



Public Pension Oversight Board

June 1, 2020

David Eager, Executive Director
Erin Surratt, Director of Benefits

Pension Projections to June 30, 2020*

Contribution Rates

\$ MIL

	KERS Non-Haz	KERS Haz	CERS Non-Haz	CERS Haz	SPRS
<u>Market Value of Assets</u>					
06/30/2019	\$2.234	\$681	\$7,160	\$2,414	\$286
06/30/2020 Projected*	\$2.270	\$680	\$6,938	\$2,340	\$281
<u>Contribution Increase (%)</u>					
FY 2022	0.1%	0.4%	0.3%	0.4%	0.7%
FY 2026	0.5%	2.3%	1.6%	2.7%	4.2%
<u>Contribution Increase (\$MIL)</u>					
FY 2022	\$3	\$1	\$17	(\$3)	\$0
FY 2026	\$7	\$3	\$46	\$17	\$1

*Assume assets as of 05/26/2020 remain unchanged through 06/30/2020

Pension Projections to June 30, 2020*

Funded Ratios

	KERS Non-Haz	KERS Haz	CERS Non-Haz	CERS Haz	SPRS
Expected FY 2021*	14%	56%	49%	46%	28%
Projected FY 2021**	14%	56%	49%	45%	28%
Expected FY 2025*	22%	64%	55%	51%	36%
Projected FY 2025**	22%	61%	52%	48%	34%

*Assumes asset earns assumed rate (5.25%/6.25%)

**Assumes assets as of 05/26/2020 remain unchanged through 06/30/2020 and assumed rates thereof?



Pension - Investment Update 4/30/20

Net of Fees Rates of Return

	Market Value (in \$millions)	FYTD	1 Year	3 Years	5 Years	10 Years	20 Years
KERS Non-Hazardous	\$2,236.3	-1.1%	0.2%	4.7%	4.5%	6.3%	5.0%
<i>Plan Index</i>		-2.0%	-0.6%	4.7%	4.6%	6.4%	5.0%
KERS Hazardous	\$668.8	-2.6%	-1.3%	4.5%	4.7%	6.4%	5.1%
<i>Plan Index</i>		-2.8%	-1.5%	4.4%	4.5%	6.4%	5.1%
CERS Non-Hazardous	\$6,848.1	-2.4%	-1.2%	4.6%	4.8%	6.4%	5.1%
<i>Plan Index</i>		-2.8%	-1.5%	4.4%	4.5%	6.4%	5.1%
CERS Hazardous	\$2,310.8	-2.5%	-1.2%	4.6%	4.8%	6.4%	5.1%
<i>Plan Index</i>		-2.8%	-1.5%	4.4%	4.5%	6.4%	5.1%
SPRS	\$277.1	-1.5%	-0.2%	4.5%	4.3%	6.2%	5.0%
<i>Plan Index</i>		-2.0%	-0.6%	4.4%	4.4%	6.4%	5.0%



