



Newsletter for Kentucky's Government Officials

ISSUE 1 No. 1

3rd QUARTER FISCAL YEAR 2017-18 (JANUARY – MARCH
2018)



WHAT IS THIS NEWSLETTER?

This is the inaugural issue of an electronic newsletter designed specifically for Kentucky's government officials and their staff members. Each Quarter, we will highlight some of the most important activities of Kentucky Retirement Systems (KRS), including investment updates, retirement trends, and KRS Board of Trustees actions.

Our goal is to keep you up-to-date on news and developments at KRS and promote a better understanding of the benefits administered by the Systems. Please contact us if we can be of service.

Kentucky Retirement Systems is responsible for the investment of funds and administration of pension and health insurance benefits for over 372,000 active and retired state and local government employees, state police officers, and nonteaching staff of local school boards and regional universities.



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QUICK REFERENCE



Kentucky Retirement Systems

Perimeter Park West - 1260 Louisville Road
Frankfort, KY 40601

Hours of Operation: 8 a.m. - 4:30 p.m. Eastern

Phone: 502-696-8800 (Main Office)

Toll Free: 1-800-928-4646

Fax: 502-696-8822

HAVE A CONSTITUENT SERVICES ISSUE?

Contact **Shawn Sparks**, KRS Director of Communications
502-696-8450 Direct Office Telephone
shawn.sparks@kyret.ky.gov



UPCOMING MEETINGS

June 7, 2018

Investment Committee (Special Meeting)

9 a.m. Eastern time

KRS Board of Trustees Meeting

10 a.m. Eastern time

LOCATION:

Kentucky Retirement Systems Office

Board Room - Building C

1270 Louisville Road

Frankfort, KY 40601

Click here for [DIRECTIONS TO KRS](#)

IMPORTANT KRS EVENTS that occurred during the 3rd QUARTER of FY 2017 - 2018



KRS Announces Board of Trustees Election Results

Ms. Sherry Lynn Kremer of Louisville and Mr. Raymond Campbell Connell of Lexington were elected by the KERS membership to serve on the Board of Trustees. Ms. Kremer and Mr. Connell began their four-year terms of office on April 1, 2018. [READ MORE](#)



Mark C. Blackwell Named Executive Director, KRS Office of Legal Services

Mr. Blackwell is responsible for providing legal advice and representation of the Systems in all matters, with an initial focus on investments and investment management and serving as counsel to the Board of Trustees and its committees. The appointment became effective March 1, 2018. [READ MORE](#)



KRS Board of Trustees Quarterly Meeting on February 15, 2018

During their regular Quarterly meeting, the KRS Board reviewed reports about recent investment results, Quarterly Financial Statements, pending legislation from the 2018 Regular Session of the Kentucky General Assembly, and several other important topics. [READ MORE](#)



KRS Board of Trustees, Audit, and Retiree Health Plan Committees meet

The Chair of the KRS Board appoints Trustees to various standing and *ad hoc* committees that are tasked with overseeing different aspects of the Systems. Click on the links above to view a recording of each meeting on the KRS Facebook page.

View upcoming meetings and agendas here:

[BOARD AND COMMITTEE MEETING SCHEDULES](#)



KRS Begins Livestreaming Meetings on Facebook

KRS has more than 372,000 members and retirees who are directly impacted by actions taken by the Board of Trustees. For most people, it is not possible to attend Board and Board Committee meetings in person due to travel and time considerations. Livestreaming these public meetings on Facebook allows for greater access to information for these members.

To view previous meetings [CLICK HERE](#)



2018 LEGISLATIVE SESSION SUMMARY

The 2018 Regular Session of the Kentucky General Assembly adjourned *Sine Die* on April 14, 2018.

Kentucky Retirement Systems continues to analyze the recently-passed legislation and is preparing educational materials to explain the impact this new legislation may have on our members' benefits. Summaries of [SENATE BILL 151](#) (Pension reform) and [HOUSE BILL 185](#) (Death In Line of Duty) are already available on our website.

