MEMORANDUM REPORT

TO: Donna S. Early

FROM: Findley, Inc.

DATE: January 30, 2020

RE: KLRP - Actuarial Analysis of 2020 HB 270
AA Statement 1 of 2

Findley, Inc. was asked to prepare an actuarial analysis in compliance with KRS 6.350 with regard to the recent proposed legislation ("2020 HB 270") that makes changes to the Kentucky Legislators Retirement Plan ("KLRP").

It is our understanding that 2020 HB 270 makes the following changes to KLRP:

1. KLRP shall be closed to new members effective July 1, 2020. New legislators shall participate in the Kentucky Employees Retirement System (KERS).
2. Members who entered KLRP on or after January 1, 2014 (members who are participating in the Hybrid Tier) shall have their account balance transferred to the KERS hybrid cash balance plan and shall prospectively participate in KERS.
3. Legislative changes that become effective on or after July 1, 2020 shall not be part of the "inviolable contract".
4. For participants who entered KLRP after July 1, 1982 but prior to January 1, 2014, the benefit multiplier for service accrued on or after July 1, 2020 shall be lowered from 2.75% to 1.97%.
5. Only non-legislative salary earned prior to July 1, 2020 will be recognized in determining final compensation for inclusion in the benefit formula for a KLRP member who elected to participate in KLRP on or after June 20, 2005 and before January 1, 2014.
6. The Judicial Form Retirement System shall not request nor receive any funding for KLRP, except for administrative expenses, until such time that KLRP has an actuarial funded ratio equal to or less than the KERS nonhazardous pension fund.

Comments

Items 1 and 2 - It is assumed that all members in the Traditional Defined Benefit plan of KLRP will remain in that plan. Members in the KLRP Hybrid Tier will move to the KERS hybrid cash balance plan and will be due no further benefit from KLRP. New legislators will participate in the KERS hybrid cash balance plan and will not receive any benefit from KLRP.

Item 4 - This change only affects the benefit multiplier for service after July 1, 2020 and has no effect on benefits accrued prior to that date.

Item 5 - Benefit amounts for retirees that have had benefits increased due to non-legislative pay will not be impacted by this change.

Item 5 - Current valuation assumptions apply a 40% loading factor to capture the potential impact of non-legislative pay. This factor is applied to active liability, active normal cost and terminated vested

liability. For purposes of the revised projections, effective July 1, 2020, this loading factor will no longer be applied. Terminated members with non-legislative pay will need to have their benefits adjusted to reflect non-legislative pay earned through 2019, if applicable. However, we do not currently have information as to current terminated members who might require an adjustment and for purposes of our study we have assumed there is no one to which this applies or if it does apply the aggregate impact would be minimal. It is assumed future non-legislative pay for active members will have no material impact (since it would have to be earned prior to July 1, 2020).

Item 6 - Because both the KLRP Traditional Defined Benefit plan and the Traditional OPEB plan are both projected to be over 100% funded for the projected 20 year period, no further contributions are assumed to be made in either of these plans, as they are expected to maintain a higher funded ratio than the KERS nonhazardous pension fund.

Assumptions

Future results will vary from projections to the extent future experience varies from the assumptions used in the projections. The longer the period of the forecast, the more variation is likely to occur and the less likely future results will match projections.

1. Except as mentioned herein, all data, assets and assumptions are consistent with the assumptions and methods used for the July 1, 2019 valuation report.
2. Future experience assumptions are consistent with the July 1, 2019 valuation assumptions.
3. The KLRP Traditional Defined Benefit plan is closed to new entrants.
4. Since the changes under 2020 HB 270 are effective July 1, 2020, the first year impacted by a valuation recognizing the changes is July 1, 2021.
5. It is assumed that 100% of the recommended contribution will be made for each year in the current columns of the forecast. In the proposed columns, no future contributions are assumed to be made.
6. In accordance with KRS 21.405, this study does not recognize cost of living increases effective after the most recent valuation date.
7. Certain changes under 2020 HB 270, may or may not be allowed under state law. Whether or not all changes under 2020 HB 270 are permissible is a legal issue, and we provide no opinion in this regard. For purposes of the attached projections, we have assumed such changes are allowable.
8. This report provides actuarial advice and does not constitute legal advice.

Definitions

Accrued Liability – based on the methods and assumptions used, the amount of assets that would be needed to satisfy future projected benefit payments based on service as of the valuation date.