Insurance - Investment Update 4/30/20

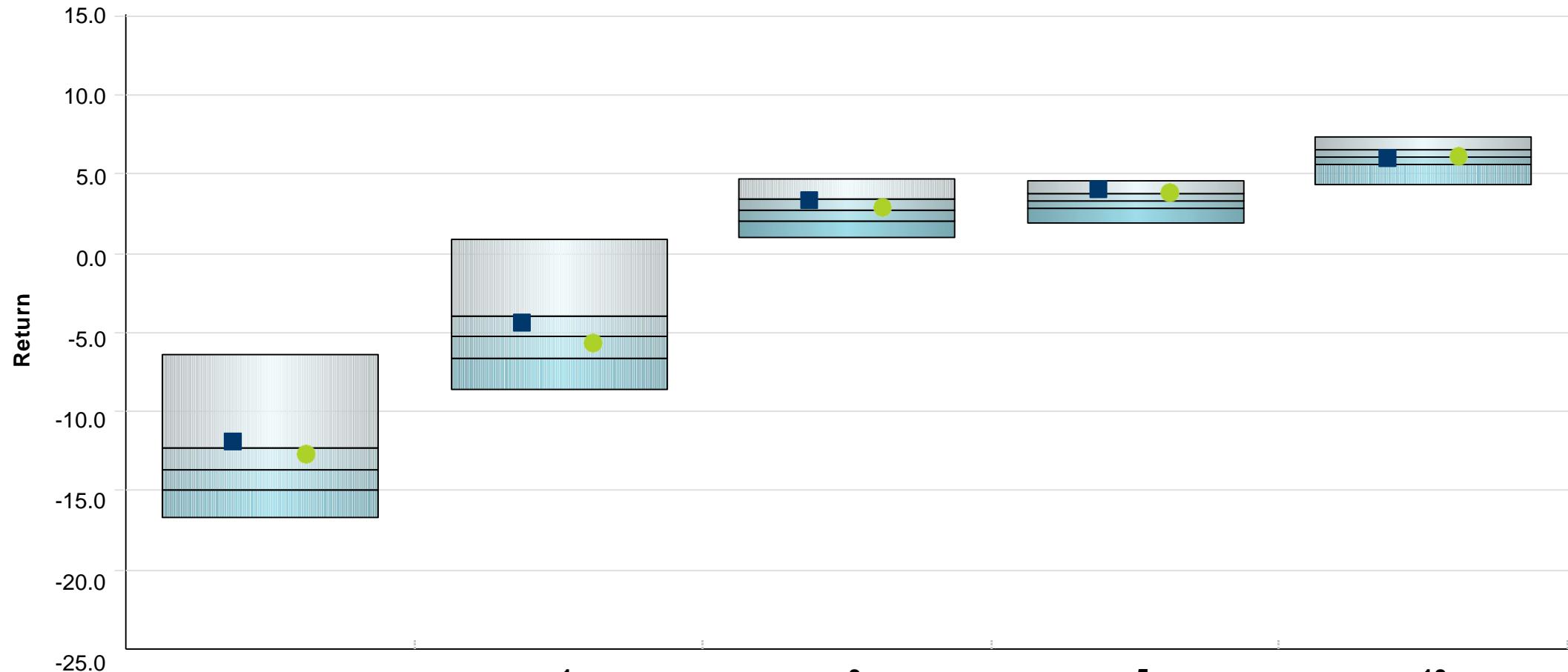
Net of Fees Rates of Return

	Market Value (in \$millions)	FYTD	1 Year	3 Years	5 Years	10 Years	20 Years
KERS Non-Hazardous	\$945.2	-2.8%	-1.7%	3.9%	4.3%	5.8%	4.4%
		-2.8%	-1.5%	4.4%	4.6%	6.6%	4.7%
KERS Hazardous	\$501.7	-2.6%	-1.4%	4.5%	4.7%	6.1%	4.6%
<i>Plan Index</i>		-2.8%	-1.5%	4.5%	4.6%	6.6%	4.7%
CERS Non-Hazardous	\$2,410.7	-2.5%	-1.2%	4.7%	4.9%	6.2%	4.6%
<i>Plan Index</i>		-2.8%	-1.5%	4.5%	4.6%	6.7%	4.7%
CERS Hazardous	\$1,270.0	-2.4%	-1.1%	4.8%	5.0%	6.2%	4.6%
<i>Plan Index</i>		-2.8%	-1.5%	4.5%	4.6%	6.7%	4.7%
SPRS	\$194.1	-2.0%	-0.7%	4.9%	5.0%	6.3%	4.6%
<i>Plan Index</i>		-2.8%	-1.5%	4.5%	4.6%	6.7%	4.7%

