



# Teachers' Retirement System of the State of Kentucky

## Public Pension Oversight Board

**May 23, 2022**

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

# 2022 Regular Session

## 2022-24 Biennial Budget

- Means eight straight years of full or nearly full annuity funding
- More than \$1.36 billion to meet actuarially required contribution for annuities
  - About \$900 million more to TRS in salary contributions from education budget
- \$149 million for state statutory contribution for under-65 health insurance under Shared Responsibility
- \$479.2 million to pay off liabilities for certain previously awarded benefits that had been amortized over several years
- \$78 million up front for sick leave-related annuity liabilities projected to occur from retirements in next two years

# Sick Leave Components

## 2022-24 Biennial Budget

\$479.2 million to pay liabilities for certain previously awarded benefits that had been amortized

- *Pays past sick leave amortized payments through fiscal 2022 and past supplemental cost of living adjustments (COLAs)*
- *Payoff from budget just passed lowers actuarially determined employer contribution (ADEC) by about 1% of pay, which is about \$39 million annually*

# Sick Leave Components

## 2022-24 Biennial Budget

\$78 million for sick leave-related annuity liabilities projected to occur from retirements in next two years

*Actual cost will depend on the number of retirees with sick leave and amount of sick leave included in final average salary.*

# Sick Leave

## Future Budgets

- Sick leave will cost about 1.2% of payroll going forward, which is part of the ADEC.
- Will trend downward
  - Sick leave use for TRS 3 teachers capped at 300 days
  - No sick leave payment use for annuities for TRS 4 teachers



## ***Our Members Come First!***

**800-618-1687**

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

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**<https://trs.ky.gov>**

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