

THE KENTUCKY RETIREMENT SYSTEMS

BOARD OF TRUSTEES

RESOLUTION CONCERNING COST OF LIVING ADJUSTMENTS

WHEREAS, the unfunded liability of certain retirement trusts within the Kentucky Retirement Systems presents a significant challenge to provide future benefits to present and future beneficiaries of those trusts, and,

WHEREAS, KRS 61.691 , as amended by HB 1 in 2008, provides for an automatic increase of benefits of one and one-half percent (1.5%) annually, unless the General Assembly acts otherwise, and,

WHEREAS, the enrolled actuary of the Kentucky Retirement Systems, Cavanaugh McDonald Consulting, LLC, formally opined to the Kentucky Retirement Systems by letter dated July 7, 2010 (Copy attached as Exhibit A), that the cost of an ad hoc cost of living adjustment (COLA) of 1.5% increases the Actuarial Accrued Liability annually by \$198,612,607.00, based upon the valuation as of June 30, 2009,

NOW THEREFORE, the Board of Trustees of the Kentucky Retirement Systems, by a unanimous vote taken in public session of its regular quarterly meeting held November 18, 2010, hereby resolves to urge the Governor and General Assembly to make certain that any amount of cost of living adjustment given pursuant to KRS 61.691 is fully funded, in addition to the amounts provided pursuant to KRS 61.565.

Done this 18th Day of November, 2010.

THE TRUSTEES OF THE KENTUCKY RETIREMENT SYSTEMS

By: _____

Randy Overstreet, Chair