Normal Cost – cost of benefits earned in the year following the valuation for current active members

Actuarial Asset Value – A smoothed asset value which smoothes in asset gains and losses over a 5 year period (for purposes of this study). For projection years 5 or more years in the future, the actuarial and market value would be the same (assuming assets earn the 6.5% rate of return which is assumed). As the Plan has experienced consistent gains over the past few years, the current Actuarial Asset Value is smaller than the market value since all prior gains have not yet been recognized.

Current – projections reflecting current rules and regulations, without regard to 2020 HB 270

Proposed – projections reflecting 2020 HB 270

Conclusions

Adopting the changes put forth under 2020 HB 270 will:

1. Close KLRP to new entrants and move all current KLRP Hybrid Tier participants to KERS. Based upon this, KLRP will have no future liability for the Hybrid Tier. Because the KLRP Hybrid Tier pension and OPEB plans are not fully funded as of July 1, 2019, KERS would presumably be responsible for any unfunded liability at the time of transfer. As of July 1, 2019, these plans were underfunded by approximately $70,000 (based on the Accrued Liability and Market Value of Assets). Future liabilities for the current Hybrid plan population will accrue under the KERS Hybrid plan. To understand an apples to apples comparison of the legislation, we recommend that KERS actuaries analyze the impact to the KERS Hybrid plan of adding this population of employees.
2. Reduce the pension Accrued Liability for KLRP by approximately $6.9M as of July 1, 2020 and increase the projected pension funded ratio at the end of the 20 year forecast from 165% to 260%.
3. Reduce future pension benefit accruals under KLRP.
4. Eliminate future employer contributions. Because the KLRP traditional pension plan only had minimal projected contributions, this change does not have a large effect on the results. The funded ratio would decrease slightly in future years based upon eliminating these contributions; however, the reduction in liability from only recognizing non-legislative pay prior to July 1, 2020 has a much greater effect on the projected funded ratio.
5. The KLRP traditional OPEB plan is not projected to require future contributions before considering 2020 HB 270. Therefore, this bill has no projected effect on this plan.

In accordance with KRS 6.350(2)(c), we have the following opinion in regards to 2020 HB 270:

1. The estimated number of individuals affected in the Traditional plans is 92, the count of active and terminated vested participants in the plan eligible for salary reciprocity as of July 1, 2019 or are currently accruing a benefit in the plan. Approximately 48 participants in the KLRP Hybrid plans will be transferred to the KERS plan.
2. Benefit payments for current retirees are not affected by the bill. Benefit payments for active and terminated vested participants are projected to decrease, in aggregate, by approximately 40%. The potential decrease for individual active and terminated vested participants depends on the amount of non-legislative pay earned after July 1, 2020 that would have been eligible to increase their benefit in KLRP. Additionally, benefit payments for active participants would be reduced further based on reduced benefit accruals in years after July 1, 2020 due to the reduction in the benefit multiplier (annual benefit accruals after July 1, 2020 will be reduced approximately 28% for the change in multiplier).
3. Employer contribution rates would be reduced to $0 for all future years in the 20 year forecast based on the provisions of the bill.
4. Estimated one-time charge to administrative expenses to update our models for determining liabilities and cost for the Traditional plan is no more than $3,000. Ongoing annual administrative expenses is estimated to be reduced by $5,000 for the elimination of the Hybrid plan.

Forecast results are sensitive to the assumptions used. For example, using a different assumption as to future investment returns can produce materially different results. Let us know if you would like for us to perform any sensitivity analysis.

Actuarially Sound

KRS 6.350 requires comment on whether the proposed changes would make KLRP actuarially unsound or, if already actuarially unsound, if such changes would make KLRP "more unsound".

A plan that has adopted a reasonable funding method, uses reasonable assumptions and contributes at a rate at or above the recommended contribution rate (based on these reasonable methods and assumptions), could be considered to be actuarially sound. Whether or not the changes reflected in this study are or are not adopted, will not necessarily impact the "actuarial soundness" of KLRP.

In order to ensure KLRP is funded in an "actuarially sound manner", we would recommend:

1. Revise the actuarial funding method to amortize all past unfunded as well as new liabilities over a period not more than 30 years (in accordance with currently applicable Governmental Accounting Standards 67 and 68) and amortize future gains and losses over a period not more than 15 years.
2. Contributing at least the minimum recommended contribution each year.

