



# KPPA

Kentucky Public Pensions Authority

## PPOB

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# Sick Leave



(participation date prior to September 1, 2008)

- KERS/SPRS: Unlimited amount. Amount can be used toward determining retirement benefits. Total cost billed to last participating employer.
- CERS: (*Optional for CERS employers*) Employer chooses type, level and amount used toward determining retirement benefits. Sick leave billed to individual CERS employer.



(participation date on or after September 1, 2008 through December 31, 2013)

- Limited to 12 months between KERS, CERS and SPRS for purposes of determining monthly benefits.
- Does not count toward retirement eligibility or health insurance.
- Last participating employer in KERS/SPRS pays total cost. Individual CERS employer billed for cost.



(participation date on or after January 1, 2014)

- Not eligible for sick leave credit.
- Not eligible for sick leave credit in CERS if Participation Date in CERS is on or after 1/1/2014 even if an earlier Participating Date is established in KERS or SPRS.

# Bonus Payments

Pursuant to KRS 16.505(8)(b)1, KRS 61.510(13)(b)1 & KRS 78.510(13)(b)1, lump sum bonuses, severance pay, or employer-provided payments for purchase of service credit shall be averaged over the employee's total service with the system in which it is recorded if it is equal to or greater than one thousand dollars (\$1,000).

## Example:

- Member works for Jefferson Co. BOE and receives a \$5,000 bonus paid April 12, 2022
- At fiscal year end, member has 120 months of service credit
- \$5000 bonus will be prorated over all service in the system

$\$5,000 \text{ bonus} / 120 \text{ months} \times 12 = \$500$

**\$500 will be added to each fiscal year salary**

\*Bonus payments are not exempt from pension spiking

# Estimated Impact of FY 2021 Investment Returns

## KERS-NH Unfunded Accrued Actuarial Liability/Funded Ratio

### Unfunded Liability (\$Millions)

FY Beg 7/1	Current*	New Proj.**	Difference
2022	\$13,695	\$13,433	(\$262)
2027	\$12,395	\$11,767	(\$628)
2032	\$10,659	\$10,174	(\$485)
2039	\$7,325	\$7,118	(\$207)
2049	-	-	-

### Funded Ratio

FY Beg 7/1	Current*	New Proj.**	Difference
2022	16%	18%	2%
2027	23%	26%	3%
2032	30%	33%	3%
2039	46%	48%	2%
2049	100%	100%	0%

\*Based on 5.25% earnings each year

\*\*Based on 2021 actual earnings and 5.25% each year thereafter

# Estimated Impact of FY 2021 Investment Returns

KERS-NH Employer Contribution dollar amount/percentage

## Employer Contributions (\$Millions)

FY Beg 7/1	Current*	New Proj.**	Difference
2022	\$1,034	\$1,024	(\$10)
2027	\$1,022	\$965	(\$57)
2032	\$1,011	\$953	(\$58)
2039	\$1,009	\$951	(\$58)
2049	\$52	\$55	\$3

## Employer Contribution Rate

FY Beg 7/1	Current*	New Proj.**	Difference
2022	75.6%	74.9%	(-0.7%)
2027	76.2%	72.0%	(-4.2%)
2032	76.1%	71.7%	(-4.4%)
2039	74.7%	70.4%	(-4.3%)
2049	3.8%	4.0%	0.2%

\*Based on 5.25% earnings each year

\*\*Based on 2021 actual earnings and 5.25% each year thereafter

# Estimated Impact of FY 2021 Investment Returns

## CERS-NH Unfunded Accrued Actuarial Liability/Funded Ratio

### Unfunded Liability (\$Millions)

FY Beg 7/1	Current*	New Proj.**	Difference
2022	\$7,588	\$7,007	(\$581)
2027	\$7,576	\$6,164	(\$1,412)
2032	\$7,006	\$5,834	(\$1,172)
2039	\$5,280	\$4,729	(\$551)
2049	-	-	-

### Funded Ratio

FY Beg 7/1	Current*	New Proj.**	Difference
2022	50%	54%	4%
2027	55%	63%	8%
2032	61%	67%	6%
2039	72%	75%	3%
2049	100%	100%	0%

\*Based on 5.25% earnings each year

\*\*Based on 2021 actual earnings and 5.25% each year thereafter

# Estimated Impact of FY 2021 Investment Returns

CERS-NH Employer Contribution dollar amount/percentage

## Employer Contributions (\$Millions)

FY Beg 7/1	Current*	New Proj.**	Difference
2022	\$631	\$610	(\$21)
2027	\$683	\$561	(\$122)
2032	\$731	\$597	(\$134)
2039	\$825	\$670	(\$155)
2049	\$174	\$175	\$1

## Employer Contribution Rate

FY Beg 7/1	Current*	New Proj.**	Difference
2022	23.6%	22.8%	(-0.8%)
2027	23.1%	19.0%	(-4.1%)
2032	22.2%	18.1%	(-4.1%)
2039	21.3%	17.3%	(-4.0%)
2049	3.5%	3.6%	0.1%

\*Based on 5.25% earnings each year

\*\*Based on 2021 actual earnings and 5.25% each year thereafter