Plan Sponsor Peer Group Analysis

KRS Pension Plan vs All Public Plans-Total Fund

Periods Ended March 31, 2020



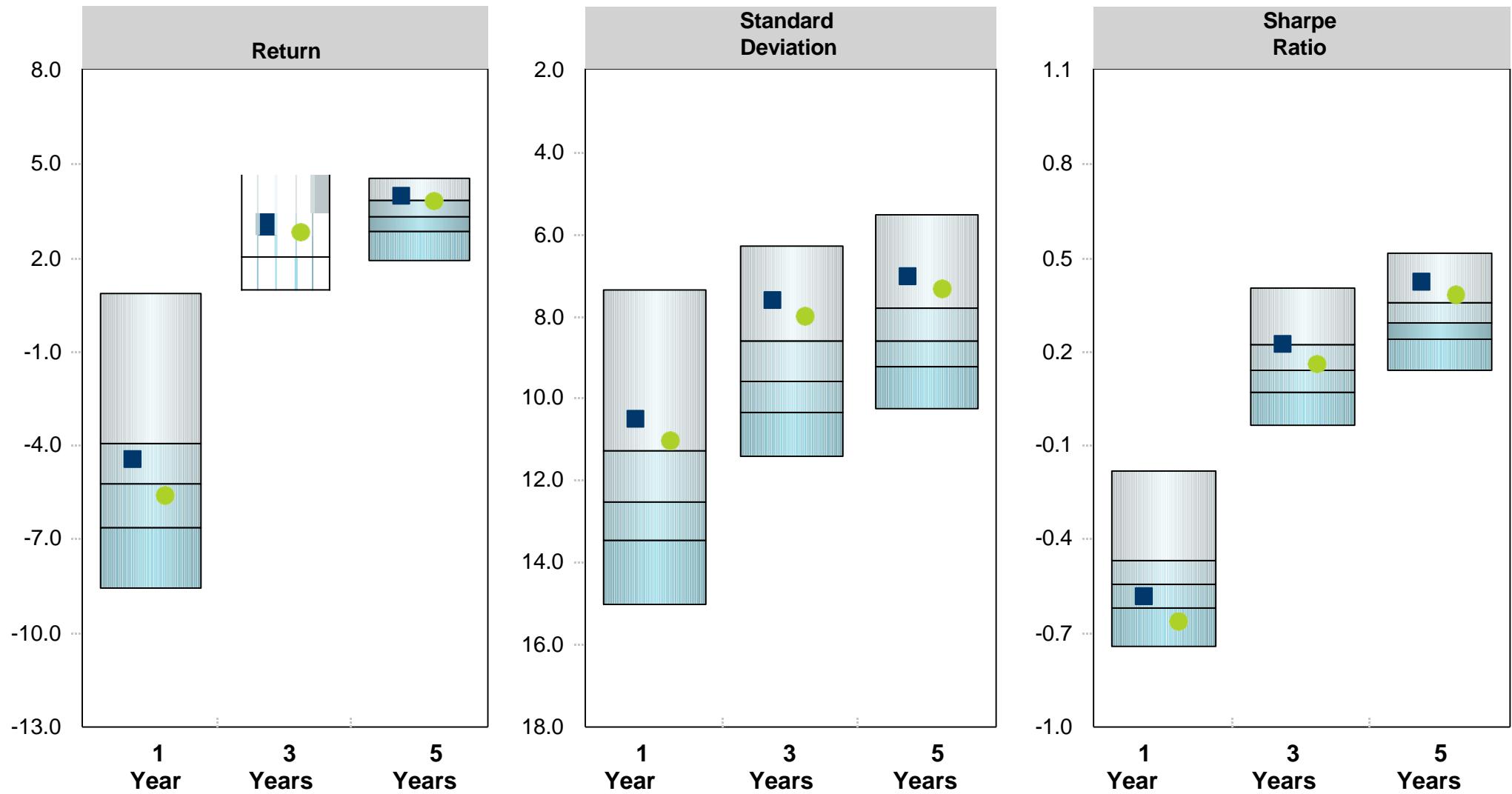
	QTD	1 Year	3 Years	5 Years	10 Years
■ KRS Pension Plan	-11.98 (21)	-4.45 (35)	3.29 (30)	3.97 (19)	5.99 (55)
● KRS Allocation Index	-12.76 (34)	-5.64 (58)	2.82 (46)	3.78 (27)	6.08 (50)
5th Percentile	-6.39	0.86	4.67	4.56	7.34
1st Quartile	-12.26	-3.90	3.41	3.83	6.57
Median	-13.67	-5.24	2.72	3.29	6.07
3rd Quartile	-14.99	-6.63	2.02	2.84	5.61
95th Percentile	-16.71	-8.57	0.97	1.92	4.41
Population	592	590	555	512	422

