Kentucky Employees Retirement System
County Employees Retirement System
State Police Retirement System

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Member Newsletter

Focused on Your Future

Funding Matters

by William P. Hanes, Executive Director

Recent Legislative Discussions

As you may recall from previous newsletters, both the Board of Trustees and I have been calling on the Governor and the Legislature to develop a strategic plan to address the funding issues facing the Kentucky Retirement Systems (Systems), including the liabilities associated with retiree health insurance benefits. At a recent legislative meeting, the Co-Chair and other members of the Interim Joint Committee on State Government indicated their desire to begin examining these funding issues and to investigate ways to address them in the coming months. I applaud their desire to begin this process and I hope that through these discussions, we will be able to assist the Governor and Legislature in developing a plan.

The Question Presented

The question posed by several legislators during the meeting was the possibility of switching to a defined contribution plan, such as a 401(K), to replace the existing defined benefit plan currently provided to state and local government employees[1]. Several legislators expressed interest in learning more about this option, because several states and private companies have recently examined switching to these types of plans out of a desire to reduce costs. I told the legislators what many state and local government retirement plans have learned through their experience: switching to a defined contribution plan does not eliminate financial concerns. Moreover, I also informed them that switching to a defined contribution plan undermines long standing public policies to the possible detriment of employees, retirees and their communities. The discussion below details the information I provided to legislators at this meeting.

Converting to a Defined Contribution Plan Will Actually Cost More

Interest in converting from a defined benefit plan to a defined contribution plan for employees usually occurs when the costs of the existing defined benefit plan increase. In the case of the Systems, the employer contributions to the plan have increased in recent years after reaching record level lows in 2001. This increase is primarily due to the dramatic decline in the stock markets from 2000-2002, the growth in retiree health insurance costs (a benefit that is typically not provided through other retirement plans), as well as the continued failure of the state to pay the actuarially required contributions to the state systems.

The idea that employer contributions can be reduced by closing a defined benefit plan and replacing it with a defined contribution plan is a misconception illustrated by recent experience in West Virginia and in California. In 1991, the West Virginia Legislature enacted a law that eliminated its defined benefit plan for new teachers. In 2005, the state actuary informed the Legislature that the new defined contribution plan had created significantly higher costs to taxpayers than the traditional defined benefit plan and, as a result, the state Legislature enacted legislation switching back to a defined benefit plan. In California, Governor Schwarzenegger proposed switching to a defined contribution plan from the traditional defined benefit plan covering state and local government employees. Even the most optimistic projections indicated that higher costs would result in the short-term and any savings would not be realized for at least 10 years. Los Angeles County actuaries determined that the county would not see any net savings for 20 years, with again, higher costs until the end of that period. Ultimately, elected leaders in California decided to keep a defined benefit plan for state and local government employees.

At first glance, these results may seem odd because the common perception is that switching to a defined contribution plan will save money. However, the truth is that the costs of the current defined benefit plan will continue (and even increase) while additional costs with the new defined contribution plan are also being incurred.

In the case of the Systems, the combined unfunded actuarial liability related to existing employees and retirees in all plans as of June 30, 2005 was $8.27 billion ($4.55 billion in plans covering state employees and $3.72 billion in the plans covering city, county, and school board employees). These liabilities are a contractual obligation of the Commonwealth and local governments and are being paid off over an annually adjusted 30 year period as a part of the employer contribution rate, which is a percentage of the salaries of all active employees, including new employees. If new employees are removed from the funding equation and placed in a defined contribution plan, you remove a significant part of the funding source for paying off these liabilities going forward

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1 *You participate in a **defined benefit plan**. A defined benefit plan pays lifetime monthly benefits based upon a formula established by statute, rather than on an account balance. This is in contrast to a **defined contribution plan**, such as the 401(k) plan. Under a defined contribution plan, you are responsible for ensuring that the amount you have saved at the time of retirement is enough to meet your financial needs over your lifetime.*

and employer costs will increase. ***Based upon preliminary values from the June 30, 2005 actuarial valuation, switching to a defined contribution plan for new employees would require an additional $144.4 million in employer contributions to the Kentucky Employees Retirement System (KERS) and $130.4 million to the County Employees Retirement System (CERS) beyond the existing funding requirements. This is particularly relevant when you consider that the state systems (KERS and SPRS) will have employer contribution shortfalls exceeding $762 million over the last 15 years, once the current budget biennium is complete.***

