



# Teachers' Retirement System of the State of Kentucky

## Public Pension Oversight Board

**June 1, 2020**

**Gary L. Harbin, CPA**  
Executive Secretary

# Investment Performance

Retirement Annuity Trust Returns as of March 31, 2020 (unaudited)

	<b>Quarter</b>	<b>FYTD</b>	<b>1-year</b>	<b>3-year</b>	<b>5-year</b>	<b>10-year</b>	<b>20-year</b>
Gross	-14.18%	-7.58%	-4.33%	3.95%	4.49%	7.41%	5.33%
<i>Benchmark</i>	-14.11%	-8%	-4.85%	3.69%	4.59%	7.26%	N/A
<i>Aon Index</i>	-12.2%	N/A	-4.1%	3.9%	4%	6.8%	N/A
<i>TRS Aon Rank</i>	Top 74%	N/A	Top 53%	Top 31%	Top 28%	Top 11%	N/A
Net	-14.24%	-7.71%	-4.6%	3.65%	4.22%	7.18%	5.18%

30-year compounded gross return  
**7.64%**

# Cash Flow Update

## Retirement Annuity Trust – Preliminary and Unaudited

	FYTD 2020 (Q3)	FYTD 2019 (Q3)
<b>Cash Inflows</b>		
Member contributions	\$ 234,343,000	\$ 216,520,000
Employer contributions/appropriations	827,777,000	799,599,000
Investment income (Net of any asset gains/losses)	<u>278,953,000</u>	<u>349,730,000</u>
<b>Total Cash Inflows</b>	1,341,073,000	1,365,849,000
<b>Cash Outflows</b>		
Benefit payments/refunds	1,650,374,000	1,597,452,000
Administrative expense	<u>8,542,000</u>	<u>8,247,000</u>
<b>Total Outflows</b>	1,658,916,000	1,605,699,000
Net cash flow before asset gain/(losses)*	(317,843,000)	(239,850,000)
Investment gains or losses (realized and unrealized)	(1,789,443,000)	55,943,000
Net plan assets		
Beginning of fiscal year	\$ 20,371,910,000	\$ 19,981,633,000
At end of period	\$ 18,264,625,000	\$ 19,797,726,000

\*Appreciation/depreciation in fair value does not generate cash inflows or outflows.

# Cash Flow Update

## Health Insurance Trust – Preliminary and Unaudited

	FYTD 2020 (Q3)	FY 2019 (Q3)
<b>Cash Inflows</b>		
Member contributions	\$ 140,695,000	\$ 132,760,000
Employer contributions/appropriations	164,677,000	131,060,000
Recovery income	71,888,000	63,589,000
Investment income (net of any asset gains/losses)	<u>8,017,000</u>	<u>6,367,000</u>
<b>Total Cash Inflows</b>	<b>385,277,000</b>	<b>333,776,000</b>
<b>Cash Outflows</b>		
Benefit payments/refunds	228,045,000	232,228,000
Administrative expense	<u>0</u>	<u>0</u>
<b>Total Outflows</b>	<b>228,045,000</b>	<b>232,228,000</b>
Net cash flow before asset gain/(losses)*	157,232,000	101,548,000
Investment gains or losses (realized and unrealized)	(140,520,000)	26,784,000
Net plan assets		
Beginning of fiscal year	\$ 1,414,020,000	\$ 1,190,281,000
At end of period	\$ 1,430,732,000	\$ 1,318,613,000