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Plan Sponsor Peer Group Analysis-Multi Statistics

KRS Pension Plan

Periods Ended March 31, 2020



	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years
■ KRS Pension Plan	-4.45 (35)	3.29 (30)	3.97 (19)	10.52 (16)	7.63 (10)	7.02 (11)	-0.58 (63)	0.22 (25)	0.42 (13)
● KRS Allocation Index	-5.64 (58)	2.82 (46)	3.78 (27)	11.04 (21)	8.01 (14)	7.33 (16)	-0.66 (86)	0.16 (44)	0.38 (18)

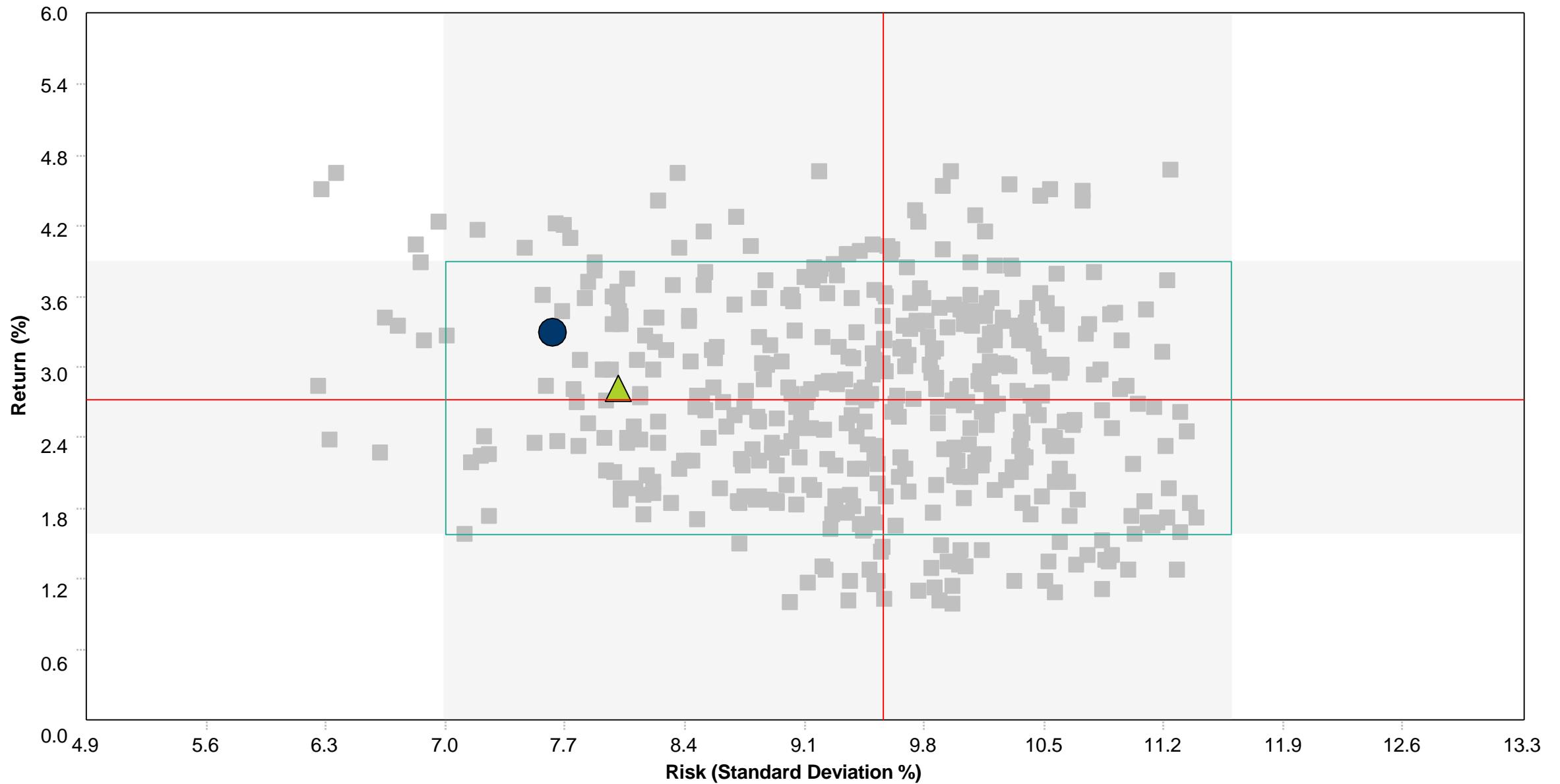
5th Percentile	0.86	4.67	4.56	7.35	6.26	5.53	-0.18	0.40	0.52
1st Quartile	-3.90	3.41	3.83	11.25	8.60	7.79	-0.47	0.22	0.36
Median	-5.24	2.72	3.29	12.50	9.56	8.59	-0.54	0.14	0.29
3rd Quartile	-6.63	2.02	2.84	13.44	10.35	9.20	-0.62	0.07	0.24
95th Percentile	-8.57	0.97	1.92	14.99	11.40	10.25	-0.74	-0.03	0.14

