

KENTUCKY JUDICIAL FORM RETIREMENT SYSTEM

Public Pension Oversight Board
November 26, 2018

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Legislators Retirement Investment Committee

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Judicial Retirement Plan

Schedule of Funding Progress and State Contributions

| Defined Benefit Plan | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-------------|-------------|-------------|-------------|-------------|
| Benefits | | | | | |
| Net Position (dollar amounts in millions) | \$243.9 | \$264.5 | \$267.2 | \$292.2 | \$310.3 |
| Funding Level | 66.6% | 71.3% | 71.0% | 78.8% | 82.9% |
| Actuarially Required Contribution | \$10.8 | \$15.1 | \$15.1 | \$11.9 | \$11.9 |
| State Contribution as a Percentage of Payroll | 32.8% | 50.3% | 50.3% | 43.1% | 42.7% |
| Medical Insurance | | | | | |
| Net Position (dollar amounts in millions) | | | | \$79.1 | \$86.2 |
| Funding Level | | | | 151.8% | 158.7% |
| Actuarially Required Contribution | | | | \$1.2 | \$1.2 |
| State Contribution as a Percentage of Payroll | | | | 4.3% | 4.3% |

| Hybrid Cash Balance Plan | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-------------|-------------|-------------|-------------|-------------|
| Benefits | | | | | |
| Net Position (dollar amounts in thousands) | | \$90.5 | \$265.0 | \$483.9 | \$766.7 |
| Funding Level | | 106.5% | 101.3% | 95.5% | 100.4% |
| Actuarially Required Contribution | | \$42.6 | \$71.3 | \$69.3 | \$69.3 |
| State Contribution as a Percentage of Payroll | | 2.2% | 3.7% | 2.6% | 2.5% |
| Medical Insurance | | | | | |
| Net Position (dollar amounts in thousands) | | | | \$58.9 | \$97.8 |
| Funding Level | | | | 125.1% | 137.6% |
| Actuarially Required Contribution | | | | \$0.0 | \$0.0 |
| State Contribution as a Percentage of Payroll | | | | 0.0% | 0.0% |

Legislators Retirement Plan

Schedule of Funding Progress and State Contributions

| Defined Benefit Plan | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-------------|-------------|-------------|-------------|-------------|
| Benefits | | | | | |
| Net Position (dollar amounts in millions) | \$54.6 | \$60.1 | \$61.8 | \$68.3 | \$72.6 |
| Funding Level | 69.4% | 78.9% | 78.9% | 92.9% | 97.8% |
| Actuarially Required Contribution | \$1.8 | \$3.4 | \$3.4 | \$2.4 | \$2.4 |
| State Contribution as a Percentage of Payroll | 36.1% | 75.6% | 75.6% | 68.6% | 68.6% |
| Medical Insurance | | | | | |
| Net Position (dollar amounts in millions) | | | | \$42.0 | \$45.1 |
| Funding Level | | | | 190.9% | 196.1% |
| Actuarially Required Contribution | | | | \$0.0 | \$0.0 |
| State Contribution as a Percentage of Payroll | | | | 0.0% | 0.0% |

| Hybrid Cash Balance Plan | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|-------------|-------------|-------------|-------------|-------------|
| Benefits | | | | | |
| Net Position (dollar amounts in thousands) | | \$19.9 | \$59.7 | \$115.9 | \$190.9 |
| Funding Level | | 91.7% | 99.0% | 103.5% | 98.1% |
| Actuarially Required Contribution | | \$8.8 | \$14.5 | \$15.4 | \$15.4 |
| State Contribution as a Percentage of Payroll | | 2.1% | 3.5% | 1.7% | 1.7% |
| Medical Insurance | | | | | |
| Net Position (dollar amounts in thousands) | | | | \$29.7 | \$48.3 |
| Funding Level | | | | 82.5% | 83.0% |
| Actuarially Required Contribution | | | | \$5.6 | \$5.6 |
| State Contribution as a Percentage of Payroll | | | | 0.6% | 0.6% |

