

**FINANCE AND ADMINISTRATION CABINET**  
**Teachers' Retirement System**  
**(New Administrative Regulation)**

**102 KAR 1:138. Crediting of interest for TRS 4 members.**

RELATES TO: KRS 161.440, 161.580

STATUTORY AUTHORITY: KRS 161.220, 161.310, 161.580

NECESSITY, FUNCTION, AND CONFORMITY: KRS 161.310(1) requires the Board of Trustees of the Teachers' Retirement System of the State of Kentucky (TRS) to promulgate administrative regulations for the administration of funds of the retirement system. KRS 161.440 requires crediting interest, as defined in KRS 161.220(13), to the various funds of TRS, and KRS 161.580 requires that individual accounts be maintained for each member of the system. This administrative regulation sets out procedures to be followed in crediting interest to each TRS 4 member's account.

Section 1. Definitions.

(1) For TRS 4 members "Regular interest" is defined by KRS 161.220(13)(c).

(2) "TRS 4 members" means those individuals who establish membership in the retirement system on or after January 1, 2022.

Section 2. Regular interest for TRS 4 members for the supplemental benefit component and for the first sixty (60) months for the foundational benefit component shall be the rolling five (5) year yield on a thirty (30) year United States Treasury Bond as of the end of May prior to the most recently completed fiscal year. The thirty (30) year U.S. Treasury bond rate at the daily close of the markets is published by the Board of Governors of the Federal Reserve System and is posted on the website of the Federal Reserve Bank of St. Louis. The daily closing yield is titled "Market Yield on U.S. Treasury Securities at 30-Year Constant Maturity, Quoted on an Investment Basis (DGS30)" and is found at <https://fred.stlouisfed.org/series/DGS30> displayed as a percentage, not seasonally adjusted using the daily frequency.

Section 3. The rolling five (5) year yield shall be calculated by adding the closing yield for each trading day of the last five (5) years ending with the last trading day in the month of May and dividing by the number of trading days in the five (5) year period. The result is the regular interest rate to be created in accordance with KRS 161.220(13).102 KAR 1:138. Crediting of regular interest for TRS 4 members.  
(51 Ky.R. 430; eff. 430; eff. 11-8-2024.)

*BRENDA MCGOWN, Chairperson*

APPROVED BY AGENCY: June 17, 2024

FILED WITH LRC: July 12, 2024 at 3:30 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on 24 September 2024, at 9:00 a.m. Eastern Time at the offices of the retirement system at 479 Versailles Road, Frankfort, Kentucky. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through 30 September 2024.

Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Robert B. Barnes, Deputy Executive Secretary of Operations and General Counsel, Kentucky Teachers' Retirement System, 479 Versailles Road, Frankfort, Kentucky 40601, phone (502) 848-8508, fax (502) 573-0199, email [Beau.Barnes@trs.ky.gov](mailto:Beau.Barnes@trs.ky.gov).