions, the Plan documents must be amended to incorporate provisions to:
  - establish the permitted and required uses and disclosures of such information by the Agency;
  - provide that the Plan will disclose PHI to the Agency only upon receipt of a certification by the Agency that the Plan has been amended to incorporate the following provisions and the Agency has agreed to:
    - not to use or further disclose PHI other than as permitted or required by the Plan or as required by law;
    - to ensure that any agents, including subcontractors, to which the Agency provides PHI received from the Plan agree to the same restrictions and conditions that apply to the Agency;
    - not to use or disclose PHI for employment-related actions and decisions;
    - not to use or disclose PHI in connection with any other benefit or employee benefit plan of the Agency;
    - to report to the Plan any PHI use or disclosure inconsistent with the HIPAA regulations of which the Agency becomes aware;
    - to make PHI available to an individual pursuant to HIPAA's access requirements, as set forth in these Use and Disclosure Procedures;
    - to make PHI available for amendment, and incorporate any PHI amendments in accordance with HIPAA's requirements, as set forth in these Use and Disclosure Procedures;
    - to make available the information required to provide an accounting of disclosures in accordance with HIPAA, as set forth in these Use and Disclosure Procedures;
    - to make available to the Secretary of DHHS the Agency's internal practices, books and records relating to the use and disclosure of PHI

received from the Plan to determine the Plan's compliance with HIPAA's regulations;

- if feasible, to return or destroy all PHI received from the Plan that the Agency still maintains in any form, and to destroy PHI copies when they are no longer needed for the disclosure purpose. If return or destruction is not feasible, agree to limit further uses and disclosures to those purposes that make the return or destruction infeasible; and

- to ensure that an adequate separation between the Plan and the Agency is established that describes the employees or classes of employees of the Agency that may receive PHI, that restricts access to and use by such employees to the plan administration functions that the Agency performs for the Plan, and that provides for an effective mechanism for resolving any issues of noncompliance with the Plan document.

- The Plan may:

  - disclose PHI to the Agency to carry out plan administration functions that the Agency performs only consistent with these Use and Disclosure Procedures;

  - not permit a health insurance issuer or HMO with respect to the Plan to disclose PHI to the Agency, except as permitted by these Use and Disclosure Procedures;

  - not disclose and may not permit a health insurance issuer or HMO to disclose PHI to the Agency as otherwise permitted by these Use and Disclosure Procedures unless a separate statement to that effect is included in the appropriate notice of privacy practices; and

  - not disclose PHI to the Agency for the purpose of employment-related actions or decisions or in connection with any other benefit or employee benefit plan of the Agency.

Procedures for Complying With Individual Rights

Individual Rights: HIPAA gives individuals the right to access and obtain copies of their PHI that the Plan (or its business associates) maintains in designated record sets. HIPAA also provides that individuals may request to have their PHI amended, and that they are entitled to an accounting of certain types of disclosures.

I. Individual's Request for Access

OBJECTIVE: To facilitate compliance with HIPAA's requirement to provide individuals with access to their own PHI.

"Designated Record Set" Defined

Designated Record Set is a group of records maintained by or for the Plan that includes:

- the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for the Plan; or
- other protected health information used, in whole or in part, by or for the Plan to make coverage decisions about an individual.

Procedure

- □ *Request From Individual, Parent of Minor Child, or Personal Representative.* Upon receiving a request from an individual (or from a minor's parent or an individual's personal representative) for disclosure of an individual's PHI, the employee must take the following steps (the request must be in writing).
  - □ Follow the procedures for verifying the identity of the individual (or parent or personal representative) set forth in "Verification of Identity of Those Requesting Protected Health Information."
  - □ Review the disclosure request to determine whether the PHI requested is held in the individual's designated record set. See the Privacy Official if it appears that the requested information is not held in the individual's designated record set. ***No request for access may be denied without approval from the Privacy Official. (Note that on receipt of requests involving claims adjudication the Agency will refer the requestor to the appropriate business associate.)***
  - □ Review the disclosure request to determine whether an exception to the disclosure requirement might exist. Disclosure may be denied for requests to access: (i) psychotherapy notes; (ii) information compiled in reasonable anticipation of, or for use in, a civil, criminal, or administrative action or proceeding; (iii) certain requests by inmates; (iv) information compiled during research when denial of access to the information is agreed upon; (v) information obtained under a promise of confidentiality; and (vi) other disclosures that are determined by a health care professional to be likely to cause harm. See the Privacy Official if there is any question about whether one of these exceptions applies. ***No request for access may be denied without approval from the Privacy Official.***
  - □ Respond to the request by providing the information or denying the request within 30 days (60 days if the information is maintained off-site). If the requested PHI cannot be accessed within the 30-day (or 60-day) period, the deadline may be extended for 30 days by providing written notice to the individual within the original 30- or 60-day period of the reasons for the extension and the date by which the Agency will respond.

- A Denial Notice must contain: (1) the basis for the denial; (2) a statement of the individual's right to request a review of the denial, including a description of how the individual may exercise such review rights, if applicable; and (3) a statement of how the individual may file a complaint concerning the denial to the Plan or to the Secretary of DHHS, including the name or title and telephone number of the contact person or office responsible to receive complaints. All notices of denial must be prepared or approved by the Privacy Official.

- Provide the information requested in the form or format requested by the individual, if readily producible in such form. Otherwise, provide the information in a readable hard copy or such other form as is agreed to by the individual. Individuals (except for inmates) have the right to receive a copy by mail or by e-mail or can come in and pick up a copy. Individuals (including inmates) also have the right to come in and inspect the information. Note that on receipt of requests involving claims adjudication the Agency will refer the requestor to the appropriate business associate and the individual making the request may need to be directed to the business associate's office for the inspection.

- If the individual has requested a summary and explanation of the requested information in lieu of, or in addition to, the full information, prepare such summary and explanation of the information requested and make it available to the individual in the form or format requested by the individual.

- The Agency may charge a reasonable cost-based fee for copying, postage, and preparing a summary (but the fee for a summary must be agreed to in advance by the individual).

- If the individual has requested a review of a denial, the Plan will designate a licensed health care professional, who was not directly involved in the denial, to review the decision to deny access, and:

  - the Plan will promptly refer a request for review to such designated reviewing official;

  - the designated reviewing official will determine, within a reasonable period of time, whether or not to deny the access requested; and

  - the Plan will promptly provide written notice to the individual of the determination of the designated reviewing official.

- Disclosures must be documented in accordance with the procedure "Documentation Requirements."

- If the Plan's Privacy Official receives any request for access to an individual's information that may be maintained by the Plan's business associates, the Privacy Official will inform such business associates of the Plan's decision with respect to such request and shall cause the service provider to comply with such decision. Prior to making such a decision with regard to records held by the Plan's business associates, the Privacy Official shall consult with the affected business associates to ensure they can comply with the request, if granted. The Plan shall require its business associates to forward to the Privacy Official any requests for access that they receive directly from individuals for a decision by the Plan.

II. Individual's Request for Amendment

OBJECTIVE: To facilitate compliance with HIPAA's requirement to provide individuals with the right to request amendments to their own PHI.

Procedure

- *Request From Individual, Parent of Minor Child, or Personal Representative.* Upon receiving a request from an individual (or a minor's parent or an individual's personal representative) for amendment of an individual's PHI held in a designated record set, the employee must take the following steps:

  - Follow the procedures for verifying the identity of the individual (or parent or personal representative) set forth in "Verification of Identity of Those Requesting Protected Health Information."

  - Review the disclosure request to determine whether the PHI at issue is held in the individual's designated record set. See the Privacy Official if it appears that the requested information is not held in the individual's designated record set. ***No request for amendment may be denied without approval from the Privacy Official. Note that on receipt of requests to amend information used in claims adjudication the Agency will refer the requestor to the appropriate business associate.***

  - Review the request for amendment to determine whether the information would be accessible under HIPAA's right to access (see the access procedures above). See the Privacy Official if there is any question about whether one of these exceptions applies. Contact the business associate if information used in claims adjudication is involved. ***No request for amendment may be denied without approval from the Privacy Official.***

  - Review the request for amendment to determine whether the amendment is appropriate; that is, determine whether the information in the designated record set is accurate and complete without the amendment and whether the PHI was created by the Plan. Contact the business associate if information used in claims adjudication is involved.

- Respond to the request within 60 days by informing the individual in writing that the amendment will be made or that the request is denied. If the determination cannot be made within the 60-day period, the deadline may be extended for 30 days by providing written notice to the individual within the origmal 60-day period of the reasons for the extension and the date by which the Agency will respond.

- When an amendment is accepted, make the change in the designated record set, and provide appropriate notice to the individual and all persons or entities listed on the individual's amendment request form, if any, and also provide notice of the amendment to any persons/entities who are known to have the particular record and who may rely on the uncorrected information to the detriment of the individual.

- When an amendment request is denied, the following procedures apply:

  - All notices of denial must be prepared or approved by the Privacy Official. A Denial Notice must contain: (1) the basis for the denial; (2) information about the individual's right to submit a written statement disagreeing with the denial and how to file such a statement; (3) an explanation that the individual may (if he or she does not file a statement of disagreement) request that the request for amendment and its denial be included in future disclosures of the information; and (4) a statement of how the individual may file a complaint concerning the denial to the Plan or to the Secretary of DHHS, including the name or title and telephone number of the contact person or office responsible to receive complaints.

  - If, following the denial, the individual files a statement of disagreement, include the individual's request for an amendment; the denial notice of the request; the individual's statement of disagreement, if any; and the Agency's rebuttal/response to such statement of disagreement, if any, with any subsequent disclosure of the record to which the request for amendment relates. If the individual has not submitted a written statement of disagreement, include the individual's request for amendment and its denial with any subsequent disclosure of the protected health information only if the individual has requested such action.

  - Amendments must be documented in accordance with the procedure for "Documentation Requirements."

- If the Plan's Privacy Official receives any request to amend an individual's information that may be maintained by the Plan's business associates, the Privacy Official will inform such business associates of the Plan's decision with respect to such request and shall cause the service provider to comply with such decision. Prior to making such a decision with regard to records

held by the Plan's business associates, the Privacy Official shall consult with the affected business associates to ensure they can comply with the request, if granted. The Plan shall require its business associates to forward to the Privacy Official any requests for amendments that they receive directly from individuals for a decision by the Plan.

III. Processing Requests for an Accounting of Disclosures of Protected Health Information

OBJECTIVE: To facilitate compliance with HIPAA's requirement to provide individuals with the right to receive an accounting of certain disclosures of their PHI.

Procedure

- *Request From Individual, Parent of Minor Child, or Personal Representative.* Upon receiving a request from an individual (or a minor's parent or an individual's personal representative) for an accounting of disclosures, the employee must take the following steps:

  - Follow the procedures for verifying the identity of the individual (or parent or personal representative) set forth in "Verification of Identity of Those Requesting Protected Health Information."

  - If the individual requesting the accounting has already received one accounting within the 12 month period immediately preceding the date of receipt of the current request, prepare a notice to the individual informing him or her that a fee for processing will be charged and provide the individual with a chance to withdraw the request.

  - Respond to the request within 60 days by providing the accounting (as described in more detail below), or informing the individual that there have been no disclosures that must be included in an accounting (see the list of exceptions to the accounting requirement below). If the accounting cannot be provided within the 60-day period, the deadline may be extended for 30 days by providing written notice to the individual within the original 60-day period of the reasons for the extension and the date by which the Plan will respond.

  - The accounting must include disclosures (but not uses) of the requesting individual's PHI made by the Plan and any of its business associates during the period requested by the individual up to 6 years prior to the request. (Note, however, that the plan is not required to account for any disclosures made prior to January 1, 2006.) The accounting does not have to include disclosures made:

    - to carry out treatment, payment and health care operations;

- to the individual about his or her own PHI;
- incident to an otherwise permitted use or disclosure;
- pursuant to an individual authorization;
- to persons involved in the individual's care or payment for the individual's care or for certain other notification purposes;
- for specific national security or intelligence purposes;
- to correctional institutions or law enforcement when the disclosure was permitted without an authorization; and
- as part of a limited data set.

□ Contact the third party claims administrator's and the pharmacy benefits manager's client services departments to obtain a listing of disclosures they have made within the past 6 years (or since the last accounting, if more recently).

□ The accounting must include the following information for each disclosure of the individual's PHI:

- the date of disclosure;
- the name (and if known, the address) of the entity or person to whom the information was disclosed;
- a brief description of the PHI disclosed; and
- a brief statement explaining the purpose for the disclosure. (The statement of purpose may be accomplished by providing a copy of the written request for disclosure, when applicable.)

□ If the Plan has received a temporary suspension statement from a health oversight agency or a law enforcement official indicating that notice to the individual of disclosures of PHI would be reasonably likely to impede the agency's activities, disclosure may not be required. If an employee receives such a statement, either orally or in writing, the employee must contact the Privacy Official for more guidance.

□ Accountings must be documented in accordance with the procedure for "Documentation Requirements."

□ If the Plan's Privacy Official receives any request for an accounting of disclosures of an individual's information that may be maintained by the Plan's business associates, the Privacy Official will inform such business

associates of the Plan's decision with respect to such request and shall cause the service provider to comply with such decision. Prior to making such a decision with regard to records held by the Plan's business associates, the Privacy Official shall consult with the affected business associates to ensure they can comply with the request, if granted. The Plan shall require its business associates to forward to the Privacy Official any requests for an accounting of disclosures that they receive directly from individuals for a decision by the Plan.

IV. Processing Requests for Confidential Communications

OBJECTIVE: Facilitate processing of requests for confidential communications.

Procedure

- *Request From Individual, Parent of Minor Child, or Personal Representative.* Upon receiving a request from an individual (or a minor's parent or an individual's personal representative) to receive communications of PHI by alternative means or at alternative locations, the employee must take the following steps (the request must be in writing).
  - Follow the procedures for verifying the identity of the individual (or parent or personal representative) set forth in "Verification of Identity of Those Requesting Protected Health Information."
  - Determine whether the request contains a statement that disclosure of all or part of the information to which the request pertains could endanger the individual.
  - The employee should take steps to honor requests that provide an alternate address and a reasonable basis for the request (for example, an impending divorce). Requests for confidential communications must be honored by the Plan if the individual states that disclosure could endanger the individual.
  - If a request will not be accommodated, the employee must contact the individual in person, in writing, or by telephone to explain why the request cannot be accommodated.
  - All confidential communication requests that are approved must be noted in the member's file within 3 working days, with the alternate address entered for the requesting party in the same manner that an alternate address is noted for a COBRA participant.
  - Requests and their dispositions must be documented in accordance with the procedure for "Documentation Requirements."

- If the Plan's Privacy Official receives any request for confidential communications of an individual's information that may be maintained by the Plan's business associates, the Privacy Official will inform such business associates of the Plan's decision with respect to such request and shall cause the service provider to comply with such decision. Prior to making such a decision with regard to records held by the Plan's business associates, the Privacy Official shall consult with the affected business associates to ensure they can comply with the request, if granted. The Plan shall require its business associates to forward to the Privacy Official any requests for confidential communications that they receive directly from individuals for a decision by the Plan.

V. Processing Requests for Restrictions on Uses and Disclosures of Protected Health Information

OBJECTIVE: To facilitate the processing of requests for restrictions on uses and disclosures of PHI.

- *Request From Individual, Parent of Minor Child, or Personal Representative.* Upon receiving a request from an individual (or a minor's parent or an individual's personal representative) for restriction to an individual's PHI, the employee must take the following steps:
  - Follow the procedures for verifying the identity of the individual (or parent or personal representative) set forth in "Verification of Identity of Those Requesting Protected Health Information."
  - The employee should take steps to honor requests only if the requesting party provides a compelling reason to honor the request (such as endangerment of the individual's well-being should the information be released).
  - The Plan is only required by law to agree with a request in the case of a request to restrict a disclosure to a health plan for purposes of carrying out payment or health care operations (and not for purposes of carrying out treatment), provided the PHI pertains solely to a health care item or service for which a health care provider involved has been paid out of pocket in full. In all other cases, the Plan is not required by law to agree with a request for a restriction.
  - If a request will not be accommodated, the employee must contact the individual in person, in writing, or by telephone to explain why the request cannot be accommodated.
  - All requests for limitations on use or disclosure of PHI that are approved must be noted in the member's folder.

- □ All business associates that may have access to the individual's PHI must be notified of any agreed-to restrictions. The staff of the Senior Advisor Retiree Health Care shall contact the client services department of the business associate(s) and advise them of the agreement to restrict access.

- □ Requests and their dispositions must be documented in accordance with the procedure for "Documentation Requirements."

- □ Even if the Plan has agreed to a restriction, the Plan may continue to use and disclose PHI as follows:

  - to the individual whose PHI is being restricted;

  - as required by law;

  - for the purposes described in these Use and Disclosure Procedures related to public policy uses and disclosures; or

  - to the Secretary of the Department of Health and Human Services to investigate or determine the Plan's compliance with the Privacy Regulations.

- □ The Plan may terminate its agreement to a restriction, if:

  - the individual agrees to or requests the termination in writing;

  - the individual orally agrees to the termination and the oral agreement is documented; or

  - except for a restriction request that is required by law to be honored, the Plan informs the individual that the Plan is terminating the agreement, except that such termination is only effective with respect to PHI created or received after it has so informed the individual.

- □ The Privacy Official shall document the termination of a restriction and shall retain that documentation for a period of at least 7 years from the date of its creation.

- □ If the Plan's Privacy Official receives any request for restrictions as to the use or disclosure of information that may be maintained by the Plan's business associates, the Privacy Official will inform such business associates of the Plan's decision with respect to such request and shall cause the service provider to comply with such decision. Prior to making such a decision with regard to records held by the Plan's business associates, the Privacy Official shall consult with the affected business associates to ensure they can comply with the request, if granted. The Plan shall require its business associates to forward to the Privacy Official

any requests for restrictions that they receive directly from individuals for a decision by the Plan.

VI. Notice of Privacy Practices, Complaints, and Privacy Official

OBJECTIVE: Comply with HIPAA's requirements to: (1) provide individuals with the right to notice of the Plan's uses and disclosures of their PHI, their individual rights, and the Plan's legal duties with respect to PHI; (2) provide a means for individuals to lodge complaints about the Plan's uses and disclosures of their PHI; and (3) appoint a Privacy Official to serve as the individual charged with leading and managing the implementation of these Use and Disclosure Procedures.

Procedure

- *Timing of Notice.* The Plan will provide its Notice of Privacy Practices ("Notice"):
  - at the time of enrollment, to individuals who are new enrollees; and
  - within 60 days of a material revision to the Notice, to individuals then covered by the Plan.
- *New Enrollees.* New enrollees will receive the Notice in their initial enrollment package, along with their summary plan description booklet and other initial notices.
- *Updates.* No less frequently than once every three years, the Plan will notify individuals then covered by the Plan of the availability of the Notice and how to obtain the Notice.
- *One Notice Per Family.* The Plan will provide the Notice to the employee who is enrolled in the Plan and will not provide a separate notice to any dependents of the employees who are also covered by the Plan, unless a Notice is specifically requested by any such dependent.
- *Single Notice For All Coverage Options.* The Plan will provide the same Notice to all participants, regardless of which benefit program or coverage level in which the participant is enrolled.
- *Web Site.* If the Agency maintains a web site that provides information about the Plan's benefits, it will prominently post the Plan's Notice on that web site and make the Notice available electronically through the web site.
- *Complaints.* Any individual who believes that his or her privacy rights have been violated may lodge a complaint with the Plan's Privacy Official who will investigate and respond to all complaints filed. The Plan's Notice of Privacy Practices will notify individuals of this right, as well as the right to file a

complaint with the Secretary of DHHS. The Privacy Official shall document all steps involved in the investigation (including, but not limited to, the individual's original complaint) and shall retain such documentation for at least 6 years after the complaint is fully resolved.

- □ *Documentation.* The Plan will document compliance with the notice requirements, by retaining copies of the Notice issued by the Plan for 6 years from the date of the Notice's creation or the date when it was last in effect, whichever is later.

- □ *Business Associates.* The Privacy Official shall ensure that each business associate of the Plan has a current copy of the Plan's Notice and, through the business associate contract, agrees to use and disclose PHI and to implement individuals' right with respect to their PHI consistently with the Notice.

- □ *Privacy Official.* The Privacy Official shall be appointed by the Agency in its role as administrator of the Plan. The Privacy Official will coordinate the implementation of these Use and Disclosure Procedures. The Privacy Official will implement, manage, regularly monitor, and maintain compliance with these Use and Disclosure Procedures and the requirements of the HIPAA regulations. The Privacy Official shall have all duties set forth in these Use and Disclosure Procedures and shall serve at the pleasure of the Agency.

CERTIFICATION

We, the Chair of the Board of Trustees and the Executive Director, do hereby certify that this HIPAA Privacy Use and Disclosure Procedures Kentucky Retirement Systems was amended by the Board of Trustees on this the 18th day of August, 2011.

Jennifer L. Elliott, Chair — Date: 8-23-11

William A. Thielen, Interim Executive Director — Date: 8-23-11

Adoption of Updated HIPAA Policy:

Nathan Goodrich and
Carrie Bass

Need for change

HIPAA policy has not been updated since the HB 484 separation of governance

Needs to recognize updates to federal law

Incorporates best practices

Previously:

The old KRS Board adopted 44 pages of detailed HIPAA Privacy Use and Disclosure Procedures

Proposed:

Policy for adoption by all three Boards is 7 pages and directs KPPA to adopt HIPAA Procedures to implement the Policy.

What does the Policy do?

1) Establishes CERS, KRS, and KPPA as a hybrid entity for HIPAA purposes covered by a single policy;

2) Designate a privacy official, a contact person responsible for receiving complaints, and security personnel in accordance with federal law;

3) Establish Plan compliance with HIPAA, HITECH, the related HIPAA Regulations, related federal laws, and applicable state privacy laws; and

4) Establishes the obligation of trustees and board members relating to HIPAA.

What is a Hybrid Entity?

An organization that performs both HIPAA-covered and non-covered functions

Under federal law must designate Healthcare Components subject to HIPAA rules

Retiree Healthcare is the only CERS, KRS, KPPA function subject to HIPAA. All other functions are still subject to confidentiality.

Policy Overview

Delegates responsibility for detailed procedures to KPPA. Boards reserve right to review and provide instructions regarding the procedures

Establishes separation from non-covered functions

Requires that training be provided to trustees and board members, employees, and contractors who handle covered functions or PHI directly or indirectly.

Define responsibilities for PHI protection

Roles & Responsibilities:

- The HIPAA Privacy Rule and the HIPAA Security Rule require that an individual be responsible for:
  - Overall compliance with the rules (the "Privacy Official");
  - Information requests and complaints (the "Information and Complaint Official"); and
  - Ensuring the security of PHI (the “Security Official”).

Roles & Responsibilities: Privacy Officer

- Daily compliance with the Policy and the *KPPA HIPAA Procedures*;
- Receiving and acting on requests for PHI access, amendment, privacy protection, alternative communication, and disclosures;
- Reviewing and monitoring receipt, collection, maintenance, and use of PHI in connection with the Plan to ensure that such information is protected from violation of this Policy and the *KPPA HIPAA Procedures*;
- Maintaining HIPAA-related documentation
- Ensuring that there are appropriate administrative and physical safeguards to protect the privacy of PHI.
- the KPPA Compliance Officer is the Privacy Official under the policy

Roles & Responsibilities: Information and Complaint Official

The Information and Complaint Official is responsible for:

- Responding to requests for and providing information about HIPAA practices;
- Receiving complaints of, and appropriately processing, potential privacy violations
- Mitigating a prohibited use or disclosure of PHI as required by federal law;
- Ensuring that no retaliatory acts are taken against individuals on account of or due to the exercise of any rights available under the HIPAA Privacy Rule
- Maintaining records of all complaints, responses to the individual complaining, sanctions implemented for individuals violating Policy, and actions taken to mitigate the harmful effect of any prohibited use or disclosure as required by federal law
- The KPPA Office of Legal Services Staff Assistant is the Information and Complaint Official under the Policy

Roles & Responsibilities: Security Official

- Analyzes electronic security practices;
- Assists with evaluation of complaints or potential breaches involving health information maintained on computers or other devices; and
- Ensures that appropriate physical and technical safeguards are in place to protect the privacy of PHI.
- Under the Policy, the KPPA Enterprise and Technology Services Assistant Director/Information Security Officer is the Security Official for the Plan.

Roles & Responsibilities: Boards

- Maintain oversight of the health insurance plan
- Review HIPAA policy no less frequently than every three years.
- Training to understand fiduciary responsibility relating to HIPAA.

Questions?

July 8, 2026

To the Board of Trustees
County Employees Retirement System (CERS)
Kentucky Retirement Systems (KRS)
Frankfort, Kentucky

This letter is provided in connection with our engagement to audit the financial statements of the County Employee Retirement System and Kentucky Retirement Systems as of and for the year ended June 30, 2026. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit and the planned scope and timing of our audit, including significant risks we have identified.

Our Responsibilities

As stated in our statement of work dated July 8, 2026, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America and in accordance with *Government Auditing Standards* for the purpose of forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit does not relieve you or management of your respective responsibilities.

Our responsibility relating to other information, whether financial or nonfinancial information (other than financial statements and the auditor's report thereon), included in the entity's annual report includes only the information identified in our report. We have no responsibility for determining whether the introduction, investments, actuarial, and statistical sections are properly stated. We require that we receive the final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report, or if that is not possible, as soon as practicable and, in any case, prior to the entity's issuance of such information.

Planned Scope of the Audit

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

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Our audit will include obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. However, we will communicate to you at the conclusion of our audit, any material weaknesses or significant deficiencies identified. We will also communicate to you:

- Any violation of laws or regulations that come to our attention;
- Our views relating to qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;
- Significant difficulties, if any, encountered during the audit;
- Disagreements with management, if any, encountered during the audit;
- Significant unusual transactions, if any;
- The potential effects of uncorrected misstatements on future-period financial statements; and
- Other significant matters that are relevant to your responsibilities in overseeing the financial reporting process.

Professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks." Although we are currently in the planning stage of our audit, we have preliminarily identified the following significant risks that require special audit consideration.

- Management override of controls is considered an inherent risk according to GAAS.
- Risk of improper revenue recognition of contributions - We identified revenue recognition as a significant risk due to the potential risk related to revenue being recognized in the incorrect period because of the nature of the contributions.
- Net pension & OPEB liability – We identified the actuarial valuations of the net pension liability and net OPEB liability as a significant risk due to the nature and complexity of the calculations and the estimates and assumptions used in the calculations.
- Proper valuation of alternative investments – We identified the valuation of alternative investments as a significant risk due to the non-readily available market prices for these investments, for which the valuation of these investments is based on cash flow analysis with true-up valuation adjustments provided by investment fund managers.
- Proper calculation of initial benefit payments – We identified initial benefit calculations as a significant risk due to the nature and complexity of the benefit payment calculations.

We expect to begin our audit in July 2026 and issue our report in December 2026.

This information is intended solely for the information and use of the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Eide Bailly LLP

Boise, Idaho

Combining Statement of Fiduciary Net Position

For the twelve month period ending June 30, 2026, with Comparative Totals for the twelve month period ending June 30, 2025 ($ in thousands) (Unaudited))

ASSETS	Pension			Insurance			KRS Total	KRS Total		
	KERS Nonhazardous	KERS Hazardous	SPRS	KERS Nonhazardous	KERS Hazardous	SPRS	2026	2025		
CASH AND SHORT-TERM INVESTMENTS										
Cash Deposits	$273	$25	$25	$101	$24	$24	$472	$446	5.83%	
Short-term Investments	275,629	53,052	36,675	69,562	26,156	8,146	469,220	$427,446	9.77%	
Total Cash and Short-term Investments	**275,902**	**53,077**	**36,700**	**69,663**	**26,180**	**8,170**	**469,692**	**427,892**	9.77%	
RECEIVABLES										
Accounts Receivable	100,261	9,172	4,984	6,181	511	223	121,332	102,526	18.34%	1
Accounts Receivable - Investments	75,570	11,721	10,911	19,789	6,532	2,634	127,157	164,726	(22.81%)	2
Total Receivables	**175,831**	**20,893**	**15,895**	**25,970**	**7,043**	**2,857**	**248,489**	**267,252**	(7.02%)	
INVESTMENTS, AT FAIR VALUE										
Core Fixed Income	1,623,327	127,938	226,075	196,037	78,721	30,307	2,282,405	1,905,672	19.77%	3
Public Equities	1,997,271	580,452	280,803	901,948	360,106	137,963	4,258,543	3,574,361	19.14%	4
Private Equities	231,464	60,018	30,605	96,774	37,225	16,497	472,583	472,777	(0.04%)	
Specialty Credit	1,164,651	314,364	161,972	486,748	192,261	76,332	2,396,328	2,125,075	12.76%	5
Derivatives	(214)	(20)	(31)	(31)	(7)	(6)	(309)	25	(1336.00%	
Real Return	555,412	97,746	78,364	161,239	62,077	24,915	979,753	837,203	17.03%	
Real Estate	259,777	70,293	35,952	113,789	45,337	17,309	542,457	498,472	8.82%	
Total Investments, at Fair Value	**5,831,688**	**1,250,791**	**813,740**	**1,956,504**	**775,720**	**303,317**	**10,931,760**	**9,413,585**	16.13%	
Securities Lending Collateral	110,387	23,841	15,436	29,549	11,714	4,561	195,488	239,101	(18.24%)	6
CAPITAL/INTANGIBLE ASSETS										
Capital Assets	929	91	11	—	—	—	1,031	1,031	—%	
Intangible Assets	5,920	494	100	—	—	—	6,514	6,514	—%	
Accumulated Depreciation	(929)	(91)	(11)	—	—	—	(1,031)	(1,031)	—%	
Accumulated Amortization	(5,920)	(494)	(100)	—	—	—	(6,514)	(6,514)	—%	
Total Capital Assets	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	—%	
Total Assets	**6,393,808**	**1,348,602**	**881,771**	**2,081,686**	**820,657**	**318,905**	**11,845,429**	**10,347,830**	14.47%	
LIABILITIES										
Accounts Payable	4,762	1,838	283	54	—	—	6,937	6,176	12.32%	
Accounts Payable - Investments	133,135	19,057	18,971	31,785	9,720	4,010	216,678	220,298	(1.64%)	
Securities Lending Collateral	110,387	23,841	15,436	29,549	11,714	4,561	195,488	239,101	(18.24%)	7
Total Liabilities	**248,284**	**44,736**	**34,690**	**61,388**	**21,434**	**8,571**	**419,103**	**465,575**	(9.98%)	
Total Fiduciary Net Position Restricted for Benefits	**$6,145,524**	**$1,303,866**	**$847,081**	**$2,020,298**	**$799,223**	**$310,334**	**$11,426,326**	**$9,882,255**	15.62%	

NOTE - Variance Explanation for changes greater than 10% and more than $1 million. Differences due to rounding

1) The increase in Accounts Receivable is due to not receiving the PC001 account funds prior to year end.

2) The variance in Investment Accounts Receivable is due to pending trades.

3) The increase in Core Fixed Income is a result of additional funding and favorable market conditions.

4) The increase in Public Equity is primarily due to unrealized and realized gains.

5) The increase in Specialty Credit is a result of additional funding and favorable market conditions.

6) The variance is a result of the demand of the Securities Lending Program.

7) The variance is a result of the demand of the Securities Lending Program.

Combining Statement of Changes In Fiduciary Net Position

For the twelve month period ending June 30, 2026, with Comparative Totals for the twelve month period ending June 30, 2025 ($ in thousands) (Unaudited))

	Pension			Insurance			KRS Total	KRS Total		
	KERS Nonhazardous	KERS Hazardous	SPRS	KERS Nonhazardous	KERS Hazardous	SPRS	2026	2025		
ADDITIONS										
Member Contributions	$110,769	$24,115	$5,964	$—	$—	$—	$140,848	$133,011	5.89%	
Employer Contributions	165,159	78,569	56,273	32,239	25	1,792	334,057	310,271	7.67%	
Actuarially Accrued Liability Contributions	865,744	—	—	1,992	—	—	867,736	866,382	0.16%	
General Fund Appropriations	300,000	—	25,000	—	—	—	325,000	325,000	—%	
Pension Spiking Contributions	1	—	—	—	—	—	1	15	(93.33%)	
Health Insurance Contributions (HB1)	(93)	(58)	(12)	13,716	2,536	492	16,581	14,860	11.58%	1
Humana Gain Share Payment	—	—	—	—	—	—	—	—		
Medicare Drug Reimbursement	—	—	—	1	—	—	1	4		
Insurance Premiums	—	—	—	49	(35)	(34)	(20)	(51)	(60.78%)	
Retired Reemployed Healthcare	—	—	—	10,076	2,376	31	12,483	10,776	15.84%	2
Total Contributions	**1,441,580**	**102,626**	**87,225**	**58,073**	**4,902**	**2,281**	**1,696,687**	**1,660,268**	2.19%	
INVESTMENT INCOME										
From Investing Activities										
Net Appreciation (Depreciation) in FV of Investments	488,271	122,690	67,840	189,366	74,349	28,845	971,361	735,501	32.07%	3
Interest/Dividends	186,960	40,077	26,879	63,301	24,355	9,805	351,377	317,248	10.76%	4
Total Investing Activities Income (loss)	675,231	162,767	94,719	252,667	98,704	38,650	1,322,738	1,052,749	25.65%	
Less: Investment Expense	24,857	6,405	3,570	9,753	4,914	1,871	51,370	50,544	1.63%	
Less: Performance Fees	8,568	1,524	1,156	3,418	1,116	406	16,188	18,409	(12.06%)	5
Net Income (loss) from Investing Activities	641,806	154,838	89,993	239,496	92,674	36,373	1,255,180	983,796	27.59%	
From Securities Lending Activities										
Securities Lending Income	6,472	1,494	1,024	2,068	681	279	12,018	13,196		
Less: Securities Lending Borrower Rebates (Income)/Expense	5,179	1,196	822	1,626	524	217	9,564	11,660		
Less: Securities Lending Agent Fees	194	45	30	66	24	9	368	231		
Net Income from Securities Lending	1,099	253	172	376	133	53	2,086	1,305	59.85%	
Net Investment Income (loss)	**642,905**	**155,091**	**90,165**	**239,872**	**92,807**	**36,426**	**1,257,266**	**985,101**	27.63%	
Total Additions	**2,084,485**	**257,717**	**177,390**	**297,945**	**97,709**	**38,707**	**2,953,953**	**2,645,369**	11.67%	
DEDUCTIONS										
Benefit Payments	1,056,095	92,087	72,105	—	—	—	1,220,287	1,199,334	1.75%	
Refunds	11,533	8,701	732	—	—	—	20,966	17,711	18.38%	6
Administrative Expenses	14,619	1,733	325	554	104	77	17,412	16,968	2.62%	
Healthcare Premium Subsidies	—	—	—	109,521	22,364	17,741	149,626	139,971	6.90%	
Self Funded Healthcare	—	—	—	1,440	119	28	1,587	1,934	(17.94%)	
Excise Tax	—	—	—	4	—	—	4	3	—%	
Total Deductions	**1,082,247**	**102,521**	**73,162**	**111,519**	**22,587**	**17,846**	**1,409,882**	**1,375,921**	2.47%	
Net Increase Decrease in Fiduciary Net Position Restricted for Pension Benefits	1,002,238	155,196	104,228	186,426	75,122	20,861	1,544,071	1,269,448	21.63%	
Total Fiduciary Net Position Restricted for Benefits										
Beginning of Period	**5,143,284**	**1,148,670**	**742,853**	**1,833,872**	**724,103**	**289,472**	**9,882,254**	**8,612,809**	14.74%	
End of Period	**$6,145,522**	**$1,303,866**	**$847,081**	**$2,020,298**	**$799,225**	**$310,333**	**$11,426,325**	**$9,882,257**	15.62%	

NOTE - Variance Explanation for changes greater than 10% and more than $1 million. Differences due to rounding.

