

Teachers' Retirement System of the State of Kentucky

House Education Committee

Feb. 7, 2023

Gary L. Harbin, CPA
Executive Secretary

Actuarial Status

As of June 30, 2022



Dollars in billions

	Assets	Liabilities	Unfunded	Percent
Retirement Annuity Trust	\$ 24.1	\$ 41	\$ 16.9	58.8%

Actuarial values

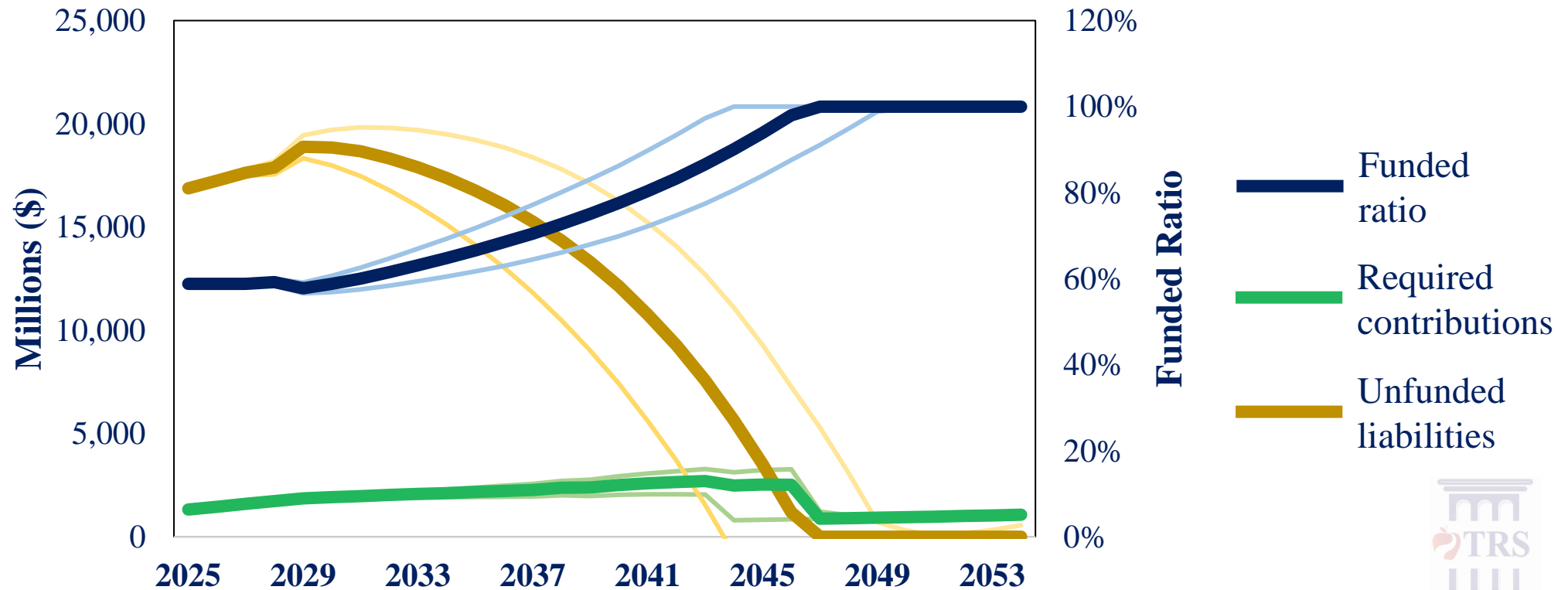


Actuarial 30-Year Projections

At Full Funding, TRS Required Contributions Decrease

Actuary's retirement annuity projections at assumed 7.1% investment return.

Thick lines show projections; thin lines show projections adjusted for investment returns 1% higher and lower.



TRS Account Types

Four TRS Account Types Delineated By Entry Date

TRS 1

Entry before
July 1, 2002

TRS 2

Entry on or
between
July 1, 2002, and
June 30, 2008

TRS 3

Entry on or
between
July 1, 2008, and
Dec. 31, 2021

TRS 4

Entry on or after
Jan. 1, 2022

Who Are TRS Members?