Deviations from these recommendations could result in an "actuarially unsound" approach to funding KLRP and may eventually result in KLRP becoming insolvent – that is, exhausting assets at which time all future benefits would be made on a pay as you go basis.

Although the Actuarial Standards of Practice 4 "Measuring Pension Obligations" allows for plan liabilities to be calculated under a legally prescribed method, the statement goes on to say,

> "If, in the actuary's professional judgment, such an actuarial cost method or amortization method is significantly inconsistent with the plan accumulating adequate assets to make benefit payments when due, assuming that all actuarial assumptions will be realized and that the plan sponsor or other contributing entity will make contributions when due, the actuary should disclose this."

It is our professional actuarial opinion that the current legally prescribed method which requires contributions of normal cost plus interest on the unfunded liability plus 1% of the unfunded liability (per KRS 21.525 as currently written) is inconsistent with the plan accumulating adequate assets to make benefit payments when due, assuming all actuarial assumptions are realized.

Because 2020 HB 270 would eliminate employer contributions to the plan until the funded ratio is equal to or less than the funded ratio in KERS nonhazardous pension fund, the bill would make the plan more actuarially unsound Even through the forecast is showing healthy funded percentages, keep in mind that this is based on assumptions that are applied consistently throughout the projection period. Shocks in actual experience could quickly change the funded position and therefore require cash contributions or else risk a compounding/growing unfunded liability. For example, when there is another large drop in the market, the funded position could decrease rapidly and, if cash contributions are not made, this could lead to even larger future contributions to make up for benefits that are being provided yet not paid for. This would be the exact set of events that lead to such a big current unfunded liability situation with the other State plans. Best practice is to make actuarial required contributions as they are developed to make sure benefits are being funded as they are being accrued and to prevent the uncontrolled growth in any unfunded liability.

Professional Qualifications

This report has been prepared under the supervision of Matthew Widick. Matthew is a member of the American Academy of Actuaries, a Fellow of the Society of Actuaries, and a consulting actuary with Findley, Inc. who has met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions herein. To the best of my knowledge this report has been prepared in accordance with generally accepted actuarial standards, including the overall appropriateness of the analysis, assumptions, and results and conforms to appropriate Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis for the actuarial report. I am not aware of any direct or material indirect financial interest or relationship, including investment management or other services that could create, or appear to create, a conflict of interest that would impair the objectivity of this work.

Matthew S. Widick
Associate, Society of Actuaries
Enrollment No. 17-08159
Phone 615.665.5407

January 30, 2020
Date

g:\a07---\9--\03\2020\bill projections\2020 01 20 - 2020 hb 270\2020 hb 270 - leg results.doc

Kentucky Legislators Retirement Plan
Cost Projections - HB 270
Prepared by Findley, Inc.
January 30, 2020
Pension Plan Only (pre-2014 Legacy only)

