



Kentucky Retirement Systems

# Public Pension Oversight Board

Data as of December 31, 2020



# FY 2021 YTD Highlights

- Asset levels in all 10 plans rose a total of \$2.5B in the first 6 months of FY 2021

- Contributors:**

| (\$ in Millions) | Cont less Ben./Exp.          | Investment Income | Investment Gains | Total Increase |
|------------------|------------------------------|-------------------|------------------|----------------|
| <b>KERS</b>      | <b>\$38<sup>(1)</sup></b>    | <b>\$40</b>       | <b>\$577</b>     | <b>\$655</b>   |
| <b>CERS</b>      | <b>(\$139)<sup>(2)</sup></b> | <b>\$111</b>      | <b>\$1,780</b>   | <b>\$1,752</b> |
| <b>SPRS</b>      | <b>(\$2)</b>                 | <b>\$4</b>        | <b>\$60</b>      | <b>\$62</b>    |
| <b>Total</b>     | <b>(\$103)</b>               | <b>\$155</b>      | <b>\$2,417</b>   | <b>\$2,469</b> |

(1) KERS Pension Contributions \$565M; Benefit Payment and Expenses \$554m

(2) CERS Pension Contributions \$427M; Benefit Payment and Expenses \$575M

- Sources of Funding:**

|                               | Typical Pension (1) | KERS NH 10 Year | CERS NH 10 Year |
|-------------------------------|---------------------|-----------------|-----------------|
| <b>Employee Contributions</b> | <b>12%</b>          | <b>15%</b>      | <b>25%</b>      |
| <b>Employer Contributions</b> | <b>27%</b>          | <b>77%</b>      | <b>55%</b>      |
| <b>Investments</b>            | <b>61%</b>          | <b>8%</b>       | <b>20%</b>      |

(1) Source: NASRA 1990-2019

# Pension - Investment Update 12/31/20



## Net of Fees Rates of Return

|                               | Market Value<br>(in<br>\$millions) | FYTD          | 1 Year       | 3 Years      | 5 Years      | 10 Years     | 20 Years     | 30 Years     |
|-------------------------------|------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>KERS<br/>Non-Hazardous</b> | <b>\$2,615.4</b>                   | <b>12.78%</b> | <b>9.93%</b> | <b>7.21%</b> | <b>8.38%</b> | <b>7.21%</b> | <b>5.97%</b> | <b>8.31%</b> |
| <i>Plan Index</i>             |                                    | 12.59%        | 8.59%        | 6.71%        | 8.35%        | 7.25%        | 5.99%        | 8.25%        |
| <b>KERS<br/>Hazardous</b>     | <b>\$794.8</b>                     | <b>14.35%</b> | <b>9.37%</b> | <b>7.27%</b> | <b>9.11%</b> | <b>7.46%</b> | <b>6.10%</b> | <b>8.40%</b> |
| <i>Plan Index</i>             |                                    | 14.51%        | 9.27%        | 7.04%        | 8.97%        | 7.49%        | 6.11%        | 8.33%        |
| <b>CERS<br/>Non-Hazardous</b> | <b>\$7,944.5</b>                   | <b>14.47%</b> | <b>9.27%</b> | <b>7.31%</b> | <b>9.18%</b> | <b>7.47%</b> | <b>6.10%</b> | <b>8.40%</b> |
| <i>Plan Index</i>             |                                    | 14.51%        | 9.27%        | 7.04%        | 8.99%        | 7.49%        | 6.11%        | 8.33%        |
| <b>CERS<br/>Hazardous</b>     | <b>\$2,688.4</b>                   | <b>14.46%</b> | <b>9.20%</b> | <b>7.29%</b> | <b>9.16%</b> | <b>7.47%</b> | <b>6.10%</b> | <b>8.40%</b> |
| <i>Plan Index</i>             |                                    | 14.51%        | 9.27%        | 7.04%        | 8.98%        | 7.49%        | 6.11%        | 8.33%        |
| <b>SPRS</b>                   | <b>\$321.8</b>                     | <b>12.50%</b> | <b>9.40%</b> | <b>7.04%</b> | <b>8.44%</b> | <b>7.09%</b> | <b>5.91%</b> | <b>8.28%</b> |
| <i>Plan Index</i>             |                                    | 12.59%        | 8.59%        | 6.65%        | 8.48%        | 7.24%        | 5.98%        | 8.25%        |