171 school districts



KCTCS



17 Department of Education agencies



Five universities



- State pays employer contribution for districts and 17 agencies
- Institutions pay employer contribution for universities and KCTCS

What TRS 4 Offers

Retirement Security

- The *foundational benefit* – a defined benefit pension based on a formula providing lifetime monthly retirement payments.
- The *supplemental benefit* – a defined contribution that provides additional retirement income.
- *Voluntary* – contributions that provide additional retirement income.
- Professionally managed investments at lower costs than individual investing.
- Access to retiree health insurance
- Life insurance

How Contributions Are Used

Employee's 14.75% of Salary

9%
Foundational

2%
Supplemental

3.75%
Retiree Health Care

Non-University Members

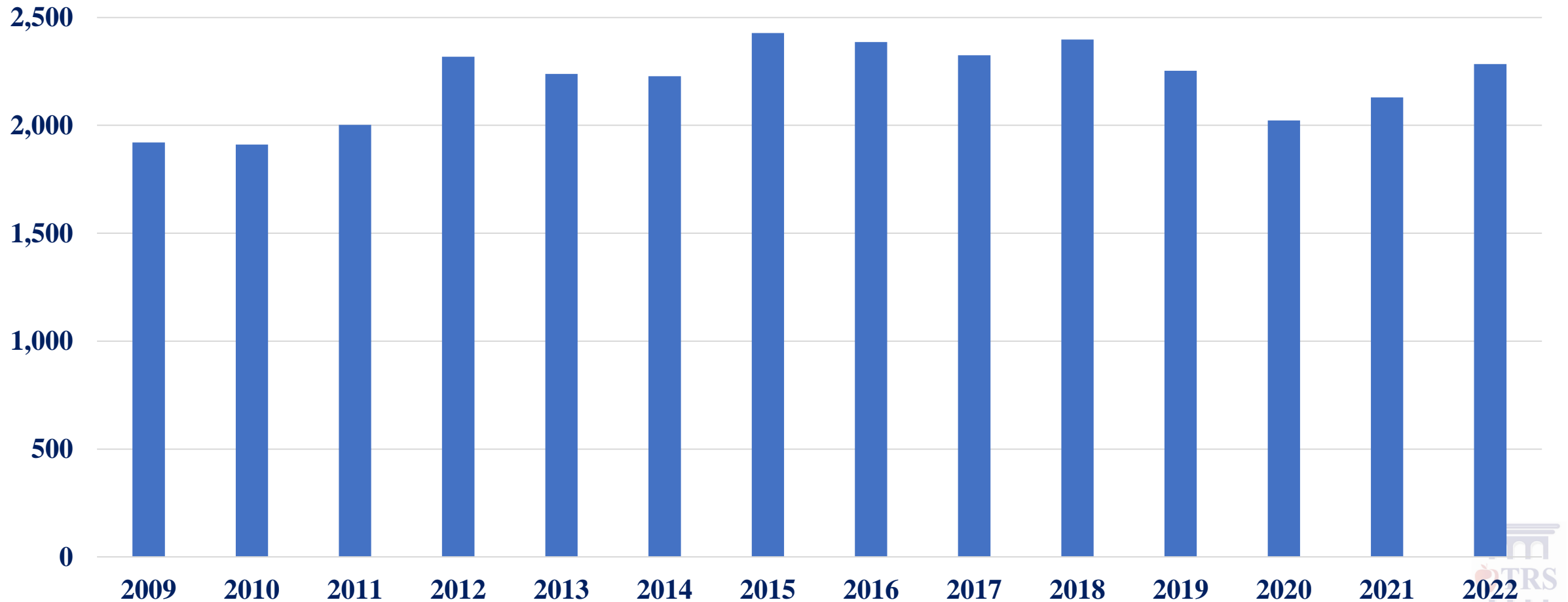
The Inviolable Contract

Inviolable contract applies to benefits when earned

- What has been earned cannot be reduced
- Any risk controls used, if necessary, would apply prospectively

Retirements

Fiscal 2022





Our Members Come First!

800-618-1687

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

info@trs.ky.gov

<https://trs.ky.gov>

Protecting & Preserving Teachers' Retirement Benefits