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

# TRS's Response to Coronavirus

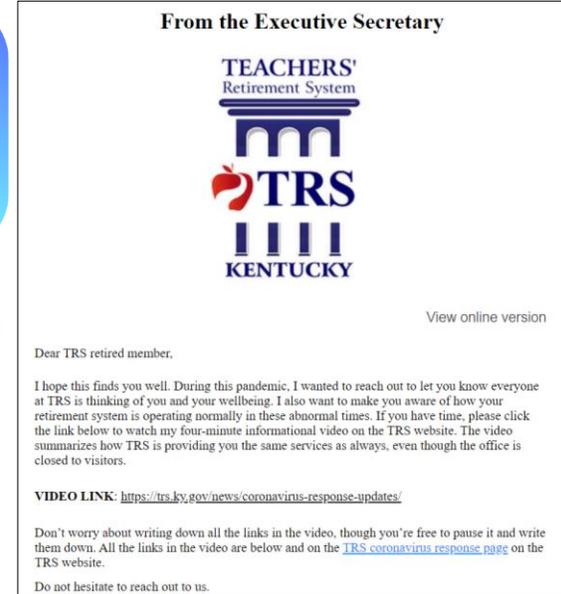
## Reaching out to members



Website  
video



Emails to  
retirees



Seminars converted to webinars

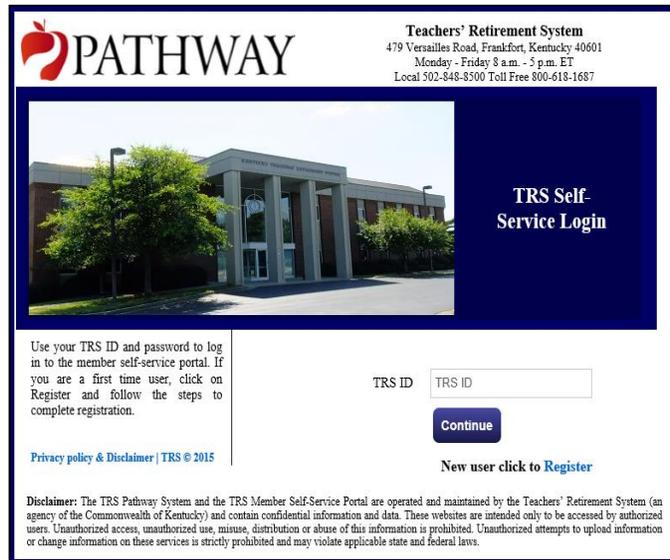


Calling members  
70 and over



# TRS's Response to Coronavirus

## Reaching out to members



The screenshot shows the TRS Pathway self-service login page. At the top left is the 'PATHWAY' logo with a red apple icon. To the right, it says 'Teachers' Retirement System' and provides the address: '479 Versailles Road, Frankfort, Kentucky 40601', along with hours: 'Monday - Friday 8 a.m. - 5 p.m. ET' and a toll-free number: 'Local 502-848-8300 Toll Free 800-618-1687'. Below this is a photo of a building and a 'TRS Self-Service Login' button. On the left, instructions read: 'Use your TRS ID and password to log in to the member self-service portal. If you are a first time user, click on Register and follow the steps to complete registration.' Below this is a 'Privacy policy & Disclaimer | TRS © 2015' link. In the center, there is a form with 'TRS ID' labels and a 'Continue' button. At the bottom, it says 'New user click to Register'. A disclaimer at the bottom states: 'Disclaimer: The TRS Pathway System and the TRS Member Self-Service Portal are operated and maintained by the Teachers' Retirement System (an agency of the Commonwealth of Kentucky) and contain confidential information and data. These websites are intended only to be accessed by authorized users. Unauthorized access, unauthorized use, misuse, distribution or abuse of this information is prohibited. Unauthorized attempts to upload information or change information on these services is strictly prohibited and may violate applicable state and federal laws.'

Retirements handled normally  
Can be done through Pathway



The screenshot shows a letter from the Teachers' Retirement System of the State of Kentucky, dated April 2020. The letter is titled 'Staying well with TRS' and is addressed to 'MEHP participants'. It discusses the impact of COVID-19 and provides information about the TRS health plan, including a new medication safety program. The letter is signed by Gary L. Hughes, CPA, Executive Secretary.