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Plan Sponsor Scattergram

KRS Pension Plan vs All Public Plans-Total Fund

Periods Ended April 1, 2017 To March 31, 2020



	Return	Standard Deviation
KRS Pension Plan	3.29	7.63
rp KRS Allocation Index	2.82	8.01
—Median	2.72	9.56

Calculation based on monthly periodicity.



Pension Fund Contribution Report
(KERS Non Hazardous, KERS Hazardous & SPRS)
March 31, 2020 (compared to March 31, 2019)
 (\$ in millions)

						
Contributions	FY19	FY20	FY19	FY20	FY19	FY20
<i>Member Contributions</i>	\$74.7	\$75.4	\$13.7	\$14.8	\$3.9	\$3.6
<i>Employer Contributions</i>	777.6	756.8	44.7	47.7	48.3	48.1
Contribution Inflows	852.3	832.2	58.4	62.5	52.2	51.7
<i>Benefit Payments/Refunds</i>	749.4	759.4	53.9	56.4	45.8	46.7
<i>Administrative Expenses</i>	8.2	8.6	0.8	0.9	0.2	0.2
Contribution Outflows	757.6	768.0	54.7	57.3	46.0	46.9
NET Contributions	94.7	64.2	3.7	5.2	6.2	4.8
<i>Net Investment Income</i>	23.0	29.0	8.3	9.7	3.5	4.0
<i>Realized Gain/(Loss)</i>	28.9	62.9	8.8	22.1	3.1	8.6
<i>Unrealized Gain/(Loss)</i>	9.3	(221.3)	1.0	(84.2)	1.1	(29.9)
NET Investment Activity	61.2	(129.4)	18.1	(52.4)	7.7	(17.3)
Change in Net Position	155.9	(65.2)	21.8	(47.2)	13.9	(12.5)
<i>Beginning of Period</i>	2,048.9	2,286.6	651.2	687.9	268.4	287.2
<i>End of Period</i>	\$2,204.8	\$2,221.4	\$673.0	\$640.7	\$282.3	\$274.7



Pension Fund Contribution Report
(CERS-Non Hazardous and CERS-Hazardous)
March 31, 2020 (compared to March 31, 2019)
 (\$ in millions)

				
Contributions	FY19	FY20	FY19	FY20
<i>Member Contributions</i>	\$122.6	\$125.7	\$45.9	\$48.7
<i>Employer Contributions</i>	282.9	345.7	104.0	127.1
Contribution Inflows	405.5	471.4	149.9	175.8
<i>Benefit Payments/Refunds</i>	582.8	608.5	195.3	208.6
<i>Administrative Expenses</i>	15.4	16.2	1.2	1.4
Contribution Outflows	598.2	624.7	196.5	210.0
NET Contributions	(192.7)	(153.3)	(46.6)	(34.2)
<i>Net Investment Income</i>	87.3	97.7	29.9	33.8
<i>Realized Gain/(Loss)</i>	98.8	240.0	32.4	79.7
<i>Unrealized Gain/(Loss)</i>	7.8	(863.6)	3.2	(293.2)
NET Investment Activity	193.9	(525.9)	65.5	(179.7)
Change in Net Position	1.2	(679.2)	18.9	(213.9)
<i>Beginning of Period</i>	7,086.3	7,243.0	2,361.1	2,429.6
<i>End of Period</i>	\$7,087.5	\$6,563.8	\$2,380.0	\$2,215.7