# Insurance - Investment Update 12/31/20






## Net of Fees Rates of Return

|                               | Market Value<br>(in \$millions) | FYTD          | 1 Year       | 3 Years      | 5 Years      | 10 Years     | 20 Years     | 30 Years     |
|-------------------------------|---------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>KERS<br/>Non-Hazardous</b> | <b>\$1,175.3</b>                | <b>14.73%</b> | <b>9.98%</b> | <b>7.01%</b> | <b>8.93%</b> | <b>6.91%</b> | <b>5.38%</b> | <b>7.41%</b> |
| <i>Plan Index</i>             |                                 | 14.35%        | 8.97%        | 6.93%        | 9.03%        | 7.54%        | 5.63%        | 7.76%        |
| <b>KERS<br/>Hazardous</b>     | <b>\$578.8</b>                  | <b>14.16%</b> | <b>8.49%</b> | <b>6.97%</b> | <b>9.00%</b> | <b>7.07%</b> | <b>5.46%</b> | <b>7.47%</b> |
| <i>Plan Index</i>             |                                 | 14.35%        | 8.97%        | 6.99%        | 9.03%        | 7.57%        | 5.65%        | 7.78%        |
| <b>CERS<br/>Non-Hazardous</b> | <b>\$2,854.4</b>                | <b>14.17%</b> | <b>8.60%</b> | <b>7.15%</b> | <b>9.13%</b> | <b>7.15%</b> | <b>5.50%</b> | <b>7.49%</b> |
| <i>Plan Index</i>             |                                 | 14.35%        | 8.97%        | 6.98%        | 9.02%        | 7.59%        | 5.66%        | 7.78%        |
| <b>CERS<br/>Hazardous</b>     | <b>\$1,476.2</b>                | <b>14.19%</b> | <b>8.49%</b> | <b>7.17%</b> | <b>9.17%</b> | <b>7.18%</b> | <b>5.51%</b> | <b>7.50%</b> |
| <i>Plan Index</i>             |                                 | 14.35%        | 8.97%        | 6.98%        | 9.01%        | 7.59%        | 5.66%        | 7.78%        |
| <b>SPRS</b>                   | <b>\$226.1</b>                  | <b>14.41%</b> | <b>9.15%</b> | <b>7.35%</b> | <b>9.27%</b> | <b>7.22%</b> | <b>5.54%</b> | <b>7.52%</b> |
| <i>Plan Index</i>             |                                 | 14.35%        | 8.97%        | 6.98%        | 9.01%        | 7.59%        | 5.66%        | 7.78%        |





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

|  |  |                  |  |                |  |                |
|--|---|------------------|---|----------------|---|----------------|
|  | FY21  | FY20             | Fy21  | FY20           | FY21  | FY20           |
| <b>Contributions</b>                       |   |                  |   |                |   |                |
| <i>Member Contributions</i>                | \$44.2  | \$51.8           | \$10.2  | \$9.4          | \$2.4   | \$2.4          |
| <i>Employer Contributions</i>              | 478.8   | 520.5            | 31.3  | 32.5           | 29.5  | 33.5           |
| <i>Net Investment Income</i>               | 21.2  | 22.3             | 6.3   | 7.2            | 2.7   | 3.0            |
| <b>Contribution Inflows</b>                | <b>544.2</b>  | <b>594.6</b>     | <b>47.8</b>   | <b>49.1</b>    | <b>34.6</b>   | <b>38.9</b>    |
| <i>Benefit Payments/Refunds</i>            | 508.8   | 505.9            | 38.8  | 37.7           | 31.7  | 31.1           |
| <i>Administrative Expenses</i>             | 5.4   | 5.6              | 0.6   | 0.6            | 0.1   | 0.1            |
| <b>Contribution Outflows</b>               | <b>514.2</b>  | <b>511.5</b>     | <b>39.4</b>   | <b>38.3</b>    | <b>31.8</b>   | <b>31.2</b>    |
| <b>NET Contributions</b>                   | <b>30.0</b>   | <b>83.1</b>      | <b>8.4</b>  | <b>10.8</b>    | <b>2.8</b>  | <b>7.7</b>     |
| <i>Realized and Unrealized Gain/(Loss)</i> | 274.1   | 89.8             | 93.3  | 30.8           | 33.0  | 11.4           |
| <b>Change in Net Position</b>              | <b>304.1</b>  | <b>172.9</b>     | <b>101.7</b>  | <b>41.6</b>    | <b>35.8</b>   | <b>19.1</b>    |
| <i>Beginning of Period</i>                 | 2,362.2   | 2,286.6          | 697.3   | 687.9          | 295.0   | 287.2          |
| <i>End of Period</i>                       | <b>\$2,666.3</b>  | <b>\$2,459.5</b> | <b>\$799.0</b>  | <b>\$729.5</b> | <b>\$330.8</b>  | <b>\$306.3</b> |