1) Health Insurance Contributions will continue to increase as membership in Tier 2 and Tier 3 increases.

2) The increase in Retired Reemployed Healthcare is due to an increase in retired reemployed employees in all plans.

3) The increase in Net Appreciation in Fair Value of Investments is the result of gains largely from Public Equities and Specialty Credit.

4) The increase in Interest and Dividends is a result of the increase in income from Core Fixed Income and Specialty Credit.

5) The decrease in performance fees is primarily due to the decreasing asset base within the Private Equity asset class.

6) The increase in Refunds is due to the employees opting into Tier 3, taking refunds when terminated, and an increase in Partial Lump Sum retirement payments for all plans.

KRS Contribution Report

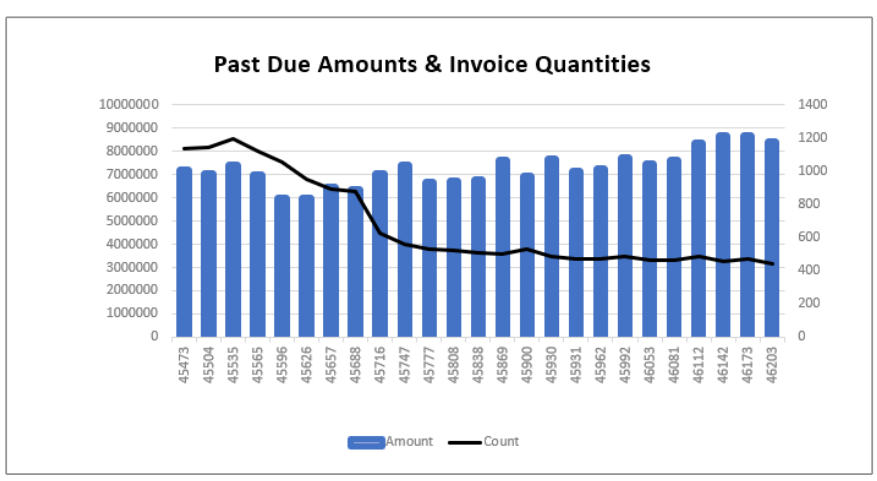
For the twelve month period ending June 30, 2026, with Comparative Totals for the twelve month period ending June 30, 2025 ($ in Millions)

	Kentucky Employees Retirement System				State Police Retirement System	
	Nonhazardous		Hazardous			
	Pension					
	FY26	FY25	FY26	FY25	FY26	FY25
Member Contributions	$110.7	$104.7	$24.1	$22.1	$6.0	$6.0
Employer Contributions	124.5	118.9	64.4	58.3	53.8	50.8
Employer Pay Credit	40.7	35.5	14.2	12.4	2.5	2.2
AALC	865.7	864.5	—	—	—	—
General Fund Appropriations	300.0	300.0	—	—	25.0	25.0
Net Investment Income	154.6	129.4	32.4	28.8	22.3	20.0
Total Inflows	**1,596.2**	**1,553.0**	**135.1**	**121.6**	**109.6**	**104.0**
Benefit Payments/Refunds	1,067.6	1,057.2	100.8	93.8	72.8	66.0
Administrative Expenses	14.6	14.1	1.7	1.6	0.3	0.3
Total Outflows	**1,082.2**	**1,071.3**	**102.5**	**95.4**	**73.1**	**66.3**
NET Contributions	**514.0**	**481.7**	**32.6**	**26.2**	**36.5**	**37.7**
Realized Gain/(Loss)	178.6	156.8	48.0	47.6	26.7	23.0
Unrealized Gain/(Loss)	309.7	207.2	74.7	45.0	41.2	29.0
Change in Net Position	**1,002.3**	**845.7**	**155.3**	**118.8**	**104.4**	**89.7**
Beginning of Period	**5,143.3**	**4,297.6**	**1,148.7**	**1,029.9**	**742.9**	**653.2**
End of Period	**$6,145.6**	**$5,143.3**	**$1,304.0**	**$1,148.7**	**$847.3**	**$742.9**
Net contributions less Net Investment Income	$359.4	$352.3	$0.2	($2.6)	$14.2	$17.7
Cash Flow as % if Net Assets	5.85%	6.85%	0.02%	(0.23%)	1.68%	2.38%
Net Investment Income	$154.6	$129.4	$32.4	$28.8	$22.3	$20.0
Yield as % of Net Assets	2.52%	2.51%	2.48%	2.51%	2.63%	2.69%

	Kentucky Employees Retirement System				State Police Retirement System	
	Nonhazardous		Hazardous			
	Insurance					
	FY26	FY25	FY26	FY25	FY26	FY25
Employer Contributions	$32.2	$30.3	$—	$—	$1.8	$1.9
AALC	2.0	1.9	—	—	—	—
Insurance Premiums	0.1	—	—	(0.1)	—	—
Humana Gain Share	—	—	—	—	—	—
Retired Remployed Healthcare	10.0	8.6	2.3	2.2	—	—
Health Insurance Contributions	13.7	12.3	2.5	2.2	0.5	0.4
Net Investment Income	50.5	47.8	18.5	16.9	7.6	6.9
Total Inflows	**108.5**	**100.9**	**23.3**	**21.2**	**9.9**	**9.2**
Healthcare Premiums	111.0	105.6	22.5	21.6	17.8	14.6
Administrative Expenses	0.6	0.8	0.2	0.1	0.1	0.1
Total Outflows	**111.6**	**106.4**	**22.7**	**21.7**	**17.9**	**14.7**
NET Contributions	**(3.1)**	**(5.5)**	**0.6**	**(0.5)**	**(8.0)**	**(5.5)**
Realized Gain/(Loss)	78.9	81.7	31.2	34.8	12.7	14.2
Unrealized Gain/(Loss)	110.5	65.6	43.1	21.9	16.2	8.7
Change in Net Position	**186.3**	**141.8**	**74.9**	**56.2**	**20.9**	**17.4**
Beginning of Period	**1,833.9**	**1,692.1**	**724.1**	**667.9**	**289.5**	**272.1**
End of Period	**$2,020.2**	**$1,833.9**	**$799.0**	**$724.1**	**$310.4**	**$289.5**
Net contributions less Net Investment Income	($53.6)	($53.3)	($17.9)	($17.4)	($15.6)	($12.4)
Cash Flow as % if Net Assets	(2.66%)	(2.91%)	(2.24%)	(2.41%)	(5.03%)	(4.28%)
Net Investment Income	$50.5	$47.8	$18.5	$16.9	$7.6	$6.9
Yield as % of Net Assets	2.50%	2.61%	2.32%	2.33%	2.45%	2.38%

Past Due Invoices As Of June 30, 2026

Employer Name (Top Ten) Type of Invoice	0-90 days	91-180 days	181-360 days	1-2 years	2-3 years	3-5 years	> 5 years	Total Past Due	COUNT	COMMENTS
KENTUCKY RIVER COMMUNITY CARE INC	**$365,256**	**$362,699**	**$726,385**	**$1,449,755**	**$1,451,149**	**$2,780,578**	**($157)**	**$7,135,666**	**89**	
Actuarially Accrued Liability Contribution	362,699	362,699	725,386	1,450,812	1,450,812	2,780,723		7,133,132	60	
Omitted Employer	2,358							2,358	1	With KPPA Legal
Standard Sick Leave			1,033		711			1,745	2	
Pension Spiking							64	64	3	
Monthly Reporting Invoice	199		(34)	(1,057)	(374)	(145)	(221)	(1,633)	23	
DEPARTMENT OF HIGHWAYS	**$496,193**							**$496,193**	**25**	
Standard Sick Leave	325,589							325,589	18	ERCE working with employer to resolve past due amounts.
Health Insurance Reimbursement	171,159							171,159	2	
Personnel Adjustment	(179)							(179)	2	
Member Pension Spiking Refund	(377)							(377)	3	
KENTUCKY STATE FAIR BOARD	**$207,538**							**$207,538**	**1**	Invoices have been paid/resolved
Health Insurance Reimbursement	207,538							207,538	1	
SEVEN COUNTY SERVICES INC	**($5)**		**$121**	**$3,103**	**($1,199)**	**($2,885)**	**$168,144**	**$167,278**	**104**	
Pension Spiking			121	6,027			139,882	146,030	36	With KPPA Legal
Standard Sick Leave							36,798	36,798	12	
Omitted Employer							7,558	7,558	11	
Monthly Reporting Invoice	(5)			(2,924)	(1,199)	(2,885)	(16,094)	(23,108)	45	
UNIFIED PROSECUTORIAL SYSTEM	**$32,205**	**($68)**		**($141)**	**$38,695**	**$11,136**	**$53,573**	**$135,400**	**106**	
Standard Sick Leave	32,693				37,807	10,474	15,117	96,091	16	
Pension Spiking					2,307		46,535	48,842	12	
Monthly Reporting Invoice							895	895	4	ERCE, Legal, and CFO working on resolution
Omitted Employer							466	466	1	
Expired Post Pending Invoice							(767)	(767)	24	
Member Pension Spiking Refund	(488)			(141)	(1,125)	(1,210)	(1,097)	(4,062)	17	
Personnel Adjustment		(68)			(294)	1,872	(7,575)	(6,065)	32	
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES	**$41,451**	**$5,657**						**$47,109**	**8**	Invoices have been paid/resolved
Standard Sick Leave	24,479							24,479	4	
Health Insurance Reimbursement	16,972	5,657						22,630	4	
DEPARTMENT OF EDUCATION	**$45,629**							**$45,629**	**3**	Invoices have been paid/resolved
Standard Sick Leave	45,629							45,629	3	
DEPARTMENT FOR PUBLIC HEALTH	**$31,680**							**$31,680**	**3**	ERCE working with employer to resolve past due amounts.
Standard Sick Leave	31,680							31,680	3	
DEPARTMENT OF JUVENILE JUSTICE	**$15,941**	**$15,128**						**$31,069**	**11**	
Health Insurance Reimbursement	15,575	16,407						31,982	2	ERCE working with employer to resolve past due amounts.
Standard Sick Leave	1,852							1,852	2	
Personnel Adjustment	(65)							(65)	1	
Member Pension Spiking Refund	(1,421)	(1,279)						(2,700)	6	
HEALTH AND FAMILY SERVICES OFFICE OF THE SECRETARY	**$22,296**	**($132)**						**$22,164**	**5**	ERCE working with employer to resolve past due amounts.
Health Insurance Reimbursement	17,518							17,518	1	
Standard Sick Leave	4,778							4,778	3	
Personnel Adjustment		(132)						(132)	1	
ALL OTHER KRS EMPLOYERS	**$62,714**	**$4,126**	**$10,966**	**$862**	**$—**	**$—**	**$70**	**$78,738**	**84**	
Standard Sick Leave	73,824	5,265	—	—	—	—	1,023	80,113	16	
Health Insurance Reimbursement	38,030	—	1,862	—	—	—	1,350	41,241	18	
Omitted Employer			10,143					10,143	1	
Penalty – Monthly Reporting	7,000	2,000	—	1,000	—	—	—	10,000	10	Employers Actively working with ERCE on payment of past due amounts, and taking of applicable credits
Actuarially Accrued Liability Contribution	6,924							6,924	1	
Reinstatement	36	—	—	—	—	—	—	36	2	
Personnel Adjustment		(1,219)	(42)					(1,261)	3	
Omitted Employer PPEND							(2,303)	(2,303)	1	
Member Pension Spiking Refund	(1,951)	(691)	(997)	—	—	—	—	(3,639)	13	
Monthly Reporting Invoice	(61,149)	(1,229)	—	(138)	—	—	—	(62,516)	19	
Total PAST Due	**$1,320,899**	**$387,410**	**$737,471**	**$1,453,579**	**$1,488,644**	**$2,788,829**	**$221,630**	**$8,398,463**	**439**	



KERS
SPRS

KENTUCKY PUBLIC PENSIONS AUTHORITY

Penalty Invoices Report

From: 4/1/2026 To: 6/30/2026

Note: Delinquent Interest amounts are included in the totals for the invoice

	Invoice Amount	Invoice Remaining Balance	Deliquent Interest	Invoice Status Date	Invoice Due Date	Invoice Status	Employer Classification	Comments
	$1,000	$—	$—	4/29/2026	2/9/2025	CANC	County Attorneys	Due to KPPA system issues.
Total	**$1,000**	**$—**	**$—**					
	$1,000	$1,000	$—	5/18/2026	6/17/2026	CRTD	County Attorneys	
	1,000	1,000	—	5/18/2026	6/17/2026	CRTD	Health Departments	
	1,000	1,000	—	5/18/2026	6/17/2026	CRTD	Health Departments	
	1,000	1,000	—	5/18/2026	6/17/2026	CRTD	Non-P1 State Agencies	
	1,000	1,000	—	5/18/2026	6/17/2026	CRTD	Master Commissioner	
	1,000	1,000	—	6/16/2026	7/16/2026	CRTD	Non-P1 State Agencies	
Total	**$6,000**	**$6,000**	**$—**					
	$1,024	$—	$—	4/7/2026	4/3/2026	PAID	Universities	
	1,000	—	—	4/7/2026	4/8/2026	PAID	Non-P1 State Agencies	
	1,000	—	—	4/14/2026	4/22/2026	PAID	Universities	
	2,675	—	—	4/22/2026	4/23/2026	PAID	Regional Mental Health Units	
	1,000	—	—	5/22/2026	5/16/2026	PAID	County Attorneys	
	1,000	—	—	5/8/2026	5/16/2026	PAID	Health Departments	
	1,000	—	—	6/10/2026	6/17/2026	PAID	Universities	
	1,000	—	—	6/30/2026	6/21/2026	PAID	County Attorneys	
	1,000	—	—	6/3/2026	6/25/2026	PAID	Health Departments	
Total	**$10,699**	**$—**	**$—**					

Notes:

Invoice Status:

CANC - Cancelled

CRTD - Created

PAID - Paid

KPPA ADMINISTRATIVE BUDGET FY 2025-2026
BUDGET-TO-ACTUAL SUMMARY ANALYSIS

FOR THE TWELVE MONTHS PERIOD ENDING JUNE 30, 2026, WITH COMPARATIVE TOTALS FOR THE TWELVE MONTHS ENDING JUNE 30, 2025

CATEGORY	BUDGETED	FY 2026 EXPENSE	REMAINING	PERCENT REMAINING	FY 2025 EXPENSE	PERCENT DIFFERENCE
PERSONNEL	$37,718,000	$37,018,095	$699,905	1.86%	$34,960,780	5.88%
LEGAL CONTRACTS	1,820,000	746,853	1,073,147	58.96%	1,286,061	(41.93%)
AUDITING	250,000	204,033	45,967	18.39%	201,847	1.08%
ACTUARIAL SERVICES	550,000	351,330	198,670	36.12%	316,119	11.14%
MEDICAL REVIEWERS	1,800,000	1,180,225	619,775	34.43%	1,132,465	4.22%
OTHER PERSONNEL	1,085,000	445,060	639,940	58.98%	264,255	68.42%
PERSONNEL TOTAL	**$43,223,000**	**$39,945,596**	**$3,277,404**	**7.58%**	**$38,161,527**	**4.68%**
RENTALS - BUILDING & EQUIPMENT	1,400,000	1,185,927	214,073	15.29%	1,221,942	(2.95%)
INFORMATION TECHNOLOGY	4,005,000	3,840,371	164,629	4.11%	3,587,613	7.05%
OTHER OPERATIONAL	1,319,000	928,554	390,446	29.60%	1,162,372	(20.12%)
OPERATIONAL TOTAL	**$6,724,000**	**$5,954,852**	**$769,148**	**11.44%**	**$5,971,927**	**(0.29%)**
RESERVE	22,700	—	22,700	100.00%	—	—%
RESERVE OSBD ADDITIONAL FUNDS	149,500	—	149,500	100.00%	—	—%
ADMINISTRATIVE BUDGETED AMOUNT	**$50,119,200**	**$45,900,448**	**$4,218,751**	**8.42%**	**$44,133,454**	**4.00%**

Differences due to rounding.

ADMINISTRATIVE BUDGET SUMMARY NOTES

PERSONNEL (Staffing Subtotal)	KPPA has spent 98.14% of the annual budget, coming in under by 1.86% (or $700k). This years spending was 5.88% (or $2.1M higher) than prior year. There were certain individual line items in this subcategory that we closely monitored through fiscal year end: Salaries and Wages + Locality Premium (were budgeted together but tracked separately) and combined KPPA spent 98.45% of the annual budget which was slightly below the $22.4 budget for salaries and Locality premium. Employer Paid FICA, and Employer Paid Retirement, both ended below budget by $133k, and $260k, respectively. However, the Employer Paid Health Insurance Line item exceeded budget by $437k. All other line items in this category were under budget at year-end.
LEGAL CONTRACTS	Every individual line item within the legal category was under budget ($1.1M in total) and was $539k less than last fiscal year.
AUDITING	The Auditing line was $46k under budget, and was $2k higher than prior year.
ACTUARIAL SERVICES	Costs were $199k below budget, and were $35k higher than prior fiscal year.
MEDICAL REVIEWERS	Costs were $620k below budget, and were $47k higher than prior fiscal year.
OTHER PERSONNEL	Category was under budget by $640k, but was $181k higher than prior fiscal year. The IT assessment is in this category, and will continue through Dec. 2026.
OPERATIONAL TOTAL	The Operational Category was below budget by $770k, and costs were $17k less than prior year. A few individual line items were over budget as follows; - Printing $8.5k - Insurance $5k. - Dues and Subscriptions $11k All other individual line items in the budget are on target to be below budget at year-end.
OVERALL	KPPA spent 91.58% (or $45,900,448) of the FY budget amount of $50,119,200, coming in under budget by $4.2M. This year's spend was 4% (or $1.8M) higher than last fiscal year, with most of the increase year over year in Personnel Costs.

KPPA ADMINISTRATIVE BUDGET FY 2025-2026
BUDGET-TO-ACTUAL ANALYSIS
FOR THE TWELVE MONTHS PERIOD ENDING JUNE 30, 2026, WITH COMPARATIVE TOTALS FOR THE TWELVE MONTHS ENDING JUNE 30, 2025

Account Name	Budgeted	FY 2026 Expense	Remaining	PERCENT REMAINING	FY 2025 EXPENSE	PERCENT DIFFERENCE
PERSONNEL						
Staff						
Salaries/Wages	$22,400,000	$21,590,966	$809,034	3.61%	$20,212,112	6.82%
Wages (Overtime)	320,000	226,484	93,516	29.22%	192,278	17.79%
Locality Premium	—	461,605	(461,605)	(100.00%)	56,437	717.91%
Emp Paid FICA	1,740,000	1,607,446	132,554	7.62%	1,478,076	8.75%
Emp Paid Retirement	9,730,000	9,466,924	263,076	2.70%	9,809,431	(3.49%)
Emp Paid Health Ins	3,200,000	3,636,936	-436,936	(13.65%)	3,099,419	17.34%
Emp Paid Life Ins	3,000	3,218	-218	(7.27%)	3,098	3.87%
Emp Paid Sick Leave	250,000	—	250,000	100.00%	87,735	(100.00%)
Adoption Assistance Benefit	15,000	—	15,000	100.00%	—	—%
Escrow For Admin Fees	5,000	—	5,000	100.00%	(3,000)	(100.00%)
Workers Compensation	20,000	12,485	7,515	37.57%	12,485	—%
Unemployment	10,000	—	10,000	100.00%	2,007	(100.00%)
Employee Training	25,000	12,030	12,970	51.88%	10,702	12.41%
Tuition Assistance	—	—	—	—	—	—%
Bonds	—	—	—	—	—	—%
Staff Subtotal	**$37,718,000**	**$37,018,095**	**$699,905**	**1.86%**	**$34,960,780**	**5.88%**
LEGAL & AUDITING SERVICES						
Legal Hearing Officers	270,000	135,325	134,675	49.88%	188,861	(28.35%)
Legal (Stoll, Keenon)	125,000	10,733	114,267	91.41%	—	—%
Frost Brown	600,000	292,134	307,866	51.31%	506,081	(42.28%)
Reinhart	—	—	—	—	—	—%
Ice Miller	500,000	156,095	343,905	68.78%	250,538	(37.70%)
Johnson, Bowman, Branco LLC	150,000	70,235	79,765	53.18%	123,182	(42.98%)
Dentons Bingham & Greenbaum	50,000	45,805	4,195	8.39%	98,998	(53.73%)
Kellerman Law PLC	100,000	36,286	63,714	63.71%	90,772	(60.03%)
Legal Expense	25,000	242	24,758	99.03%	27,630	(99.12%)
Auditing	250,000	204,033	45,968	18.39%	201,847	1.08%
Total Legal & Auditing Services	**$2,070,000**	**$950,886**	**$1,119,114**	**54.06%**	**$1,487,908**	**(36.09%)**
CONSULTING SERVICES						
Medical Reviewers	1,800,000	1,180,225	619,775	34.43%	1,132,465	4.22%
Escrow for Actuary Fees	—	(10,000)	10,000	—	(1,000)	900.00%
Total Consulting Services	**$1,800,000**	**$1,170,225**	**$629,775**	**34.99%**	**$1,131,465**	**3.43%**
CONTRACTUAL SERVICES						
Miscellaneous Contracts	1,000,000	402,848	597,152	59.72%	210,873	91.04%
Human Resources Consulting	10,000	—	10,000	100.00%	—	—%
Actuarial Services	550,000	351,330	198,670	36.12%	316,119	11.14%
Facility Security Charges	75,000	52,212	22,789	30.38%	54,382	(3.99%)
Contractual Subtotal	**$1,635,000**	**$806,390**	**$828,610**	**50.68%**	**$581,374**	**38.70%**
PERSONNEL SUBTOTAL	**$43,223,000**	**$39,945,596**	**$3,277,404**	**7.58%**	**$38,161,527**	**4.68%**
OPERATIONAL						
Natural Gas	50,000	38,735	11,265	22.53%	34,157	13.40%
Electric	140,000	91,019	48,981	34.99%	112,627	(19.19%)
Rent-Non State Building	105,000	—	105,000	100.00%	—	—%
Building Rental - PPW	1,000,000	961,968	38,032	3.80%	961,968	—%
Copier Rental	100,000	88,291	11,709	11.71%	107,215	(17.65%)
Rental Carpool	5,000	5,914	-914	(18.28%)	5,975	(1.02%)
Vehicle/Equip. Maintenance	1,500	1,384.00	116	7.73%	22,432	(93.83%)
Postage	480,000	415,194	64,806	13.50%	418,461	(0.78%)
Freight	500	65.00	435	87.00%	—	—%
Printing (State)	5,000	2,280	2,720	54.40%	50	4,460.00%
Printing (Non-State)	95,000	103,496	-8,496	(8.94%)	89,693	15.39%

Insurance	7,500	12,692	(5,192)	(69.23%)	12,692	—%
Garbage Collection	8,000	3,143	4,857	60.71%	6,637	(52.64%)
Conference Expense	48,000	48,301	-301	(0.63%)	45,815	5.43%
Conference Exp. Investment	1,000	—	1,000	100.00%	—	—%
Conference Exp. Audit	1,000	795.00	205	20.50%	744	6.85%
MARS Usage	65,000	59,040	5,960	9.17%	58,710	0.56%
COVID-19 Expenses	—	—	—	—	—	—%
Office Supplies	100,000	56,890	43,110	43.11%	43,223	31.62%
Furniture & Office Equipment	50,000	33.00	49,967	99.93%	2,474	(98.67%)
Travel (In-State)	15,000	10,015	4,985	33.23%	9,123	9.78%
Travel (In-State) Investment	500	41.00	459	91.81%	217.00	(81.11%)
Travel (In-State) Audit	1,000	—	1,000	100.00%	—	—%
Travel (Out of State)	77,000	53,412	23,588	30.63%	63,409	(15.77%)
Travel (Out of State) Investment	135,000	1,871.00	133,129	98.61%	9,376	(80.04%)
Travel (Out of State) Audit	3,000	833.00	2,167	72.22%	—	100.00%
Dues & Subscriptions	69,000	80,029	(11,029)	(15.98%)	69,072	15.86%
Dues & Subscriptions Investment	15,000	5,509	9,491	63.27%	6,420	(14.19%)
Dues & Subscriptions Audit	1,000	410	590	59.00%	805	(49.07%)
Miscellaneous	55,000	28,813	26,187	47.61%	172,117	(83.26%)
Miscellaneous Investment	—	—	—	—	—	—%
Miscellaneous Audit	—	—	—	—	—	—%
COT Charges	40,000	23,228	16,772	41.93%	24,098	(3.61%)
Telephone - Wireless	10,000	6,757	3,243	32.43%	7,706	(12.32%)
Telephone - Other	125,000	95,219	29,781	23.83%	178,014	(46.51%)
Telephone - Video Conference	15,000	1,370	13,630	90.86%	3,893	(64.81%)
Computer Equip./Software	3,900,000	3,758,103	141,897	3.64%	3,504,805	7.23%
Comp. Equip./Software Investment	—	—	—	—	—	—%
Comp. Equip./Software Audit	—	—	—	—	—	—%
OPERATIONAL SUBTOTAL	**$6,724,000**	**$5,954,852**	**$769,149**	**11.44%**	**$5,971,927**	**(0.29%)**
SUB-TOTAL	**$49,947,000**	**$45,900,448**	**$4,046,552**	**8.10%**	**$44,133,454**	**4.00%**
Reserve	22,700	—	22,700	100.00%	—	—%
Reserve OSBD Additional Funds	149,500	—	149,500	100.00%	—	—%
TOTAL	**$50,119,200**	**$45,900,448**	**$4,218,752**	**8.42%**	**$44,133,454**	**4.00%**
Differences due to rounding.						

Plan	Budgeted	FY 2026 Expense	% of Total KPPA FY 2026 Expense
CERS Nonhazardous	$29,645,507	$27,150,115	59.15%
CERS Hazardous	2,606,198	2,386,823	5.20%
KERS Nonhazardous	15,670,269	14,351,234	31.266%
KERS Hazardous	1,848,396	1,692,809	3.688%
SPRS	348,830	319,467	0.696%
TOTAL	**$50,119,200**	**$45,900,448**	**100.00%**
Differences due to rounding.			

Plan - Specific Expenses	CERS	CERS Hazardous	KERS	KERS Hazardous	SPRS	Total
FY 2026 Expense	$27,150,115	$2,386,823	$14,351,234	$1,692,809	$319,467	$45,900,448
Plan Specific Adjustment- Hybrid Percent	(510,891)	(44,914)	(270,051)	(31,854)	(6,012)	-$863,722
Plan Specific Adjustment	365,444	32,123	408,817	48,247	9,090	863,722
Total Expenses	**$27,004,668**	**$2,374,033**	**$14,490,000**	**$1,709,201**	**$322,546**	**$45,900,448**

JP MORGAN CHASE HARD INTEREST EARNED

FOR THE FISCAL YEAR ENDING JUNE 30,2026

	Clearing Account	CERS	KERS	SPRS	Total
July-25	$13,193	$12,946	$5,088	$217	$31,445
August-25	12,022	27,751	15,970	1,843	57,585
September-25	13,283	13,877	5,743	417	33,319
October-25	9,731	9,986	4,666	538	24,922
November-25	9,836	14,239	7,062	508	31,645
December-25	8,375	23,810	9,577	391	42,153
January-26	9,076	12,955	7,324	610	29,965
February-26	14,868	9,987	6,544	337	31,736
March-26	11,493	11,289	8,110	439	31,331
April-26	9,011	6,670	4,123	200	20,004
May-26	6,609	7,781	4,525	346	19,261
June-26	6,154	11,748	6,564	308	24,773
Total	**$123,651**	**$163,039**	**$85,295**	**$6,153**	**$378,138**

Kentucky Public Pensions Authority

Division of Internal Audit

Kentucky Public Pensions Authority

To: Kentucky Retirement Systems Board of Trustees

From: Kristen N. Coffey, CICA

KPPA Chief Auditor

Date: September 10, 2026

Subject: 2026 State Police Retirement System Election (SPRS)

Kentucky Revised Statutes 61.645 (4)(a) states, "For each trustee to be elected, the board may nominate, not less than (6) six months before a term of office of a trustee is due to expire, three (3) constitutionally eligible individuals."

Candidates

The term for the one elected SPRS Trustee expires on March 31, 2027. Since there is one open position, the Kentucky Retirement Systems (KRS) Board of Trustees may select to put up to three individuals on the ballot. Two individuals submitted all required documentation by the July 31, 2026 due date (see attached applications). Each of these candidates authorized a background check to be conducted by the Kentucky State Police. No issues were noted during these reviews. One of the two applicants is currently employed as a contractor, which is not a position that is constitutionally ineligible with the position of Trustee.

Voting on the Ballot

The KRS Board can vote on the 2027 SPRS Election ballot in one of two ways:

1. Since there are only two candidates, and three individuals can be placed on the ballot, a motion can be made to place all candidates on the ballot.
2. A roll call vote can be taken so that each Trustee specifically names each individual that they would like to place on the ballot. Those candidates with the majority of the votes will be placed on the ballot.

July 28, 2026

Kentucky Public Pensions Authority
Division of Internal Audits
1260 Louisville Road
Frankfort, KY 40601

To Whom It May Concern,

Please accept this correspondence as my official request to be considered as a candidate for the upcoming election for the Kentucky Public Pensions Board, SPRS representative. After serving nearly 24 years with the Kentucky State Police, I retired in 2025 at the rank of Lieutenant.

I began my career with KSP as a telecommunicator. With that humble beginning, I began a career which led to service as a Trooper and Supervisor across multiple branches and positions within the agency. I took great pride in the service of the great citizens of the Commonwealth and would be honored to continue that service to the men and women of the agency who have entrusted the Kentucky Public Pensions Authority as good stewards of their retirement contributions.

Sincerely,

[redacted]

Dean Patterson

Docusign Envelope ID: 843388BF-E138-48DE-AED8-56E9281B30E3

APPLICATION FOR TRUSTEE

Kentucky Public Pensions Authority
1260 Louisville Rd. • Frankfort KY 40601-6124
Phone: (502) 696-8800 • Fax: (502) 696-8801 • kyret.ky.gov
Deaf/Hard of Hearing TTY (502)564-4306

Trustee Information

Today's Date (mm/dd/yyyy) 7/28/2026	Date of Birth (mm/dd/yyyy) *For identification purposes only* [redacted]
Phone (select type) [X] Mobile [ ] Home [redacted]	Work Phone No.

Patterson	Dean		
Last Name	First Name	Middle Name	Other Name (if any)

Select Retirement System in which you have majority of service: [ ] CERS [ ] CERS-H [ ] KERS [ ] KERS-H [X] SPRS

Position(s) held in above selected system:

Police Trooper, Police Sergeant, Police Lieutenant

Constitutional Incompatibility: Your application will not be processed if you select No.

[X] Yes [ ] No Some Constitutional Offices or positions of public employment are considered constitutionally incompatible with other Constitutional Offices (see KRS 61.645, KRS 61.080, and Kentucky Constitution Section 165). If upon review of your application, it is deemed that you hold a Constitutional Office or position of employment that is incompatible with the office of Trustee, do you agree to resign that position prior to the beginning of the term of Trustee or to withdraw your application for Trustee upon notice of the incompatibility?

The following are examples of positions that **may** be constitutionally incompatible with the office of Trustee: Commissioner of the fiscal court in counties containing a city of the first class; Member of the legislative body of cities of the first class; Mayor and member of the legislative council of a consolidated local government; Mayor and member of the legislative body in cities of the home rule class; County Indexer; member of the Public Service Commission of Kentucky; member of the Worker's Compensation Board; an appointed office of a special purpose governmental entity that has the authority to levy taxes; and an officer or employee of any county, city, town, or other municipality. **This list is not all inclusive.** Current work information will be submitted to the Office of the Attorney General of Kentucky to make the final determination on constitutional compatibility.

Background

[ ] Yes [X] No Have you ever been convicted of or plead guilty to a felony? If yes, list offense(s), date(s) of offense(s), date(s) of conviction(s) or plea(s), and jurisdiction(s) in which the offense(s) occurred. Conviction is not an automatic rejection of application.

Conflict of Interest

[ ] Yes [X] No Do you or any member(s) of your immediate family own more than 5% interest in an entity that does business or might seek to do business with the CERS Board, KRS Board, or KPPA? If yes, please list below.