Pension Fund Contribution Report
(KERS Non Hazardous, KERS Hazardous & SPRS)
March 2020 compared to April 2020
 (\$ in millions)

						
	March	April	March	April	March	April
Contributions						
<i>Member Contributions</i>	\$75.4	\$82.4	\$14.8	\$22.4	\$3.6	\$4.0
<i>Employer Contributions</i>	756.8	834.4	47.7	46.8	48.1	53.0
<i>Net Investment Income</i>	29.0	31.2	9.7	10.5	4.0	4.3
Contribution Inflows	861.2	948.0	72.2	79.7	55.7	61.3
<i>Benefit Payments/Refunds</i>	759.4	843.3	56.4	62.6	46.7	52.0
<i>Administrative Expenses</i>	8.6	13.0	0.9	1.3	0.2	0.3
Contribution Outflows	768.0	856.3	57.3	63.9	46.9	52.3
NET Contributions	93.2	91.7	14.9	15.8	8.8	9.0
<i>Realized Gain/(Loss)</i>	62.9	78.2	22.1	27.5	8.6	10.6
<i>Unrealized Gain/(Loss)</i>	(221.3)	(133.1)	(84.2)	(55.3)	(29.9)	(18.8)
NET Investment Activity	(158.4)	(54.9)	(62.1)	(27.8)	(21.3)	(8.2)
Change in Net Position	(65.2)	36.8	(47.2)	(12.0)	(12.5)	0.8
<i>Beginning of Period</i>	2,286.6	2,286.6	687.9	687.9	287.2	287.2
<i>End of Period</i>	\$2,221.4	\$2,323.4	\$640.7	\$675.9	\$274.7	\$288.0



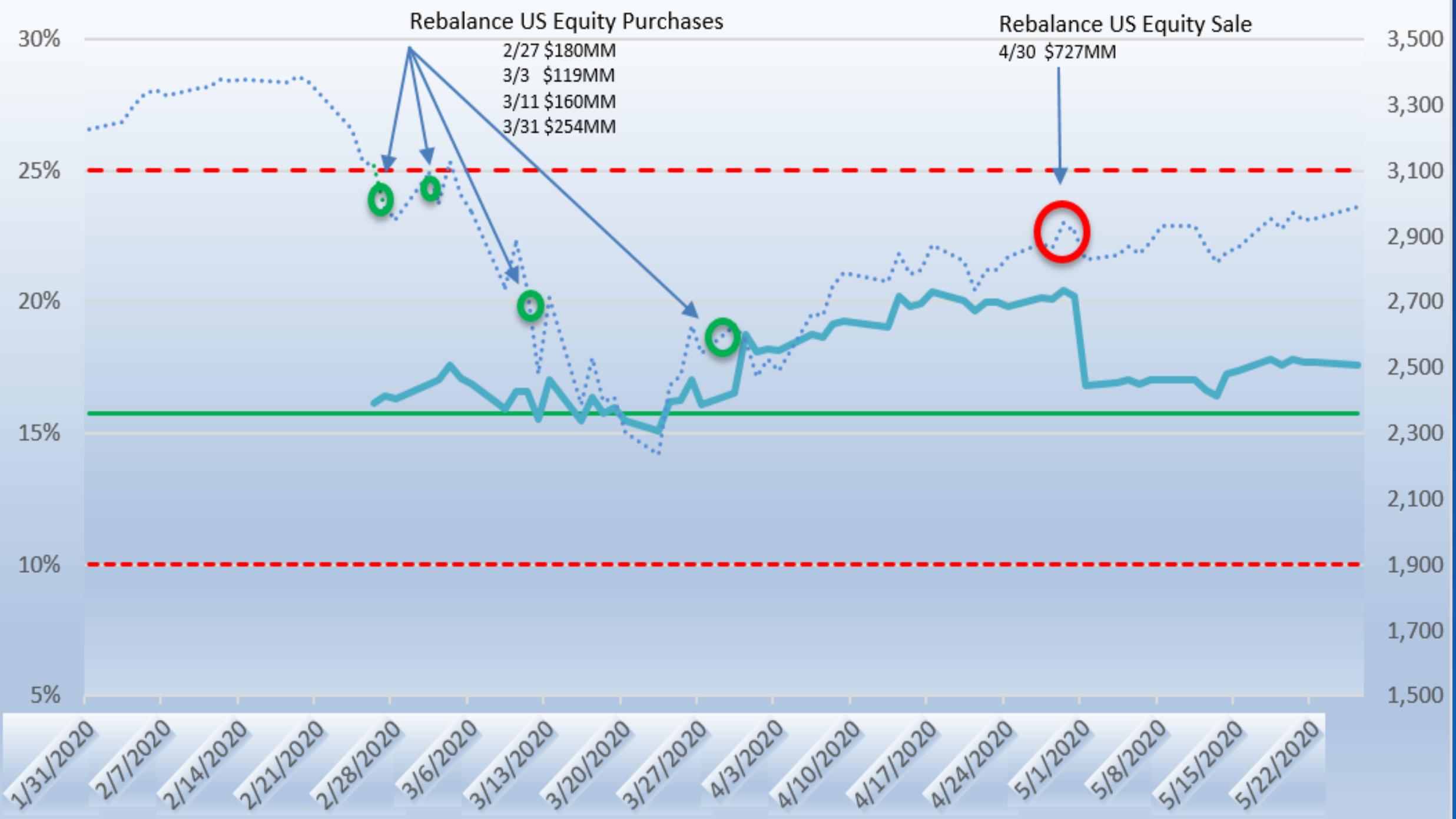
Pension Fund Contribution Report
(CERS-Non Hazardous and CERS-Hazardous)
March 2020 compared to April 2020
 (\$ in millions)