Other Issues Regarding Defined Contribution Plans

▶*Defined Contribution Plans Do Not Provide Disability & Death Benefits:* The laws governing the Systems include provisions that pay an enhanced retirement benefit to individuals who are determined to be disabled and are no longer able to work. These statutes also include provisions that pay a retirement benefit for death prior to retirement or death or disability as a result of an act occurring in the line of duty. The cost of these benefits is already included in the employer contribution rate for the Systems. Defined contribution plans, however, do not provide for such contingencies. Disability and death benefits are extremely important benefits for high risk public service jobs like police and firefighters. For example, if a newly hired police officer dies from an act occurring in the line of duty, special benefits are provided by the Systems to ensure the surviving spouse can receive at a minimum, a lifetime monthly retirement allowance and full health insurance benefits. There are also monthly benefits and health insurance for any dependent children. If that officer was participating in a defined contribution plan, the surviving spouse and dependents would be left with the officer's modest account balance and no health benefits.

▶*Defined Benefit Plans Use Tax Payer Dollars Efficiently:* Due to the long term investment planning horizon and professional asset management, defined benefit plans like Kentucky Retirement Systems are more cost efficient per dollar of benefits provided to employees than defined contribution plans. This experience has been proven in other states and in studies examining investment performance among defined benefit and defined contribution plans. In 2000, the State of Nebraska reviewed its two defined contribution plans for state and county workers and found that between 1983 and 1999, the investment returns of the defined contribution plans averaged only 6 percent, compared with 11 percent for the state's defined benefit plans. In the case of Systems, long term investment returns have served as the funding backbone of the Systems, accounting for more than 61 percent of revenues over the last 25 years. The Systems investment performance has consistently exceeded relevant benchmarks and the actuarially assumed rate of return of 8.25 percent. Keep in mind too that the state systems have not received the actuarially recommended employer contribution rate for 9 out of the last 15 years (including a $365 million shortfall over the next two years). This represents a funding shortfall of more than $762 million including the current budget cycle. When you consider the effect of the underfunding and lost revenues over an employee's working career, you can see that much of the state systems unfunded liability is due to lack of commitment to contribute the amount recommended by the Systems' actuary.

It should also be noted that administrative expenses are greater for defined contribution plans than for defined benefit plans. This is due to the higher cost structure of mutual funds, the typical defined contribution investment vehicle, compared to investment management firms used by defined benefit plans. According to the Investment Management Institute, the operating expense ratio for defined benefit plans averages 31 basis points (31 cents per $100 of assets) compared with 96 to 175 basis points for defined contribution plans.

▶*Defined Benefit Plans Help to Attract & Retain Qualified Public Employees:* Traditional defined benefit plans like the Systems are based upon a public policy to attract and retain qualified and experienced civil servants–many of whom are in high-risk jobs. These workers fight fires, protect our streets, educate our children, and provide medical care. Many cities and states already have labor shortages and high turnover. A new system of defined contribution accounts for new employees – with lower, unstable retirement income promotes turnover, and **diminishes the ability of state and local governments to attract and retain a stable workforce.**

▶*Taxpayers Will Pay for Workers Who Outlive Inadequate Retirement Assets:* Not everyone has the time, resources, or experience to be a good investor. Some may win if a defined contribution plan is created for new hires, but experience proves that **many more will lose**. It is unreasonable to expect individual investors to perform as well as professional institutional investors who manage traditional defined benefit pension assets. It is likely that a greater number retirees will be forced to rely on Medicaid, welfare payments, and other similar public assistance due to the reduction in retirement income. An additional aspect of this issue, which has been confirmed by research data, is that employees in defined contribution plans often choose to receive assets in lump sum payments when they leave employment and then squander those assets before retirement, which leaves them with a diminished retirement income. A recent study by the Nebraska Public Employees Retirement System found that 68% of terminating employees cashed out their assets from the defined contribution plan rather than rolling them over into another retirement plan, or converting to an annual retirement income. Likewise, employees often withdraw funds from defined contribution plans while in active employment, for a loan, hardship or educational purpose, leaving insufficient resources for retirement or survivor income.