[ ] Yes [X] No Do you or any member(s) of your immediate family serve in a leadership or fiduciary capacity with an entity that does business or might seek to do business with the CERS Board, KRS Board, or KPPA? If yes, please list below.

[X] Yes [ ] No Do you have any other actual or potential conflicts of interest that may hinder or prevent you from serving as a Trustee? If yes, please list below.

I am in negotiations to be a school resource officer employed by a county sheriff's office. If this is constitutionally incompatible, I would withdrawal my KPPA candidacy.

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Name: Dean Patterson Date 7/28/2026

Licenses or Certificates: Please list any professional licenses or certifications you currently hold.

License or Certification Title & Number	Original Issue Date	Current Expiration Date	Name, Address & Phone of Licensing Agency

Membership in Organizations: Indicate current membership in professional organizations, if you wish for the organization to be listed in your biography.

ORGANIZATION	TITLE	DATE MEMBERSHIP EXPIRES

In order to be considered as an applicant for the position of Trustee, along with the completed application, you must submit the following items:

1. Cover Letter explaining your qualifications for serving as a trustee and why you would like to serve as a trustee.
2. Detailed résumé which includes name, address, phone number, e-mail address, educational background, and employment history. Employment history must include dates of employment, job title, employer name and address, and type of business.
3. Color picture, 5x7 or larger, in PNG or JPG format submitted to trustee.election@kyret.ky.gov.
4. Release for criminal background check to be completed by Kentucky State Police. Payment for the background check will be made by the retirement system conducting the election.

Please note that name and current work related information provided by applicants will be forwarded to the Office of the Attorney General of Kentucky who will then determine whether the member is constitutionally eligible to join the Board of Trustees.

Signature - Please read and sign the following statement:

I certify, under penalty of law, that the information given in this application is correct and complete to the best of my knowledge.

Date 7/28/2026 Signature [redacted]

DEAN PATTERSON

[redacted]

PROFESSIONAL EXPERIENCE

Kentucky State Police, Post 1, Mayfield
Investigative Lieutenant, Sept 2018 – July 2025

- Chief of investigations / On scene commander for major crimes occurring within Post 1 area
- First Line Supervisor to Detective Sergeant, Administrative Sergeant
- Responsible for quality control of all "Part 1" crimes investigated by sworn personnel
- Coordinator of all Sex Offender Registry complaints received within the post district
- Sworn supervisor for multi-agency telecommunications center consisting of 25 civilian telecommunicators. This telecommunications center serves as the PSAP for 4 counties
- Coordinate reviews of cold case investigations
- Final reviewer of all cases prepared for closure
- Assumes the role of secondary Public Affairs Officer when needed
- Post level JAG Grant Coordinator and Asset Forfeiture Coordinator
- Assist other sworn personnel with criminal investigations as needed
- Serve as Acting Post Commander when designated. Filled APC role from 4/20 through 9/20
- Safe Schools Coordinator for all districts within Post 1 area. Coordinate and conduct over 50 active shooter trainings for schools while serving in this role

Kentucky State Police, Drug Enforcement/Special Investigations-West, Bowling Green
Detective Sergeant, Sept 2015 – Sept 2018

- Oversee all mid to upper level drug investigations occurring in the Purchase and Pennyrile region of western Kentucky
- Directly supervise squad of narcotics investigators responsible for counter-drug investigations as well as other investigations of a sensitive nature to include the investigation of elected officials and/or other conflict investigations within area of responsibility
- Maintain oversight of all agency funds utilized during the investigation of mid to upper level drug investigations

- Coordinate confidential informant usage and maintain strict records of financial transaction data between investigators and confidential informants
- When requested by Headquarters, investigate other law enforcement officers who are suspected of committing criminal offenses

Kentucky State Police, Post 1, Mayfield

Detective Sergeant, Nov 2013 – Sept 2015

- Oversee daily investigative functions for counties of Ballard, Calloway, Carlisle, Fulton, Graves, Hickman, Livingston, Lyon, Marshall, McCracken and Trigg Counties
- Supervise squad of eight to include five general investigators, two narcotics investigators and one arson investigator
- Supervisory control of patrol and field supervision at major crime scenes
- Assignment and review all cases of serious investigative nature to include sexual abuse, death, and large larceny investigations
- As a secondary property officer, assist with evidence function to include cataloging new evidence, preparing evidence for trial, and properly disposing of evidence deemed appropriate by court
- Assist investigators when necessary to include assisting patrol units with lower level criminal investigations
- Coordinate confidential informant usage and maintain strict records of financial transaction data between investigators and confidential informants
- Coordinate the extradition of all person's arrested outside of the Commonwealth of Kentucky whose charges originate within the 11-county post district
- As the backup Public Affairs Officer, routinely speak with media and prepare written press releases to be disseminated to media outlets. Conduct educational programs for educational and civic groups when requested
- Investigate criminal complaints involving cases of a sensitive nature to include other LE officers or public officials

Kentucky State Police, Post 2, Madisonville

Field Sergeant/Detective Sergeant, Aug 2012 – Nov 2013

- Oversee daily investigative function for counties of Caldwell, Christian, Crittenden, Hopkins, Muhlenberg, Todd and Webster Counties
- Supervise squad of nine to include 6 general investigators, two narcotics investigators, one arson investigator and one civilian criminal intelligence analyst
- Supervisory control of patrol and field supervision at major crime scenes
- Respond to all non-traffic death investigations for coordination of investigative personnel and resources
- As a secondary property officer, assist with evidence function to include cataloging new evidence, preparing evidence for trial, and properly disposing of evidence deemed appropriate by court
- Assist investigators when necessary to include assisting patrol units with lower level criminal investigations.
- Coordinate confidential informant usage and maintain strict records of financial transaction data between investigators and confidential informants
- Investigate criminal complaints involving cases of a sensitive nature to include other LE officers or public officials.
- Directly supervise troopers assigned to Crittenden, Caldwell, Hopkins and Webster Counties
- First line review of criminal investigation submitted by troopers within squad

- Maintain field contact with troopers to ensure conformance to KSP policy and ensure troopers perform tasks efficiently
- Foster positive relationships with allied agencies to promote agency goals

Kentucky State Police, Post 1, Mayfield

Public Affairs Officer, Jan 2008 – Aug 2012

- Respond to requests for information from the media and/or public relating to Kentucky State Police
- Study the objectives, policies and procedures, or needs of the organization to develop public affairs strategies that will influence public perception or promote public safety campaigns and other agency goals
- Develop and present informational programs to maintain favorable public perceptions of the agency's accomplishments or agenda
- Establish or maintain cooperative relationships with representatives of the media, community, consumer, employee, or public interest groups
- Prepare or edit agency publications for internal and external audiences to include news releases, agency activity reports, and agency special events
- Arrange public appearances, lectures, and exhibits to increase public perception and increase recruitment efforts
- Organize events to promote and raise funds for Trooper Island. These events include an annual golf tournament

Detective, Sep 2007 – Jan 2008

- Investigate high level crimes to include sexual assault, homicide, and large level larceny
- Examine crime scenes and collect any items that could be used as evidence leading to a successful prosecution
- Interview suspects, victims, and witnesses and prepare search warrants in order to obtain the greatest amount of information possible which could lead to arrest and prosecution of offenders
- Document crime scenes, autopsies, and forensic evidence in order to prepare a complete and detailed case report
- Assist patrol officers with investigations and lend guidance when preparing case reports
- Attend quarterly Multi-Disciplinary Team meeting regarding the investigation of sexual assault cases.

Trooper, Jan 2004 – Jan 2008

- Perform traffic enforcement to include issuance of speeding, seat belt, and other traffic violations
- Enforce DUI laws and arrest those deemed to be in violation
- Investigate traffic collisions that occur on any public roadway within my assigned patrol area as well as any death caused as a result of those collisions
- Investigate low level crime to include assault, larceny, and other crimes against person and property
- Investigate mid level crimes to include non-criminal death investigations and sexual assault investigations

Telecommunicator, Sep 2001 – Jan 2004

- Receive incoming telephone or alarm system calls regarding emergency and non-emergency police and fire service, emergency ambulance service, information and after hours calls for certain departments within our jurisdiction
- Question callers to determine their locations, and the nature of their problems to determine type of response needed

- Determine response requirements and relative priorities of situations, and dispatch units in accordance with established procedures

EDUCATION

Graves County High School, Mayfield, Kentucky

High School Diploma, [redacted]

- Senior Class President
- Beta Graduate
- Honor Graduate
- Future Business Leaders of America
- Varsity Track Team

\Paducah Community College, Paducah, Kentucky

Associate in Arts, [redacted]

- Graduate with High Distinction
- Dean's List 2000-2003

Kentucky State Police Academy, Frankfort, Kentucky

[redacted]

- Physical Fitness Award

CERTIFICATIONS, AWARDS AND TRAINING

- 2006 Post 1 "Trooper of the Year"
- 2009 "Excellence in Highway Safety Education" Award
- 2014 Nomination for Governor's Ambassador Award for work in School Safety Education
- "KSP Citation for Meritorious Service" 2017
- Physical Fitness Award 2025
- Kentucky State Police Firearms Training Instructor
- Active Shooter Survival Team Training Coordinator
- Post 1 Safe Schools Coordinator
- Crisis Intervention Team
- Sexual Assault Investigations Training
- Basic Narcotics Investigations Training
- Reid Interview Technique Certified
- Maryland State Police Promotional Board Member 2013, 2015, 2017, 2020, and 2022
- Illinois State Police Promotional Board Member 2023 and 2024
- Chairman - Purchase Area 911 Administrative Services Board (2018-2025)
- Kentucky Association of Sexual Assault Programs (KASAP) "Brave Award" 2025

Russ Harney
[redacted]

July 30, 2026

Kentucky Public Pensions Authority
1260 Louisville Road
Frankfort, KY 40601

To whom it may concern,

I am writing to express my interest in serving as the State Police Retirement System (SPRS) Trustee on the Kentucky Retirement Systems (KRS) Board of Trustees.

I am well qualified for this position. I retired in 2011 after a distinguished 20-year career with the Kentucky State Police, during which I served in a variety of leadership, investigative, administrative, and operational roles.

My law enforcement career began in 1991 when I joined the Kentucky State Police as a Cadet Trooper. After graduating from the State Police Academy, I was assigned to the Dry Ridge Post, where I served as a Trooper, Detective, and DARE Officer. In 1998, I was promoted to Sergeant and transferred to the Richmond Post, where I served as both a Field Sergeant and Detective Sergeant.

In 2000, I was promoted to Lieutenant and returned to the Dry Ridge Post as Operations Lieutenant. Two years later, I was promoted to Captain and served as Post Commander at both the Harlan and Campbellsburg Posts and as the Human Resources Branch Commander.

In 2008, I was promoted to Major and assumed command of the Professional Support Troop. In this role, I oversaw the Supply, Academy, Property Management, Inspections, and Internal Affairs branches, providing strategic leadership and operational oversight for these critical functions. I concluded my sworn service with the Kentucky State Police upon my retirement on August 1, 2011.

Following my retirement, I remained committed to serving the Kentucky State Police. In 2012, Governor Steve Beshear appointed me to the Kentucky State Police Personnel Board, and in 2016, Governor Matt Bevin reappointed me to continue serving in that capacity.

In September 2011, I joined Indiana Wesleyan University as a full-time Criminal Justice faculty member. I later served as Criminal Justice Program Director, where I was responsible for curriculum development and oversight of adjunct faculty until December 2024, when I returned to an adjunct instructor position.

While teaching at Indiana Wesleyan University, I also served the Kentucky State Police as a part-time Staff Assistant from 2017 through 2024. In that role, I developed promotional assessment content and trained assessors for the sworn promotional process. In 2025, I accepted a full-time Staff Assistant position at the Kentucky State Police, expanding my responsibilities in administering and supporting the agency's promotional process for sworn personnel.

My educational background includes a Bachelor of Science degree in Police Administration from Eastern Kentucky University (1991), a Master of Science in Justice Administration from the University of Louisville (2009), and a Graduate Certificate in National Security Studies from American Military University (2020).

The Kentucky State Police has been an important part of my family's legacy. With both my father and uncle serving as Kentucky State Troopers, I have long understood the value of the benefits provided through the State Police Retirement System and the importance of protecting them for current and future members.

If elected as the SPRS Trustee, I will bring more than three decades of leadership, public service, and experience with the Kentucky State Police and criminal justice profession to the Board. I am committed to representing the interests of the approximately 2,800 SPRS members with integrity, transparency, and sound judgment while supporting the Board's mission of ensuring the long-term financial stability of the retirement and health insurance benefits entrusted to its care for members and beneficiaries.

Sincerely,

Russ Harney

Docusign Envelope ID: A0157116-8B33-4F06-83D8-D8A69B61DA11

APPLICATION FOR TRUSTEE

Kentucky Public Pensions Authority
1260 Louisville Rd. • Frankfort KY 40601-6124
Phone: (502) 696-8800 • Fax: (502) 696-8801 • kyret.ky.gov
Deaf/Hard of Hearing TTY (502)564-4306

Trustee Information

Today's Date (mm/dd/yyyy) 7/28/2026	Date of Birth (mm/dd/yyyy) *For identification purposes only* [redacted]
Phone (select type) [X] Mobile [ ] Home [redacted]	Work Phone No.

Last Name	First Name	Middle Name	Other Name (if any)
Harney	Russell		

Select Retirement System in which you have majority of service: [ ] CERS [ ] CERS-H [ ] KERS [ ] KERS-H [X] SPRS

Position(s) held in above selected system:

Member

Constitutional Incompatibility: Your application will not be processed if you select No.

[X] Yes [ ] No Some Constitutional Offices or positions of public employment are considered constitutionally incompatible with other Constitutional Offices (see KRS 61.645, KRS 61.080, and Kentucky Constitution Section 165). If upon review of your application, it is deemed that you hold a Constitutional Office or position of employment that is incompatible with the office of Trustee, do you agree to resign that position prior to the beginning of the term of Trustee or to withdraw your application for Trustee upon notice of the incompatibility?

The following are examples of positions that **may** be constitutionally incompatible with the office of Trustee: Commissioner of the fiscal court in counties containing a city of the first class; Member of the legislative body of cities of the first class; Mayor and member of the legislative council of a consolidated local government; Mayor and member of the legislative body in cities of the home rule class; County Indexer; member of the Public Service Commission of Kentucky; member of the Worker's Compensation Board; an appointed office of a special purpose governmental entity that has the authority to levy taxes; and an officer or employee of any county, city, town, or other municipality. **This list is not all inclusive.** Current work information will be submitted to the Office of the Attorney General of Kentucky to make the final determination on constitutional compatibility.

Background

[ ] Yes [X] No Have you ever been convicted of or plead guilty to a felony? If yes, list offense(s), date(s) of offense(s), date(s) of conviction(s) or plea(s), and jurisdiction(s) in which the offense(s) occurred. Conviction is not an automatic rejection of application.

Conflict of Interest

[ ] Yes [X] No Do you or any member(s) of your immediate family own more than 5% interest in an entity that does business or might seek to do business with the CERS Board, KRS Board, or KPPA? If yes, please list below.

[ ] Yes [X] No Do you or any member(s) of your immediate family serve in a leadership or fiduciary capacity with an entity that does business or might seek to do business with the CERS Board, KRS Board, or KPPA? If yes, please list below.

[ ] Yes [X] No Do you have any other actual or potential conflicts of interest that may hinder or prevent you from serving as a Trustee? If yes, please list below.

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Name: Russ Harney

Date 7/28/2026

Licenses or Certificates: Please list any professional licenses or certifications you currently hold.

License or Certification Title & Number	Original Issue Date	Current Expiration Date	Name, Address & Phone of Licensing Agency
Sales Associate (inactive) 208309	04/05/2005	03/31/2028	KY Real Estate Commission

Membership in Organizations: Indicate current membership in professional organizations, if you wish for the organization to be listed in your biography.

ORGANIZATION	TITLE	DATE MEMBERSHIP EXPIRES
Kentucky State Police Professional Association	Member	12/31/2026
Kentucky State Police Retirees Organization	Member	08/31/2026
The Gideons International	Member	04/30/2027

In order to be considered as an applicant for the position of Trustee, along with the completed application, you must submit the following items:

1. Cover Letter explaining your qualifications for serving as a trustee and why you would like to serve as a trustee.
2. Detailed résumé which includes name, address, phone number, e-mail address, educational background, and employment history. Employment history must include dates of employment, job title, employer name and address, and type of business.
3. Color picture, 5x7 or larger, in PNG or JPG format submitted to trustee.election@kyret.ky.gov.
4. Release for criminal background check to be completed by Kentucky State Police. Payment for the background check will be made by the retirement system conducting the election.

Please note that name and current work related information provided by applicants will be forwarded to the Office of the Attorney General of Kentucky who will then determine whether the member is constitutionally eligible to join the Board of Trustees.

Signature - Please read and sign the following statement:

I certify, under penalty of law, that the information given in this application is correct and complete to the best of my knowledge.

Date 7/28/2026 Signature [redacted]

Russell E. Harney
Walton, KY 41094
[redacted]

EDUCATION

Graduate Certificate – National Security Studies
American Military University, Charles Town, WV 2020

Master of Science in Justice Administration
University of Louisville, Louisville, KY 2009

Bachelor of Science in Police Administration
Eastern Kentucky University, Richmond, KY 1991

PROFESSIONAL EXPERIENCE

Kentucky State Police (via Adecco)
Staff Assistant– Office of Administrative Services, Executive Services 2025–2026
Headquarters, 919 Versailles Rd., Frankfort, KY

- Create written and job simulation examinations for candidates seeking various ranks
- Develop and lead orientation sessions for job simulation examination assessors
- Worked with a team to execute the sworn promotional process with significant improvements at each phase of the process

Staff Assistant (Chapter 18A Part-time, Interim) 2017–2024

- Created written examinations and job simulation examinations for candidates seeking various ranks
- Developed and led orientation sessions for job simulation examination assessors.

Major (Professional Support Troop) 2008-2011

- Areas of responsibility include Academy, Human Resources, Recruiting, Supply, Internal Affairs, Inspections, and Properties Management
- Served as a member of the Chapter 16 Promotional Review Board and provided direct oversight of the Chapter 16 Promotional Coordinator whose duties included, but were not limited to, job task analysis reviews, development of written and job simulation examinations
- Completed DOCJT Law Enforcement Instructor Development course and taught classes at the KSP Academy

Captain (Post Commander) 2006-2008
Post 5, Campbellsburg, KY

- Responsible for all post personnel including uniform, investigative, telecommunications and administrative
- Assessed and evaluated crime and collision data to effectively deploy resources

Captain (Branch Commander) 2003-2006
Human Resources Branch, Frankfort, KY

- Oversight of payroll and benefits for approximately 1700 state police employees
- Served as a member of the Chapter 16 Promotional Review Board and as the Chapter 16 Promotional Coordinator whose duties included, but were not limited to, job task analysis reviews, development of written and job simulation examinations
- Coordinated promotional process for sworn personnel
- Oversight of the Recruiting Section

Captain (Post Commander) 2002-2003
Post 10, Harlan, KY

- Responsible for all post personnel including uniform, investigative, telecommunications and administrative
- Assessed and evaluated crime and collision data to effectively deploy resources

Lieutenant (Operations) 2000-2002
Post 6, Dry Ridge, KY

- Assistant Post Commander
- Oversight for the activities of all uniform Troopers and Telecommunicators
- Responsible for administrative duties including inspections, evaluations, discipline, scheduling and training

Sergeant (Field/Detective) 1998-2000
Post 7, Richmond, KY
- Oversight for the activities of a squad of Troopers and Detectives
- Responsible for administrative duties including inspections, discipline and training

Trooper/Detective 1991-1998
Post 6, Dry Ridge, KY
- General law enforcement duties including collision and criminal investigations, responding to complaints, calls for service
- Narcotics Investigator
- Field Training Officer
- Drug Abuse Resistance Education (DARE) instructor

CERTIFICATES/SPECIALIZED TRAINING AVAILABLE UPON REQUEST

TEACHING EXPERIENCE

Adjunct Professor
Indiana Wesleyan University, 1900 West 50th Ave, Marion, IN 2025-2026
- Plan, develop and teach online courses within the College of Adult and Professional Studies

Criminal Justice Program Director
Indiana Wesleyan University, Marion, IN 2021–2024
- Taught criminal justice classes
- Revised and updated curriculum for the Associate of Science and Bachelor of Science in Criminal Justice programs
- Lead a team of approximately 24 adjunct instructors
- Served on several committees related to student retention, curriculum development and other university councils

Assistant Professor
Indiana Wesleyan University, Marion, IN 2011-2021
- Taught criminal justice classes
- Revised and updated curriculum for the Associate of Science and Bachelor of Science in Criminal Justice programs
- Served on several committees related to student retention, curriculum development and other university councils

Adjunct Professor
Indiana Wesleyan University, Marion, IN 2011
- Plan, develop and teach onsite courses within the College of Adult and Professional Studies

Adjunct Professor (Florence, KY)
Strayer University, 2303 Dulles Station Boulevard, Herndon, VA 2010–2013
- Plan, develop and teach online and onsite courses in the College of Arts and Sciences

PROFESSIONAL ORGANIZATIONS

Kentucky State Police Retirees Organization member, Kentucky State Police Professional Association member, The Gideon's International member

PROFESSIONAL ASSIGNMENTS

IWU College of Adult and Professional Studies Nominating Committee Faculty Representative (2016-2021); IWU Faculty Development Committee (2017-2018), IWU Permanent Withdraw Solution Committee (2018), IWU Admissions Review Committee (2020- 2022), IWU Strategic Enrollment Plan Committee (2022), IWU Retention Project Committee (2023), IWU Admissions Review Committee (2020-2023), Kentucky State Police Personnel Board (2012-2020), Franklin University MPA Advisory Board (2023-2025)

COMMUNITY INVOLVEMENT

Florence Baptist Church member and small group leader (2020 to present), Crittenden Baptist Church (CBC) member (2009-2020), Trustee Chairperson (2013-2020), Men's Ministry Leader, Centershot Ministry Program Coordinator (2016-2020), Safety Team Coordinator (2017-2020), Financial Peace University Coordinator & Counselor (2013 to present)

HONORS

Kentucky State Police Commissioner's Commendation (1993 & 2000)
Southern Police Institute Director's Award for Academic Excellence, Graduate Program (1999)
Provost's Circle Designation – Strayer University (2011)
Cincy Magazine Outstanding Educator – Strayer University (2011)
Distinguished Service Award – Indiana Wesleyan University (2024)

KRS Kentucky Retirement Systems

SPRS State Police Retirement System

M E M O R A N D U M

To: Kentucky Retirement Systems Board of Trustees

From: C. Prewitt Lane, Chair Investment Committee

Date: September 10, 2026

Subject: Summary of Investment Committee Meetings

The Kentucky Retirement Systems Investment Committee held a regularly scheduled meeting on August 19, 2026.

1. **No recommendations were made that required approval by the Investment Committee.**

2. **No actions were taken that required ratification by the Kentucky Retirement Systems Board of Trustees.**

3. Investment Staff and Wilshire presented material* and discussed the following items during the Investment Committee meeting**.**
    a. Review of Economic Conditions, Market Activity and Outlook.
    b. Absolute and Relative Performance and Asset Allocations for the Pension and Insurance Portfolios for the Quarter ending June 30, 2026.

Quarter Ending June 30, 2026:

KERS Pension 6.18%
Benchmark 6.34%
SPRS Pension 6.25%
Benchmark 6.07%
KERSH Pension 7.43%
Benchmark 7.38%

KERS Insurance 7.51%
Benchmark 7.27%
KERSH Insurance 7.08%
Benchmark 6.81%
SPRS Insurance 7.00%
Benchmark 6.80%

2026 Fiscal Year:

KERS Pension 12.31%
Benchmark 11.37%
SPRS Pension 12.09%
Benchmark 10.99%
KERSH Pension 13.58%
Benchmark 12.66%

KERS Insurance 13.29%
Benchmark 12.39%
KERSH Insurance 12.98%
Benchmark 11.84%
SPRS Insurance 12.93%
Benchmark 11.88%

a. **Performance Attribution** – During the quarter the largest contributors to relative performance were the outperformance in the Real Return and Core Fixed Income as well as the overweight to Public Equities. The Real Return portfolio produced a return of 4.01% for the quarter outperforming the benchmark 78bps driven by especially strong performance in the portfolios' activist closed-end fund and sports investment strategies. The overweight to Global Public Equities contributed between 32bps and 40bps of outperformance across portfolios which was offset by the underperformance of the overall Public Equity portfolio relative to the benchmark as active management continued to struggle in the narrow market, costing the portfolios between 29bps and 45bps for the quarter. For the Fiscal Year, the Specialty Credit, Real Return and Core Fixed Income portfolios all outperformed, producing 924bps, 209bps and 37bps of excess performance relative to their respective benchmark. The overweight to Public Equities contributed between 45bps and 54bps of relative outperformance which was offset by the Public Equity portfolio's underperformance of 247bps relative to the benchmark.

b. **Asset Class Performance -** For the quarter, the US Equity portfolio was the best performing asset class, producing a return of -15.13% vs the Russell 3000's return of 15.43% while the NonUS Equity portfolio returned 12.80% vs its benchmark return of 13.82%. For the Fiscal Year, the Global Equity portfolio returned 21.75% vs the MSCI ACWI IMI's return of 24.22%. Despite rising rates, the Core Fixed Income Portfolio produced a return of 0.84% for the quarter, outperforming the benchmark by 17bps and outperformed the benchmark by 37bps for the Fiscal Year. The Specialty Credit Portfolio produced a return of 2.05% modestly underperforming the benchmark by 12bps for the quarter but was able to outperform by 209bps for the Fiscal Year. The Real Estate Portfolio returned 0.59% for the Quarter and 1.95% for the Fiscal year, trailing the benchmark's returns of 1.04% and 3.11%. The Real Return Portfolio produced a return of 4.01% during the quarter, outperforming the 3.23% return of the benchmark and outperformed the benchmark by 924bps for the full year producing a return of 16.49%. The Private Equity Portfolio produced a return of 7.26% for the quarter and 10.57% for the year.

c. **Internal Portfolios** – An update was provided on the performance of the internally managed passive and proxy portfolios. The portfolios performed in line with expectations and consistent with their mandates. While the Real Return portfolio lagged the benchmark for the quarter, it outperformed the benchmark by 24.04% for the Fiscal year. The Real Estate portfolio outperformed its benchmark by 423bps for the year.

d. **Portfolio Asset Class Performance** – Dispersion of returns across individual portfolio asset class allocations remained tight. The notable exception was in the Private Equity asset class where larger dispersions are driven by the different vintage profiles among the portfolios.

e. **Peer Universe** – All of the Pension and Insurance portfolios have produced exceptional, top or near top quartile or top decile risk adjusted performance over the reported 3- and 5-year time periods based on Wilshire's All Public Plans universe.

f. **Asset Allocations** – Staff provided an update on the rebalancing activity and noted that as of the end of the quarter, all asset classes were within their specified IPS allocation ranges with most asset classes within 1% of their Target Allocations. The largest underweight remained in Private Equity as staff viewed the asset class as having limited

value from a relative risk/reward basis with better opportunities available in other asset classes.

4. Staff provided reviews of Private Equity and Specialty Credit Portfolios focused on recent headlines and concerns regarding liquidity issues, exposure to the AI impacted Technology sector and lack of distributions in the asset classes.
    a. Portfolios have limited exposure to the technology sector across Private Equity and Specialty Credit investments.
    b. The Specialty Credit Portfolio does not have any exposure to business development corporations (BDCs) which have experienced significant liquidity issues.
    c. Staff noted that the difficulties in Private Equity as the higher rate environment makes for more a more challenging economic proposition as evident by the record number of unsold portfolio companies and vintage creep of older funds. While the risk/return dynamic currently favors other asset classes, Staff noted the current environment also presents opportunities for strategic deployment of new capital in Private Equity highlighting recent investments.

5. Staff provided an update on the Investment Budget. For the Fiscal Year, total investment expenses were $6.5MM which was only 55% of the amount budgeted. The difference was largely driven by the legal and auditing expenses where only $450k or 8% of the amount budgeted was spent. All other expense categories were running in line with the amounts budgeted. At the total pension level, Investment Fees and Expenses decreased by $12.3MM or 8% compared to the prior fiscal year despite a 14% increase in total assets. The decrease was primarily driven by decline in expenses and performance-based fees in the Private Equity and Specialty Credit portfolios.

6. Quarterly Investment Compliance Report – As of the end of the Fiscal Year there were no compliance violations reported.

*All material presented is available in Board Books and was reviewed at the Investment Committee meetings.

Kentucky Retirement Systems

Investment Review and Update

Quarter Ending: June 30, 2026

Kentucky Retirement Systems

Performance and Asset Allocations

Quarter Ending: June 30, 2026

KRS
Kentucky Retirement Systems

SPRS
State Police Retirement System

KRS Quarterly Performance Update

June 2026

Pension Portfolios Performance

KERS, KERS-HAZ, & SPRS - PENSION FUND - PLAN NET RETURNS - 06/30/26											
Plan	Market Value	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years	ITD
KERS	**6,049,751,546.82**	**0.11**	**6.18**	**12.31**	**12.31**	**11.00**	**6.76**	**8.29**	**6.65**	**7.39**	**8.85**
KY Ret. KERS Plan IPS Index		-0.09	6.34	11.37	11.37	9.83	6.14	7.63	6.53	7.30	8.81
KERS- H	**1,296,506,711.22**	**0.00**	**7.43**	**13.58**	**13.58**	**12.19**	**7.77**	**9.12**	**7.07**	**7.67**	**9.05**
KY Ret. KERS Haz Plan IPS Index		-0.25	7.38	12.66	12.66	11.16	7.44	8.83	7.07	7.65	9.07
SPRS	**842,354,764.41**	**0.21**	**6.25**	**12.09**	**12.09**	**10.89**	**6.94**	**8.34**	**6.61**	**7.36**	**8.84**
KY Ret. SPRS Plan IPS Index		-0.04	6.07	10.99	10.99	9.79	6.24	7.75	6.54	7.30	8.81
KPPA PENSION FUND UNIT - NET RETURNS - 06/30/2026 - PROXY PLAN ASSET PERFORMANCE											
Structure		Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years	ITD
PUBLIC EQUITY		**-0.32**	**14.25**	**21.75**	**21.75**	**18.28**	**9.81**	**12.30**	**8.26**	**8.74**	**10.76**
MSCI ACWI		-0.61	14.93	24.22	24.22	19.45	10.40	12.51	8.25	8.61	10.68
PRIVATE EQUITY		**-2.04**	**7.26**	**10.57**	**10.57**	**7.13**	**8.23**	**11.78**	**9.66**		**11.22**
Custom Private Equity BM		-2.04	7.26	10.57	10.57	7.13	8.23	13.82	12.01		11.73
SPECIALTY CREDIT		**0.71**	**2.05**	**7.23**	**7.23**	**9.65**	**7.41**				**7.00**
50% BB US HY / 50% Morningstar LSTA Lev'd Ln		0.17	2.17	5.14	5.14	8.22	5.12				5.21
CORE FIXED INCOME		**0.39**	**0.84**	**4.16**	**4.16**	**5.17**	**2.17**	**2.66**			**3.03**
Bloomberg US Aggregate		0.24	0.67	3.79	3.79	4.16	0.08	1.54			2.12
CASH		**0.30**	**0.91**	**4.00**	**4.00**	**4.71**	**3.54**	**2.49**	**2.01**	**2.67**	**3.42**
FTSE Treasury Bill-3 Month		0.31	0.93	4.05	4.05	4.86	3.69	2.40	1.68	2.34	3.07
REAL ESTATE		**-0.71**	**0.59**	**1.95**	**1.95**	**-1.32**	**3.67**	**6.76**	**6.56**	**6.12**	**6.05**
NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^		1.04	1.04	3.11	3.11	-2.81	2.34	3.79	4.58	6.85	5.78
REAL RETURN		**2.38**	**4.01**	**16.49**	**16.49**	**15.49**	**12.22**	**8.71**			**6.88**
US CPI +3%		0.86	3.23	7.25	7.25	6.29	6.79	5.53			4.56

Insurance Portfolios Performance

KERS INS, KERS-HAZ INS, SPRS INS - INSURANCE FUND - PLAN NET RETURNS - 06/30/26											
Plan	Market Value	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years	ITD
KERS INS	**2,014,068,696.56**	**0.04**	**7.51**	**13.29**	**13.29**	**12.03**	**7.71**	**8.98**	**6.54**	**7.06**	**7.62**
KY Ins. KERS Plan IPS Index		-0.19	7.27	12.39	12.39	11.09	7.75	8.93	6.79	7.42	7.91
KERS - H INS	**798,688,551.19**	**-0.03**	**7.08**	**12.98**	**12.98**	**11.77**	**7.81**	**9.09**	**6.66**	**7.14**	**7.68**
KY Ins. KERS Haz Plan IPS Index		-0.32	6.81	11.84	11.84	10.76	7.32	8.67	6.68	7.34	7.85
SPRS INS	**310,085,563.62**	**-0.07**	**7.00**	**12.93**	**12.93**	**11.73**	**7.83**	**9.23**	**6.74**	**7.20**	**7.73**
KY Ins. SPRS Plan IPS Index		-0.33	6.80	11.88	11.88	10.79	7.36	8.67	6.70	7.35	7.86
KPPA INSURANCE FUND UNIT - NET RETURNS - 06/30/26 - PROXY PLAN ASSET PERFORMANCE											
Structure		Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years	ITD
PUBLIC EQUITY		**-0.32**	**14.25**	**21.69**	**21.69**	**18.18**	**9.75**	**12.26**	**8.18**		**9.38**
MSCI ACWI		-0.61	14.93	24.22	24.22	19.45	10.39	12.49	8.17		9.29
PRIVATE EQUITY		**-2.03**	**0.78**	**1.69**	**1.69**	**3.37**	**7.97**	**10.63**	**9.97**		**9.98**
Custom Private Equity BM		-2.03	0.78	1.69	1.69	3.37	7.97	13.68	11.61		11.29
SPECIALTY CREDIT		**0.61**	**2.01**	**7.39**	**7.39**	**9.82**	**7.60**				**6.97**
50% BB US HY / 50% Morningstar LSTA Lev'd Ln		0.17	2.17	5.14	5.14	8.22	5.12				5.21
CORE FIXED INCOME		**0.39**	**0.83**	**4.13**	**4.13**	**5.07**	**2.05**	**2.54**			**2.79**
Bloomberg US Aggregate		0.24	0.67	3.79	3.79	4.16	0.08	1.54			2.12
CASH		**0.30**	**0.92**	**4.00**	**4.00**	**4.72**	**3.53**	**2.36**	**1.82**		**2.65**
FTSE Treasury Bill-3 Month		0.31	0.93	4.05	4.05	4.86	3.69	2.40	1.68		2.57
REAL ESTATE		**-0.67**	**0.36**	**1.69**	**1.69**	**-1.42**	**3.44**	**6.74**			**7.59**
NCREIF NFI-ODCE Net 1 Qtr in Arrears Index^		1.04	1.04	3.11	3.11	-2.81	2.34	3.79			4.55
REAL RETURN		**2.86**	**4.59**	**15.05**	**15.05**	**13.87**	**10.90**	**8.07**			**6.39**
US CPI +3%		0.86	3.23	7.25	7.25	6.29	6.58	5.52			4.60