Letter to  
MEHP  
participants



Remote counseling

# TRS's Response to Coronavirus

## Public meetings

**March 16**

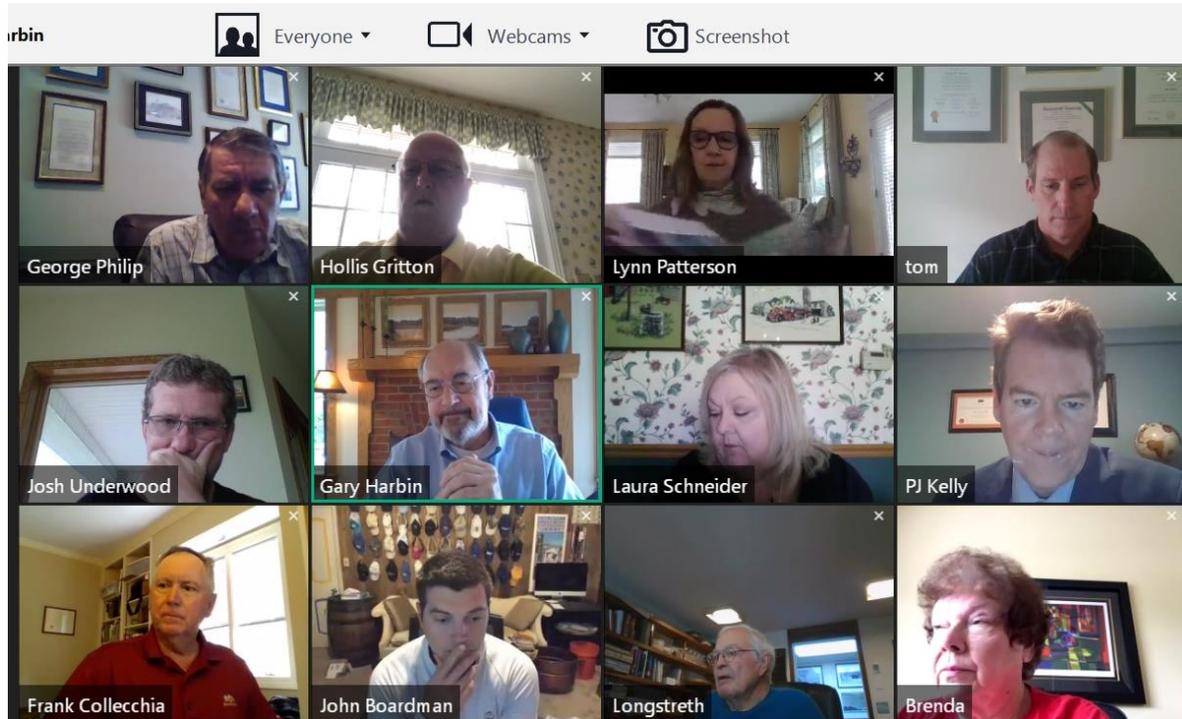
Board of Trustees meeting

**May 4**

Insurance Committee meeting

**May 21**

Investment Committee meeting



# TRS Response Updates

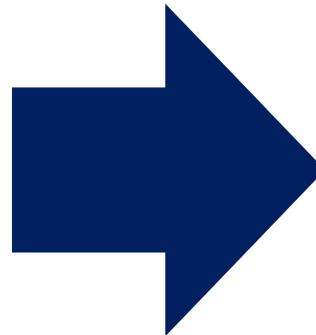
<https://trs.ky.gov/news/coronavirus-response-updates/>

Teachers' Retirement System Kentucky

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Serving Kentucky Teachers Since 1940

Active Members	Retired Members	Employers
<b>Hot Topics</b>	<b>Hot Topics</b>	<b>Hot Topics</b>
<a href="#">Coronavirus Response Updates</a>	<a href="#">Coronavirus Response Updates</a>	<a href="#">Coronavirus Response Updates</a>
<a href="#">Welcome New Members</a>	<a href="#">Kentucky Employees' Health Plan (KEHP) for those not Medicare eligible</a>	<a href="#">Pathway Employer Site</a>
<a href="#">Pathway Member Site</a>	<a href="#">Medicare Eligible Health Plan (MEHP)</a>	<a href="#">Employer Forms</a>
<a href="#">Retirement Seminars &amp; Webinars</a>	<a href="#">Pathway Member Site</a>	<a href="#">KTRS Funding Work Group</a>
<a href="#">Forms for Active Members</a>	<a href="#">Are You Turning 65 Soon?</a>	
	<a href="#">Forms for Retired Members</a>	



Teachers' Retirement System Kentucky

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## Coronavirus Response Updates

The operations of the Teachers' Retirement System continue as they normally would during this time despite the Frankfort office remaining closed to visitors and most staff working remotely. So, yes, Kentucky teachers can retire during the coronavirus outbreak. If you'd always planned to retire in July 2020, you still can.

TRS continues to issue retirees' annuity and medical insurance payments as usual, and staff are available to address any concerns. Practically any business with TRS can be conducted – or any question can be answered – remotely using the guidelines outlined below. These guidelines have new information based on questions being asked, as of March 27, 2020.

For people covered through TRS retiree health insurance on either the Kentucky Employees' Health Plan (KEHP) or the Medicare Eligible Health Plan (MEHP), all member cost sharing – further developments, including when in-person visits will resume.

**TRS-specific general information and frequently asked questions**

**General information and FAQ**

MEHP: [Information from UnitedHealthcare for those eligible for Medicare and over 65](#)

MEHP: [Information from ExpressScripts for those eligible for Medicare and over 65](#)

MEHP: [MEHP updates about HouseCalls, fitness and Buoy symptom tracker](#)

MEHP: [UnitedHealthcare Educational Video](#)

KEHP: [Governor Andy Beshear's executive order requiring insurers to waive deductibles and copays for Covid-19 testing](#)

KEHP: [Information from Anthem](#)

[Some Retirees Advised to File 2019 Return to Receive CARES Act Benefit](#)

[Notice of Suspension of Witness and Notary Signature Requirements and Certification Form](#)

[Prior general information and FAQ \(March 16\)](#)

[Prior general information and FAQ \(March 27\)](#)

Member Login  
PATHWAY

f t

Active Members  
Retired Members  
Agency Employers

TEACHERS' Retirement System  
TRS  
KENTUCKY

# TRS Response Updates

<https://trs.ky.gov/news/coronavirus-response-updates/>

The screenshot shows the TRS website's "Coronavirus Response Updates" page. The page header includes the TRS logo and navigation links. The main content area features a "Member Login" button with the PATHWAY logo, social media icons for Facebook and Twitter, and three buttons for "Active Members", "Retired Members", and "Agency Employers". The main text explains that TRS operations continue as normal despite the Frankfort office remaining closed. It also mentions that TRS continues to issue annuity and medical insurance payments as usual. A section titled "TRS-specific general information and frequently asked questions" is highlighted with a black box. This section lists several links for general information and FAQs, categorized by MEHP and KEHP. At the bottom of the page, there are links for "Some Retirees Advised to File 2019 Return to Receive CARES Act Benefit", "Notice of Suspension of Witness and Notary Signature Requirements and Certification Form", and two "Prior general information and FAQ" links dated March 16 and March 27, 2020.

## TRS-specific general information and frequently asked questions

### General information and FAQ

MEHP: [Information from UnitedHealthcare for those eligible for Medicare and over 65](#)

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***Our Members  
Come First!***

**800-618-1687**

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

**[info@trs.ky.gov](mailto:info@trs.ky.gov)**  
**<https://trs.ky.gov>**

***Protecting & Preserving Teachers' Retirement Benefits***