



JUDICIAL FORM RETIREMENT SYSTEM

QUARTERLY INVESTMENT AND CASH FLOW UPDATE

IJC ON STATE GOVERNMENT– SEPTEMBER 24, 2024



JUSTICE DANIEL VENTERS, CHAIR
BOARD OF TRUSTEES

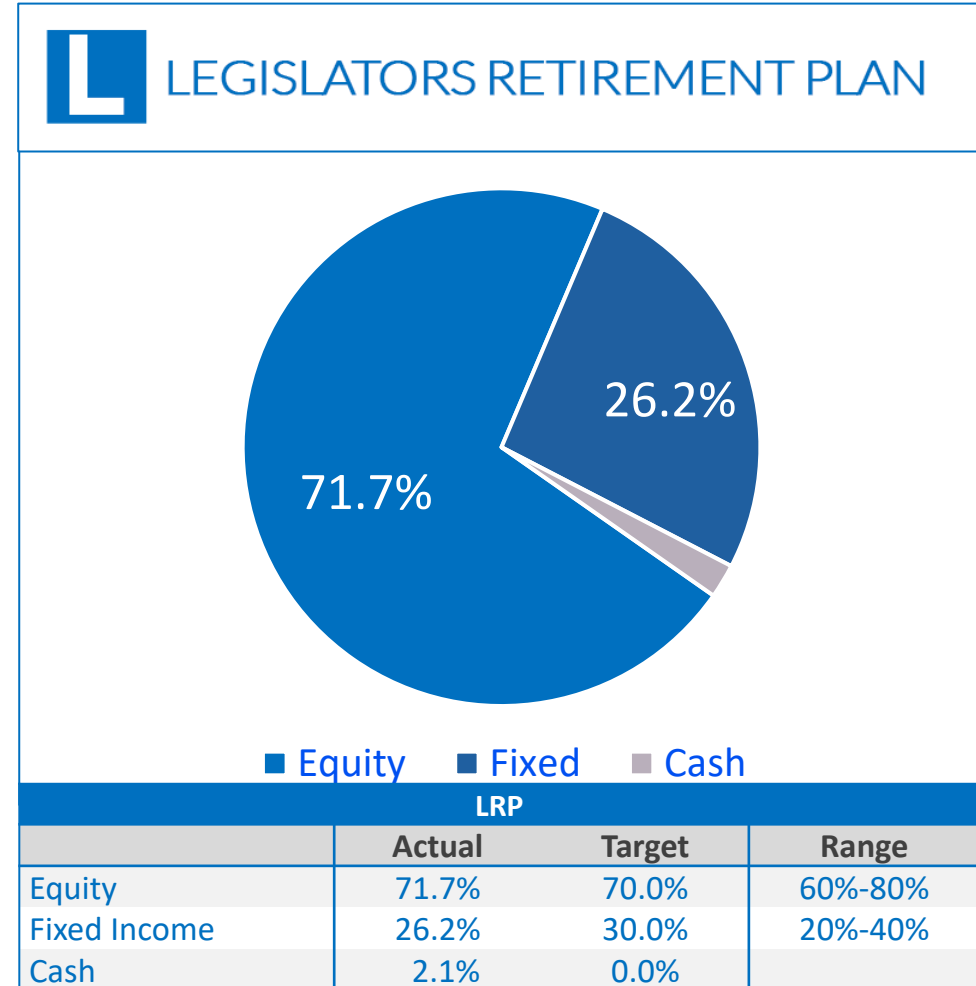
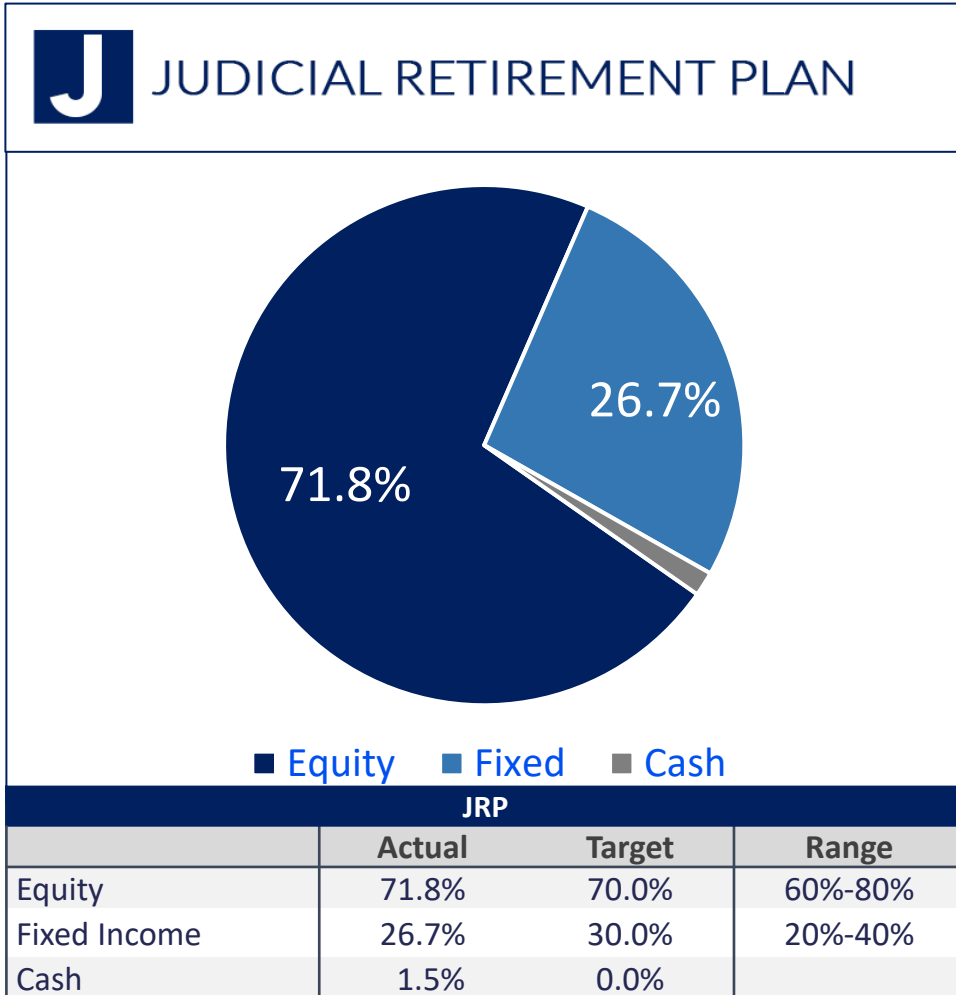
BEN ALLISON, CHAIR
JUDICIAL RETIREMENT INVESTMENT COMMITTEE