Internal Portfolio Performance

Internal Portfolio Performance (Net of Fees)
As of Date: 06/30/26

Structure	Market Value	% of Total	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	ITD	Inception Date
PUBLIC EQUITY												
Russell 500 Index	4,036,937,586.33	16.64	-1.05	14.51	20.96	20.96	20.38	13.29	15.58	11.52	9.86	2001-07-01
KY Ret. S&P/Russell Blend			-0.85	14.72	20.76	20.76	20.18	13.16	15.38	11.43	9.77	
Internal US Mid Cap	338,943,958.04	1.40	3.64	14.47	26.10	26.10	16.00	9.60	12.22		11.24	2014-08-01
S&P MidCap 400 Index			3.59	14.47	25.89	25.89	15.41	9.07	11.65		10.79	
PRIVATE EQUITY												
INTERNAL PRIVATE EQ	106,405,998.33	0.44	-0.01	10.55	16.04	16.04					15.27	2023-12-01
CORE FI												
INTERNAL CORE FI	1,225,681,153.94	5.05	0.25	0.72	3.80	3.80					4.77	2023-09-01
Bloomberg US Aggregate Bond Index			0.24	0.67	3.79	3.79					4.67	
REAL ESTATE												
INTERNAL REAL ESTATE	82,838,567.74	0.34	0.29	6.33	7.34	7.34					6.91	2023-12-01
NCREIF NFI ODCE Net 1Qtr in Arrears Index^			1.04	1.04	3.11	3.11					-2.16	
REAL RETURN												
INTERNAL REAL RETURN	179,914,911.71	0.74	-2.69	-0.59	31.29	31.29					22.11	2023-12-01
KRS CPI + 300 bpts			0.86	3.23	7.25	7.25					6.36	
INTERNAL TIPS	153,125.31	0.00	0.30	0.92	4.01	4.01	4.77	3.66	2.57	3.66	4.25	2002-05-01
KR2 Internal US TIPS Blend			-0.50	0.70	3.62	3.62	4.93	2.33	2.99	3.80	4.35	
CASH ACCOUNT	542,151,454.08	2.24	0.30	0.91	4.00	4.00	4.71	3.54	2.49	2.01	3.42	1988-01-01
FTSE Treasury Bill-3 Month			0.31	0.93	4.05	4.05	4.86	3.69	2.40	1.68	3.07	

Asset Class Gross Performance - Pension

Pension Asset Class Performance (Gross)

As of Date: 06/30/26

Structure	Account	Market Value	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years
KERS	**KR2F00010002**	**6,051,523,324.67**	**0.15**	**6.26**	**12.75**	**12.75**	**11.47**	**7.26**	**8.79**
PUBLIC EQUITIES		2,153,736,364.26	-0.27	13.60	21.11	21.11	18.11	9.74	12.30
CORE FIXED INCOME		1,634,073,990.84	0.54	0.98	4.27	4.27	5.20	2.21	
SPECIALTY CREDIT		1,129,388,974.15	0.68	2.15	7.51	7.51	10.42	8.09	7.85
REAL ESTATE		258,860,268.39	-0.52	1.46	3.70	3.70	0.35	5.46	7.24
LIQUIDITY		152,940,608.05	0.30	0.90	3.99	3.99	4.71	3.54	2.47
REAL RETURN		477,783,380.38	0.89	3.92	23.36	23.36	19.80	15.31	10.74
PRIVATE EQUITY		241,165,839.57	-1.59	14.81	22.81	22.81	12.83	7.93	12.77
KERS-H	**KR2F00020002**	**1,296,965,303.98**	**0.04**	**7.51**	**14.05**	**14.05**	**12.72**	**8.41**	**9.77**
PUBLIC EQUITIES		609,835,637.56	-0.25	13.91	21.52	21.52	18.16	9.79	12.25
CORE FIXED INCOME		129,892,646.52	0.65	1.09	4.44	4.44	5.16	2.19	
SPECIALTY CREDIT		310,904,106.85	0.65	2.27	7.58	7.58	10.38	8.26	7.77
REAL ESTATE		69,093,157.31	-0.55	2.13	3.61	3.61	0.08	4.95	7.01
LIQUIDITY		28,163,798.18	0.30	0.91	4.00	4.00	4.71	3.54	2.48
REAL RETURN		85,047,924.26	0.90	2.73	21.07	21.07	18.07	13.89	9.66
PRIVATE EQUITY		62,013,261.58	-1.81	6.30	9.63	9.63	7.86	10.32	13.26
SPRS	**KR2F00050002**	**842,619,619.59**	**0.27**	**6.35**	**12.55**	**12.55**	**11.34**	**7.44**	**8.86**
PUBLIC EQUITIES		294,815,042.51	-0.22	14.07	21.56	21.56	18.19	9.81	12.27
CORE FIXED INCOME		227,713,211.13	0.55	0.99	4.28	4.28	5.18	2.24	
SPECIALTY CREDIT		164,988,073.70	0.59	2.36	7.48	7.48	10.23	7.82	7.57
REAL ESTATE		35,632,676.60	-0.49	0.95	3.31	3.31	-0.27	4.78	6.93
LIQUIDITY		17,132,200.61	0.30	0.91	4.00	4.00	4.71	3.54	2.48
REAL RETURN		68,474,884.65	1.76	5.76	23.40	23.40	18.47	14.61	9.92
PRIVATE EQUITY		33,241,430.71	-0.76	10.61	16.56	16.56	12.21	10.49	14.12

Asset Class Gross Performance - Insurance

Insurance Asset Class Performance (Gross)

As of Date: 06/30/26

Structure	Account	Market Value	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years
KERS INS	**KR3F00010002**	**2,014,829,749.37**	**0.08**	**7.61**	**13.82**	**13.82**	**12.60**	**8.40**	**9.63**
PUBLIC EQUITIES		948,268,477.46	-0.36	13.98	21.44	21.44	18.12	9.79	12.32
CORE FIXED INCOME		201,410,189.96	0.81	1.23	4.57	4.57	5.16	2.12	
SPECIALTY CREDIT		479,769,325.28	0.40	2.13	7.54	7.54	10.32	8.28	7.57
REAL ESTATE		113,988,625.86	-0.32	1.26	3.59	3.59	0.21	4.72	6.96
LIQUIDITY		31,854,348.50	0.30	0.92	4.00	4.00	4.72	3.53	2.36
REAL RETURN		135,353,723.75	2.46	5.60	21.27	21.27	17.69	13.81	9.84
PRIVATE EQUITY		103,491,593.78	-1.11	4.93	6.33	6.33	7.00	13.22	13.37
KERS - H INS	**KR3F00020002**	**798,964,133.61**	**0.00**	**7.15**	**13.53**	**13.53**	**12.43**	**8.62**	**9.88**
PUBLIC EQUITIES		374,332,216.87	-0.34	14.06	21.57	21.57	18.22	9.81	12.30
CORE FIXED INCOME		81,128,107.73	0.85	1.25	4.60	4.60	5.20	2.15	
SPECIALTY CREDIT		192,832,586.48	0.78	2.32	8.71	8.71	11.44	9.34	8.15
REAL ESTATE		45,336,767.91	-0.78	0.22	1.97	1.97	-1.10	3.84	6.50
LIQUIDITY		15,826,279.94	0.30	0.92	4.00	4.00	4.72	3.53	2.36
REAL RETURN		52,033,875.98	1.04	3.16	19.63	19.63	16.28	12.24	8.84
PRIVATE EQUITY		37,225,509.39	-2.72	-0.64	-0.03	-0.03	2.87	8.61	11.41
SPRS - INS	**KR3F00050002**	**310,195,389.78**	**-0.04**	**7.08**	**13.46**	**13.46**	**12.36**	**8.62**	**10.05**
PUBLIC EQUITIES		145,072,073.82	-0.34	13.99	21.43	21.43	18.12	9.70	12.25
CORE FIXED INCOME		31,172,537.50	0.82	1.25	4.64	4.64	5.21	2.16	
SPECIALTY CREDIT		75,250,586.19	0.68	2.24	8.43	8.43	11.03	8.89	7.93
REAL ESTATE		17,308,956.91	-0.78	0.22	1.98	1.98	-1.09	3.86	6.51
LIQUIDITY		4,143,856.26	0.30	0.92	4.00	4.00	4.72	3.53	2.36
REAL RETURN		20,650,982.35	1.25	2.87	19.91	19.91	16.45	12.46	8.90
PRIVATE EQUITY		16,497,003.14	-2.85	-0.69	0.39	0.39	3.24	9.10	11.97

Allocations

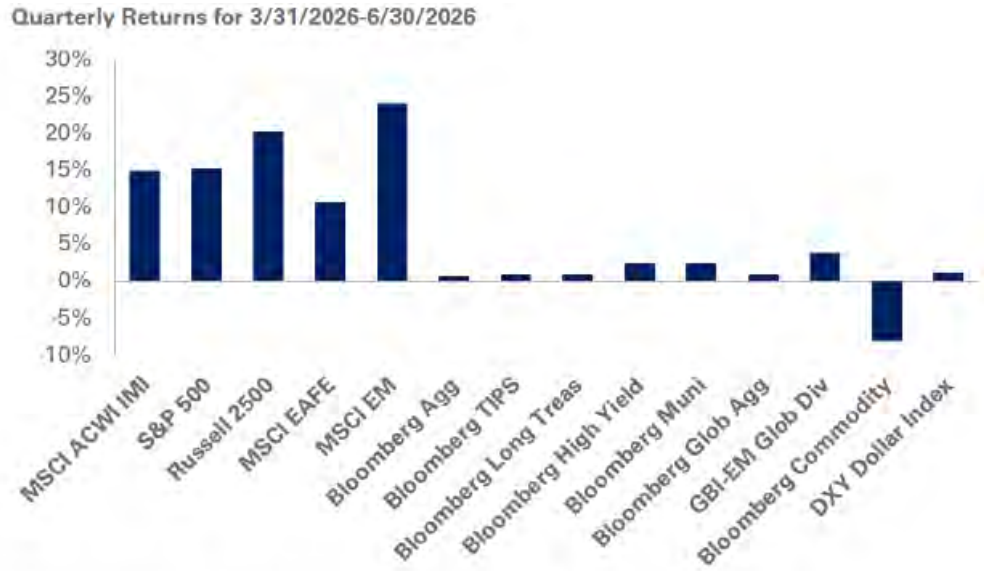
Performance Highlights

- The KRS Pension Composite finished the Fiscal Year with strong performance, producing a return of 6.38% for the quarter, modestly underperforming the 6.48% return of the blended benchmark.
- The KRS Insurance Composite produced a return of 7.35% for the quarter outperforming the benchmark return by 25 bps..

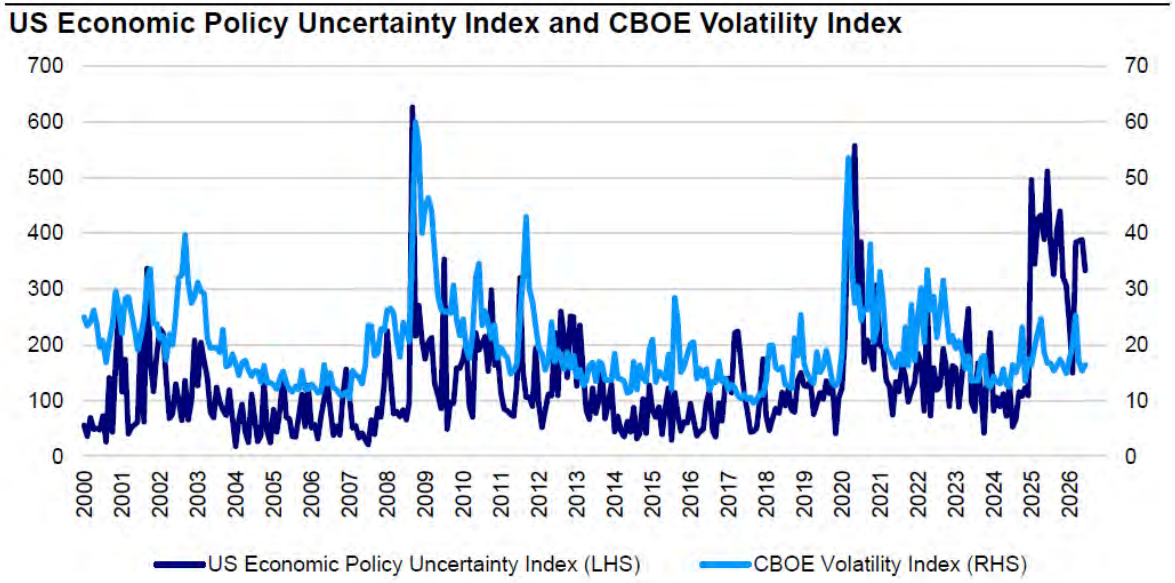
KERS Pension 6.18%
Benchmark 6.34%
SPRS Pension 6.25%
Benchmark 6.07%
KERSH Pension 7.43%
Benchmark 7.38%

KERS Insurance 7.51%
Benchmark 7.27%
KERSH Insurance 7.08%
Benchmark 6.81%
SPRS Insurance 7.00%
Benchmark 6.80%

- The largest contributors to performance relative to the benchmark during the quarter were the relative outperformance in the Real Return and Core Fixed Income portfolios as well as the overweight to Public Equities.
- The Real Return portfolio produced a return of 4.01% for the quarter outperforming the benchmark 78bps driven by especially strong performance in the portfolio's activist closed-end fund and sports investment strategies. The portfolio's agriculture and marine leasing strategies also performed well during the quarter.
- The overweight to Global Public Equities contributed between 32bps and 40bps of outperformance across portfolios during the quarter bolstering overall performance.
- This outperformance tailwind was offset by the underperformance of the Public Equity portfolio relative to the benchmark as active management continued to struggle in the narrow market. This relative underperformance cost the portfolios between 29bps and 45bps for the quarter.



As of 6/30/2026, Source: S&P, Russell, MSCI, JPM, Bloomberg, Factset



Source: Baker, Bloom & Davis and Chicago Board Options Exchange, 30 June 2026.

Performance Highlights

- For the Fiscal Year, the KRS Pension Composite produced very strong performance with a return of 12.49% outpacing the blended benchmark's return of 11.54%.

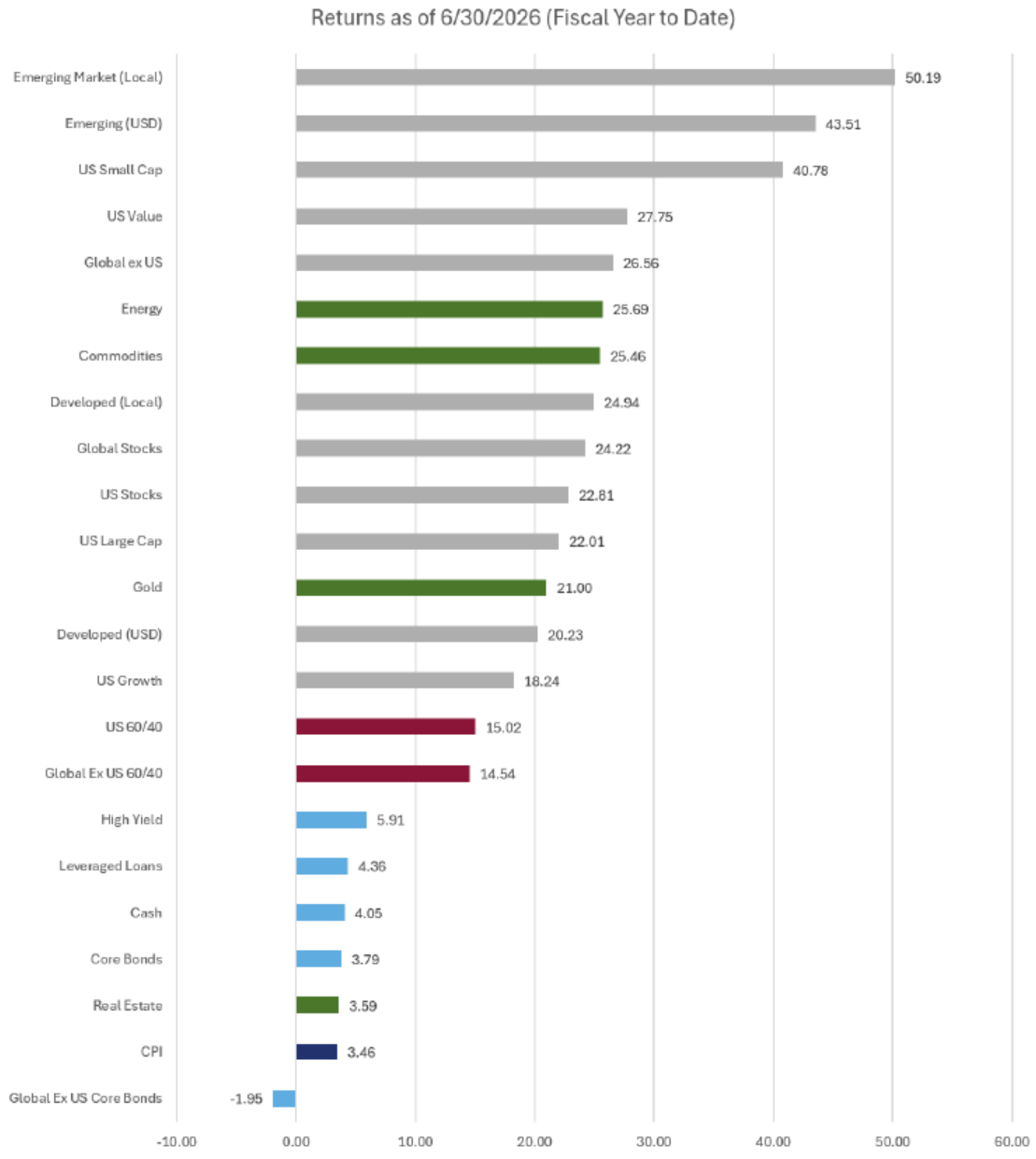
- The KRS Insurance Composite produced a return of 13.18% for the same period, outperforming the benchmark by 98bps.

KERS Pension 12.31%
Benchmark 11.37%
SPRS Pension 12.09%
Benchmark 10.99%
KERSH Pension 13.58%
Benchmark 12.66%

KERS Insurance 13.29%
Benchmark 12.39%
KERSH Insurance 12.98%
Benchmark 11.84%
SPRS Insurance 12.93%
Benchmark 11.88%

- During the Fiscal Year, the Specialty Credit, Real Return and Core Fixed Income portfolios all outperformed their benchmarks and were the main drivers of outperformance:
  - Real Return 924bps of outperformance
  - Specialty Credit 209bps of outperformance
  - Core Fixed Income 37bps of outperformance

- The overweight to Public Equities also benefitted the portfolios contributing between 45bps and 54bps of relative outperformance which was offset by the Public Equity portfolio's underperformance of 247bps relative to the benchmark.



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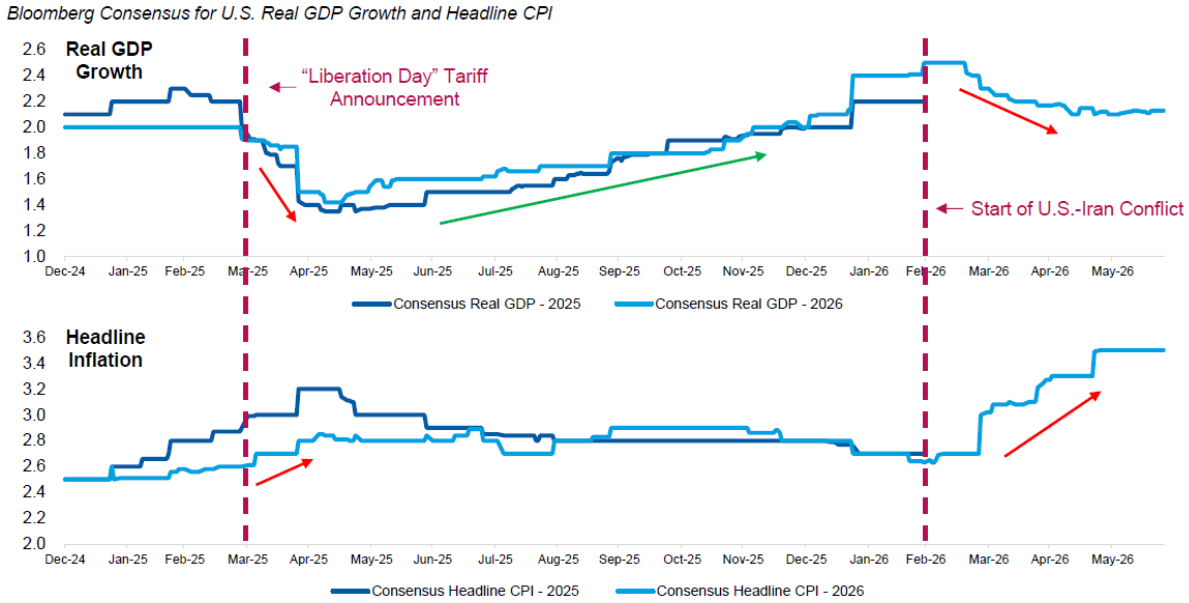
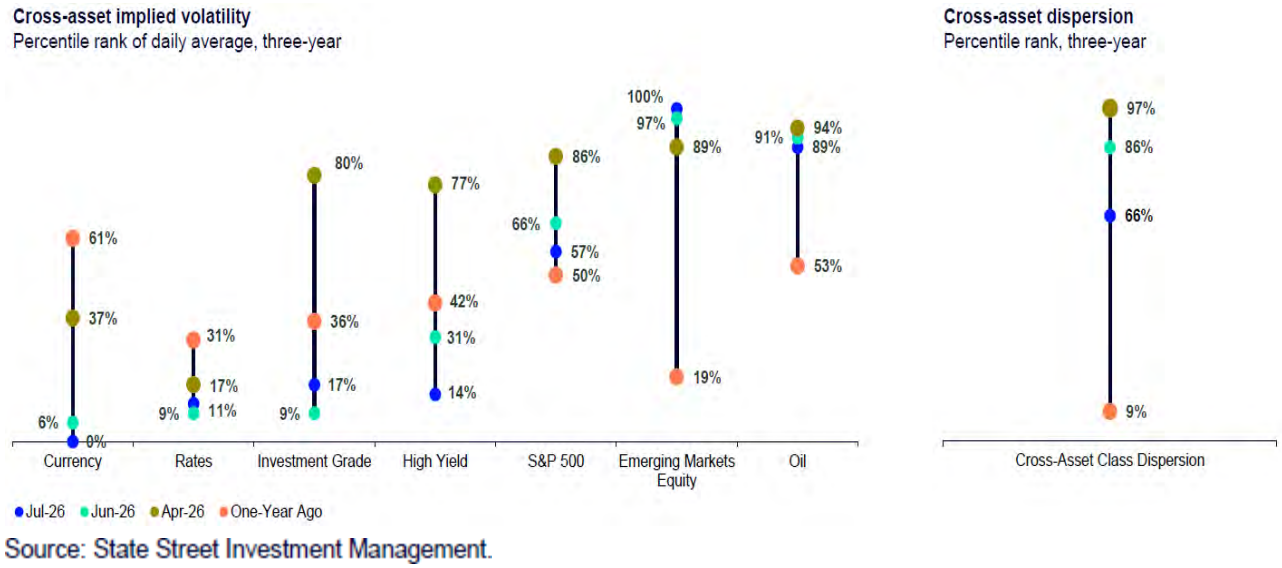
Performance Highlights

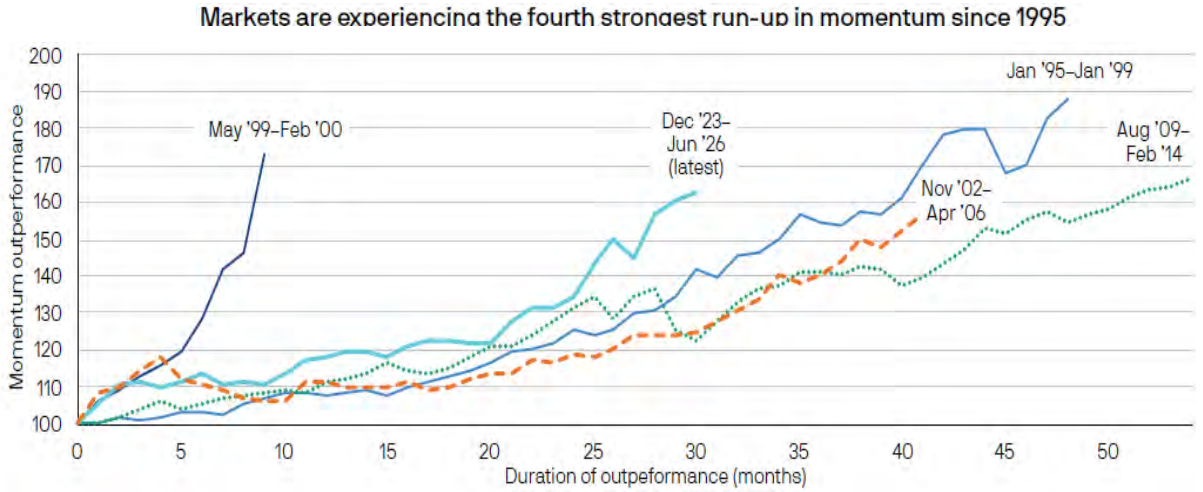
- Asset returns rebounded sharply and broadened during the quarter after a shaky start to the year as risk sentiment improved with geopolitical fears easing and oil prices falling from their peaks. AI related capital expenditures broadened corporate earnings growth while improving labor markets helped alleviate concerns of a pending economic slowdown.

- Despite market optimism and a global economy that remains in a solid, albeit unsynchronized, expansion, with broadening earnings growth, volatility is likely to remain elevated as markets face a range of fiscal, monetary and geopolitical crosscurrents and a potentially more hawkish FED all while asset valuations appear elevated.





Source: State Street Investment Management.

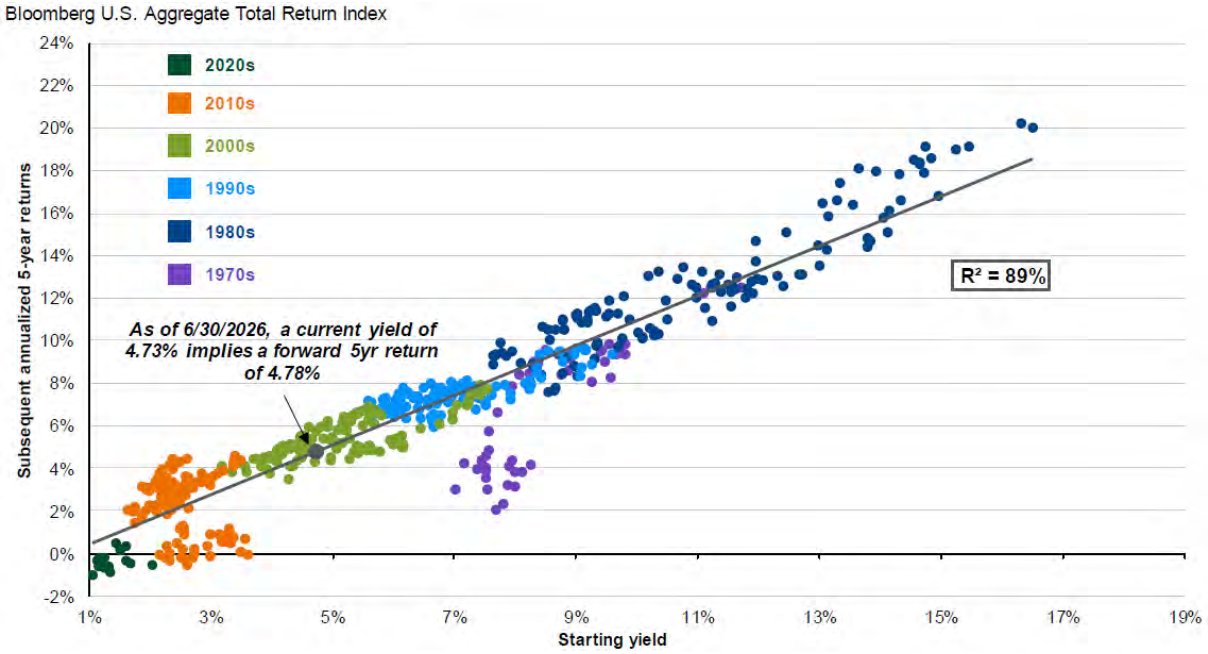


Source: FactSet, J.P. Morgan Asset Management

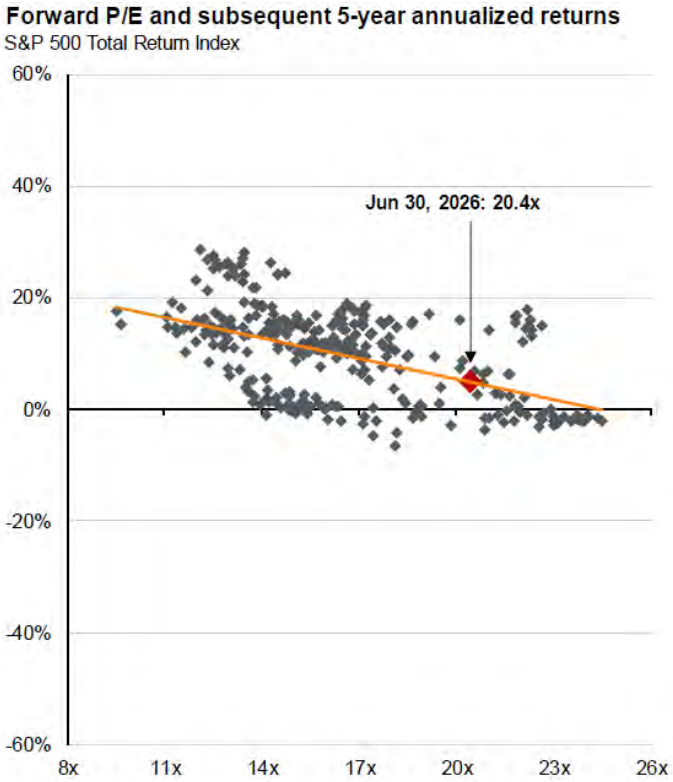
Performance Highlights

- Headline Equity and Fixed Income valuation metrics show signs of being stretched. While elevated valuations may not necessarily be a near-term impediment, they provide slim cushion amid a medium-term backdrop of policy, economic and geopolitical risks.

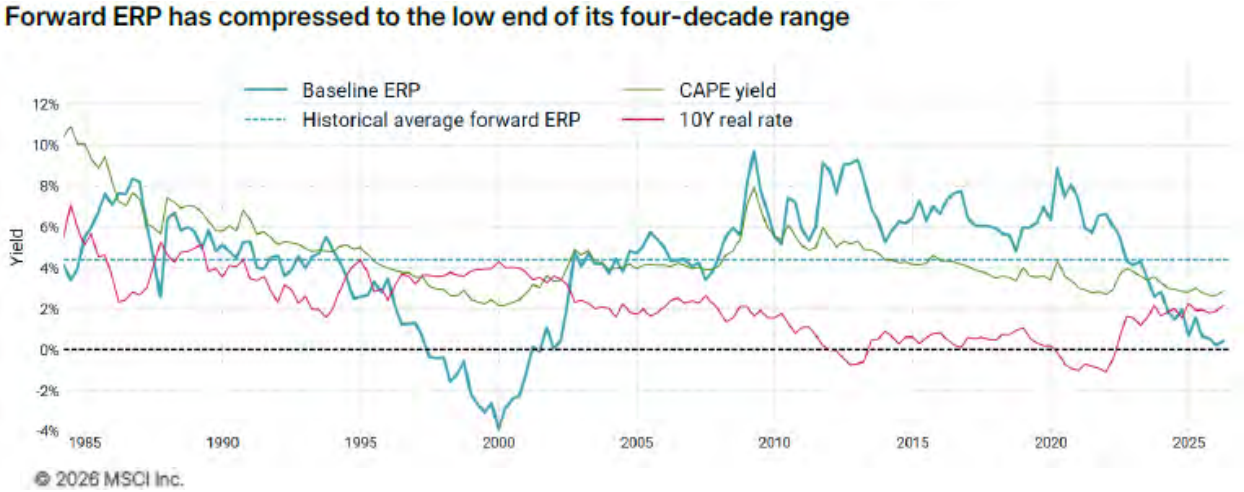
- The Forward Equity Risk Premium for the US market have compressed to its lowest level since 2000, far below its long-run average driven by rising equity multiples and elevated real rates, indicating prices are high relative to the future cash flows that support them.



Source: Bloomberg, FactSet, J.P. Morgan Asset Management.



Source: FactSet, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management.



