



Teachers' Retirement System of the State of Kentucky

Public Pension Oversight Board

Aug. 26, 2019

Gary L. Harbin, CPA
Executive Secretary

Investment Performance

Retirement Annuity Trust Preliminary Returns as of June 30, 2019

	1-year	3-year	5-year	10-year	20-year
Gross	5.9%	10.62%	7.08%	10.33%	6%
<i>Benchmarks</i>	7.44%	10.22%	7.04%	10.15%	N/A
<i>Rankings</i>	Top 56%	Top 6%	Top 7%	Top 8%	N/A
Net	5.59%	10.31%	6.82 %	10.08%	5.85%

30-year compounded gross return
8.13%

Cash Flow Update

Retirement Annuity Trust – Preliminary and Unaudited

	FY 2019	FY 2018
Cash Inflows		
Member Contributions	314,324,000	319,127,000
Employer Contributions/Appropriations	1,103,120,000	1,048,671,000
Investment Income (Net of any asset gains/losses)	<u>427,021,000</u>	<u>379,157,000</u>
Total Cash Inflows	1,844,465,000	1,746,955,000
Cash Outflows		
Benefit Payments/Refunds	2,126,767,000	2,035,744,000
Administrative Expense	<u>11,500,000</u>	<u>11,388,000</u>
Total Outflows	2,138,267,000	2,047,132,000
Net Cash Flow Before Asset Gain/(Losses) *	(293,802,000)	(300,177,000)
Investment Gains or Losses (realized and unrealized)	651,487,000	1,574,057,000
Net Plan Assets	20,337,667,000	19,981,633,000

* Appreciation/depreciation in Fair Value does not generate cash inflows or outflows.

Cash Flow Update

Health Insurance Trust – Preliminary and Unaudited

	FY 2019	FY 2018
Cash Inflows		
Member Contributions	186,653,000	188,461,000
Employer Contributions/Appropriations	185,510,000	187,102,000
Recovery Income	84,547,000	88,612,000
Investment Income (Net of any asset gains/losses)	<u>10,470,000</u>	<u>7,886,000</u>
Total Cash Inflows	467,180,000	472,061,000
Cash Outflows		
Benefit Payments/Refunds	304,811,000	307,376,000
Administrative Expense	<u>1,700,000</u>	<u>1,748,000</u>
Total Outflows	306,511,000	309,124,000
Net Cash Flow Before Asset Gain/(Losses) *	160,669,000	162,937,000
Investment Gains or Losses (realized and unrealized)	63,836,000	68,954,000
Net Plan Assets	1,416,486,000	1,190,281,000

* Appreciation/depreciation in Fair Value does not generate cash inflows or outflows.

2020-22 Budget Request

Preliminary

	FY 2019	FY 2020	FY 2021	FY 2022
Pension Leave of Absence Matching and Other	4,099,100	4,200,600	4,302,100	4,403,600
State's Portion of Shared Responsibility Medical Funding	59,500,000	70,000,000	65,000,000	70,000,000
Total Annual Expenditures in Budget	63,599,100	74,200,600	69,302,100	74,403,600
Amortized Payments	112,845,300	116,442,400	117,114,700	120,550,200
Additional Employer Contributions Required by KRS 161.550(6)	572,850,100	538,253,000	554,092,000	560,000,000
TRS BUDGET ACTUAL / Requested	749,294,500	728,896,000	740,508,800	754,953,800
Statutory Contribution Funded Through Seek Formula in KDE Budget	408,500,000	417,600,000	426,000,000	435,000,000
Total to TRS	1,157,794,500	1,146,496,000	1,166,508,800	1,189,953,800
State's Expenditure for Debt Service	78,866,000	60,578,400	51,660,000	33,015,900
Total Including Debt Service	1,236,660,500	1,207,074,400	1,218,168,800	1,222,969,700



***Our Members
Come First!***

800-618-1687

**8 a.m. – 5 p.m. ET
Monday – Friday**

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Protecting & Preserving Teachers' Retirement Benefits