Please visit the [LEGISLATIVE UPDATES](#) page of our website for the other main KRS-related Bills and Resolutions that passed the General Assembly this Session.

Due to the complexity of legislation passed during the 2018 Regular Session, **KRS**

estimates it will require 5,200 hours of Information Technology-related work (design, development, and testing of programs) **in addition to significant time required for administrative tasks** (developing and hosting training sessions for counselors and Reporting Officials, publishing legislative summaries, meetings with the Systems' actuaries, etc.) **to fully implement the requirements of the new laws.**



INVESTMENT HIGHLIGHTS

3rd Quarter FY 2017- 2018 (JANUARY – MARCH 2018)

During the 3rd Quarter of Fiscal Year 2017 – 2018 the KRS Total Fund returned 0.41%, outperforming the benchmark return of -0.10%. The Total Market Value of the KRS Pension Fund as of March 31, 2018 was \$12.307 billion, and the Total Market Value of the KRS Insurance Fund as of March 31, 2018 was \$5.098 billion. Total System Assets as of March 31, 2018 was \$17.40 Billion.

PENSION AND INSURANCE FUND ASSETS

(Expressed in Billions)

2018	January	February	March
PENSION FUND ASSETS	\$12.709	\$12.384	\$12.307
INSURANCE FUND ASSETS	\$ 5.239	\$ 5.109	\$ 5.098
TOTAL ASSETS	\$17.94 Billion	\$17.49 Billion	\$17.40 Billion

For more information, please refer to the [January 2018](#), [February 2018](#), and [March 2018](#) KRS Monthly Performance Updates.

WANT TO KNOW MORE ABOUT KRS INVESTMENTS?

Visit our website to see other Monthly Performance Updates, Investment Holdings and Policies, Investment Manager Fees and Contracts, and many other educational resources: [KRS INVESTMENTS](#)



Key Retirement Statistics from the 3rd Quarter of Fiscal Year 2017 - 2018

RETIREMENT TRENDS

KRS continues to experience a high volume of retirements this Fiscal Year. A total of 414 KRS participants retired in March 2018, up 5.6% from March 2017. January 2018 saw 962 retirements, while 453 retired in February 2018. From the beginning of the current Fiscal Year (July 2017) through March 2018, KRS retirements are up 16%.

Please visit our website for monthly retirement totals from Fiscal Year 2014 to the present month: [KRS RETIREMENT TRENDS](#)

OFFICE VISITORS

Members may schedule appointments to meet with KRS Benefits Counselors at our office in Frankfort. Counseling sessions are very popular, and often must be scheduled weeks in advance.

Please call us at 502-696-8800 or toll free at 1-800-928-4646 to schedule an appointment.

2018	January	February	March
Total Visitors Seen in Office	673	645	759

TELEPHONE CALLS

KRS Benefits Counselors are available by telephone every weekday, from 8 a.m. until 4:30 p.m. Eastern time, to speak with members regarding their retirement options, and to speak with retirees who have questions about their benefit payments. **We experience our heaviest call volume on Mondays, so placing your call on another day of the week, if possible, may result in your call being addressed more quickly.** Members can also take advantage of our Call Back Assist feature, where they can leave their contact information on a recorded message and a counselor will call them back in the order in which the messages are received. Members who have utilized this feature have told us they are very happy with the time-saving results.

2018	January	February	March
Total Inbound Calls Answered	25,149	23,243	23,878

NUMBER OF RETIREE BENEFITS DELIVERED and TOTAL PAYMENT AMOUNTS

Every month, KRS provides pension benefit payments to our retirees and beneficiaries. In March 2018 alone, KRS delivered over \$171.5 million in retirement allowances to 121,934 retirees and beneficiaries. Please see the charts below for additional details.

PAYROLL PROCESS EXPLANATION

The Retiree Services Payroll Division processes two different types of payrolls: monthly and supplemental. **Monthly payroll** is processed once a month and includes new retirements and ongoing monthly payments. Any changes that need to be made to a member's account such as direct deposit changes, taxes, setting up a deduction, stopping a deduction, and other types of member maintenance is done through monthly payroll.