Performance Highlights

Public Equities

US Markets

- 2Q26: strongest quarter in 6 years; reaching market all-time highs
  - Fueled by AI infrastructure spending & a strong earnings season
  - Strong fundamentals stabilized markets despite inflation concerns
- Market is starting to broaden, but remains narrow within market cap segments
- Small caps and growth led the market
  - High beta & low quality names outperformed (unprofitable)
- Significant sector leadership shift from energy to technology, making it difficult to navigate
- Momentum and volatility factors have been leading the market for over a year, though momentum starting to fade
- Opportunities continue to exist in AI infrastructure and some software (security); concerns include long-duration growth at high multiples and high-risk software

Total Return (through 6/30)

Index	Apr	May	Jun	Q2	YTD	1 YR	3 YR	5 YR	10 YR
S&P 500	10.49	5.26	-0.95	15.20	10.21	22.32	20.61	13.41	15.51
S&P 500 Equal-Weighted	5.97	2.68	2.38	11.39	12.13	19.20	14.53	9.14	12.36
S&P 600	10.41	1.04	7.29	19.70	23.90	37.50	16.05	7.37	11.52
Russell 1000	10.11	5.10	-0.50	15.14	10.33	22.02	20.47	12.66	15.30
Russell 3000	10.20	5.07	-0.30	15.44	10.88	22.82	20.36	12.31	15.06
Russell Midcap	7.33	2.85	3.11	13.83	15.30	21.63	16.51	8.50	12.00
Russell 2000	12.21	4.37	3.74	21.49	22.57	40.78	18.60	6.99	11.63
Russell 1000 Growth	11.90	7.20	-2.68	16.74	5.33	17.71	22.58	13.71	18.58
Russell 3000 Growth	12.22	7.16	-2.66	17.05	5.88	18.24	22.26	13.17	18.13
Russell Midcap Growth	6.47	4.75	2.70	14.55	7.27	6.17	15.61	6.03	13.04
Russell 2000 Growth	14.69	5.84	3.55	25.71	22.18	38.74	18.44	5.57	11.97
Russell 1000 Value	8.16	2.95	2.27	13.87	16.26	27.12	17.79	11.18	11.52
Russell 3000 Value	8.22	2.94	2.35	14.02	16.56	27.78	17.81	10.97	11.48
Russell Midcap Value	7.58	2.32	3.03	13.40	17.58	26.62	16.51	9.48	10.63
Russell 2000 Value	9.66	2.79	3.97	17.19	22.99	43.01	18.73	8.24	10.89

Performance Highlights

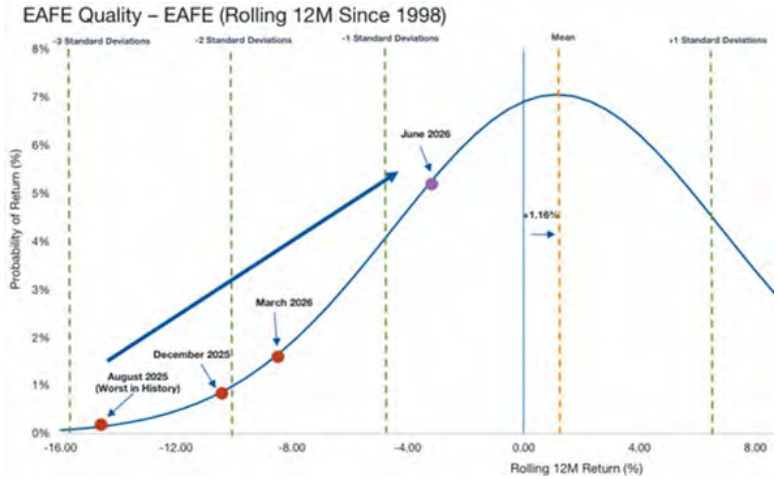
Public Equities

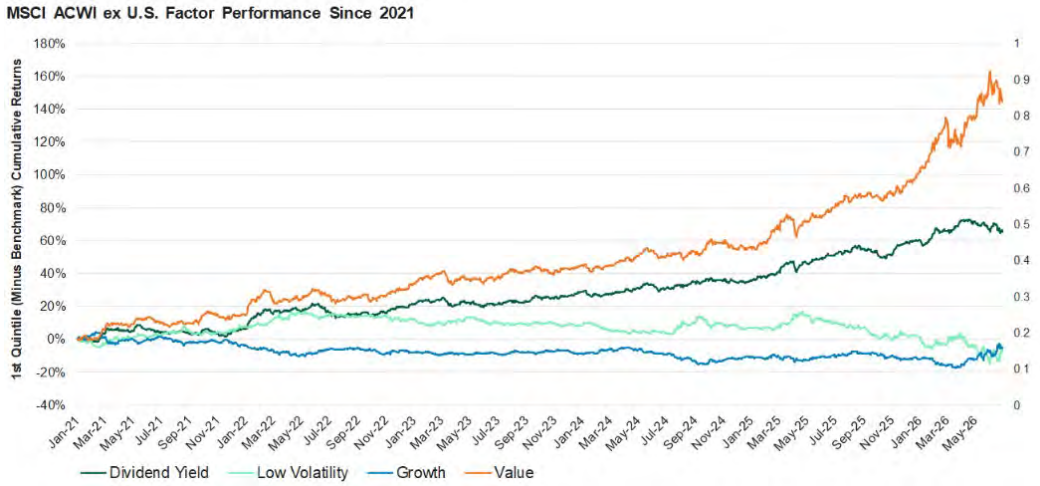
Performance (USD):	2026 Q2	2026 H1	1 Year	2 Year
MSCI EAFE	10.8%	9.4%	20.2%	19.0%
MSCI ACW ex-US	14.5%	13.7%	27.7%	22.6%
MSCI USA	15.2%	9.9%	21.5%	18.4%

Semi and Tech Hardware Combined	Q2 2026	YTD 2026
% of Names in Index	4.0%	3.9%
% Average Weight in Index	8.4%	7.5%
% Contribution to Return	**40.4%**	**52.6%**

International Markets

- Non-US markets provided strong returns during the quarter; despite trailing the US, this capped a multi-year win over domestic markets
- AI capital spend dominated, specifically in semiconductors and tech hardware (very narrow market during 2Q)
  - The EAFE technology sector gained 55%, and EM markets rose over 24% led by semiconductors
- Effects of geopolitical events were somewhat muted as investors paid more attention to continued growth in corporate profits
- Low-quality dominance that has been an issue for active management over the past couple of years continues to fade
- Non-US markets seem resilient relative to domestic markets, due to valuation discounts, a closing earnings gap, and the weaker dollar





Performance Highlights

Public Equities

- 2Q26: KPPA Global Equity 14.25% vs MSCI ACWI IMI 14.93%
  - Stock selection weakness (particularly in the international markets, specifically EM value)
  - Slight underweight to US equities

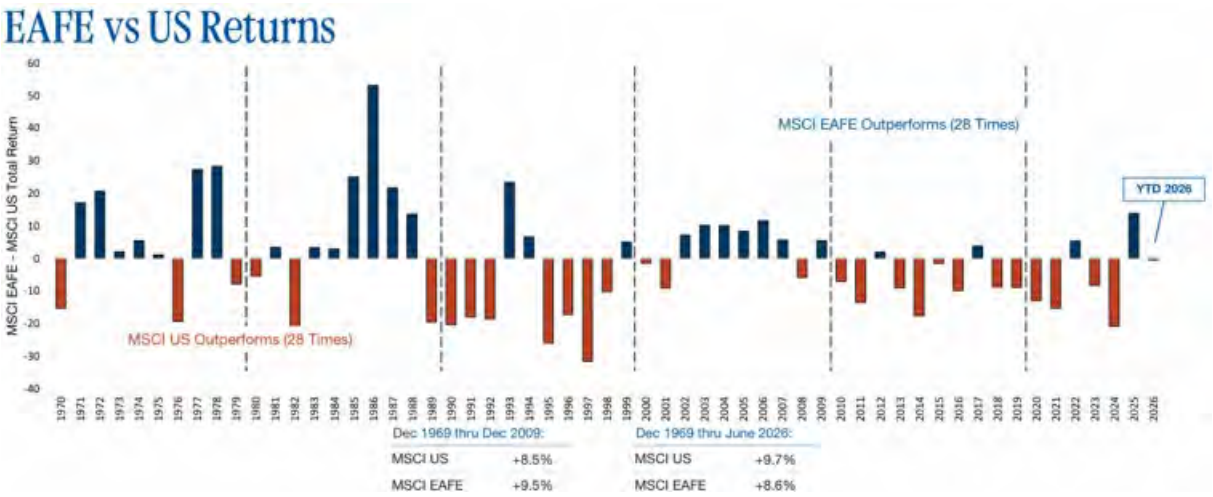
- 2Q26: KPPA US Equity 15.13% vs Russell 3000 15.43%
  - Stock selection was split; all cap value active mandate weakness
  - Tilt smaller benefitted relative performance

- 2Q26: KPPA NonUS Equity 12.80% vs MSCI ACWI Ex-US IMI 13.82%
  - Developed country growth mandates were significantly challenged; EM value mandate significantly underperformed
  - Partially offset by strong relative performance from the small cap and EM growth allocations

Performance Highlights

Public Equities

- 12months: KPPA Global Equity 21.75% vs MSCI ACWI IMI 24.22%
  - Individual strategy performance broadly weaker
    - Majority due to style / factor weakness
      - Low-quality / high volatility headwind throughout portfolio
    - Partially offset by regional positioning
      - Contributed to relative performance (tilt Non-US, 3.75% outperformance over US)
- 12months: KPPA US Equity 21.59% vs Russell 3000 22.81%
  - Individual active strategies were broadly weaker
  - Partially offset by outperformance of internal accounts
  - Partially offset by small cap overweight (R2000 40.78% vs R500/SP500 Blend 20.76%)
- 12months: KPPA NonUS Equity 22.03% vs MSCI ACWI Ex-US IMI 26.56%
  - Split relative individual mandate performance
    - Particularly strategies with a growth bent struggled as “risk on” environment ignored quality/earnings
  - EM value mandate significantly struggled during the final quarter of the fiscal year
  - Partially offset by strong relative performance from the deep value developed market manager, and EM growth mandate



Performance Highlights

Public Equities

Contributors

- Next Century (Russell Microcap): 66.56% vs51.30%
  - 3Q25 difficult market driven by speculation
  - 2Q26 outperformed by nearly 20%
    - o/w technology (semi / AI infrastructure / software)

- LSV (MSCI ACWI ex-US): 41.66% vs 27.66%
  - Consistent outperformance of 3-5% during the first 3 quarters, modest decline in 2Q26
    - Valuation factor performed well on a book to market and earnings perspective
    - Stock selection was the driving force, particularly in financials, consumer discretionary, and industrials; and across all market caps

- JPM EM (MSCI EM): 57.71% vs 40.94%
  - Consistent outperformance; 2Q26 outperformance of +6.5%
    - Strong stock selection
      - Driven by information technology – semi and memory
      - Solid in financials – wealth / asset management

Detractors

- River Road FAV (R3000V): 2.75% vs 27.75%
  - 2Q26 most significant factor allocation headwind in the strategy's history
    - High beta and expensive valuation stocks outperformed
  - Significantly underweight IT & broad-based stock selection weakness
  - From latest draw down's trough (06/22/26), the strategy has outpaced the benchmark by approximately 4% through July

- American Century (MSCI ACWI ex-US): 5.81% vs 27.66%
  - Consistently struggled during the year; 1Q26 -8.3% relative
  - Risk factor headwinds; including continued value headwind accounted for approximately half the underperformance
  - Stock selection was weak in financials, industrials, and IT
    - Ultimately, had the wrong exposures

- Pzena (MSCI EM): 24.50% vs 43.51%
  - Strategy was ahead by 5% after 3 quarters; down nearly 23% in 2Q26
  - 2Q26 index gains were overwhelmingly concentrated (semi & memory)
    - Manager was significantly underweight these positions with the belief that margins may be at cyclical peak
    - July 2026 saw a correction in some of these names; strategy outperformed by 10.1%

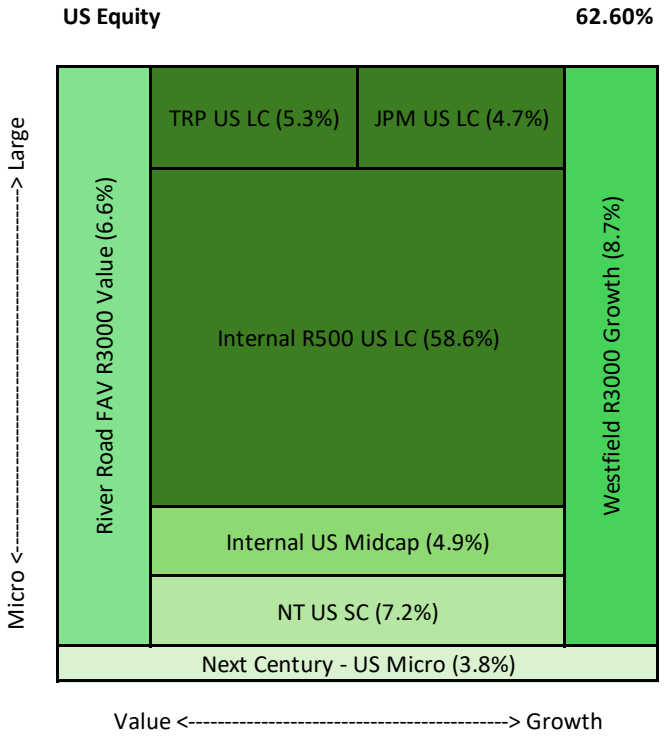
Performance Highlights

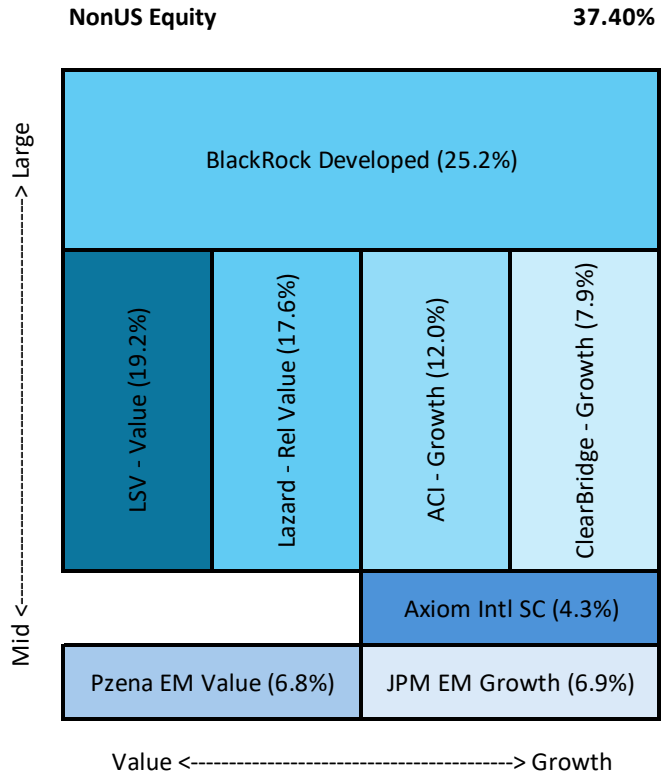
Public Equities

- Despite strong absolute performance; the portfolio failed to keep up with its benchmark, as the fiscal year provided a difficult environment for active managers.
  - Narrowness of the market
    - A large portion of the market's performance was attributable to names associated with the AI trade
      - Primarily semi-conductors, memory
    - Diversification created risk with regards to relative performance
  - High beta and low-quality names with high valuations outpaced their counterparts

- In terms of positioning, compared to the index, the portfolio is…
  - Slightly underweight domestic markets (-1.1%; overweight international)
  - Within US markets: overweight large (+6%) and small caps (+2.9%), underweight midcaps
  - Within NonUS markets: overweight developed (+1.5%), underweight EM

- Allocation was additive during the period; however, the structure of the portfolio can make managing positioning difficult
  - The active US All Caps and MSCI ACWI Ex-US mandates introduce the possibility of tracking error into the portfolio





Performance Highlights

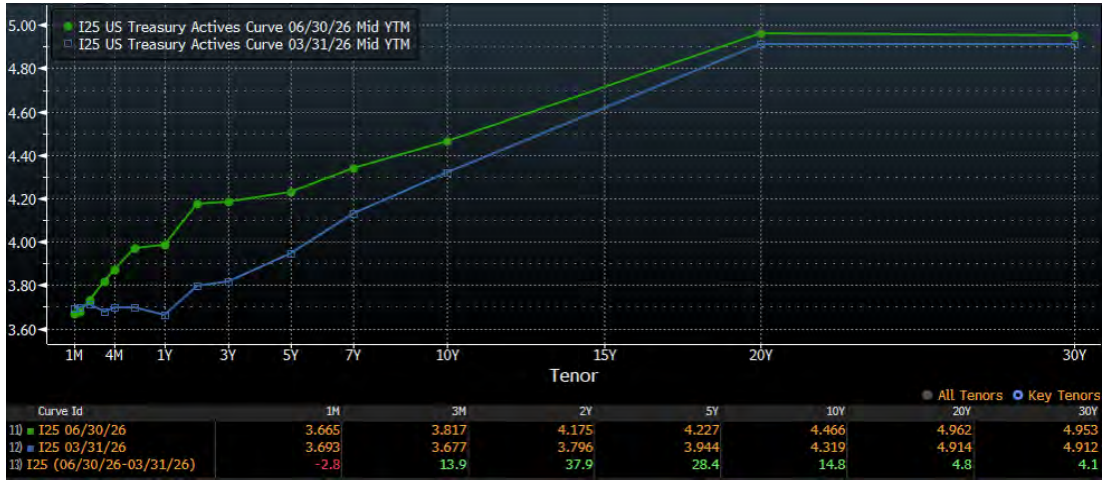
Core Fixed Income

- The U.S. Treasury yield curve bear flattened during the quarter, with the largest moves in the front-end as markets repriced the expected path of Federal Reserve monetary policy due to inflation measures remaining above the Federal Reserve's target.

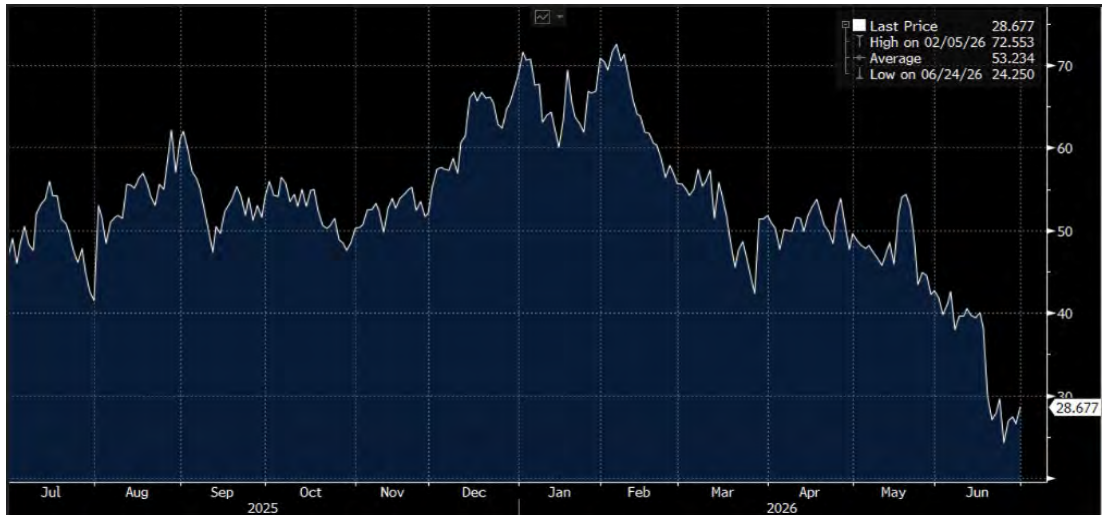
- The 2YR and 5YR U.S. Treasury yields rose 38 basis points and 28 basis points to close at 4.18% and 4.23%, respectively. The 10YR yield was 15 basis points higher and closed at 4.47%. The 30-year Treasury peaked at 5.18% in mid-May before closing the quarter at 4.95%. The May 30-year Treasury auction underscored the persistence of elevated long-end yields, clearing at just over 5%, the first 30-year auction yield above 5% since 2007.

- The 2-10YR spread continued its flattening trend from last quarter by about 23 basis points. The spread ended the quarter at 28 basis points after reaching a high of 72 in February and a low of 24 in late June.

- While timing remains uncertain, markets have shifted from pricing rate cuts to rate hikes.



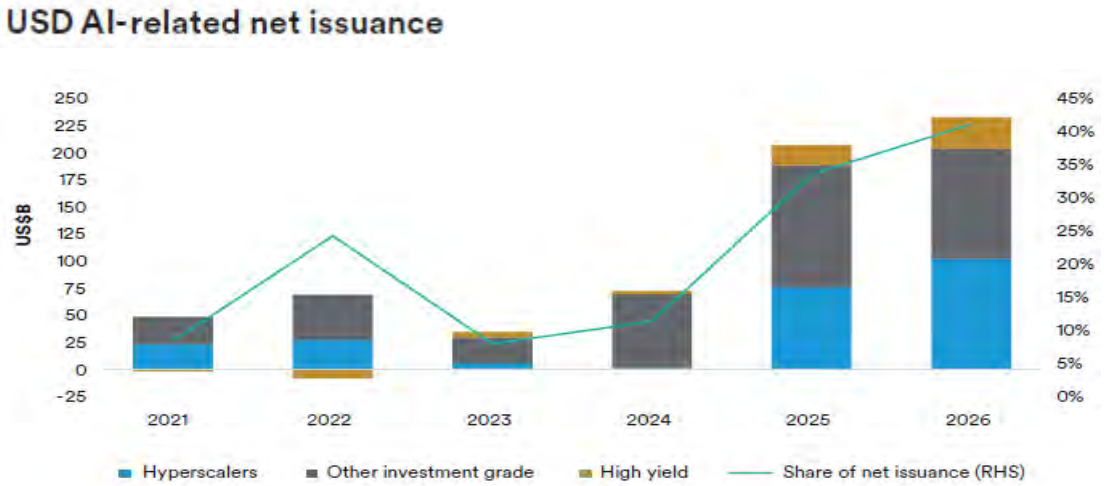
Curve Id	1M	3M	2Y	5Y	10Y	20Y	30Y
11) I25 06/30/26	3.665	3.817	4.175	4.227	4.466	4.962	4.953
12) I25 03/31/26	3.693	3.677	3.796	3.944	4.319	4.914	4.912
13) I25 (06/30/26-03/31/26)	-2.8	13.9	37.9	28.4	14.8	4.8	4.1

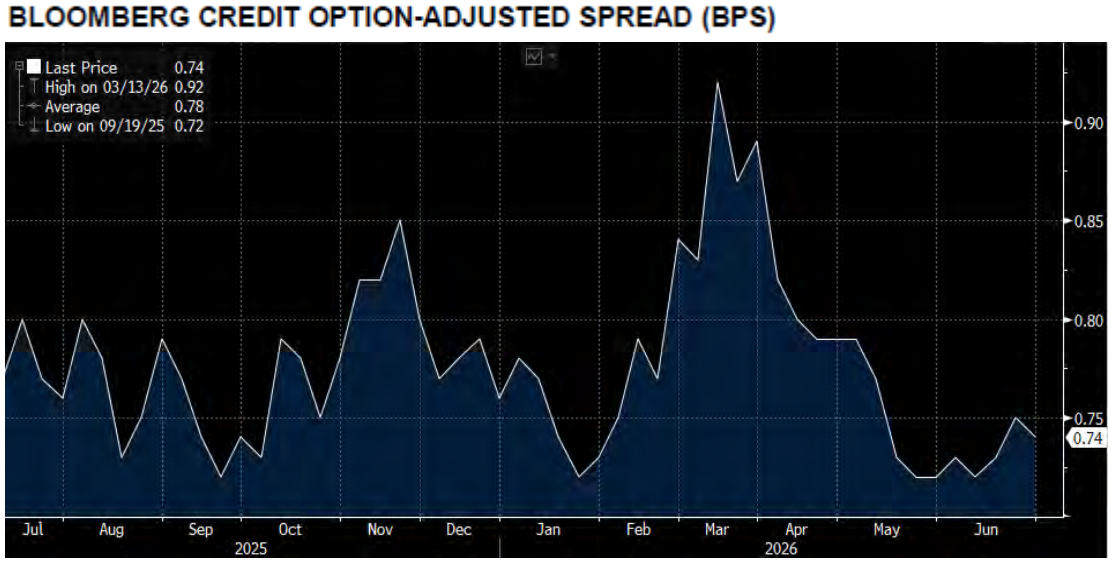


Performance Highlights

Core Fixed Income

- Even as rates rose across the Treasury curve, the Core Fixed Income Portfolio still produced a positive return of 0.84% for the quarter and 4.16% for the fiscal year, outperforming the benchmark by 17 and 37 basis points, respectively.
- The main drivers of outperformance for both time periods were sector overweights to Credit and Securitized products, specifically, MBS and ABS.
- Credit markets delivered strong performance in the quarter tightening 15 basis points to 74. Investor sentiment improved as geopolitical tensions eased along with lower oil prices provided supportive backdrop for investment-grade credit.
- Technology credits lagged other sectors as elevated issuance from AI-related names and upward revisions to capital expenditure weighed on the market. Long duration credit modestly underperformed the front and intermediate parts of the curve as higher levels of technology issuance has created supply overhang.
- While Securitized products (CMBS, ABS and MBS) performed well for the quarter generating 30 basis points of excess returns, it was the strong fiscal year performance of 197 basis points of excess returns helping the portfolio for the year and outpaced Credit by 34 basis points.
- The 30-year fixed mortgage rate increased from 6.38% to 6.49% causing over a 12% decline in refinancing activity during the quarter.

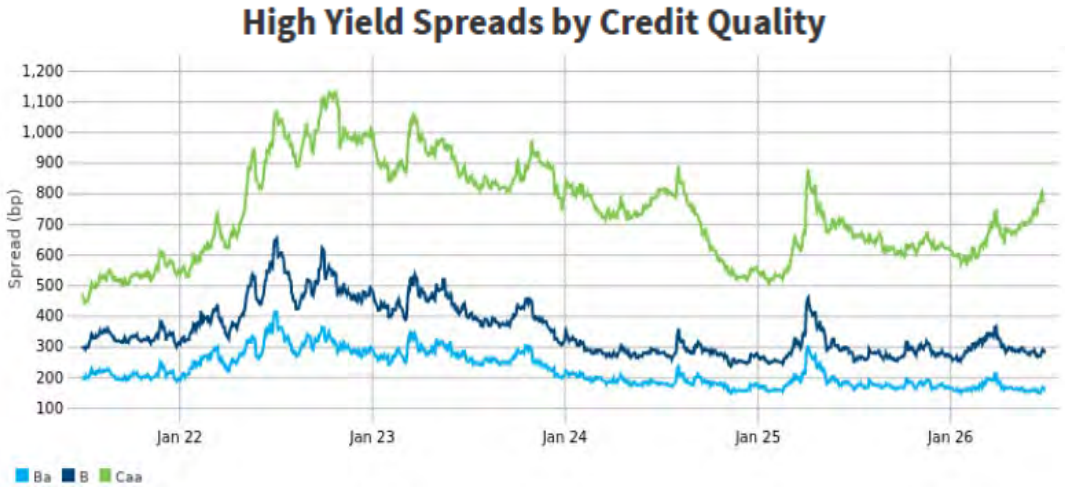


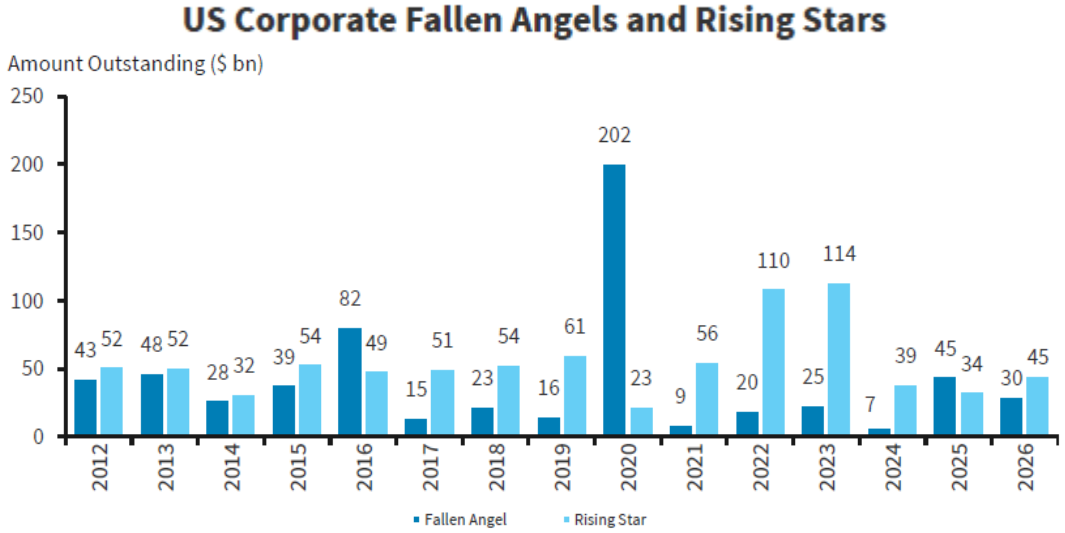


Performance Highlights

Specialty Credit Fixed Income

- The Specialty Credit portfolio produced a return of 2.05% for the quarter and 7.23% fiscal year-to-date, slightly underperforming the custom benchmark by 12 basis points for the quarter but outperforming by 209 basis points for the fiscal year.
- Over longer market cycles, the portfolio has returned 9.65% over three years and 7.41% over five years providing excess returns over the benchmark of 143 basis points and 229 basis points, respectively.
- Lower quality issues outperformed materially over the quarter with BB, B and CCC-rated issues returning 2.29%, 2.84% and 3.57%, respectively. For the fiscal year, B-rated issues led the way generating 6.16% in total return followed by BB producing 5.95% and then CCC and lower returning 5.84%.
- There were 5 rising stars during the quarter against only 1 fallen angel representing about $15 billion each in amount outstanding.

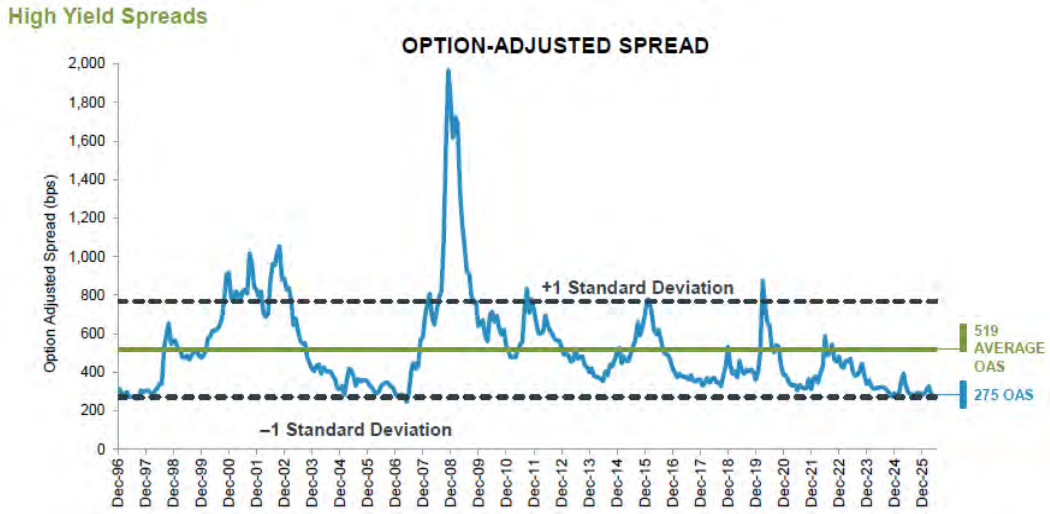


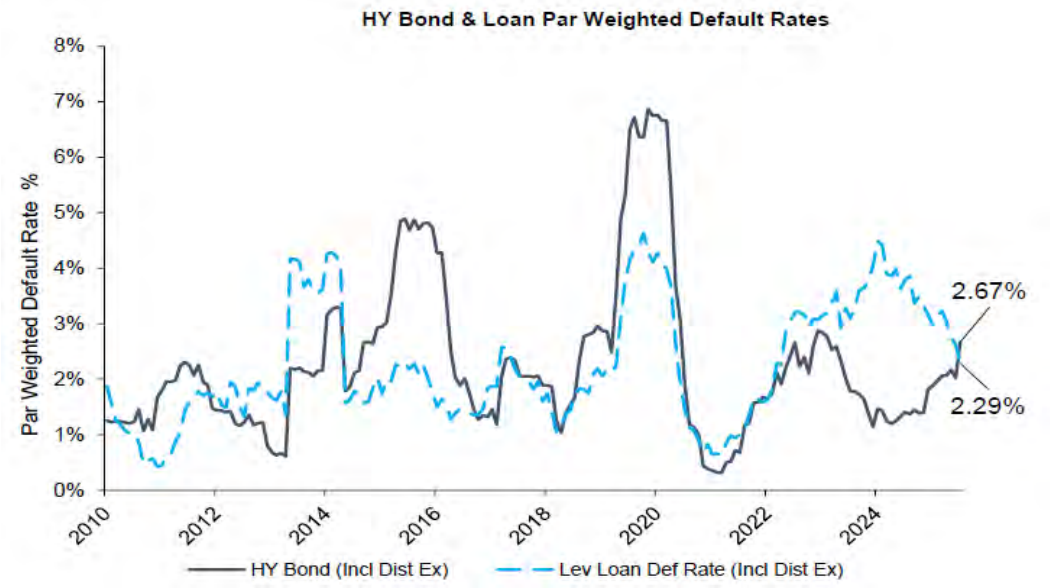


Performance Highlights

Specialty Credit Fixed Income

- High yield bond spreads tightened 53 basis point during the quarter to an option-adjusted spread (OAS) of 275. Current spread level is well inside the long-term averages and puts the market in the 2nd percentile (more expensive end) of valuations since the index data began in 1996.
- Default activity remained broadly subdued, as a well-telegraphed situation drove an increase in the reported rate. There were six defaults over the quarter on $14 billion face value.
- Notably, Dish ($9.8 billion) prepackaged filing accounted for 70% of the quarters default activity. Dish's bankruptcy was part of a previously agreed to restructuring arrangement between the company and co-op group with no principal impairment expected.
- The Last Twelve Month (LTM) par-weighted default rate including distressed exchanges increased to 2.67%.