Judicial Retirement Plan

Statement of Changes in Net Position

| Item | FY 2016-2017 | FY 2017-2018 | FYTD 2018 September 30, 2017 | FYTD 2019 September 30, 2018 |
|---|-------------------------|-------------------------|---------------------------------|---------------------------------|
| Cash Inflows | | | | |
| Member Contributions | \$1,781,858.00 | \$2,195,624.00 | \$445,607.00 | \$263,231.00 |
| Employer Contributions/Appropriations | \$13,761,972.00 | \$14,373,375.00 | \$12,315,900.00 | \$9,463,638.00 |
| Investment Income (Net of Investment Exp) | \$7,841,519.00 | \$8,285,542.00 | \$2,324,446.00 | \$2,284,238.00 |
| Total Cash Inflows | \$23,385,349.00 | \$24,854,541.00 | \$15,085,953.00 | \$12,011,107.00 |
| Cash Outflows | | | | |
| Benefit Payments/Refunds | \$24,954,821.00 | \$25,155,283.00 | \$6,232,420.00 | \$6,356,294.00 |
| Adm. Expense | \$288,800.00 | \$567,900.00 | \$85,517.00 | \$99,902.00 |
| Other/Misc Expense | | | | |
| Total Cash Outflows | \$25,243,621.00 | \$25,723,183.00 | \$6,317,937.00 | \$6,456,196.00 |
| NET Cash Flow Before Asset Gain/(Losses) | -\$1,858,272.00 | -\$868,642.00 | \$8,768,016.00 | \$5,554,911.00 |
| Realized/Unrealized Investment Gains or (Losses) | \$35,866,319.00 | \$26,601,157.00 | \$7,242,967.00 | \$31,288,327.00 |
| Net Plan Assets | \$34,008,047.00 | \$25,732,515.00 | \$16,010,983.00 | \$36,843,238.00 |
| Beginning of Period | \$337,819,709.00 | \$371,827,756.00 | \$371,827,756.00 | \$397,560,271.00 |
| End of Period | \$371,827,756.00 | \$397,560,271.00 | \$387,838,739.00 | \$434,403,509.00 |

Legislators Retirement Plan

Statement of Changes in Net Position

| Item | FY 2016-2017 | FY 2017-2018 | FYTD 2018 September 30, 2017 | FYTD 2019 September 30, 2018 |
|---|-------------------------|-------------------------|---------------------------------|---------------------------------|
| Cash Inflows | | | | |
| Member Contributions | \$319,514.00 | \$242,235.00 | \$48,303.00 | \$30,359.00 |
| Employer Contributions/Appropriations | \$2,683,636.00 | \$2,606,400.00 | \$1,314,000.00 | \$309,800.00* |
| Investment Income (Net of Investment Exp) | \$2,446,857.00 | \$2,429,490.00 | \$724,030.00 | \$653,091.00 |
| Total Cash Inflows | \$5,450,007.00 | \$5,278,125.00 | \$2,086,333.00 | \$993,250.00 |
| Cash Outflows | | | | |
| Benefit Payments/Refunds | \$4,966,105.00 | \$5,285,983.00 | \$1,320,166.00 | \$1,333,799.00 |
| Adm. Expense | \$208,091.00 | \$229,305.00 | \$86,909.00 | \$58,935.00 |
| Other/Misc Expense | | | | |
| Total Cash Outflows | \$5,174,196.00 | \$5,515,288.00 | \$1,407,075.00 | \$1,392,734.00 |
| NET Cash Flow Before Asset Gain/(Losses) | \$275,811.00 | -\$237,163.00 | \$679,258.00 | -\$399,484.00 |
| Realized/Unrealized Investment Gains or (Losses) | \$10,367,549.00 | \$7,776,946.00 | \$2,116,513.00 | \$9,156,147.00 |
| Net Plan Assets | \$10,643,360.00 | \$7,539,783.00 | \$2,795,771.00 | \$8,756,663.00 |
| Beginning of Period | \$99,827,083.00 | \$110,470,443.00 | \$110,470,443.00 | \$118,010,226.00 |
| End of Period | \$110,470,443.00 | \$118,010,226.00 | \$113,266,214.00 | \$126,766,889.00 |

* No funding for LRP ARC was budgeted. Amount represents direct appropriation for administrative expense purposes only.