Supplemental Payroll processes one-time payments and refunds and is run more frequently than monthly payroll. Supplemental payroll can include retroactive payments for missed monthly payments, refund of contributions, death benefits, death refunds, replacement checks for lost or damaged checks, insurance reimbursements and replacement checks for returned direct deposit transactions.

During the 3rd Quarter of FY 2017-2018, the following payments were processed:

Monthly Payroll Retirement Allowance				
SYSTEM	January	February	March	Quarterly Total
KERS	\$85,870,185	\$85,992,538	\$85,995,217	\$257,857,940
CERS	\$80,466,106	\$80,529,588	\$80,678,371	\$241,674,062
SPRS	\$4,929,533	\$4,915,388	\$4,898,489	\$14,743,410
TOTAL	\$171,265,824	\$171,437,514	\$171,572,077	\$514,275,412

Monthly Payroll Payee Count (Retirees and Beneficiaries)			
SYSTEM	January	February	March
KERS	49,997	50,041	50,094
CERS	69,984	70,128	70,239
SPRS	1,601	1,601	1,601
TOTAL	121,582	121,770	121,934

\$5,000 Death Benefit Payments					
SYSTEM	January	February	March	Quarterly Total	Payroll Count
KERS	\$495,000	\$515,000	\$410,000	\$1,420,000	284
CERS	\$840,000	\$620,000	\$650,000	\$2,110,000	422
SPRS	\$15,000	\$0.00	\$15,000	\$30,000	6
TOTAL	\$1,350,000	\$1,135,000	\$1,075,000	\$3,560,000	712

Lump Sum Refund Payments				
SYSTEM	January	February	March	Quarterly Total

KERS	\$2,058,497	\$1,306,967	\$1,200,074	\$4,565,538
CERS	\$2,403,033	\$1,894,256	\$2,316,890	\$6,614,179
SPRS	<u>\$38,891</u>	<u>\$5,234</u>	<u>\$4,457</u>	\$48,582
TOTAL	\$4,500,421	\$3,206,457	\$3,521,421	\$11,228,299

System Health Insurance Contributions				
SYSTEM	January	February	March	Quarterly Total
KERS	\$12,627,934	\$12,683,705	\$12,660,564	\$37,972,203
CERS	\$17,491,265	\$17,729,816	\$17,719,241	\$52,940,323
SPRS	<u>\$1,128,370</u>	<u>\$1,159,415</u>	<u>\$1,151,748</u>	\$3,439,533
TOTAL	\$31,247,569	\$31,572,936	\$31,531,553	\$94,352,059

KRS SELF SERVICE FEATURE

The KRS Self Service feature allows members and retirees to access their account information 24 hours a day, seven days a week, from the comfort of their own homes.

Read more about this helpful service here: [SELF SERVICE](#)

EXECUTIVE STAFF CONTACT INFORMATION

Have a question about Kentucky Retirement Systems?

Call or email one of the people below...



David L. Eager
KRS EXECUTIVE DIRECTOR

502-696-8444
[EMAIL DAVE](#)



Karen Roggenkamp
EXECUTIVE DIRECTOR
OFFICE OF OPERATIONS

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EXECUTIVE DIRECTOR
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Mark C. Blackwell
EXECUTIVE DIRECTOR
OFFICE OF LEGAL SERVICES

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Rich Robben
INTERIM EXECUTIVE DIRECTOR
OFFICE OF INVESTMENTS

502-696-8642
[EMAIL RICH](#)



Alane Foley
SPECIAL ASSISTANT
BOARD RECORDING SECRETARY

502-696-8646
[EMAIL ALANE](#)



Shawn Sparks

DIRECTOR OF COMMUNICATIONS

CONSTITUENT SERVICES

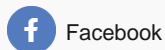
502-696-8450

[EMAIL SHAWN](mailto:shawn@kyret.ky.gov)



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or follow us on Facebook, Twitter, and YouTube



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