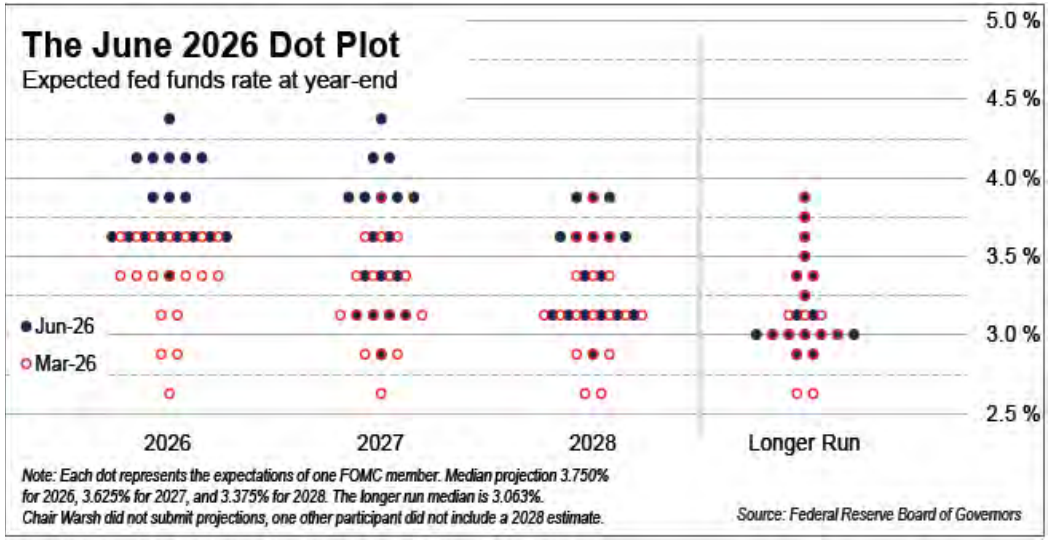


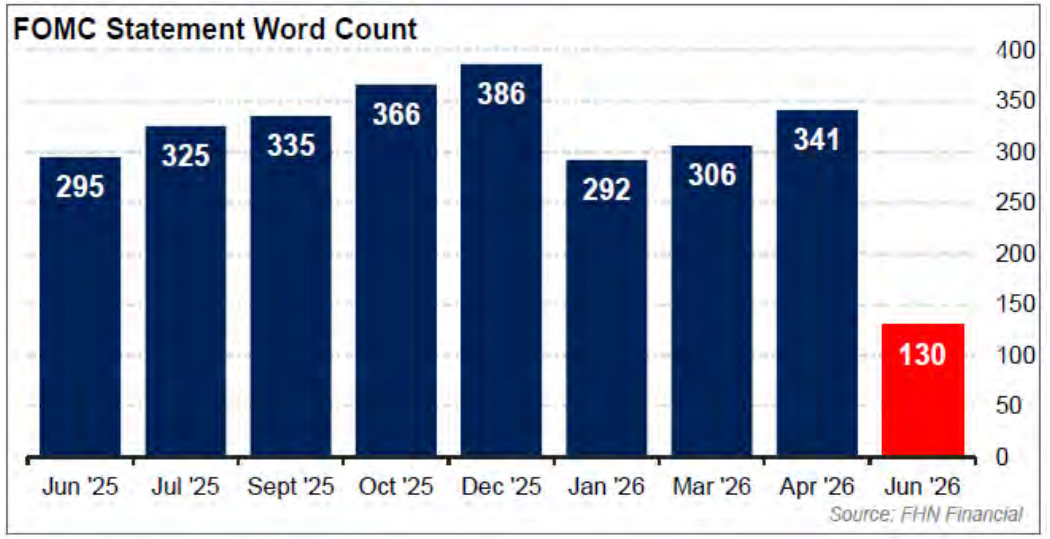


Performance Highlights

Liquidity

- The June FOMC meeting marked a transition as Kevin Warsh chaired his first meeting as Federal Reserve Chair. The Committee voted unanimously to maintain federal funds rate target range of 3.50% - 3.75%, unchanged since December 2025.
- The most significant market-moving development was the hawkish surprise in the dot plot, which flipped from a majority projecting cuts in March to many projecting hikes in June, driving short-term rates higher.
- The new Chair wasted no time reshaping Fed communications, cutting the FOMC statement to its shortest since before the global financial crisis and signaling further changes ahead.
- The Committee also adopted more direct language around its inflation objective while reducing its reliance on forward guidance, signaling a preference for greater policy flexibility and a stronger emphasis on achieving price stability. Taken together, the meeting reflected a Federal Reserve that remains firmly data dependent and less inclined to pre-commit to a particular policy path.
- Cash produced a return of 0.91% for the 3-month period ending June 30. For the fiscal year, cash returned 4.00%, slightly underperforming the benchmark by only 5 basis points.





Performance Highlights

Private Capital (as of 3/31/26 - 1 quarter lag)

- Private markets were broadly up in calendar 1Q 2026, even as public equity market indices like the S&P 500 and Russell 3000 declined ~4% during the quarter.
- Even though it is at the top of the capital structure (and theoretically less risky), private credit's 7-9% returns have kept pace with or exceeded private equity returns over the trailing 1, 3, and 5 years.
- Real assets like infrastructure have also produced higher returns than both private credit and private equity over the past 1, 3, and 5 years.
- Given its ample liquidity position, KPPA maintains a long-term focus in private markets and prefers that its managers continue to manage their investments if an attractive exit is not attainable in the current market environment.
- The Investment Team continues to find and evaluate opportunities arising from higher interest rates, lower liquidity, and increased geopolitical and market volatility.

MSCI Private Capital Benchmarks – Global

	Q1 2026	Pooled Trailing Period Returns 1-Yr	3-Yr	5-Yr
Private Capital	1.2%	10.0%	7.0%	7.9%
Private Equity	1.0%	11.4%	7.7%	8.0%
Venture Capital	5.3%	22.6%	9.3%	5.9%
Expansion Capital	(0.3%)	5.1%	7.2%	7.3%
Buyout	(1.0%)	7.2%	7.0%	9.5%
Private Credit	1.1%	7.8%	8.3%	8.6%
Direct Lending	0.3%	7.1%	8.8%	8.7%
Opportunistic Lending	2.6%	9.1%	9.3%	9.7%
Real Estate Debt	1.0%	5.0%	5.6%	6.2%
Private Real Assets	1.8%	6.8%	4.1%	7.5%
Private Real Estate	0.0%	1.4%	(1.8%)	2.7%
Natural Resources	6.5%	7.0%	4.9%	13.3%
Infrastructure	1.8%	10.4%	8.7%	9.7%

Source: MSCI Private Capital Benchmarks Report (data through calendar 1Q 2026)

Performance Highlights

Real Estate (as of 3/31/26 - 1 quarter lag)

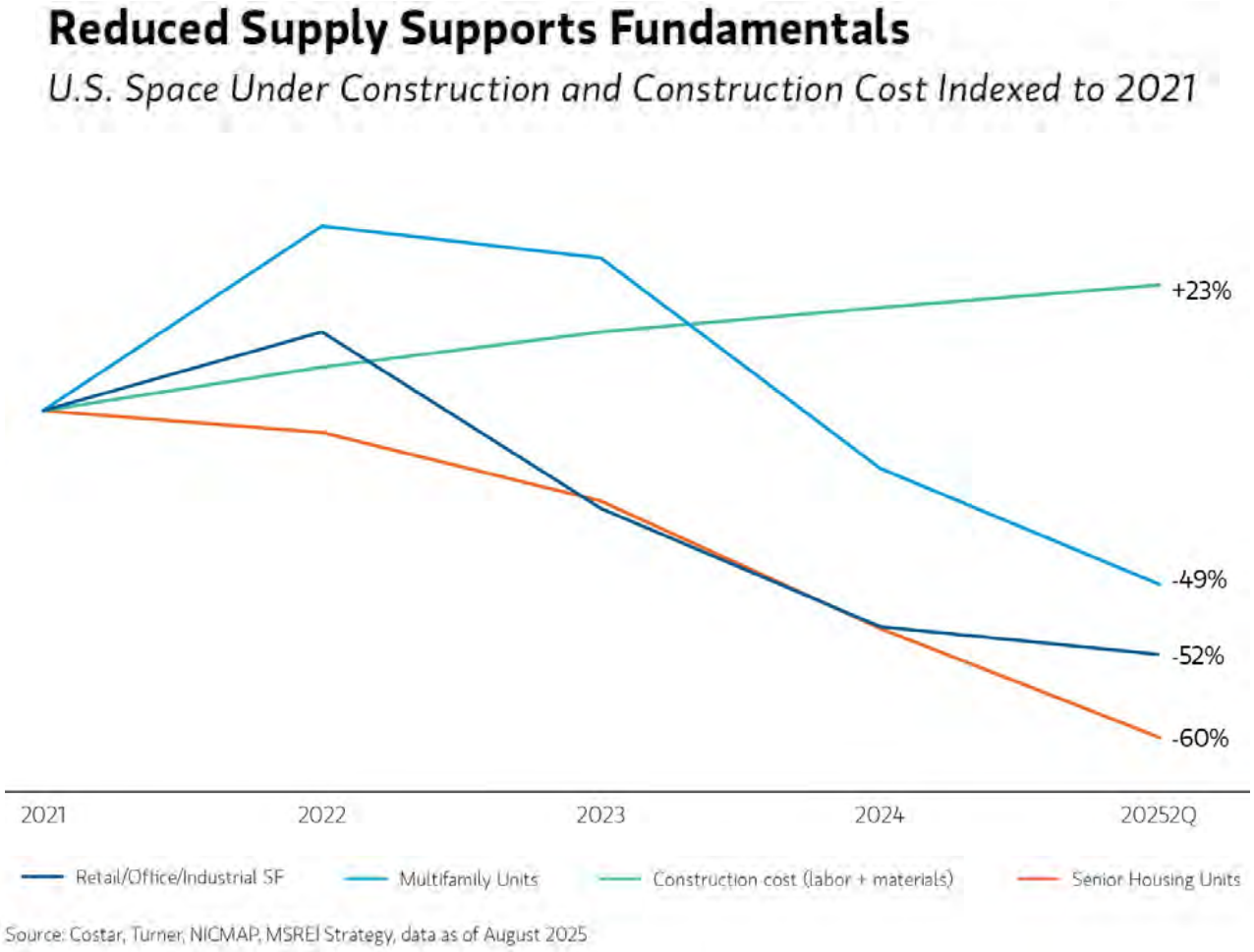
- Real Estate has continued to recover slowly, with the Open-End Diversified Core Equity (NFI-ODCE) index posting a seventh consecutive positive quarter after two years of declines.

- The portfolio's three open-end Core strategies (~2/3 total exposure) continued to outpace the ODCE benchmark over the past 1, 3, and 5 years. However, so did risk-free cash (3-month T-bills), as shown here:

As of 3/31/26	Annualized		
	1 yr	3 yr	5 yr
Stockbridge Smart Markets	5.6%	1.6%	4.2%
Prologis Targeted U.S. Logistics	4.4%	-0.7%	9.1%
Harrison Street Core	3.7%	-0.2%	3.1%
NCREIF NFI-ODCE Net	3.1%	-2.8%	2.3%
FTSE Treasury Bill - 3 Month	4.2%	5.0%	3.5%

- Overall, the Real Estate portfolio's value grew 0.6% during the quarter and 2.0% for the trailing year, but lagged the corresponding benchmark returns of 1.0% and 3.1%.

- Returns continue to be comprised mostly from income as appreciation remains flat to slightly negative. However, the increase in interest and construction costs and the corresponding slowdown in construction starts over the past 5 years (shown at right) is expected to balance supply and provide rent growth in the near to medium term.

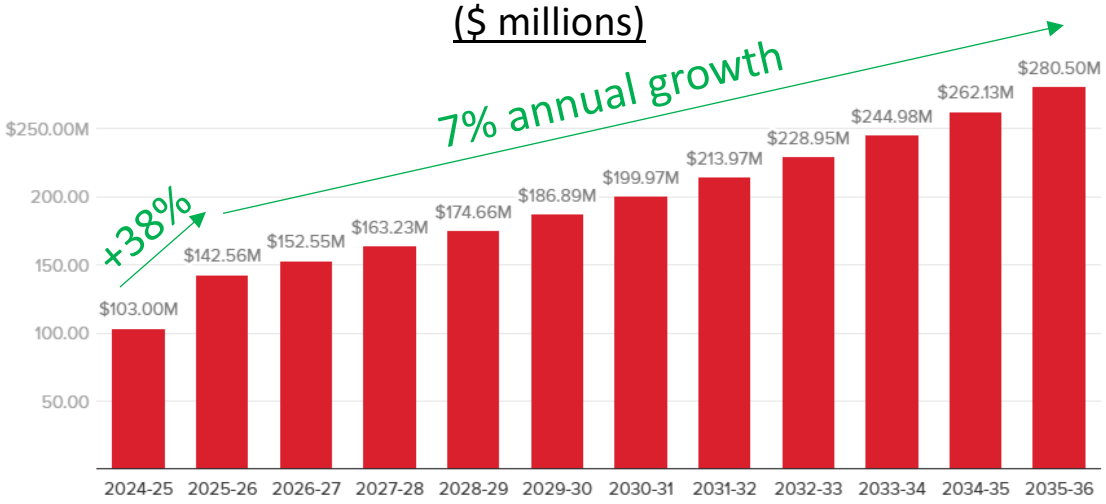


Performance Highlights

Real Return

- The Real Return portfolio continued to perform well, gaining 4.0% for 2Q 2026 (vs 3.2% benchmark) and 16.5% for the trailing 1 year (vs 7.3% benchmark).
- The portfolio's activist closed-end fund manager was up 13% during the quarter and 24% over the past year. The manager is finding similar opportunities in the United Kingdom to utilize activism and close discounts to net asset value.
- The portfolio's sports investments grew more than 20% over the trailing year, driven by scarce supply and continued increases in media rights. NBA and Formula 1 assets were the largest drivers of appreciation.

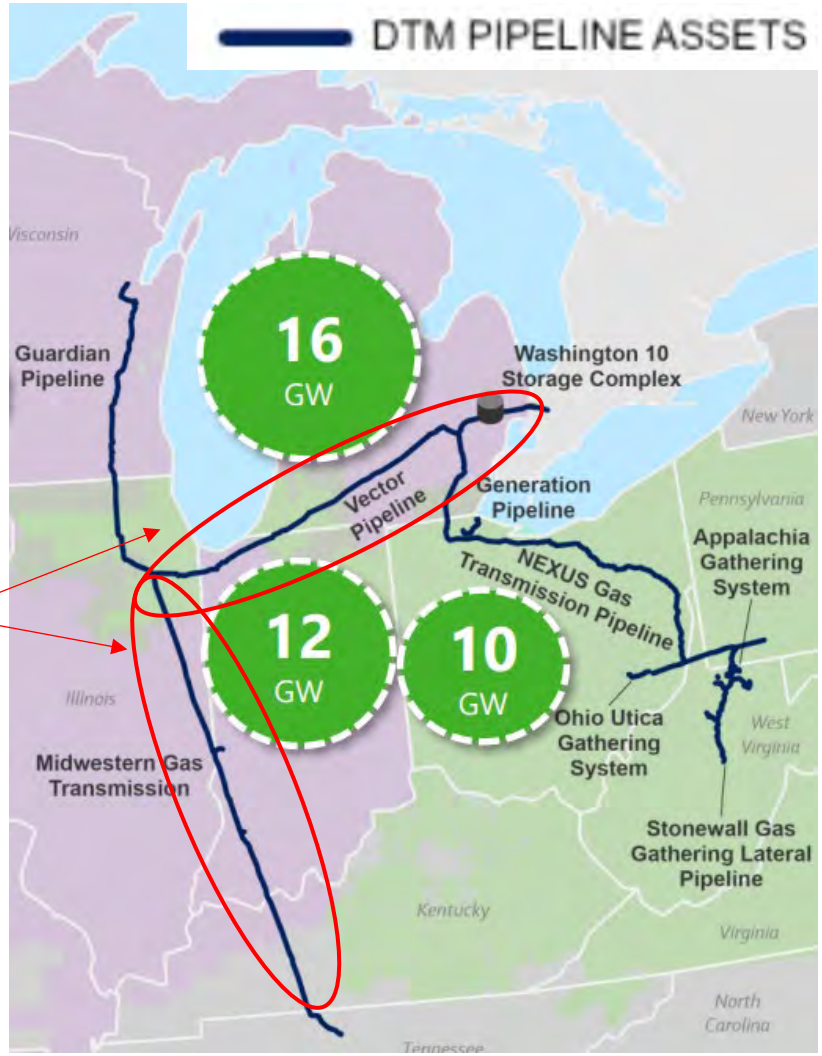
NBA: Annual media disbursement per team, 2024-36 ($ millions)



*2024-25 was the final year of the previous media rights deal
Source: Sports Business Journal

- The portfolio's MLP manager gained 23% for FY 2026 and is up 29% and 25% annualized over the past three and five years (vs benchmark 23% and 21%, respectively). Increasing demand for natural gas and power for data centers continues to boost volumes and free cash flow for midstream energy companies.

Pipeline projects focused on data center opportunities



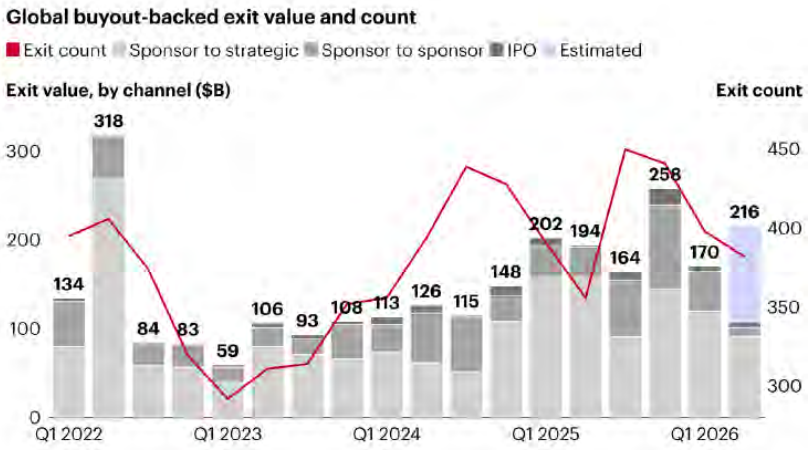
Sources: DT Midstream, Tortoise Capital

Performance Highlights

Private Equity (as of 3/31/26 - 1 quarter lag)

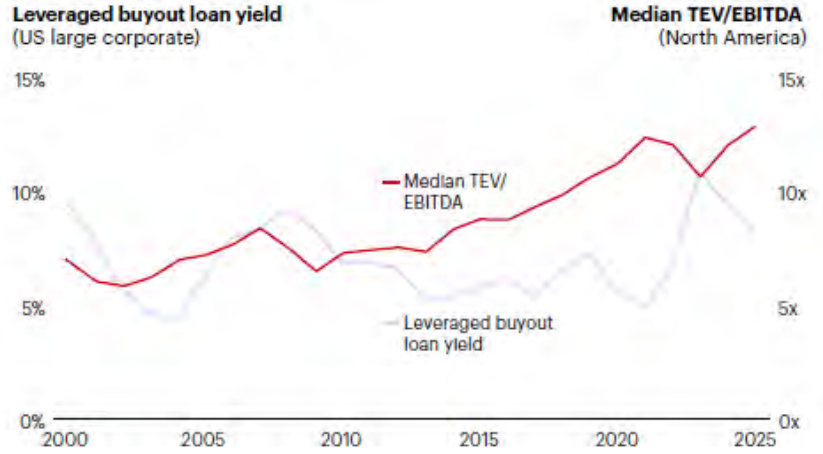
- The Private Equity portfolio's returns for the quarter and trailing year were 7.3% and 10.6%, respectively.

- Buyout activity did recover in 2025, but it was driven by a handful of mega-deals. Hopes for a larger pickup in dealmaking in 2026 "have yet to materialize" per Bain's Private Equity Midyear Report



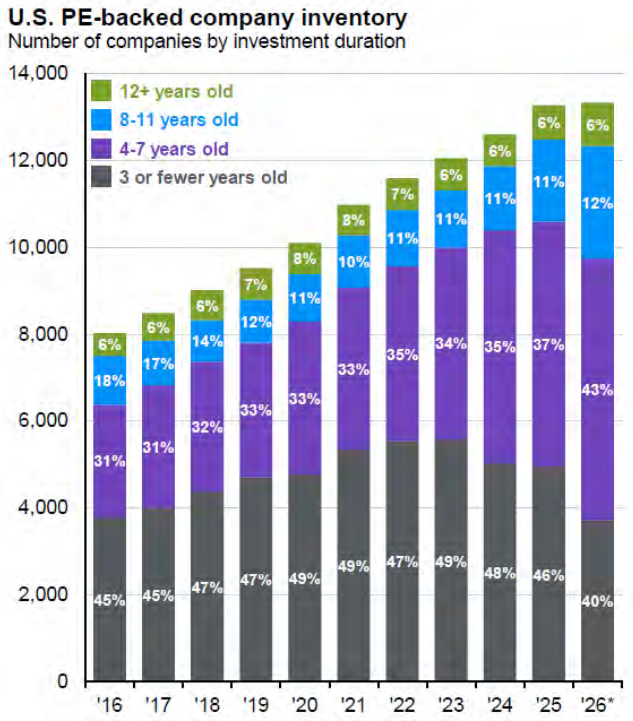
Source: Bain

- This is perhaps due to buyouts being "as expensive as they've ever been" – even as interest rates remain elevated and make deal financing more challenging



Source: Bain

- As a result, thousands of companies are lingering on in aging funds that are well past their original term expirations.



Source: JP Morgan

Performance Highlights

Private Equity (as of 3/31/26 - 1 quarter lag)

- The Private Equity portfolio's returns for the quarter and trailing year were 7.3% and 10.6%, respectively.

- Nonetheless, the PE portfolio benefited from a gain of nearly $85 million during the quarter from the announced acquisition of Filtration Group by Parker Hannifin. The deal is expected to close by 4Q 2026.

Transaction Summary

Overview	• Acquisition of Filtration Group Corporation, a global filtration innovator serving high value, performance critical applications[1]
	  ◦ $2.0B CY25E sales
	  ◦ 23.5% CY25E adjusted EBITDA margin[2]
	• Anticipated transaction closing within six to twelve months

Consideration	• Transaction consideration of $9.25B on a cash-free, debt-free basis
	  ◦ 19.6x EV / CY25E adjusted EBITDA[2]
	  ◦ 13.4x EV / CY25E adjusted EBITDA, including expected cost synergies[2]
	• Funded with new debt & cash on hand

Expected Financial Benefits	• Accretive to growth, synergized EBITDA margin, adjusted EPS, and cash flow • Accretive to adjusted EPS in the first year • $220M of cost synergies by end of year three • Targeting >30% adjusted EBITDA margin expected by end of year three • Track record of rapid deleveraging • High single-digit ROIC in year five with continued expansion

Parker

1. Source: Filtration Group Corporation, Transaction excludes Filtration Group's Facet Filtration business, which will be distributed to Filtration Group stockholders prior to closing.
2. Includes certain non-GAAP adjustments and financial measures. See Appendix for additional details and reconciliations.

4

Source: Parker Hannifin

- The PE portfolio also benefited from 3 true exits to external buyers during the quarter, returning ~$35 million to KPPA.

Company Sold	Seller	Buyer	KPPA Cash received (millions)
Vytl Controls	Middle Ground II	SunSource (CD&R portfolio company	$16
OmniMax	Strategic Value IV	Gibraltar (Nasdaq: ROCK)	$11
Kelvion	Triton IV	Apollo	€7

Private Equity Performance

Public Markets Equivalent (PME)

The table below evaluates the performance of the private equity portfolio by developing a Public Markets Equivalent (PME) comparison of the program's history

A PME comparison utilizes an Internal Rate of Return (IRR) calculation of all historical cash flows, on a dollar-weighted basis, and compares the resulting performance to a public market proxy index, by assuming that all of the same cash flows were invested in the public market index

This methodology allows for the purest comparison of the private equity performance to that of a public market alternative, and serves as a good barometer to check on a regular basis, but should still be supplemented by periodic reviews of the program that include additional metrics (multiples, peer rankings, etc.)

As of 3/31/2026	Since Inception	Seven Years	Five Years	Three Years
Pension	**10.36%**	**10.95%**	**9.32%**	**2.63%**
Russell 3000	8.34%	13.12%	8.91%	17.57%
Value Add	*2.02%*	*-2.17%*	*0.41%*	*-14.94%*
Insurance	**11.10%**	**9.31%**	**9.40%**	**0.79%**
Russell 3000	9.76%	13.08%	8.91%	17.66%
Value Add	*1.34%*	*-3.77%*	*0.49%*	*-16.87%*

Inception Date 8/20/2002

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Asset Class Performance

Asset Class Returns - Best to Worst

2021	2022	2023	2024	2025	2026 YTD	Annualized 5-Year as of June-26
REITs 46.2%	Commodities 16.1%	U.S. Equity 26.1%	U.S. Equity 23.8%	Emrg Mrkts 34.4%	Emrg Mrkts 24.0%	U.S. Equity 12.5%
Commodities 27.1%	T-Bills 1.3%	Developed 18.9%	REITs 9.1%	Developed 31.9%	REITs 17.7%	Developed 9.6%
U.S. Equity 26.7%	High Yield -11.2%	REITs 16.1%	High Yield 8.2%	U.S. Equity 17.1%	Commodities 14.4%	Commodities 9.4%
Developed 11.8%	U.S. TIPS -11.8%	High Yield 13.4%	Emrg Mrkts 8.1%	Commodities 15.8%	U.S. Equity 11.0%	Emrg Mrkts 7.7%
U.S. TIPS 6.0%	Core Bond -13.0%	Emrg Mrkts 10.3%	Commodities 5.4%	High Yield 8.6%	Developed 9.8%	REITs 6.0%
High Yield 5.3%	Developed -14.0%	Core Bond 5.5%	T-Bills 5.3%	Core Bond 7.3%	High Yield 2.0%	High Yield 4.2%
T-Bills 0.0%	U.S. Equity -19.0%	T-Bills 5.1%	Developed 4.3%	U.S. TIPS 7.0%	T-Bills 1.8%	T-Bills 3.5%
Core Bond -1.5%	Emrg Mrkts -19.7%	U.S. TIPS 3.9%	U.S. TIPS 1.8%	T-Bills 4.3%	U.S. TIPS 1.2%	U.S. TIPS 1.0%
Emrg Mrkts -2.2%	REITs -26.8%	Commodities -1.3%	Core Bond 1.3%	REITs 2.7%	Core Bond 0.6%	Core Bond 0.1%

Data Sources: Bloomberg
Note: Developed asset class is developed equity markets ex-U.S., ex-Canada

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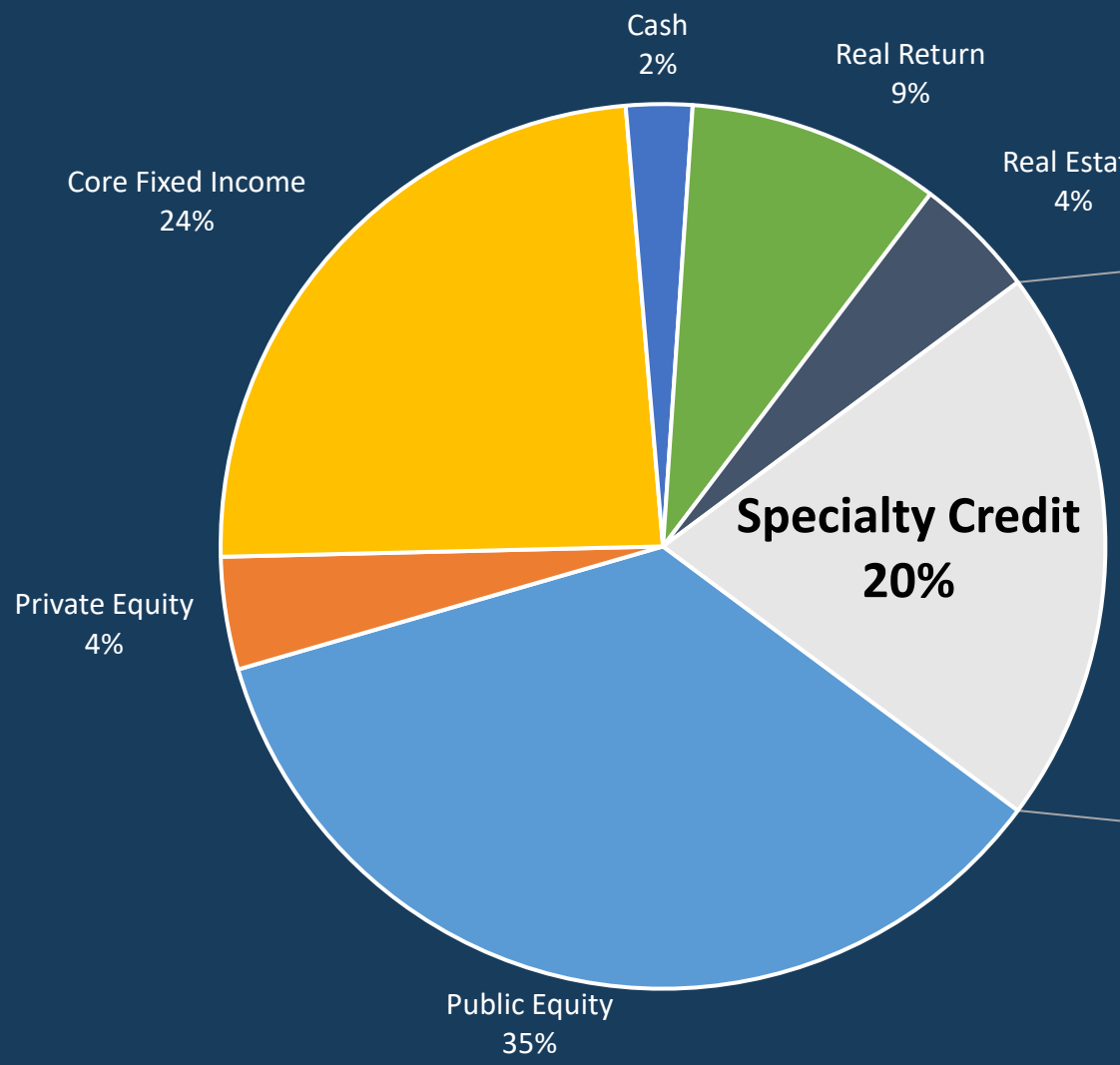
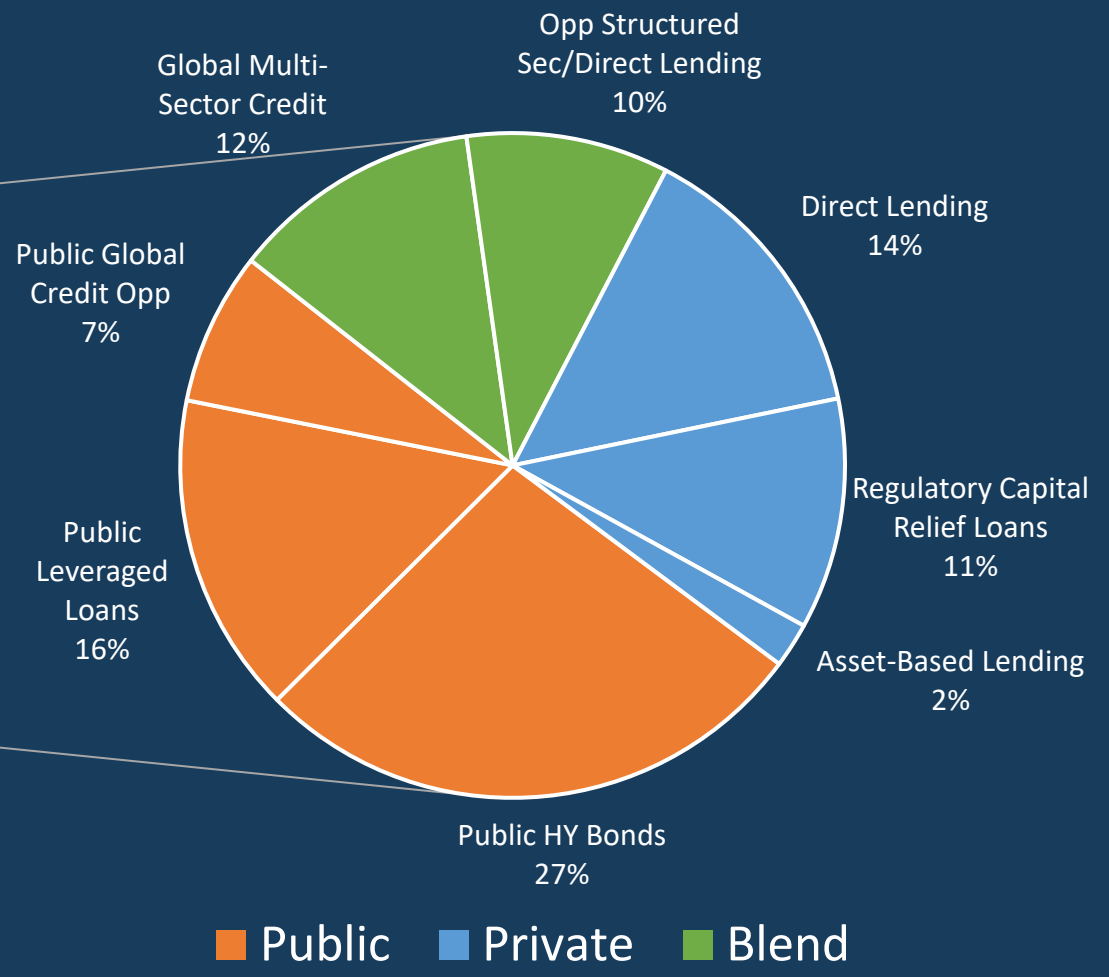
Asset Allocation & Specialty Credit Overview

Total Pension Allocation*



Specialty Credit Allocation by Strategy*



*Represents total KRS and SPRS Pension Portfolio as of 6/30/2026.

