

KENTUCKY RETIREMENT SYSTEMS PRESS RELEASE

Kentucky Retirement Systems

KRS Announces Interest Earned and Credited to “Tier 3 Hybrid Cash Balance” Member Accounts

Press Release Date: **FOR IMMEDIATE RELEASE – August 16, 2017**

Contact Information: David L. Eager, Interim Executive Director
502-696-8444

FRANKFORT, KY: Kentucky Retirement Systems (KRS) announced today the interest earned and credited to members in its Tier 3, Hybrid Cash Balance Plan. The Hybrid Cash Balance Plan is for members who began participation on or after January 1, 2014 per guidelines established under Kentucky Revised Statute 61.597.

For the fiscal year ended June 30, 2017, the following earned interest amounts have been calculated:

Kentucky Employees Retirement System Non-Hazardous	7.41%
Kentucky Employees Retirement System Hazardous	7.98%
County Employees Retirement System Non-Hazardous	7.85%
County Employees Retirement System Hazardous	8.07%
State Police Retirement System	7.59%

The KRS Tier 3 Cash Balance Plan is known as a “hybrid” plan because it has characteristics of both a defined contribution plan and a defined benefit plan. Members and employers contribute a specified amount into the member’s account. The account earns a guaranteed four percent (4%) at the end of each fiscal year and if investment returns exceed 4%, the member earns “upside” interest sharing based on the 5-year average geometric investment return. The member’s account is credited with 75% of the amount of the returns over 4% on the account balance as of June 30 of the previous year.

The above rates reflect both the 4% guarantee and the upside share. As of June 30, 2017, KRS had 49,620 members in the Tier 3 Hybrid Cash Balance Plan. This represents 13% of the total KRS membership.

For more information about Tier 3 vesting requirements and how the interest is calculated, please refer to the Tier 3 Guide: <https://kyret.ky.gov/Publications/Books/Tier%203%20Guide.pdf>

#