▶ *Defined Benefit Plans Are Good for Kentucky:* Retirement benefits provided to retirees of the Systems provide a very powerful economic engine for the Commonwealth and its counties and cities. System benefit payments exceeded $1.13 billion last year. Of this total, more than 96% was paid out to residents living in Kentucky. When you also consider benefit payments paid to retired teachers and other public servants, defined benefit plans in Kentucky are providing more than $2.25 billion in benefits across the Commonwealth. Additionally, the Systems invests millions of dollars in companies doing business in Kentucky such as Lexmark, Toyota, Humana, and Ford.

Closing

I can assure you that both the Board and I will continue to encourage the Governor and the Legislature to develop a strategic plan to address the funding issues facing the Systems. We believe that any plan will need to recognize that switching to a defined contribution plan for new hires is not the answer. The defined contribution scheme has numerous problems including higher costs, potential for greater turnover in the government workforce, as well as the possibility of higher taxes to support broader usage of governmental services and financial assistance resulting from the reduction in the level of retirement income and health insurance payments. I want to encourage you to keep abreast of this issue and to contact the Governor's office and your local legislators with your concerns. If you are concerned about this issue, as I hope you will be, you should make every effort to make your voices heard in Frankfort.

Update on Investment Experience

Since the Systems was first created in 1956, the backbone to funding your benefits has always been investment returns. In fact, even considering the dramatic decline in the stock market from 2000 - 2002, investment returns have accounted for more than 61% of the Systems revenues derived over the last 25 years. Employee contributions have made up 16% of revenues and employer contributions have made up the remaining 23%.

Investment returns have been excellent both in the short and long term and have consistently exceeded relevant benchmarks in each of the asset classes. For the recently completed fiscal year, the pension fund earned 9.7%, outperforming the return of the performance index by 2.2%, while the insurance fund posted a return of 12.4%, exceeding its performance index by 2.4%. Since the inception of the portfolios, the pension and insurance funds have posted annualized rates of return of 10.9% and 9.0% respectively while exceeding relevant benchmarks.

Kentucky Retirement Systems Investment Performance

Period Ending June 30, 2006

	Fiscal Year	3-Year	5-Year	10-Year	Inception
Pension Fund	9.7%	10.8%	6.3%	8.9%	10.9%
Pension Blended Index	7.5%	9.8%	5.6%	8.6%	10.8%
Insurance Fund	12.4%	13.7%	6.3%	8.6%	9.0%
Insurance Blended Index	10.0%	11.9%	4.2%	8.1%	8.8%

In addition to providing investment returns in excess of relevant benchmarks, the Systems has been able to control administrative expenses. According to a 2005 study by Cost Effectiveness Measurement, Inc. of 268 pension funds, the Systems investment program expenses were rated as "High Value Added & Low Cost" due to the additional investment return added in relation to expenses. *This is confirmation of our strategy to provide above market returns, while maintaining below average costs. This is good news for you and good news for the Systems.*

In Your Best Interest

by William P. Hanes, Executive Director

Summer is always a busy time at the Systems since many members choose to retire during these months. This year has been particularly busy as more employees are continuing to retire as we near the 2009 retirement window deadline. In fact, we recently experienced the highest number of June retirements on record.

In the midst of all of this activity, I think that it is important to reflect on what we, as an agency, have experienced in the recent past, and where we intend to take the agency in the future with regard to the services offered to our membership. I have had the honor of serving as the Executive Director of Kentucky Retirement Systems for nearly six years, and in that time, with the support of the Board of Trustees, the Systems' members have experienced many positive changes.

The most visible change is the reduced wait time for our members in responding to their inquiries. Many of you can recall the long wait for requested services just a few years ago. By the close of fiscal year 2000, the wait was up to sixteen months to receive a response from the Systems for a retirement estimate. Today, as a direct result of the outstanding efforts and dedication of management and the Systems employees, members can now expect to receive a response to their inquiries within two weeks. It should also be noted that this improvement came while managing a major reduction in costs associated with staff overtime. During the 2001-2002 fiscal year, Systems employees worked more than 27 thousand hours of overtime. Just three years later, during the 2004-2005 fiscal year, staff overtime had been reduced to 11 thousand hours—a 41% reduction. I am very proud of my staff for these major changes in the delivery of member services.