Specialty Credit Allocation Detail

- ~50% of the Specialty Credit allocation is invested in dedicated *Private Credit* or hybrid *Private Credit*

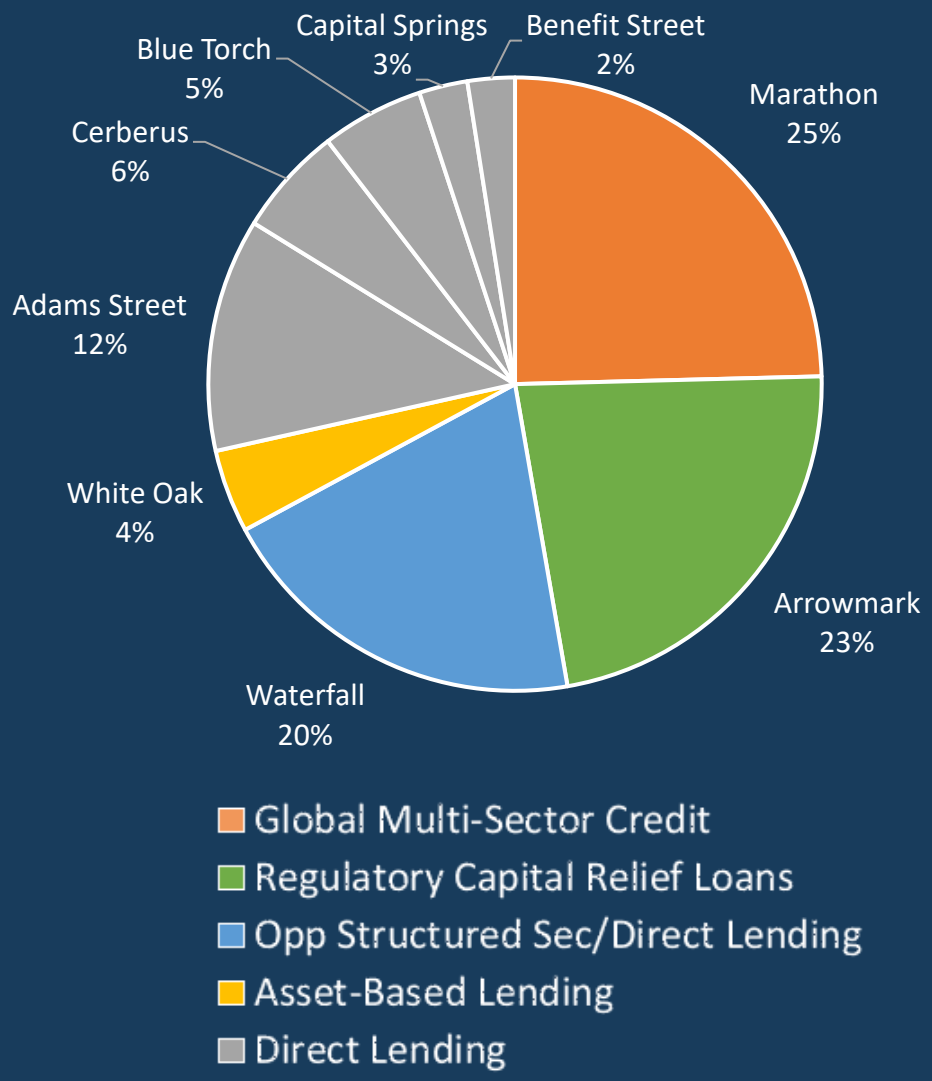
- ~28% of the Specialty Credit allocation is invested in *Private Credit*

  - ✓ Investing primarily in lending strategies, with a focus on Senior Secured Debt backed by assets
  - ✓ Receiving payback first as a result of our senior position in the capital structure
  - ✓ Earning higher yields than public credit, with added downside protection from debt covenants

- ~22% of the Specialty Credit allocation represents two mandates investing in both public and private markets

*As of 6/30/2026. Represents total KRS and SPRS Pension Portfolio.

Allocation by Manager*



Specialty Credit Performance (Net of Fee)

BNY

Kentucky Retirement Systems Pension

Monthly Investment Manager Performance (Net of Fee)

As of Date:6/30/2026

Reporting Currency:BASE

Structure	Account/Security Id	Market Value	% of Total	Month	3 Months	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years	ITD	Inception Date
SPECIALITY CREDIT FI	KR2GSPCRFI00	4,772,803,885.10	19.68	0.71	2.05	7.23	7.23	9.65	7.41			7.00	7/1/2017
High Yield Custom Benchmark	KR2GX00000HY			0.17	2.17	5.14	5.14	8.22	5.12			5.21	7/1/2017
ADAMS ST SPC II A1	KR2F30200002	98,549,783.00	0.41	1.59	1.59	8.74	8.74	14.52	14.95			14.73	6/1/2020
ADAMS ST SPC II B1	KR2F30210002	100,362,381.00	0.41	1.94	1.94	8.89	8.89	11.68	9.56			10.64	6/1/2020
ADAMS ST SPC III A1	KR2F30230002	74,983,818.00	0.31	-1.57	-1.57	4.84	4.84					10.77	11/1/2023
ADAMS ST SPC III B1	KR2F30240002	86,802,602.00	0.36	-0.37	-0.37	4.48	4.48					-5.76	11/1/2023
ARROWMARK	KR2F70360002	782,776,647.49	3.23	1.01	3.16	12.23	12.23	14.28	13.20			11.51	6/1/2018
Morningstar LSTA US Leveraged Loan Index	IX1F00063837			0.08	1.88	4.36	4.36	7.55	6.01			5.36	6/1/2018
Blue Torch	KR2F30220002	173,317,696.00	0.71	1.47	1.47	2.59	2.59	6.68	9.41			8.53	8/1/2020
Morningstar LSTA US Leveraged Loan Index	IX1F00063837			0.08	1.88	4.36	4.36	7.55	6.01			6.68	8/1/2020
BSP Coinvestment	KR2F30180002	13,397,780.00	0.06	2.10	2.10	11.66	11.66	12.21	10.08			9.17	10/1/2019
BSP Private Credit Fund	KR2F30130002	82,195,150.00	0.34	1.03	1.03	7.04	7.04	7.97	7.82			6.67	2/1/2018
Morningstar LSTA US Leveraged Loan Index	IX1F00063837			0.08	1.88	4.36	4.36	7.55	6.01			5.28	2/1/2018
CAP SPR CL B SHRS	KR2F19060002	1,528,657.90	0.01	0.40	0.40							0.40	3/1/2026
Russell 3000 + Hurdle(Qtr Lag)	KR2GX007RUSS			-4.44	-2.92							-2.47	3/1/2026
Capital Springs	KR2F30190002	91,165,289.69	0.38	1.06	1.06	10.12	10.12	17.31	16.11			14.98	2/1/2020
Morningstar LSTA US Leveraged Loan Index	IX1F00063837			0.08	1.88	4.36	4.36	7.55	6.01			5.60	2/1/2020
Cerberus KRS LP	KR2F46100002	220,972,801.00	0.91	0.82	2.22	5.57	5.57	6.05	8.44	8.78		8.70	9/1/2014
Morningstar LSTA US Leveraged Loan Index	IX1F00063837			0.08	1.88	4.36	4.36	7.55	6.01	5.50		4.86	9/1/2014
CERS Oaktree US Senior Loan	KR2F25090002	201,422,839.66	0.83	0.07	1.40							1.40	4/1/2026
COLUMBIA	KR2F30070002	901,238,858.97	3.72	0.30	2.64	6.54	6.54	9.22	4.72	5.89		6.25	11/1/2011
Bloomberg US Corporate High Yield Bond Index	IX1F0003354C			0.27	2.47	5.91	5.91	8.86	4.17	5.81		5.99	11/1/2011
KRS Oaktree US Senior Loan	KR2F25080002	253,515,083.47	1.05	0.05	1.85							1.85	4/1/2026
MANULIFE ASSET MGMT	KR2F30020002	446,837,987.02	1.84	-0.12	2.07	6.37	6.37	7.23	3.40	4.20		4.43	12/1/2011
Manulife Benchmark	KR2GXMANU100			0.26	0.92	4.15	4.15	4.70	0.44	1.95		1.74	12/1/2011
Marathon Bluegrass Credit Fund	KR2F30090002	610,527,776.53	2.52	1.74	0.92	5.78	5.78	7.95	5.03	6.01		6.12	1/1/2016
High Yield Custom Benchmark	KR2GX00000HY			0.17	2.17	5.14	5.14	8.22	5.12				1/1/2016
PEN WF EAG FD II	KR2F19040002	62,628,269.51	0.26	0.62	2.92	9.26	9.26					8.18	3/1/2025
Opportunistic FI Blended Index	KR2GX004OPFI			0.21	1.87	5.73	5.73					5.80	3/1/2025
SHENKMAN CAP	KR2F30040002	12,843,949.43	0.05	1.24	5.76	12.36	12.36	9.68	6.96	5.86		5.38	10/1/2010
Shenkman Blended Index	KR2GX005SHEK			0.08	1.88	4.36	4.36	8.01	5.85	5.42			10/1/2010
WATERFALL	KR2F30050002	389,441,275.88	1.61	0.62	2.92	9.26	9.26	11.13	7.90	8.09		9.41	2/1/2010
Opportunistic FI Blended Index	KR2GX004OPFI			0.21	1.87	5.73	5.73	7.97	4.47	5.08		5.01	2/1/2010
White Oak Yield Spectrum Fund	KR2F30120002	168,292,132.12	0.69	0.94	0.94	5.90	5.90	7.43	6.65			6.08	3/1/2018
Morningstar LSTA US Leveraged Loan Index	IX1F00063837			0.08	1.88	4.36	4.36	7.55	6.01			5.30	3/1/2018

Private Equity Today

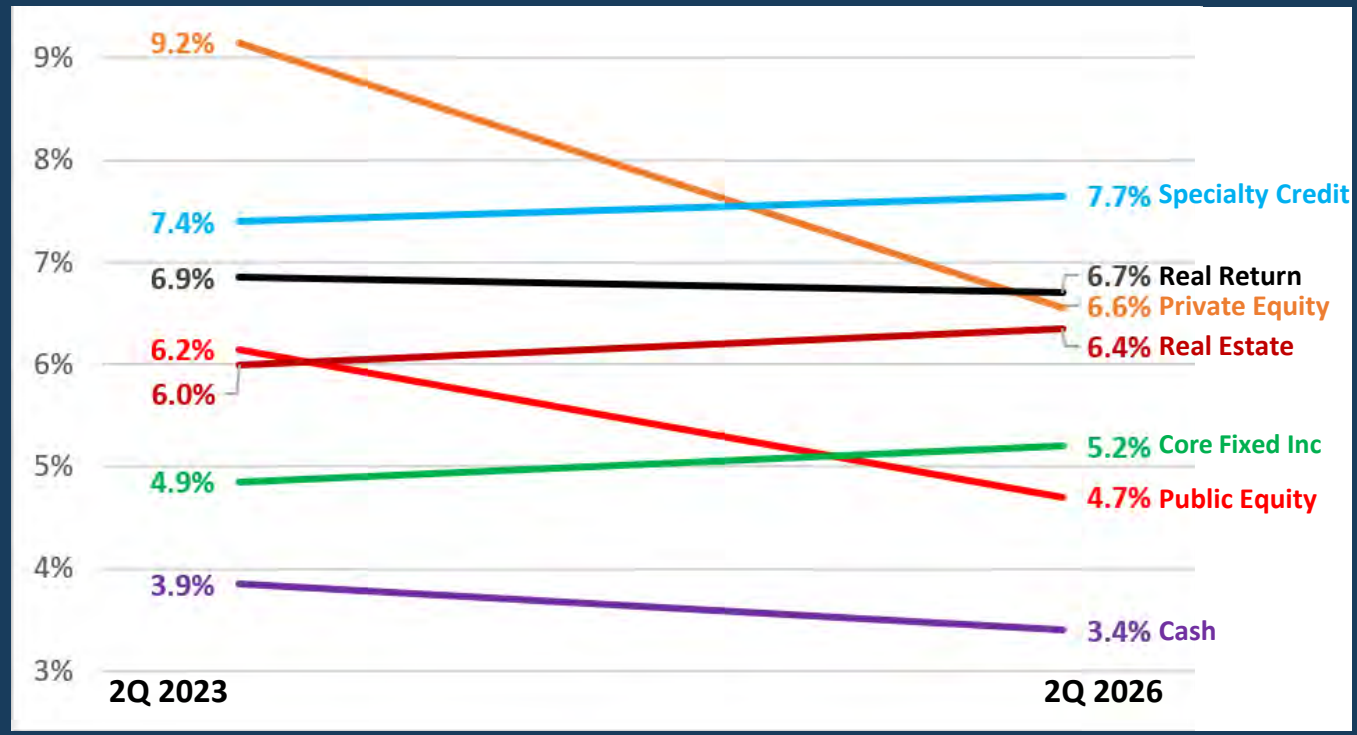
With interest rates rising from zero since 2022, the risk/return opportunity for private equity has worsened with leverage more expensive and future cash flows discounted at higher rates.

Meanwhile, higher absolute interest rates have improved the risk/return dynamic for fixed income and specialty credit - even as spreads have tightened to record low levels.

Wilshire 10 Year Asset Class Assumptions
2Q 2023 vs 2Q 2026

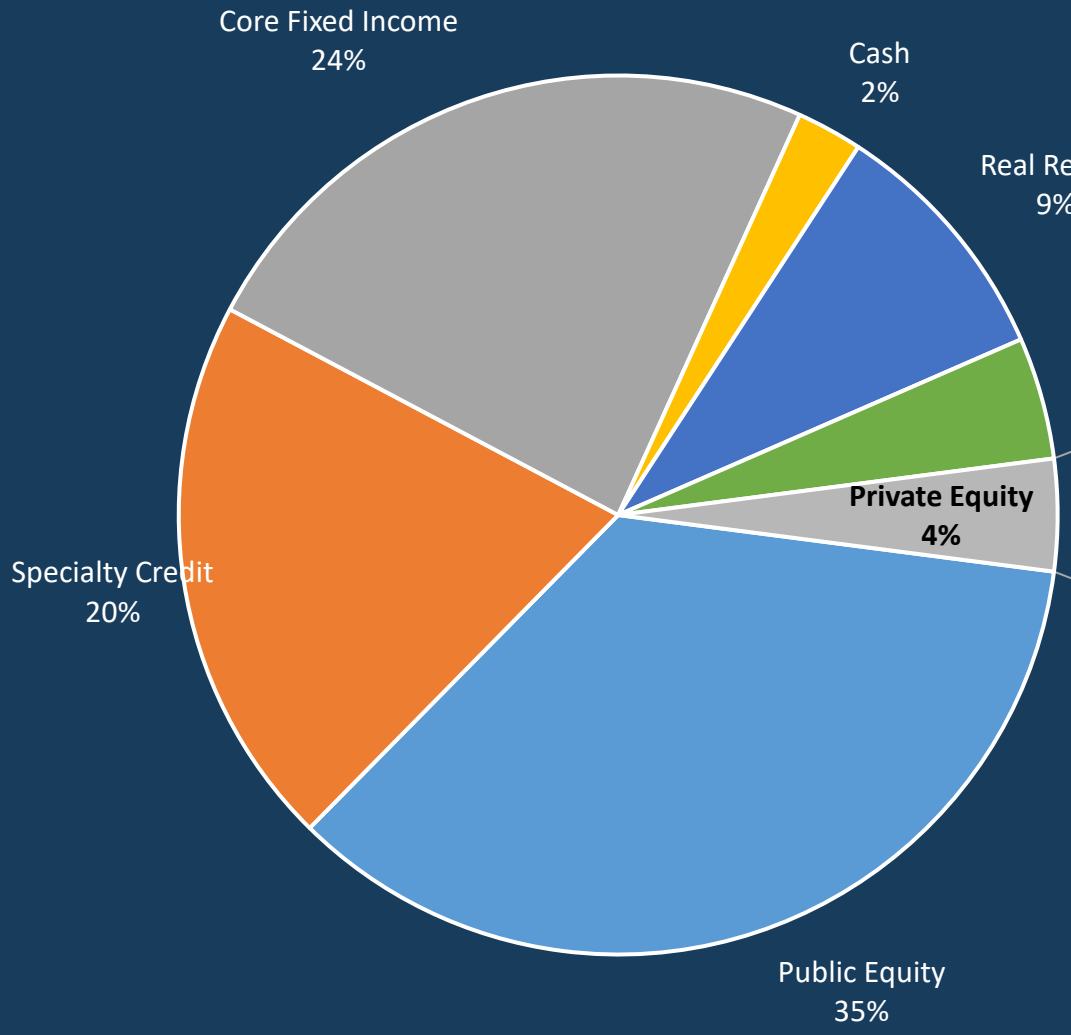
	6/30/2023		6/30/2026	
	Return	Std Dev	Return	Std Dev
Public Equity	6.2%	17.0%	4.7%	17.0%
Private Equity	9.2%	29.7%	6.6%	29.7%
Core Fixed Inc	4.9%	4.7%	5.2%	4.8%
Specialty Credit	7.4%	9.1%	7.7%	12.8%
Cash	3.9%	0.8%	3.4%	0.8%
Real Estate	6.0%	14.0%	6.4%	14.0%
Real Return	6.9%	10.7%	6.7%	12.2%

Wilshire 10 Year Asset Class
Expected Return Assumptions
2Q 2023 vs 2Q 2026

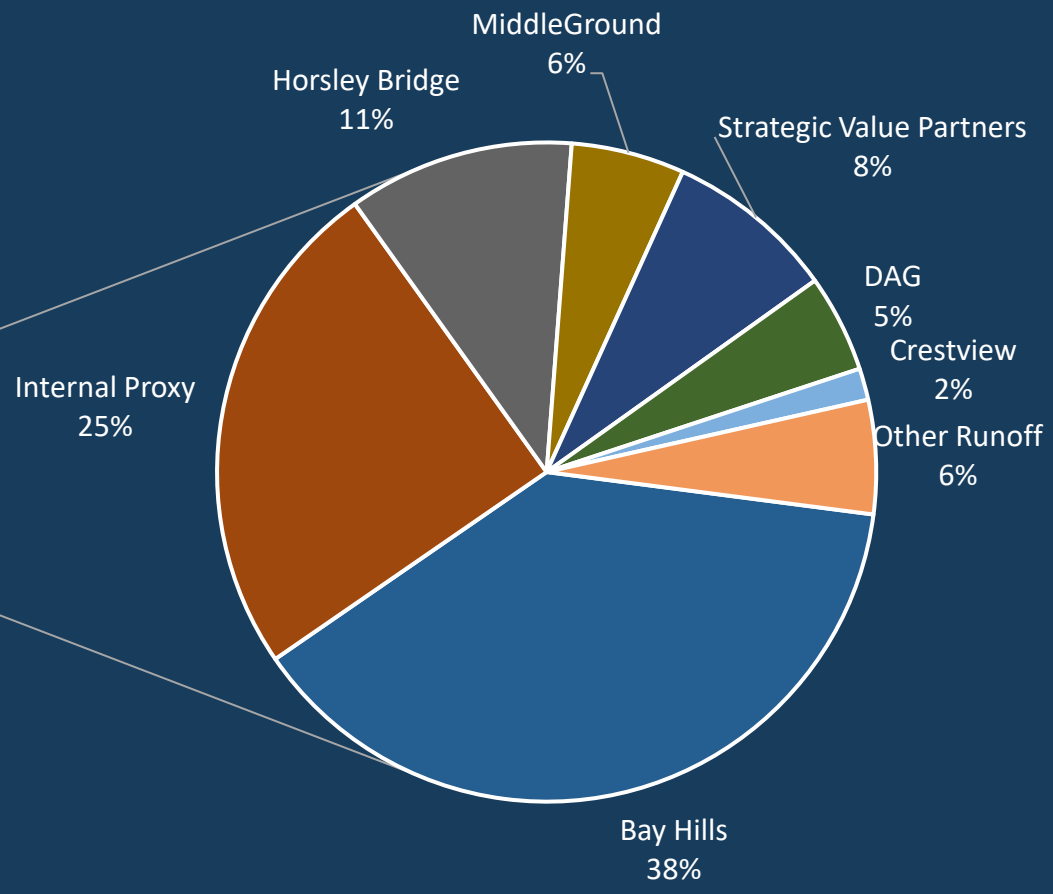


Asset Allocation & Private Equity Overview

Total Pension Allocation*



Private Equity Allocation by Manager*

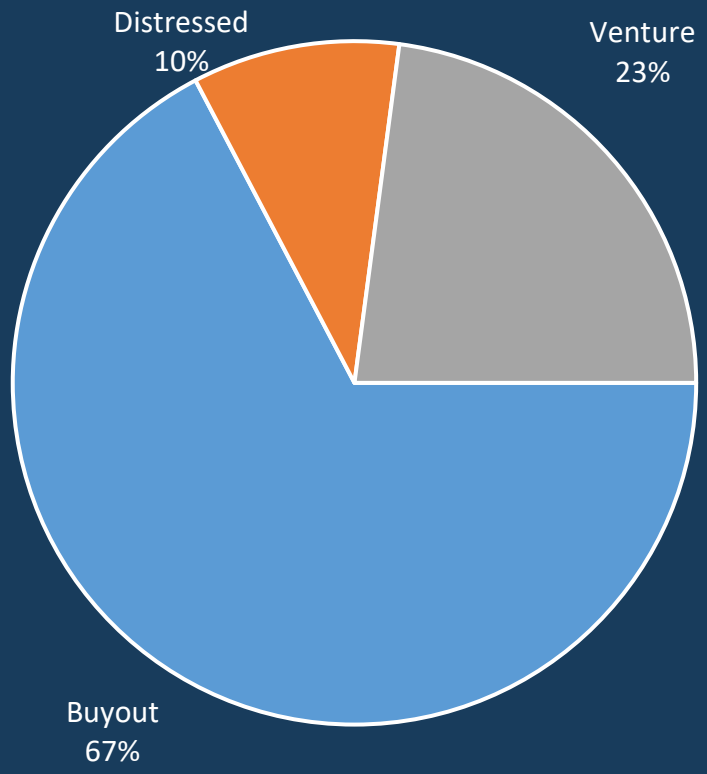


*As of 6/30/2026. Represents total KRS and SPRS Pension Portfolio.

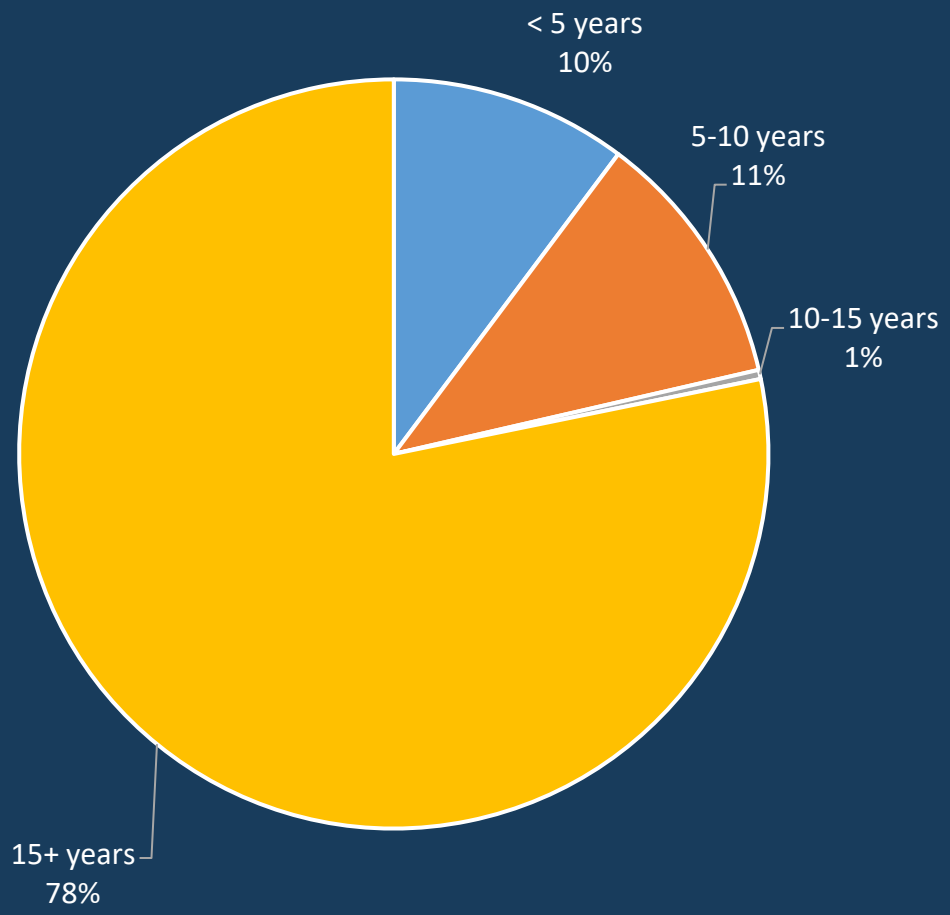
*Other Runoff = 15 funds, 0.3% of total KERS Pension portfolio

Private Equity Allocation Detail

Strategy Exposure



Underlying Fund Age



In the headlines: Private equity glut

KPPA: Sector headlines reinforce our positioning

THE WALL STREET JOURNAL.

Private-Equity Assets Stuck in 'Zombie Funds' Are at a Record High

A record level of private-equity investments are stuck in funds limping along past their intended lifespans.

Often known
money or m
managers ha
net asset val
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the amount

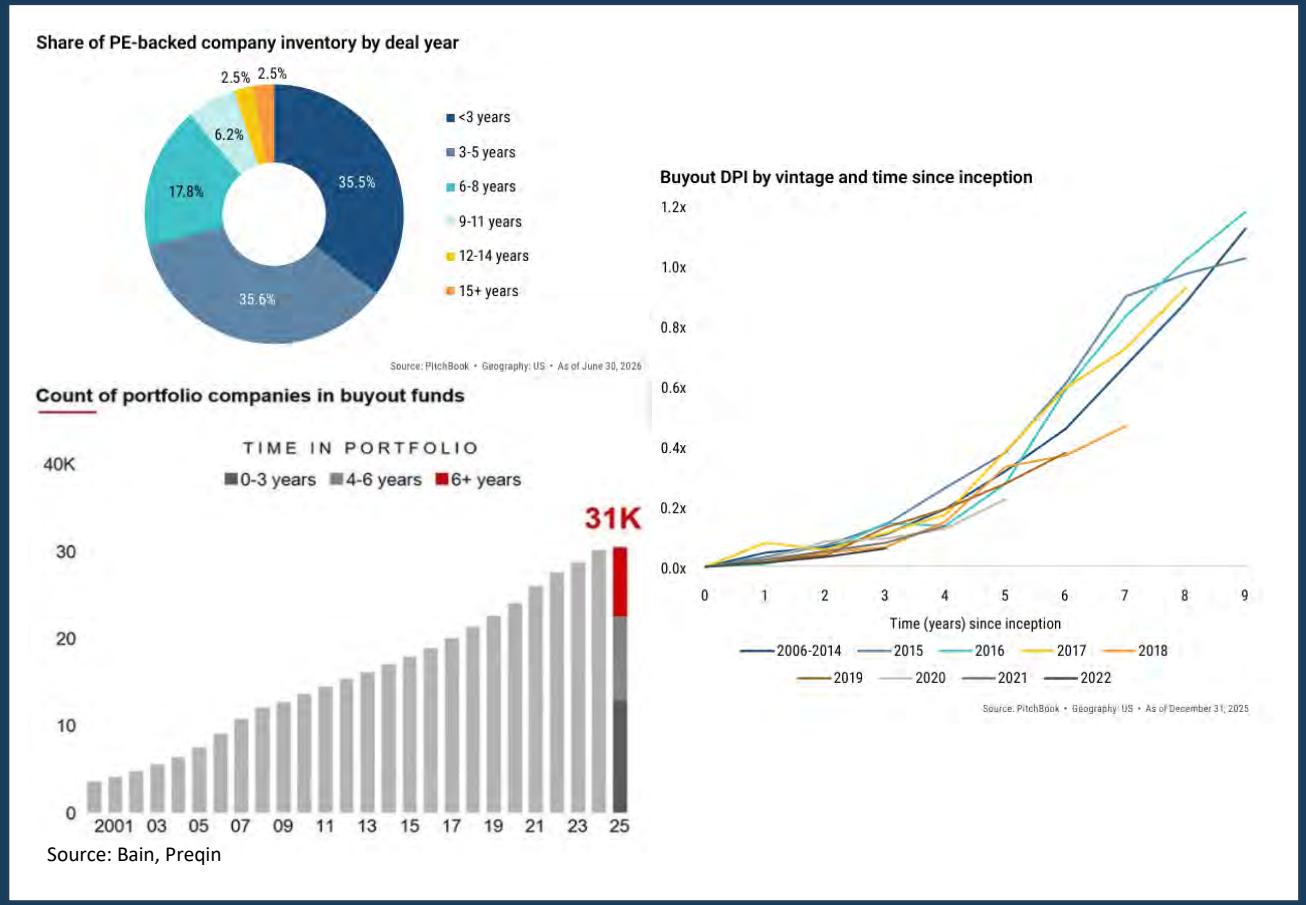
The New York Times

Private Equity Is Stuck With 33,575 Unsold Businesses

The long-awaited deal-making boom has finally arrived. SpaceX set a record for the world's largest initial public offering...

...For the third consecutive year, private equity firms are saddled with a rapidly increasing number of companies that they cannot sell or take public at the returns their investors expect.

As of June 30, private equity firms had 33,575 unsold companies in their portfolios, according to PitchBook, an industry data firm. That's up from 32,451 companies at the end of last year and 15,923 companies a decade ago.



Source: Bain, Preqin

In the headlines: Tech exposure vulnerable to AI

KPPA: Exposure remains limited across SC and PE

Specialty Credit

1.4%

of Specialty Credit allocation is software/services and information technology exposure

0.3%

of Total Fund exposure is software/services and information technology exposure

Broader private credit allocations to technology has ranged 13-17% over the last four years**

Private Equity

6.1%

of Private Equity allocation is information technology

0.3%

of Total Fund exposure is information technology

5 companies comprise 60% of this exposure

UKG HR, Pay, & Workforce Management

BigHand

FINASTRA

IPC Connecting opportunities

mindbody

KERS Pension PE Target vs Actual Weights 2019 - Present

Year	Actual	Target	+ / -
2019	8%	7%	1%
2020	7%	7%	0%
2021	6%	7%	-1%
2022	5%	7%	-2%
2023	5%	7%	-2%
2024	4%	6%	-2%
2025	4%	6%	-2%
Aug-26	4%	6%	-2%

*As of 9/30/2025 and 12/31/2025. Represents total KRS and SPRS Pension Portfolio.
**Bloomberg Private Credit Annual Report Q1 2026

In the headlines: Significant retail investor withdrawal requests from ‘semi-liquid’ business development corporations (BDCs)

KPPA: BDCs are a retail-focused product that comprise a relatively small part of the credit market that we are not exposed to

THE WALL STREET JOURNAL.

Investors Seek to Pull Nearly $16 B… From Private-Credit Funds

The giant sucking… second quarte… less ba…

Apollo throttles withdrawals from $26B private credit fund after exit requests rise to 17%

InvestmentNews JUN 23, 2026

Bloomberg

Private Credit Keeps $14 Billi… Outlast Storm

Ahead of repo… ma…

Investors asked to pull 13.3% from BlackRock private credit fund in first …arter

Reuters June 12, 2026

…ect lenders are …ssure can be.

…not, second-quarter exit requests have exceeded …th period. The latest round has left …ned at over a dozen …able

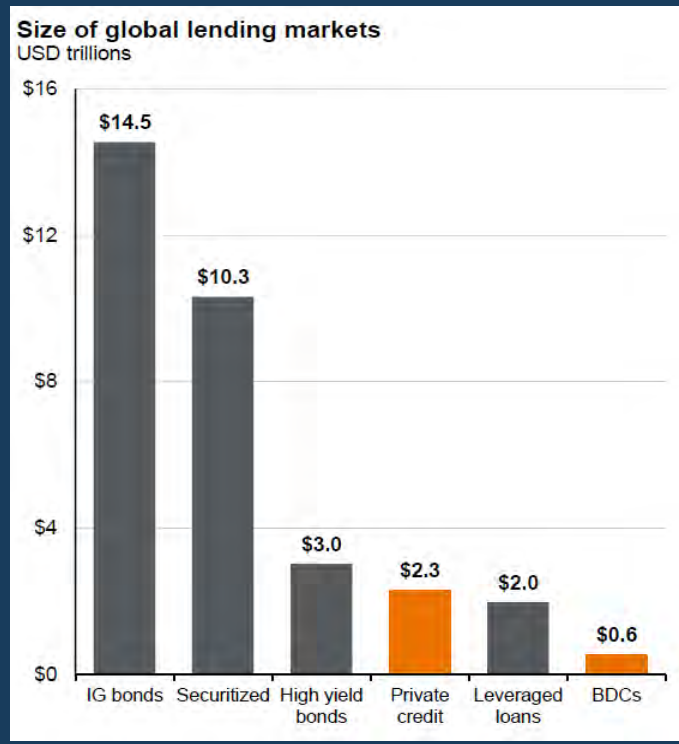
Blue Owl Investors Ask to Withdraw $4.7 Billion From Flagship Funds

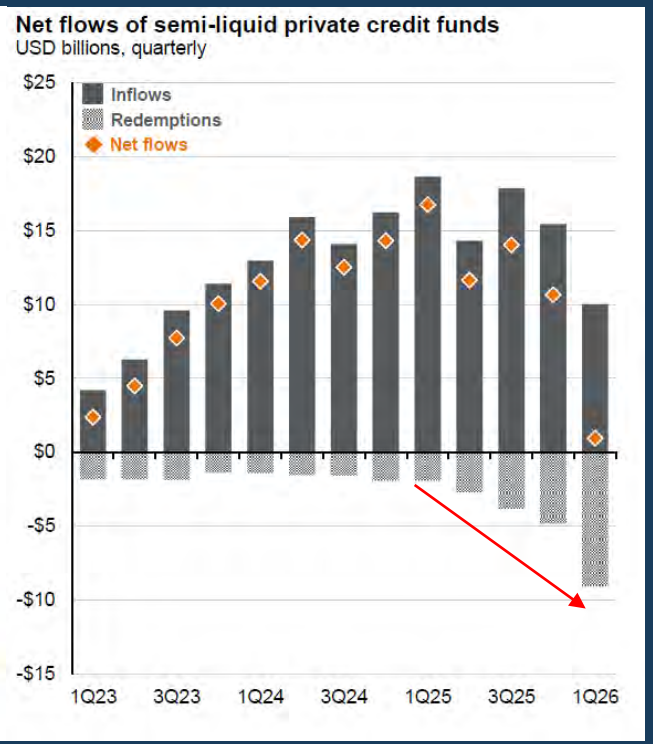
Withdrawal requests amounted to $3.6 billion, or 1…% in the firm’s largest private-credit fund. Re… fund came to $1.1 billion, or 38% of …

BDC redemption requests in Q2: more of the same, if not worse

The trend among retail investors that started in Q1 accelerates, on average, and involves many of the same large fund managers.