REPRESENTATIVE BRAD MONTELL, CHAIR
LEGISLATORS RETIREMENT INVESTMENT COMMITTEE

BO CRACRAFT
EXECUTIVE DIRECTOR



ASSET ALLOCATION





INVESTMENT PERFORMANCE



Investment Performance								
As of June 30, 2024								
		MV	FY2024	3 Years	5 Years	10 Years	20 Years	30 Years
JRP	Defined Benefit	\$631.3M	19.4%	7.4%	12.5%	11.1%	9.1%	9.5%
	Cash Balance	\$5.0M	20.0%	7.5%	11.5%	-	-	-
	Benchmark ²		18.2%	6.8%	10.9%	9.6%	8.3%	9.1%
LRP	Defined Benefit	\$182.8M	19.5%	7.5%	12.6%	11.2%	9.1%	9.5%
	Cash Balance	\$1.3M	19.8%	7.4%	11.3%	-	-	-
	Benchmark ²		18.2%	6.8%	10.9%	9.6%	8.3%	9.1%

Returns are Net of Fees with exception of 20-year and Since Inception

¹ Inception to Date performance: January 1, 1993 (Legacy DB) and June 1, 2015 (Cash Balance)

² Benchmark is 70% S&P 500 Index + 30% Barclays Intermediate Government/Credit Index (compounded monthly)



2023 VALUATION RESULTS



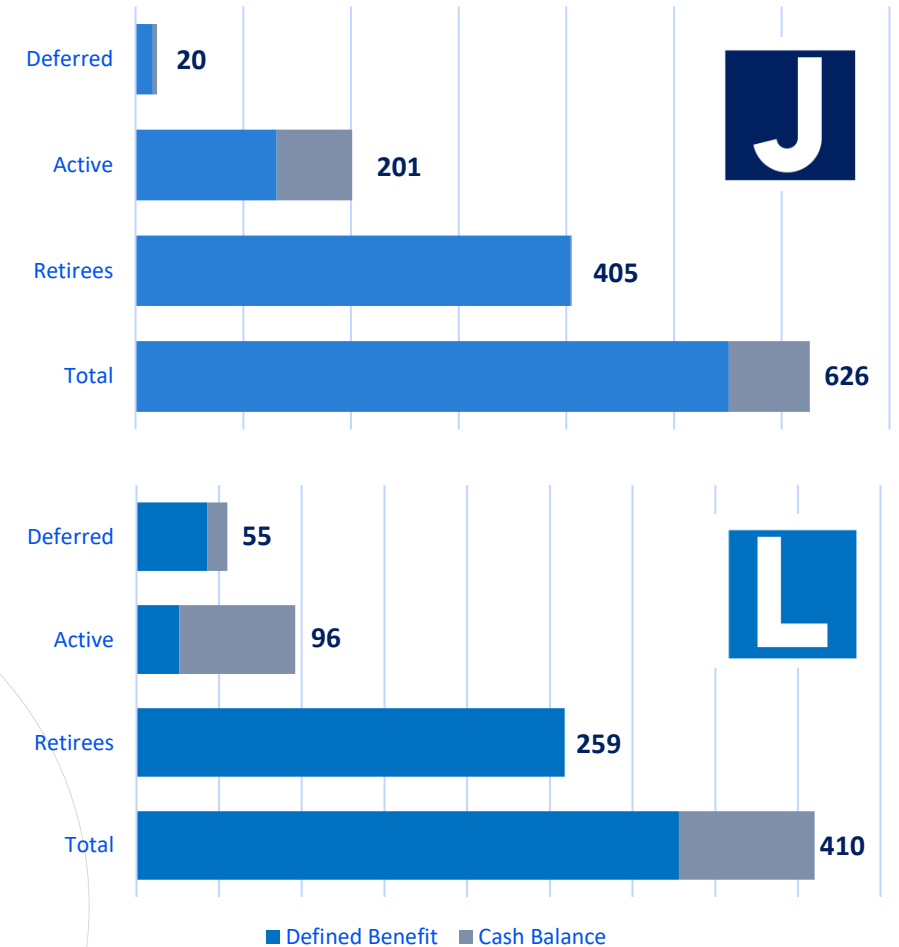
FUNDING	Pension	Health	Pension	Health
Total Liability	\$385.5M	\$49.3M	\$68.1M	\$18.1M
<u>Actuarial Assets</u>	<u>\$404.5M</u>	<u>\$127.8M</u>	<u>\$86.3M</u>	<u>\$67.8M</u>
Accrued Liability	(\$22.0M)	(\$78.6M)	(\$18.2M)	(\$49.7M)

Funding Level	105.8%	259.5%	126.8%	374.5%
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CONTRIBUTIONS	Pension	Health	Pension	Health
Normal Cost	\$2.496M	0.623M	0.576M	0.166M
<u>UAL Cost</u>	<u>(\$1.876M)</u>	<u>(\$5.095M)</u>	<u>(1.555M)</u>	<u>(4.237M)</u>
ADEC	0.619M	-	-	-