We have achieved these accomplishments while experiencing significant increases in retired members, office visitors, and phone calls to and from the Systems offices. Five years ago, Systems staff administered a little over 58,000 retired member accounts, while today almost 71,000 retirees depend on us to accurately and timely deliver their retirement benefits each month. In 2001, retirement counselors saw 10,763 visitors in our Frankfort offices. During fiscal year 2005 our staff counseled more than 16,000 office visitors and assisted many others over the telephone and at various sites throughout the state through our Division of Field Services. Over the last year, the Systems implemented a new telephone system to update our capacity to effectively handle the massive volume of incoming and outgoing calls we experience on a daily basis, as we process more than one million calls annually. Through this new system, we are now able to do a better job of tracking calls, identifying trends and responding to member needs.

Additionally, significant strides have been made to reduce the backlog of forms that are received each month from members who need to update their personal information or make modifications to their account. In 2003, the Systems had a backlog of more than 36,000 forms from members waiting to be processed. Thanks to the determination of the data entry team that number had decreased to just over 7,000 last summer and that downward trend continues today.

I could spend the next several pages continuing to single out units and employees for their efforts: our investment team continues to outperform relevant benchmarks and provide the predominant source of funding for the Systems; our Accounting Division now processes employer and employee contributions from over 1,700 participating agencies each month and is embarking on a new program that will allow for even greater efficiencies in the timely processing of Systems monies; and our Information Technology division continues to provide leadership, guidance, and solutions that keep the computer and business operations running smoothly. I am very proud of our many accomplishments to date. The Systems has achieved a very high level of service for our 294,000 members over the course of the last half-decade, and I commend our staff for the excellent work.

We cannot, however, be content with what has already been accomplished. The Systems is facing many challenges including reductions to the employer contributions that fund state employee retirement benefits, escalating medical insurance costs, and more employees retiring as the retirement window expires and as baby boomers reach retirement age. Kentucky Retirement Systems is continuing to develop strategies to meet these challenges.

The Systems is also working on several new initiatives that will help improve the delivery of services to you and to help address some of the funding issues facing the Systems including:

▶"Project START" (Strategic Technology Advancements for the Retirement of Tomorrow), the new Line of Business solution, is a major strategic effort to modernize the Systems aging computer system. It will have an impact on every division here and will affect the way we do business and the way you access information. You will experience better access to your account information via a web-based browser that many of you already use with your banks and other financial institutions. This innovation will allow you to personally access services that currently require the help of counselors including: calculating benefit estimates, service purchase costs, changing tax withholdings. It will also allow the more than 1700 employers the ability to make more timely and accurate reports.

▶The Systems has also recently moved to a self-funded health plan for our Medicare eligible retirees and hired a Senior Advisor for Retiree Healthcare to manage this benefit. We are already experiencing cost savings due to this strategic action and should continue to do so as we actively monitor the claims data and make appropriate adjustments. In the near future, the Systems will begin implementing a wellness and disease management program.

▶Finally, the Systems continues to pursue adequate funding of the actuarially recommended employer contribution rates for the Kentucky Employees Retirement System (KERS) and the State Police Retirement System (SPRS). Although the 2006 legislative session is over and the recently-approved budget will be in effect for the next two years, the Systems staff and the Board of Trustees continues to work to persuade legislators of the importance of full actuarial funding for the Systems. The Board and I have asked the Governor and Legislature to develop a long-term strategic plan that will address these funding issues, and I am optimistic that we will experience greater success with this task in the future. I have attempted to keep you informed of these efforts, and retirees and employees have answered the call and assisted in this cause.

I sincerely believe that the best is yet to come for Kentucky Retirement Systems. As a member, you can take comfort in the fact that there is a nine member Board of Trustees and over 240 employees dedicated to ensuring that your retirement benefits are safe and professionally managed and that you are receiving first-rate service as a member of the Systems. It is a great personal honor for me to serve as the Executive Director of this agency and to work with such dedicated public servants. With such a strong team working on our behalf, I look forward to the future at the Systems, and you can be assured that we are working to serve your best interest.

SPRS Election Update

Nominations by the Board

In the June 2006 newsletter, you were notified that employees, inactive members and retired members of the State Police Retirement System (SPRS) will be voting for an individual to serve on the Systems Board of Trustees in early 2007. In that newsletter, the Board of Trustees also requested names and resumes of individuals interested in running for the trustee position. At the quarterly meeting of the Board of Trustees on August 17, 2006, the Board nominated Randy J. Overstreet to be placed on the 2007 SPRS election ballot.

Note: The term of office for the SPRS Trustee position would begin April 1, 2007 and would end March 31, 2011.