PEI 8 July 2026





Kentucky Retirement Systems

Investment Budget Update

Quarter Ending: June 30, 2026

KENTUCKY PUBLIC PENSIONS AUTHORITY
Investment Budget
For the twelve month period ending June 30, 2026

Account Name	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Budget FY 2026	FY26 Expenditures	Percentage Spent	FY 2027 Budget
CONSULTING SERVICES											
Wilshire Associates	$ 1,021,799	$ 1,238,170	$ 1,225,671	$ 1,021,175	$ 838,172	$ 1,130,417	$ 1,163,352	$ 1,250,000	$ 1,194,193	96%	$ 1,280,000
Albourne	-	-	-	-	306,750	270,000	270,000	270,000	270,000	100%	270,000
MercerInsight	-	-	-	-	153,548	160,000	160,000	160,000	160,000	100%	160,000
New Private Markets Consultant	-	-	-	-	153,548	160,000		250,000	-	0%	250,000
SUBTOTAL	**1,021,799**	**1,238,170**	**1,225,671**	**1,021,175**	**1,452,019**	**1,720,417**	**1,593,352**	**1,930,000**	**1,624,193**	**84%**	**1,960,000**
LEGAL & AUDITING SERVICES											
Faegre Drinker			96,039	202,502	16,428	18,519	10,990	500,000	9,407	2%	300,000
Intelligent Management Solutions (IMS)	620,001	202,140	155,700	69,884	81,880	8,061	1,919,090	-	-	-	-
McClain/Goldberg			891	-	-	312	648	25,000	72	0%	25,000
Reinhart	317,909	671,269	663,689	619,509	109,508	619,420	2,673,961	1,600,000	12,429	1%	500,000
Stoll-Keenon-Ogden	10,314	135,353	254,211	463,560	750,438	210,475	335,923	875,000	157,652	18%	1,000,000
Haystack			-	-	120,175	209,490	244,470	200,000	201,755	101%	250,000
Umberg Zipser			289,100	498,058	606,701	738,483	70,349	1,400,000	12,190	1%	1,000,000
Fiduciary Legal Expenses	-	-	-	-	5,288	400,872	761,938	1,000,000	52,352	5%	1,000,000
Miscellaneous				-	-	3,160	6,300	50,000	-	0%	
SUBTOTAL	**948,225**	**1,008,762**	**1,459,630**	**1,853,513**	**1,690,417**	**2,208,791**	**6,023,668**	**5,650,000**	**445,857**	**8%**	**4,075,000**
CONTRACTUAL SERVICES											
Bloomberg	68,722	71,810	98,163	102,243	104,153	110,823	114,006	160,000	118,739	74%	160,000
BNYM Custodial Fees	2,056,390	2,088,475	2,379,838	2,565,169	2,333,981	2,752,592	2,878,225	3,000,000	3,494,849	116%	3,600,000
eVestment (Solovis RMS)			-	30,000	33,800	39,422	42,891	35,000	46,666	133%	45,000
Solovis (Reporting & Analytics)			-	245,000	266,017	306,319	319,744	320,000	319,847	100%	320,000
FactSet	222,476	162,295	109,662	140,098	146,411	151,431	134,669	140,000	138,715	99%	140,000
Russell Index Subscription	1,075	1,250	1,000	1,000	750	1,000	8,250	30,000	-	0%	30,000
S&P Global		94,500	26,250	68,250	27,563		20,672	47,500	-	0%	-
TradeWeb			-	6,000	7,700	2,800		-	-	-	-
State Street/Elkins McSherry	10,000	5,000	15,000	10,000	10,000			10,000	-	0%	10,000
ISS	32,050	32,050	28,288	35,813	39,875	62,875	51,406	60,000	79,057	132%	100,000
MSCI	1,000	1,000	1,000	1,000	1,000	1,000	2,500	2,500	2,500	100%	2,500
KPMG Tax Guarantor Services		7,606	22,050	7,350	-	9,450	9,450	10,000	9,450	95%	10,000
Jayant Ghevaria and CO		10,050	-	52,085	-			55,000	143,114	260%	55,000
India Renewal Fee (SEBI)			-	3,000	-	2,950	2,950	3,000	-	0%	3,000
With Intelligence	-	-	-	-	9,520	9,520	10,150	10,150	10,850	-	11,000
SUBTOTAL	**2,391,713**	**2,474,036**	**2,681,251**	**3,267,008**	**2,980,769**	**3,450,182**	**3,594,914**	**3,883,150**	**4,363,787**	**112%**	**4,486,500**

KENTUCKY PUBLIC PENSIONS AUTHORITY
Investment Budget
For the twelve month period ending June 30, 2026

Account Name	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Budget FY 2026	FY26 Expenditures	Percentage Spent	FY 2027 Budget
MISCELLANEOUS SERVICES											
Miscellaneous New Services							21,000	250,000	21,000	8%	200,000
Morningstar						2,500	2,500	2,625	2,625	100%	2,625
Mclagan Compensation Survey								8,750	-		-
Fin/News								1,350	-		1,350
Oxford Economics						19,500	20,475	21,500	21,500	100%	21,500
Pension Real Estate Association											2,950
Perscient Pro						330	330	350	330	94%	350
Reimbursement of Pzena	-	-	-	-	-	12,923	8,906	15,000	-		15,000
SUBTOTAL	**-**	**-**	**-**	**-**	**-**	**35,253**	**53,211**	**299,575**	**45,455**	**15%**	**243,775**
INACTIVE CONTRACTURAL SERVICES											
Dean Dorton	9,719		-	-	250	-	-	-	-	-	-
Hirschler		4,794	-	-		-	-		-	-	-
INFORMA	12,904		-	-		-	-	-	-	-	-
Lighthouse Solutions	3,093		-	-		-	-		-	-	-
London Stock Exchange GBP (GREAT BRITISH POUNDS)	6,467	3,544	-	-		-	-	-	-	-	-
Deutsche Bank Trust	3,000		3,000	-		-	-		-	-	-
Morris James LLP	94,192	20,154	-	-		-	-	-	-	-	-
Calcaterra Pollack			1,200,000	-		-	-		-	-	-
Manatt		90,798	30,757	-		-	-	-	-	-	-
ORG	162,344		-	-		162,344	-	-	-	-	-
SUBTOTAL	**291,718**	**119,290**	**1,233,757**	**-**	**250**			-			**-**
TOTAL	**$ 4,653,455**	**$ 4,840,258**	**$ 6,600,309**	**$ 6,141,696**	**$ 6,123,455**	**$ 7,414,644**	**$ 11,265,144**	**$ 11,762,725**	**$ 6,479,291**	**55%**	**$ 10,765,275**

INVESTMENT BUDGET	
CONSULTING SERVICES	
Wilshire Associates	General Investment Consultanting Services, Manager Research and Due Dilligence, Reporting, Asset Allocation
Albourne	Investment Consultant Research database - Private Markets Manager Research, Private Markets Research, Pension Markets Research
MercerInsight	Investment Consultant Research database - Public Markets Manager Research, Public Markets Research, Pension Markets Research
LEGAL & AUDITING SERVICES	
Faegre Drinker	Delaware litigation counsel
Intelligent Management Solutions (IMS)	IMS is an expert witness in the Bay Hills case.
McClain/Goldberg	Blackstone litigation counsel for the Trustees and Officers
Reinhart	Bay Hills counsel and investment counsel for contract negotiations
Stoll-Keenon-Ogden	Mayberry counsel
Haystack	Conduct Mayberry eDiscovery
Umberg Zipser	PAAMCO-Prisma (California litigation)
Frost Brown Todd	Currently has no investment-related cases
Swansburg & Smith	Reimbursement of Fiduciary Legal Expenses (KKR)
Eddins Domine	Reimbursement of Fiduciary Legal Expenses (KKR)
Taft	Reimbursement of Fiduciary Legal Expenses (Calcaterra Pollack)
CONTRACTURAL SERVICES	
Bloomberg	Bloomberg Professional Services, Data Analytics and Tools, Market Information and News, Research Portal
BNYM Custodial Fees	Full Service Custodial Services, Investment Accounting, Investment Operations, Transaction Services, Performance and Attribution, Reporting
eVestment (Solovis RMS)	Research Management Program organizing internal and exteranl research
Solovis (Reporting & Analytics)	Portfolio and Risk Analytics, Perfromance Measurement and Attribution, Reporting
FactSet	Workstation and Quant/Risk Applications for managing Public Equity Portfolios
Russell Index Subscription	Access to Russell Indexes for Portfolio Management, Reporting and Performance
S&P Global	Data on the S & P US Index / License to 10,000 Identifiers for Portfolio Management, Reporting and Performance
TradeWeb	Electronic Trading Platform for Internal Management
State Street/Elkins McSherry	Public Equity Trade Cost Analysis
ISS	Portfolio Monitoring and Proxy Voting Services, Securities Litigation Filing
MSCI	International Public Equity Data Package
KPMG Tax Guarantor Services	Tax Accounting Services - Taiwan
Jayant Ghevaria and CO	Tax Accounting Services - India
India Renewal Fee (SEBI)	Registration of India Local Market Accounts
With Intelligence	Portfolio Management Research provider
MISCELLANEOUS SERVICES	
Morningstar	Access to Morningstar Indexes for Portfolio Management, Reporting and Performance
Mclagan Compensation Survey	Compensation Data for US Public Funds
Fin/News	Subscription to institutional investment news hub
Oxford Economics	Global macroeconomics and markets research
Perscient Pro	Market and Policy Research
Pension Real Estate Association	Industry Association for News and Research
Reimbursement of Pzena	Proxy Voting Reimbursement

KENTUCKY PUBLIC PENSIONS AUTHORITY
Investment Fees and Expenses
For the twelve month period ending June 30
Pension

Fiscal Year	2026		2025		2024		2023		2022	
	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value
Core Fixed Income	**3,332,124**	**$ 3,967,614,487**	**2,482,085**	**$ 3,441,031,943**	**1,949,104**	**2,699,078,049**	**2,810,843**	**2,157,082,914**	**2,679,056**	**2,126,730,865**
Investment Advisory Fees	*2,426,140*		*2,134,665*		*1,817,614*		*2,161,526*		*2,284,025*	
Performance Fees	*877,423*		*321,985*		*92,418*		*597,736*		*327,140*	
Miscellaneous Fees and Expenses	*28,561*		*25,435*		*39,073*		*51,580*		*67,891*	
Public Equity	**18,316,190**	**11,005,256,657**	**16,677,701**	**9,343,374,181**	**14,330,178**	**8,857,531,079**	**13,439,395**	**7,675,481,712**	**13,773,772**	**6,283,684,703**
Investment Advisory Fees	*17,263,210*		*15,572,256*		*14,089,234*		*13,221,493*		*13,773,772*	
Performance Fees	*846,033*		*834,608*		*240,944*					
Miscellaneous Fees and Expenses	*206,947*		*270,837*		*240,944*		*217,902*		*14,055,871*	
Specialty Credit Fixed Income	**75,646,899**	**4,772,803,885**	**93,084,098**	**4,245,903,280**	**95,679,306**	**3,743,374,371**	**65,560,653**	**3,232,557,049**	**50,984,092**	**3,140,978,211**
Investment Advisory Fees	*23,952,691*		*23,415,763*		*19,917,912*		*18,967,582*		*18,167,989*	
Performance Fees	*28,813,429*		*30,526,183*		*35,457,002*		*18,303,365*		*23,790,103*	
Miscellaneous Fees and Expenses	*22,880,780*		*39,142,153*		*40,304,392*		*28,289,706*		*9,025,999*	
Real Estate	**16,001,446**	**1,076,796,097**	**14,724,916**	**1,051,020,113**	**6,975,957**	**982,170,683**	**6,077,555**	**970,705,137**	**34,875,097**	**882,758,681**
Investment Advisory Fees	*8,860,233*		*8,047,975*		*7,599,522*		*7,666,218*		*5,759,527*	
Performance Fees	*(3,723,074)*		*224,184*		*(5,262,915)*		*(3,012,939)*		*25,779,317*	
Miscellaneous Fees and Expenses	*10,864,287*		*6,452,757*		*4,639,350*		*1,424,277*		*3,336,253*	
Real Return	**30,255,899**	**1,842,550,230**	**13,953,397**	**1,444,811,572**	**6,837,222**	**1,023,460,825**	**6,438,573**	**477,175,149**	**4,923,027**	**560,575,289**
Investment Advisory Fees	*14,791,914*		*7,841,250*		*5,376,710*		*3,643,650*		*3,237,685*	
Performance Fees	*12,960,237*		*4,176,991*		*(552,218)*		*1,787,354*		*1,326,636*	
Miscellaneous Fees and Expenses	*2,503,749*		*1,935,155*		*2,012,730*		*1,007,569*		*358,707*	
Private Equity	**3,853,920**	**1,048,153,430**	**15,435,414**	**1,124,149,601**	**12,963,162**	**1,127,259,314**	**10,690,392**	**1,158,434,650**	**59,843,619**	**1,289,931,630**
Investment Advisory Fees	*4,667,073*		*4,191,371*		*5,347,292*		*6,858,327*		*7,269,395*	
Performance Fees	*(5,283,502)*		*8,149,800*		*3,357,570*		*(206,420)*		*47,992,035*	
Miscellaneous Fees and Expenses	*4,470,348*		*3,094,242*		*4,258,299*		*4,038,484*		*4,582,189*	
Administrative Expense/Cash	**4,280,617**	**541,623,611**	**7,674,317**	**642,551,398**	**4,951,114**	**492,340,367**	**3,907,558**	**1,037,039,063**	**4,288,007**	**718,023,703**
Total Investment Mgmt Fees	**151,687,096**	**$ 24,254,798,396**	**164,031,928**	**21,292,842,089**	**143,686,043**	**18,925,214,688**	**108,924,969**	**16,708,475,674**	**171,366,670**	**15,002,683,082**

KENTUCKY PUBLIC PENSIONS AUTHORITY
Investment Fees and Expenses
For the twelve month period ending June 30
Insurance

Fiscal Year	2026		2025		2024		2023		2022	
	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value
Core Fixed Income	**1,006,864**	**$ 1,084,988,336**	**784,419**	**$ 1,001,631,913**	**648,731**	**824,149,794**	**1,045,453**	**767,203,724**	**1,025,837**	**783,771,227**
Investment Advisory Fees	*736,960*		*671,355*		*601,745*		*815,621*		*884,381*	
Performance Fees	*261,065*		*104,860*		*33,662*		*212,206*		*117,337*	
Miscellaneous Fees and Expenses	*8,840*		*8,204*		*13,324*		*17,626*		*24,118*	
Public Equity	**7,633,392**	**4,583,893,684**	**7,341,541**	**3,995,191,571**	**6,555,994**	**3,921,171,952**	**6,213,291**	**3,502,969,757**	**6,151,291**	**2,913,823,466**
Investment Advisory Fees	*7,177,896*		*6,845,507*		*6,350,222*		*6,114,797*		*6,151,291*	
Performance Fee	*373,181*		*381,519*		*98,493*					
Miscellaneous Fees and Expenses	*82,315*		*114,515*		*107,279*		*98,493*		*103,020*	
Specialty Credit Fixed Income	**34,379,372**	**1,979,216,652**	**41,129,630**	**1,842,619,259**	**42,660,725**	**1,649,911,387**	**29,502,537**	**1,450,421,603**	**22,623,007**	**1,417,059,844**
Investment Advisory Fees	*10,039,694*		*10,077,381*		*17,943,502*		*8,250,969*		*9,031,968*	
Performance Fees	*14,210,331*		*13,806,747*		*6,868,097*		*8,673,066*		*9,702,493*	
Miscellaneous Fees and Expenses	*10,129,348*		*17,245,502*		*17,849,127*		*12,578,501*		*3,888,546*	
Real Estate	**7,064,874**	**460,595,257**	**6,453,852**	**470,701,061**	**3,365,738**	**439,013,490**	**2,906,175**	**428,207,724**	**14,379,286**	**372,994,823**
Investment Advisory Fees	*4,008,205*		*3,651,062*		*1,515,699*		*3,467,712*		*2,491,508*	
Performance Fees	*(1,597,116)*		*95,616*		*(138,338)*		*(1,172,536)*		*10,457,273*	
Miscellaneous Fees and Expenses	*4,653,785*		*2,707,174*		*1,988,377*		*610,998*		*1,430,505*	
Real Return	**12,727,978**	**674,212,018**	**5,888,152**	**533,914,351**	**2,995,206**	**396,544,988**	**2,958,987**	**185,474,384**	**2,154,305**	**218,958,241**
Investment Advisory Fees	*5,946,976*		*3,150,242*		*2,355,028*		*1,645,581*		*1,456,997*	
Performance Fees	*5,674,188*		*1,877,559*		*(256,032)*		*809,344*		*526,052*	
Miscellaneous Fees and Expenses	*1,106,814*		*860,352*		*896,210*		*504,062*		*171,255*	
Private Equity	**(1,119,178)**	**446,157,071**	**6,981,545**	**534,337,085**	**8,847,151**	**567,479,490**	**7,312,492**	**591,148,154**	**35,364,269**	**625,456,058**
Investment Advisory Fees	*2,159,916*		*2,664,872*		*3,357,844*		*4,438,736*		*4,821,382*	
Performance Fees	*(5,399,249)*		*2,838,979*		*2,906,861*		*959,666*		*28,808,835*	
Miscellaneous Fees and Expenses	*2,120,155*		*1,477,694*		*2,582,446*		*1,914,090*		*1,734,052*	
Administrative Expense/Cash	**2,198,675**	**161,295,224**	**3,531,590**	**168,104,954**	**2,456,266**	**126,189,693**	**1,938,475**	**269,624,118**	**2,171,197**	**277,962,758**
Total Investment Mgmt Fees	**63,891,976**	**$ 9,390,358,243**	**$ 72,110,729**	**$ 8,546,500,194**	**$ 67,529,811**	**$ 7,924,460,794**	**$ 51,877,408**	**$ 7,195,049,465**	**$ 83,869,191**	**$ 6,610,026,417**

KENTUCKY PUBLIC PENSIONS AUTHORITY

Investment Fees and Expenses

For the twelve month period ending June 30, 2026

Pension

	KERS		KERS Hazardous		SPRS	
	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value
Core Fixed Income	**1,314,784**	**1,615,232,207**	**106,805**	**127,299,741**	**187,075**	**224,947,444**
Investment Advisory Fees	*956,784*		*77,742*		*136,165*	
Performance Fee	*346,714*		*28,146*		*49,305*	
Miscellaneous Fees and Expenses	*11,286*		*916*		*1,605*	
Public Equity	**3,244,076**	**2,020,694,342**	**1,007,147**	**587,771,208**	**516,789**	**284,491,355**
Investment Advisory Fees	*3,054,920*		*948,704*		*486,372*	
Performance Fee	*153,420*		*47,293*		*24,738*	
Miscellaneous Fees and Expenses	*35,735*		*11,150*		*5,679*	
Specialty Credit Fixed Income	**14,797,382**	**1,183,438,029**	**4,143,974**	**319,483,322**	**1,779,547**	**164,988,074**
Investment Advisory Fees	*5,297,139*		*1,439,109*		*471,326*	
Performance Fee	*5,620,959*		*1,464,841*		*631,605*	
Miscellaneous Fees and Expenses	*3,879,284*		*1,240,024*		*676,617*	
Real Estate	**3,110,118**	**260,793,610**	**800,456**	**70,677,676**	**430,061**	**36,008,270**
Investment Advisory Fees	*1,764,275*		*436,095*		*275,807*	
Performance Fee	*(671,298)*		*(191,377)*		*(80,408)*	
Miscellaneous Fees and Expenses	*2,017,140*		*555,738*		*234,662*	
Real Return	**8,361,853**	**575,618,130**	**1,439,644**	**101,126,044**	**1,447,753**	**81,564,339**
Investment Advisory Fees	*4,725,907*		*847,257*		*788,965*	
Performance Fee	*3,128,849*		*470,466*		*561,785*	
Miscellaneous Fees and Expenses	*507,097*		*121,921*		*97,004*	
Private Equity	**1,553,608**	**241,165,840**	**200,087**	**62,013,262**	**219,753**	**33,241,431**
Investment Advisory Fees	*870,959*		*249,768*		*129,645*	
Performance Fee	*(12,733)*		*(296,219)*		*(30,924)*	
Miscellaneous Fees and Expenses	*695,381*		*246,537*		*121,031*	
Administrative Expenses/Cash	**1,043,452**	**152,809,386**	**230,292**	**28,135,458**	**148,674**	**17,113,851**
Total Investment Mgmt Fees	**33,425,272**	**6,049,751,544**	**7,928,404**	**1,296,506,711**	**4,729,652**	**842,354,764**

KENTUCKY PUBLIC PENSIONS AUTHORITY

Investment Fees and Expenses

For the twelve month period ending June 30, 2026

Insurance

	KERS		KERS Hazardous		SPRS	
	FYTD Fees	Market Value	FYTD Fees	Market Value	FYTD Fees	Market Value
Core Fixed Income	**181,789**	**194,927,926**	**71,034**	**78,275,912**	**27,851**	**30,135,375**
Investment Advisory Fees	*133,190*		*52,087*		*20,340*	
Performance Fee	*47,006*		*18,326*		*7,265*	
Miscellaneous Fees and Expenses	*1,592*		*621*		*246*	
Public Equity	**1,613,849**	**913,782,774**	**618,074**	**364,624,749**	**248,419**	**139,730,444**
Investment Advisory Fees	*1,511,898*		*580,130*		*232,772*	
Performance Fee	*85,858*		*31,621*		*13,142*	
Miscellaneous Fees and Expenses	*16,093*		*6,323*		*2,505*	
Specialty Credit Fixed Income	**6,394,082**	**491,780,225**	**3,500,578**	**193,690,508**	**1,292,684**	**76,966,429**
Investment Advisory Fees	*2,210,562*		*1,014,081*		*383,202*	
Performance Fee	*2,444,242*		*1,444,128*		*524,709*	
Miscellaneous Fees and Expenses	*1,739,278*		*1,042,370*		*384,773*	
Real Estate	**1,182,535**	**113,988,626**	**733,189**	**45,336,768**	**280,110**	**17,308,957**
Investment Advisory Fees	*748,480*		*408,573*		*155,993*	
Performance Fee	*(226,774)*		*(169,615)*		*(64,809)*	
Miscellaneous Fees and Expenses	*660,829*		*494,231*		*188,926*	
Real Return	**3,108,222**	**164,310,792**	**1,070,108**	**63,735,619**	**411,817**	**25,313,932**
Investment Advisory Fees	*1,574,868*		*624,953*		*221,590*	
Performance Fee	*1,292,864*		*342,410*		*150,526*	
Miscellaneous Fees and Expenses	*240,490*		*102,745*		*39,700*	
Private Equity	**220,124**	**103,491,594**	**(150,719)**	**37,225,509**	**(57,924)**	**16,497,003**
Investment Advisory Fees	*263,625*		*221,655*		*81,115*	
Performance Fee	*(225,116)*		*(551,425)*		*(224,752)*	
Miscellaneous Fees and Expenses	*181,616*		*179,050*		*85,714*	
Administrative Expenses/Cash	**471,057**	**31,786,761**	**187,100**	**15,799,487**	**73,661**	**4,133,424**
Total Investment Mgmt Fees	**$ 13,171,658**	**$ 2,014,068,696**	**$ 6,029,364**	**$ 798,688,551**	**$ 2,276,618**	**$ 310,085,564**

2027 Board and Committee Meeting Calendar

◄ Dec 2026 | **January 2027** | Feb 2027 ►

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1 New Year's Day	2
3	4	5	6	7	8	9
10	11	12 CERS Personnel Committee	13	14	15	16
17	18 Martin Luther King, Jr. Day	19	20	21	22	23
24	25	26	27	28	29	30
31						

◄ Jan 2027

February 2027

Mar 2027 ►

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10 CERS Actuarial Committee	11 Joint Retiree Health Plan Committee	12	13
14	15 CERS Finance Committee	16	17 KRS Investment Committee	18	19	20
21	22	23 KPPA Audit Committee	24 CERS Investment Committee	25	26	27
28						

◄ Feb 2027

March 2027

Apr 2027 ►

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8 CERS Board	9	10 KRS Board	11	12	13
14	15	16	17	18 KPPA Board	19	20
21	22	23	24	25	26 Good Friday (1/2 day)	27
28	29	30	31			

◄ Mar 2027

April 2027

May 2027 ►

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12 CERS Board	13	14 CERS Actuarial Committee	15 KRS Board Annual Meeting	16	17
18	19	20	21 CERS Board Annual Meeting	22	23	24
25	26	27	28	29 KPPA Board Annual Meeting	30	

◄ Apr 2027

May 2027

Jun 2027 ►

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13 Joint Retiree Health Plan Committee	14	15
16	17 CERS Finance Committee	18	19	20 KRS Investment Committee	21	22
23	24	25 KPPA Audit Committee	26 CERS Investment Committee	27	28	29
30	31 Memorial Day					

◄ May 2027

June 2027

Jul 2027 ►

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8 CERS Personnel Committee	9	10	11	12
13	14 CERS Board	15	16	17	18 Juneteenth - Observation	19
20	21	22 KRS Board	23	24 KPPA Board	25	26
27	28	29	30			

◄ Jun 2027

July 2027

Aug 2027 ►

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5 Independence Day- Observation	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

◄ Jul 2027

August 2027

Sep 2027 ►

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16 CERS Finance Committee	17	18 KRS Investment Committee	19	20	21
22	23	24 KPPA Audit Committee	25 CERS Investment Committee	26	27	28
29	30	31				

◄ Aug 2027

September 2027

Oct 2027 ►

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2 Joint Retiree Health Plan Committee	3	4
5	6 Labor Day	7	8	9 KRS Board	10	11
12	13 CERS Board	14	15	16	17	18
19	20	21	22	23 KPPA Board	24	25
26	27	28	29	30		

◄ Sep 2027

October 2027

Nov 2027 ►

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27 CERS Actuarial Committee	28	29	30
31						

◄ Oct 2027

November 2027

Dec 2027 ►

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 CERS Board	**2**	**3**	**4** Potential date for CERS Actuarial Committee	**5**	**6**
7	**8**	**9** KRS Board	**10** Potential date for CERS Board	**11** Veterans Day	**12**	**13**
14	**15** Joint Retiree Health Plan Committee	**16** KPPA Audit Committee	**17**	**18** KRS Investment Committee	**19**	**20**
21	**22** CERS Finance Committee	**23** CERS Investment Committee	**24**	**25** Thanksgiving Day	**26** Office Closed	**27**
28	**29**	**30**				

◄ Nov 2027

December 2027

Jan 2028 ►

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2 KRS Board	3	4
5	6 CERS Board	7 KPPA Board	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24 Christmas Eve	25
26	27 Christmas Day - Observed	28	29	30	31 New Year's Eve	

KENTUCKY PUBLIC PENSIONS AUTHORITY
Ryan Barrow, Executive Director
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Kentucky Public Pensions Authority

To: **KPPA, CERS & KRS Board**
From: **Ryan Barrow**
Date: **September 2026**
Subject: **KPPA Update**

I. ADMINISTRATIVE & STAFFING UPDATE:

- **Annual Statements Notification –** KPPA sent a target email communication to members about their Annual Statement. There is a long-term system design in development that is more personalized for that and it will be sent via the member's communication preference (paperless vs snail mail), but this is an attempt to be draw more attention to it as opposed to the info being in a newsletter with many other articles.

- In June, I attended the **NCPERS Chief Officers Summit**, which provided another opportunity to engage directly with public pension leaders from across the country. The summit offered valuable perspectives on the challenges facing our peers, as well as an opportunity to share KPPA's experiences and priorities. This type of peer engagement is particularly beneficial to KPPA as we continue to plan modernization of our Line of Business system. Specifically, KPPA is like many public retirement systems that are planning significant technology upgrades.

II. STRATEGIC PLAN & IMPLEMENTATION UPDATE:

The implementation of the Strategic Plan continues to advance, with **six active teams** focused on strategic initiatives that support organizational efficiency, technology modernization, and enhanced service delivery.

- **IT Assessment (Active):** Currently in Phase 2, with the vendor engaging KPPA staff to develop a deeper understanding of organizational goals, business needs, and future-state objectives. These discussions will provide the foundation for a comprehensive technology roadmap.
- **Paper Check Reduction Team (Active):** Implemented real-time banking verification and direct deposit functionality for supplemental payments. Currently evaluating strategies to further reduce paper checks, including enrolling recipients in a prepaid bank card program.
- **Self-Service Mirroring Team (Active):** Monitoring a homegrown solution that would enable counselors to view and assist members through the same self-service experience, improving the efficiency and effectiveness of member support.

- **Update Beneficiary Team (Active):** Preparing for implementation later this fiscal year, in parallel with the planned identity verification integration, to provide members with a more convenient and secure method for managing beneficiary information.
- **Policy and Procedure Solution (Active):** Conducting demonstrations and evaluating solutions from multiple vendors to identify the platform that best aligns with KPPA's requirements for managing, maintaining, and accessing policies and procedures.
- **Employer Self-Service Centralized Messaging Center (Active):** Launching a new team to evaluate the feasibility and organizational value of implementing a central messaging capability between KPPA and employers, with the goal of improving communication, responsiveness, and service delivery.

III. LEGISLATIVE & LRC COMMITTEE UPDATE:

- Staff have begun preparing **KPPA's housekeeping legislation** for consideration in the upcoming 2027 Regular Session. Erin and I have initiated discussions and meetings with legislators. The proposed bill is still being developed and will address routine and technical matters related to the administration of KPPA. The legislation is intended to remain limited to housekeeping items. Further information will be provided as the process progresses.

- Erin and I presented at the **Public Pension Oversight Board (PPOB)** related to asset allocation, cash flow and legislative update in August. The presentation went well and the discussion was productive.

IV. LOUISVILLE OFFICE UPDATE

- Construction is nearing completion. Office furniture delivery is anticipated to be October 8th with anticipated occupancy to occur shortly thereafter.

V. STATE AUDITOR (APA) PROXY AUDIT

- **All requested information has been sent to the** Auditor of Public Accounts (APA) and their contracted party (Prospr) has started the analysis. There was recently some discussion on the budget impact but ultimately it may be a share of the total cost ($285,000) to KPPA not currently included in the budget. As background the Legislative Oversight and Investigations Committee (LOIC) of the Kentucky General Assembly requests that the APA investigate investments with restricted financial companies as they relate to the funds managed by Kentucky's state administered retirement systems to ensure pension funds are being invested in the best interest of the participants.

VI. 2026 IMPACT FORUM UPDATE:

- Planning is underway for the **2026 IMPACT Forum**, October 22–23 at The Campbell House in Lexington. The Forum will provide the continuing education hours required by statute through a variety of educational sessions, while also offering opportunities

to network with fellow Trustees, KPPA leadership, and industry professionals.

- **Day 1** will begin with New Trustee Orientation, open to all and required as part of the onboarding process for new Trustees, before transitioning to the Forum programming. IMPACT sessions will include topics such as the History of the Systems and HIPAA training, as well as CEO's Choice, a board-specific educational session planned by each respective CEO.

- Trustees and CEOs should **register by September 15** using the link sent by Ashley Gabbard to each attendee's KPPA email. Timely registration is necessary to finalize lodging, meals, and dietary accommodations. The IMPACT Forum and New Trustee Orientation agendas were included with the registration email.

VII. KPPA KUDOS:

- KPPA received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the 2025 KRS and CERS Annual Comprehensive Financial Reports (ACFRs). This award represents the highest form of recognition in governmental accounting and financial reporting. The successful completion of these reports was the result of a collaborative effort among several **KPPA divisions, including Accounting, Internal Audit, Communications, Investments, and Benefits**. Congratulations to all the staff who contributed to this accomplishment and helped KPPA achieve this prestigious recognition!

- Our **Member Services Division** has received positive comments through our Membership Survey campaign. Members have recognized the team for providing knowledgeable, professional, and courteous service, with comments such as, "Counselor was very knowledgeable, polite, and friendly—a great experience," "Wonderful to work with," and "Very helpful, professional, and polite." Thank you to our Member Services team for continuing to provide exceptional service to our members.

- Staff from the Kentucky Department for Libraries and Archives (KDLA) recently conducted an on-site audit of KPPA's paper document retention process. **Ashley Gabbard** led this project, with valuable contributions and collaboration from **Anne Baker, Travis Humphries, Casey Rothenburger, and Brad McGuire**. We appreciate their collective efforts and dedication in bringing this project to successful completion.

- Kudos to policy specialist **Carole Catalfo** for her work on reorganizing KPPA's regulations. Over the past year, Carole has worked with the Regulations Compiler at LRC and internal staff to develop and implement a plan to reorganize KPPA's regulations in a way that will help us keep those regulations up to date more efficiently and make sure our reviews of the regulations are more comprehensive. The plan went into effect August 4.

Many thanks to everyone involved in maintaining and improving KPPA operations!