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

|  |  |                  |  |                  |
|--|---|------------------|---|------------------|
|  | FY21  | FY20             | FY21  | FY20             |
| <b>Contributions</b>                       |   |                  |   |                  |
| <i>Member Contributions</i>                | \$79.0  | \$81.9           | \$31.8  | \$32.4           |
| <i>Employer Contributions</i>              | 226.9   | 226.4            | 88.9  | 84.8             |
| <i>Net Investment Income</i>               | 61.3  | 73.9             | 20.5  | 25.1             |
| <b>Contribution Inflows</b>                | <b>367.2</b>  | <b>382.2</b>     | <b>141.2</b>  | <b>142.3</b>     |
| <i>Benefit Payments/Refunds</i>            | 417.2   | 403.6            | 146.1   | 137.9            |
| <i>Administrative Expenses</i>             | 10.5  | 10.6             | 0.9   | 1.0              |
| <b>Contribution Outflows</b>               | <b>427.7</b>  | <b>414.2</b>     | <b>147.0</b>  | <b>138.9</b>     |
| <b>NET Contributions</b>                   | <b>(60.5)</b>   | <b>(32.0)</b>    | <b>(5.8)</b>  | <b>3.4</b>       |
| <i>Realized and Unrealized Gain/(Loss)</i> | 949.5   | 325.3            | 320.8   | 107.9            |
| <b>Change in Net Position</b>              | <b>889.0</b>  | <b>293.3</b>     | <b>315.0</b>  | <b>111.3</b>     |
| <i>Beginning of Period</i>                 | 7,110.9   | 7,243.0          | 2,395.7   | 2,429.6          |
| <i>End of Period</i>                       | <b>\$7,999.9</b>  | <b>\$7,536.3</b> | <b>\$2,710.7</b>  | <b>\$2,540.9</b> |





**Insurance Fund Contribution Report**  
**(KERS Non-Haz, KERS Haz & SPRS)**  
**December 31, 2020 (compared to December 31, 2019)**  
 (\$ in millions)