				
	March	April	March	April
Contributions				
<i>Member Contributions</i>	\$125.7	\$138.7	\$48.7	\$53.4
<i>Employer Contributions</i>	345.7	381.5	127.1	140.0
<i>Net Investment Income</i>	97.7	105.3	33.8	36.4
Contribution Inflows	569.1	625.5	209.6	229.8
<i>Benefit Payments/Refunds</i>	608.5	676.3	208.6	232.3
<i>Administrative Expenses</i>	16.2	24.2	1.4	2.1
Contribution Outflows	624.7	700.5	210.0	234.4
NET Contributions	(55.6)	(75.0)	(0.4)	(4.6)
<i>Realized Gain/(Loss)</i>	240.0	294.4	79.7	98.0
<i>Unrealized Gain/(Loss)</i>	(863.6)	(572.8)	(293.2)	(195.3)
NET Investment Activity	(623.6)	(278.4)	(213.5)	(97.3)
Change in Net Position	(679.2)	(353.4)	(213.9)	(101.9)
<i>Beginning of Period</i>	7,243.0	7,243.0	2,429.6	2,429.6
<i>End of Period</i>	\$6,563.8	\$6,889.6	\$2,215.7	\$2,327.7

KRS Pension Fund US Equity Allocation

Allocation

S&P



— IPS Target
 - - - IPS Minimum
 - - - IPS Maximum
 — Actual Allocation
 ⋯ S&P

Servicing KRS Members during the COVID-19 Pandemic

- Personal Member Service Hasn't Skipped a Beat during the Pandemic
 - 24 Hour Online Account Access
 - Electronic signatures can be used in place of handwritten signatures
 - Forms can be submitted via U.S. mail, fax or document upload
- In-person Visits not Allowed, but Phone Servicing Continues to be Very Effective
 - Call Center has been available without interruption
 - Telephonic Appointments available
 - Videoconferencing coming soon
 - Webinars conducted twice weekly
- Recent Enhancements in Self-Service Have Been Invaluable
 - Online Retirement
 - Document Upload functionality
- Foretells a New Model
 - Work from home options for employees
 - More self-service usage and electronic communications for members
 - Continued remote Board and Committee meetings?