Nominations by the Membership

This action by the Board does not preclude another SPRS member from being placed on the 2007 election ballot. A SPRS member may also be placed on the election ballot by submitting a petition from the membership. According to the provisions of Kentucky Revised Statute 61.645, the petition must contain the name, social security number, and signature of no less than 1/10 of the number of members voting in the last election. Based upon 2003 election results, the petition would require a minimum of 58 names, social security numbers, and signatures from the current SPRS membership. Petitions may only contain the name of one prospective candidate. Petitions to be included on the SPRS election ballot must be delivered to the Systems offices in Frankfort by close of business on November 30, 2006.

Eligibility Requirements for a SPRS Trustee

To be eligible to serve as a SPRS Trustee, an individual must be an employee, inactive member, or retired member of SPRS.

Individuals who are currently serving as elected or appointed city, county, or district officers should also be aware of the constitutional and statutory provisions that may prevent them from simultaneously serving on the Board of Trustees. Kentucky Revised Statute 61.645 and Section 165 of the Constitution of Kentucky establish when a constitutional incompatibility may exist. If you are concerned that a constitutional incompatibility may exist between a position you currently hold and membership on the Systems Board of Trustees, you may wish to contact the Attorney General's office for further guidance.

Kentucky Retirement Systems

2007 Health Insurance Update

Health insurance open enrollment for retirees and beneficiaries of the Systems is just around the corner. Information for the 2007 plan year is being finalized and will be mailed in early October prior to the Open Enrollment Period. A few changes will be occurring to the plans offered and their respective premiums. If you are a retiree or beneficiary, please take a few minutes to read the information below so you will be better prepared to make an appropriate decision about your health care coverage for the 2007 plan year.

Medicare Eligible Retirees & Beneficiaries

The Board of Trustees met on August 17, 2006 to review and adopt the plan choices and premiums offered to Medicare eligible retirees. For the 2007 plan year, the following information and changes will apply:

Open Enrollment Period: Medicare eligible retirees and beneficiaries will have the opportunity to elect or to amend coverage for the 2007 plan year during the open enrollment period. The open enrollment period for Medicare eligible retirees will begin October 16, 2006 and will end December 1, 2006.

KRS Health Plans: The Systems will once again be offering the three self-funded plans for Medicare eligible retirees and beneficiaries. These plans include the KRS Health Plan-Medical Only, KRS Health Plan-Plus, and KRS Health Plan-Premium.

The only benefit change in 2007 to the plans will be to increase the annual benefit maximum for prescription drug coverage to the KRS Health Plan-Plus from $3,000 to $3,500. This change was required to ensure the KRS Health Plan-Plus remains "credible coverage" under the provisions of the Medicare Modernization Act for the 2007 plan year.

For the 2007 plan year, premiums for the KRS Health Plans will be as follows:

Plan	Premium
KRS Health Plan-Medical Only	$143.00
KRS Health Plan-Plus	$260.00
KRS Health Plan-Premium	$329.00

If you are currently enrolled under the KRS Health Plan-Medical Only, KRS Health Plan-Plus, or the KRS Health Plan-Premium and do not wish to make changes to coverage, you will not be required to complete a new enrollment form during the open enrollment period to maintain coverage under that plan for the 2007 plan year.

Anthem Medicare Advantage Plans: Due to low enrollment numbers and administrative costs, the Board chose not to offer the two Medicare Advantage plans in the 2007 plan year that are currently being provided by Anthem.

If you are currently enrolled under the Anthem Senior Advantage Plan (HMO Local Network) or the Anthem Blue Medicare Access (PPO Regional Network), you must complete a new enrollment form during the open enrollment period in order to have health insurance coverage for the 2007 plan year.

Revised Information: Several changes have been made to the open enrollment material for Medicare eligible retirees and beneficiaries. The changes to the material are listed below.

All open enrollment material will be bound into one book, including enrollment forms.

The open enrollment material will also serve as your plan coverage booklet for the 2007 plan year. Please be sure to keep this book for future reference if you take health insurance coverage through one of the KRS Health Plans.

Information on premium costs and contributions will be contained in the open enrollment material mailed to you in early October.

Benefits Fairs: The Systems will once again be offering benefits fairs for Medicare eligible retirees during the open enrollment period. A list of these fairs will accompany the materials sent during the open enrollment period.

