



JUDICIAL FORM RETIREMENT SYSTEM

JUDICIAL RETIREMENT PLAN | LEGISLATORS RETIREMENT PLAN

Daniel Venters, Chairman
Board of Trustees

Bo Cracraft
Executive Director

November 21, 2025

Legislative Research Commission
700 Capital Ave.
Frankfort, KY 40601

RE: Judicial Form Retirement – KRS 21.405 Biennium Cost of Living Adjustment Advisement

Honorable Members of the General Assembly,

As required by KRS 21.405(5)(b), please accept this letter on behalf of the Board of Trustees for the Judicial Form Retirement System (JFRS) advising members of the General Assembly of current funding levels and information regarding prospective cost of living adjustments (COLAs) to recipients of the Judicial Retirement Plan (JRP) and the Legislators Retirement Plan (LRP).

JUDICIAL RETIREMENT PLAN

As of the most recently completed funding valuation, conducted as of July 1, 2025, the JRP pension had reached a funding level greater than one hundred percent and had an actuarial surplus of assets totaling 83.5 million.

As required by KRS 21.405(5)(b), please see the table below, which provides JRP's projected funding level, surplus of actuarial assets, and amount of funds needed to prefund a 1.5% COLA to current recipients for the upcoming two-year biennium budget period.

In addition to a traditional COLA, the Board of Trustees also asked the actuary to estimate the cost of providing current recipients a 13th check. This would be a one-time payment per fiscal year equal to the annuitant's monthly retirement allowance and would not increase the monthly allowance going forward like a traditional COLA.

Judicial Retirement Plan				
Fiscal Year Beginning July 1	Funding Ratio	Surplus Actuarial Assets	Fund Required to Prefund 1.5% COLA	Funds Required to Provide a 13 th Check
2026	121%	\$83.5 million		\$2.45 Million
2027	128%	\$107.8 million	\$4.439 million	\$2.60 Million
2028	138%	\$146.4 million	\$4.798 million	\$2.65 Million

As shown above, based on current projections, JRP does have adequate surplus actuarial assets available to support either a traditional COLA or 13th Check to current recipients.

LEGISLATORS RETIREMENT PLAN

As of the most recently completed funding valuation, conducted as of July 1, 2025, the LRP pension had reached a funding level greater than one hundred percent and had an actuarial surplus of assets totaling 32.8 million.

As required by KRS 21.405(5)(b), please see the table below, which provides JRP's projected funding level, surplus of actuarial assets, and amount of funds needed to prefund a 1.5% COLA to current recipients for the upcoming two-year biennium budget period.

Whitaker Bank Building, Suite 302 | 305 Ann Street | Frankfort, Kentucky 40601

☎ (502) 564-5310 | Fax (502) 564-2560 | ✉ Bo.Cracraft@ky.gov

In addition to a traditional COLA, the Board of Trustees also asked the actuary to estimate the cost of providing current recipients a 13th check. This would be a one-time payment per fiscal year equal to the annuitant's monthly retirement allowance and would not increase the monthly allowance going forward like a traditional COLA.

Legislators Retirement Plan				
Fiscal Year Beginning July 1	Funding Ratio	Surplus Actuarial Assets	Fund Required to Prefund 1.5% COLA	Funds Required to Provide a 13 th Check
2026	149%	\$32.8 million		\$0.51 Million
2027	160%	\$39.3 million	\$0.845 million	\$0.53 Million
2028	175%	\$48.6 million	\$0.914 million	\$0.53 Million

As shown above, based on current projections, LRP does have adequate surplus actuarial assets available to support either a traditional COLA or 13th Check to current recipients.

The Judicial Form Retirement System welcomes any questions or request for additional information. We can be reached at our Frankfort office by calling 502.564.5310.

Sincerely,



Bo Cracraft
Executive Director
Judicial Form Retirement System