|   |  |                  |  |                |  |                |
|---|---|------------------|---|----------------|---|----------------|
|   | FY21  | FY20             | FY21  | FY20           | FY21  | FY20           |
| <b>Contributions</b>                        |   |                  |   |                |   |                |
| <i>Employer Contributions</i>               | \$77.1  | \$86.1           | -   | \$2.2          | \$4.7   | \$6.8          |
| <i>Insurance Premiums</i>                   | 17.3  | 0.1              | 1.3   | -              | 0.8   | -              |
| <i>Retired Reemployed Healthcare</i>        | 2.2   | 2.2              | 0.6   | 0.6            | -   | -              |
| <i>Health Insurance Contributions (HB1)</i> | 3.2   | 3.0              | 0.5   | 0.5            | 0.1   | 0.1            |
| <i>Net Investment Income</i>                | 8.9   | 10.4             | 3.9   | 5.4            | 1.4   | 2.0            |
| <b>Contribution Inflow</b>                  | <b>108.7</b>  | <b>101.8</b>     | <b>6.3</b>  | <b>8.7</b>     | <b>7.0</b>  | <b>8.9</b>     |
| <i>Healthcare Premiums</i>                  | 64.2  | 61.7             | 10.1  | 9.7            | 7.4   | 7.1            |
| <i>Administrative Expenses</i>              | 0.4   | 0.4              | -   | -              | -   | -              |
| <b>Contribution Outflow</b>                 | <b>64.6</b>   | <b>62.1</b>      | <b>10.1</b>   | <b>9.7</b>     | <b>7.4</b>  | <b>7.1</b>     |
| <b>NET Contributions</b>                    | <b>44.1</b>   | <b>39.7</b>      | <b>(3.8)</b>  | <b>(1.0)</b>   | <b>(0.4)</b>  | <b>1.8</b>     |
| <i>Realized and Unrealized Gain/(Loss)</i>  | 140.8   | 41.9             | 68.3  | 22.5           | 27.2  | 8.8            |
| <b>Change in Net Position</b>               | <b>184.9</b>  | <b>81.6</b>      | <b>64.5</b>   | <b>21.5</b>    | <b>26.8</b>   | <b>10.6</b>    |
| <i>Beginning of Period</i>                  | <b>1,006.5</b>  | <b>942.1</b>     | <b>514.7</b>  | <b>527.1</b>   | <b>200.2</b>  | <b>200.1</b>   |
| <i>Ending of Period</i>                     | <b>\$1,191.4</b>  | <b>\$1,023.7</b> | <b>\$579.2</b>  | <b>\$548.6</b> | <b>\$227.0</b>  | <b>\$210.7</b> |



**Insurance Fund Contribution Report**  
**(CERS Non Hazardous and CERS Hazardous)**  
**December 31, 2020 (compared to December 31, 2019)**  
**(in \$millions)**

|   |  |                  |  |                  |
|---|---|------------------|---|------------------|
|   | FY21  | FY20             | FY21  | FY20             |
| <b>Contributions</b>                        |   |                  |   |                  |
| <i>Employer Contributions</i>               | \$59.8  | \$59.3           | \$30.2  | \$28.6           |
| <i>Insurance Premiums</i>                   | 21.0  | 0.3              | 3.0   | -                |
| <i>Retired Reemployed Healthcare</i>        | 2.7   | 2.7              | 0.6   | 0.6              |
| <i>Health Insurance Contributions (HB1)</i> | 6.4   | 6.1              | 1.6   | 1.4              |
| <i>Net Investment Income</i>                | 19.3  | 24.9             | 9.5   | 13.1             |
| <b>Contribution Inflows</b>                 | <b>109.2</b>  | <b>93.3</b>      | <b>44.9</b>   | <b>43.7</b>      |
| <i>Healthcare Premiums</i>                  | 73.1  | 67.4             | 42.1  | 40.0             |
| <i>Administrative Expenses</i>              | 0.4   | 0.4              | 0.2   | 0.2              |
| <b>Contribution Outflows</b>                | <b>73.5</b>   | <b>67.8</b>      | <b>42.3</b>   | <b>40.2</b>      |
| <b>NET Contributions</b>                    | <b>35.7</b>   | <b>25.5</b>      | <b>2.6</b>  | <b>3.5</b>       |
| <i>Realized and Unrealized Gain/(Loss)</i>  | 334.7   | 111.4            | 174.5   | 58.3             |
| <b>Change in Net Position</b>               | <b>370.4</b>  | <b>136.9</b>     | <b>177.1</b>  | <b>61.8</b>      |
| <i>Beginning of Period</i>                  | <b>2,498.0</b>  | <b>2,486.5</b>   | <b>1,305.1</b>  | <b>1,324.8</b>   |
| <i>End of Period</i>                        | <b>\$2,868.4</b>  | <b>\$2,623.4</b> | <b>\$1,482.2</b>  | <b>\$1,386.6</b> |