Non-Medicare Eligible Retirees & Beneficiaries

Open Enrollment Period: Non-Medicare eligible retirees and beneficiaries participating in the Kentucky Employees Health Plan (KEHP) will have the opportunity to elect or to amend coverage for the 2007 plan year during the open enrollment period. The open enrollment period for non-Medicare eligible retirees will begin October 16, 2006 and will end October 27, 2006.

Plans Offered: The KEHP will once again be offering the Commonwealth Essential, Commonwealth Enhanced, and Commonwealth Premier plans in 2007.

If you are currently enrolled in Commonwealth Essential, Commonwealth Enhanced, and Commonwealth Premier and do not wish to make changes to coverage, you will not be required to complete a new enrollment form during the open enrollment period to maintain coverage under that plan for the 2007 plan year.

There will be no changes to the plan design of the Commonwealth Essential, Commonwealth Enhanced, and Commonwealth Premier.

Contribution rates for health insurance have not been formally adopted by the Systems Board of Trustees. Information on premium costs and contributions will be contained in the open enrollment material mailed to you in early October.

Benefits Fairs: The KEHP will be providing benefits fairs throughout the state. A listing of the benefits fairs are provided to the right.

Benefit Fairs for Non-Medicare Eligible Retirees

9/28/06	Franklin	8 a.m.-6 p.m. Convention Center
10/2/06	Leslie	2-6 p.m. Leslie County Board of Education
10/3/06	Rowan	2-6 p.m. Rowan County Board of Education
10/3/06	Nelson	2-6 p.m. Nelson County High School
10/4/06	Jefferson	8 am-6 p.m. Fair and Expo Center-West Hall
10/4/06	Harrison	4-6 p.m. Harrison County High School
10/5/06	Boyle	2-6 p.m. Inter-County Energy Cooperative
10/5/06	Mason	2-6 p.m. Mason County Middle School
10/5/06	Boyd	2-6 p.m. Boyd County Middle School
10/9/06	Hardin	2-6 p.m. New Highland Elementary School
10/9/06	Carroll	4-8 p.m. Carroll County Middle School
10/9/06	Wolfe	2-6 p.m. Campton Elementary School
10/10/06	Barren	2-6 p.m. Kentucky Banking Center
10/10/06	Knott	2-6 p.m. Knott County Board of Education
10/10/06	Kenton	2-6 p.m. Northern KY Area Dev. District
10/11/06	Cumberland	2-6 p.m. Cumberland Co. High School
10/11/06	Madison	3:30-6:30 p.m. Madison Central High School
10/11/06	Pike	2-6 p.m. Pike Central High School
10/12/06	Taylor	2-6 p.m. Taylor County High School
10/12/06	Johnson	2-6 p.m. Johnson Central High School
10/12/06	Montgomery	2-6 p.m. Montgomery Co. High School
10/16/06	Grayson	3:30-6:30 p.m. Grayson Co. Middle
10/16/06	Daviess	2-6 p.m. Daviess Co. Learning Center
10/16/06	Pulaski	2-6 p.m. Center for Rural Development
10/17/06	Union	2-6 p.m. Union County High School
10/17/06	Whitley	2-6 p.m. Whitley County Board of Ed
10/17/06	McCracken	2-6 p.m. Western KY Community & Tech
10/18/06	Lyon	2-6 p.m.Lyon County Public Library
10/18/06	Calloway	2-6 p.m. Calloway County Board of Ed.
10/18/06	Fayette	4-8 p.m. Dunbar High School
10/18/06	Jackson	2-6 p.m.Jackson County Area Tech Center
10/19/06	Warren	2-6 p.m. Greenwood High School
10/19/06	Christian	Christian County Board of Ed.

Kentucky Retirement Systems
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One-on-One Conferences

Each month the Systems offers One-on-One Conferences throughout the state. To make an appointment for a One-on-One Conference at a location near you, please contact the Call Center at 1-888-696-8820. Information on dates and locations of One-on-One Conferences offered this year are available online at http://www.kyret.com/conferences/OneOnOne.htm.

Governor Announces Additional $12 Million for KRS Funding

The 2006-2008 biennial budget passed by the Legislature and the Governor's Surplus Expenditure Plan provided an additional $12 million to KRS to be applied toward the unfunded liabilities in the Kentucky Employees Retirement System (KERS) and the State Police Retirement System (SPRS). These additional funds are greatly appreciated and we would like to thank both the Governor and the Legislature.