% of Payroll	2.23%	-	-	-
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Membership





ACTUARIAL SUMMARY - JRP



PENSION

Funding Level

105.8% | **↑ 11.1%**
from 2021

Actuarial Value of Assets

\$404.5 Million
Versus \$424.6 Market Value of Assets

Accrued Liability

\$382.5 Million
99% Legacy | 1% Cash Balance

RETIREE HEALTH

Funding Level

259.5% | **↓ 13.0%**
from 2021

Actuarial Value of Assets

\$127.8 Million
Versus \$135.1 Market Value of Assets

Accrued Liability

\$49.3 Million
99.5% Legacy | 0.5% Cash Balance



ACTUARIAL SUMMARY - LRP



PENSION

Funding Level

126.8% | **↑ 17.9%**
from 2021

Actuarial Value of Assets

\$86.3 Million
Versus \$91.3 Market Value of Assets

Accrued Liability

\$68.0 Million
98% Legacy | 2% Cash Balance

RETIREE HEALTH

Funding Level

374.5% | **↑ 11.9%**
from 2021

Actuarial Value of Assets

\$67.8 Million
Versus \$71.7 Market Value of Assets

Accrued Liability

\$18.1 Million
99% Legacy | 1% Cash Balance



JFRS CASH FLOW

Fiscal Year ending June 30, 2024
compared to June 30, 2023

	Judicial Retirement Plan		Legislators Retirement Plan	
<i>12 Months ending June 30</i>	FY2023	FY2024	FY2023	FY2024
<i>Member Contributions</i>	\$2.152	\$1.587	\$0.224	\$0.261
<i>Employer Contributions/Appropriations</i>	\$4.982	\$5.306	\$0.000	\$0.000
<i>Investment Income (Net of Inv. Expense)</i>	<u>\$13.839</u>	<u>\$11.534</u>	<u>\$4.033</u>	<u>\$3.322</u>
Total Cash Inflows	\$20.973	\$18.427	\$4.256	\$3.583
<i>Benefit Payments/Refunds</i>	\$28.941	\$30.529	\$6.390	\$6.484
<i>Administrative Expense</i>	<u>\$0.372</u>	<u>\$0.356</u>	<u>\$0.248</u>	<u>\$0.233</u>
Total Cash Outflows	\$29.314	\$30.885	\$6.638	\$6.717
Net Cash Flow - BEFORE Asset Gain/(Losses)	(\$8.340)	(\$12.458)	(\$2.605)	(\$3.134)
<i>NCF Ratio (before Asset G/L)</i>	-1.63%	-2.21%	-1.61%	-1.92%
<i>Realized & Unrealized Asset Gains/(Losses)</i>	\$61.003	\$95.428	\$17.508	\$27.498
Net Cash Flow – AFTER Asset Gain/(Losses)	\$52.663	\$82.969	\$15.126	\$24.365
<i>Beginning of Period</i>	\$510.256	\$562.919	\$147.893	\$163.019
<i>End of Period</i>	\$562.919	\$645.888	\$163.019	\$187.383



2025 MEDICARE CHANGES

Inflation Reduction Act (IRA) – Major Part D (Rx) Redesign

- IRA = unprecedented changes to Medicare benefits between 2024 and 2026
- Most significant is Jan 1, 2024 redesign of Part D (prescription drug coverage)
 - Establishes a NEW \$2,000 annual out-of-pocket cap on Rx spending (versus \$8,000 in 2024)
 - Establishes a new shared liability model in situations where participant reaches annual limit, which places more responsibility on plan sponsors (i.e. JFRS) to cover added costs.

The RESULT:

- Changes are remarkable and have considerably increased the financial liability faced by Part D plan sponsors.
- Premiums are increasing 30-50% in many cases



Do you have any questions?

Contact us anytime!

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