	Contribution ($M)		Contribution (%)		Accrued Liability ($M)		Unfunded Liability ($M)		Funded Ratio (Assets/Liabilities)	
Year Beginning July 1	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
2019	$ 1.2	$ 0.0	48.1%	0.0%	$ 71.6	$ 71.6	$ 0.4	$ 0.4	99%	99%
2020	$ 0.3	$ 0.0	26.6%	0.0%	$ 70.0	$ 63.1	$ (2.4)	$ (8.5)	103%	113%
2021	$ 0.3	$ 0.0	32.7%	0.0%	$ 68.3	$ 61.3	$ (4.8)	$ (11.1)	107%	118%
2022	$ 0.0	$ 0.0	0.0%	0.0%	$ 66.4	$ 59.4	$ (6.7)	$ (13.1)	110%	122%
2023	$ 0.0	$ 0.0	0.0%	0.0%	$ 64.5	$ 57.4	$ (7.9)	$ (14.8)	112%	126%
2024	$ 0.0	$ 0.0	0.0%	0.0%	$ 62.5	$ 55.4	$ (8.3)	$ (15.7)	113%	128%
2025	$ 0.0	$ 0.0	0.0%	0.0%	$ 60.5	$ 53.3	$ (8.7)	$ (16.7)	114%	131%
2026	$ 0.0	$ 0.0	0.0%	0.0%	$ 58.4	$ 51.3	$ (9.2)	$ (17.7)	116%	135%
2027	$ 0.0	$ 0.0	0.0%	0.0%	$ 56.3	$ 49.2	$ (9.7)	$ (18.8)	117%	138%
2028	$ 0.0	$ 0.0	0.0%	0.0%	$ 54.1	$ 47.1	$ (10.2)	$ (20.0)	119%	142%
2029	$ 0.0	$ 0.0	0.0%	0.0%	$ 52.0	$ 44.9	$ (10.9)	$ (21.3)	121%	147%
2030	$ 0.0	$ 0.0	0.0%	0.0%	$ 49.7	$ 42.8	$ (11.5)	$ (22.6)	123%	153%
2031	$ 0.0	$ 0.0	0.0%	0.0%	$ 47.6	$ 40.7	$ (12.2)	$ (24.1)	126%	159%
2032	$ 0.0	$ 0.0	0.0%	0.0%	$ 45.4	$ 38.6	$ (13.0)	$ (25.6)	129%	166%
2033	$ 0.0	$ 0.0	0.0%	0.0%	$ 43.2	$ 36.5	$ (13.8)	$ (27.3)	132%	175%
2034	$ 0.0	$ 0.0	0.0%	0.0%	$ 41.0	$ 34.5	$ (14.6)	$ (29.0)	136%	184%
2035	$ 0.0	$ 0.0	0.0%	0.0%	$ 38.9	$ 32.5	$ (15.6)	$ (30.9)	140%	195%
2036	$ 0.0	$ 0.0	0.0%	0.0%	$ 36.7	$ 30.5	$ (16.5)	$ (32.9)	145%	208%
2037	$ 0.0	$ 0.0	0.0%	0.0%	$ 34.6	$ 28.6	$ (17.6)	$ (35.0)	151%	222%
2038	$ 0.0	$ 0.0	0.0%	0.0%	$ 32.5	$ 26.7	$ (18.7)	$ (37.3)	158%	240%
2039	$ 0.0	$ 0.0	0.0%	0.0%	$ 30.4	$ 24.8	$ (19.9)	$ (39.7)	165%	260%
Sum of Contributions	$ 1.8	$ 0.0								

Assumes 6.5% future asset returns beginning July 1, 2019 in the Traditional Defined Benefit plan.
In the Current column, Assumes 100% of the recommended contribution is contributed each year. However, in the Proposed column, assumes no employer contribution is made in any year.
Unfunded Liability is calculated as Accrued Liability minus the Actuarial Assets Value.
Funded Ratio is calculated as Actuarial Value of Assets divided by Accrued Liability.
Contribution(%) is calculated as the Contribution($) divided by total payroll in the Traditional plan.

Kentucky Legislators Retirement Plan
Cost Projections - HB 270
Prepared by Findley, Inc.
January 30, 2020
Pension Plan Only (post-2014 Hybrid Tier)

Year Beginning July 1	Contribution ($M) Current	Contribution ($M) Proposed*	Contribution (%) Current	Contribution (%) Proposed*	Accrued Liability ($M) Current	Accrued Liability ($M) Proposed*	Unfunded Liability ($M) Current	Unfunded Liability ($M) Proposed*	Funded Ratio (Assets/Liabilities) Current	Funded Ratio (Assets/Liabilities) Proposed*
2019	$ 0.03	N/A	1.6%	N/A	$ 0.32	N/A	$ 0.06	N/A	81%	N/A
2020	$ 0.07	N/A	2.2%	N/A	$ 0.44	N/A	$ 0.09	N/A	80%	N/A
2021	$ 0.07	N/A	2.1%	N/A	$ 0.65	N/A	$ 0.07	N/A	89%	N/A
2022	$ 0.13	N/A	3.6%	N/A	$ 0.89	N/A	$ 0.10	N/A	89%	N/A
2023	$ 0.13	N/A	3.5%	N/A	$ 1.19	N/A	$ 0.10	N/A	92%	N/A
2024	$ 0.14	N/A	3.6%	N/A	$ 1.37	N/A	$ 0.08	N/A	94%	N/A
2025	$ 0.14	N/A	3.4%	N/A	$ 1.63	N/A	$ 0.07	N/A	96%	N/A
2026	$ 0.15	N/A	3.5%	N/A	$ 1.91	N/A	$ 0.06	N/A	97%	N/A
2027	$ 0.16	N/A	3.5%	N/A	$ 2.23	N/A	$ 0.05	N/A	98%	N/A
2028	$ 0.17	N/A	3.5%	N/A	$ 2.59	N/A	$ 0.04	N/A	98%	N/A
2029	$ 0.18	N/A	3.5%	N/A	$ 2.95	N/A	$ 0.03	N/A	99%	N/A
2030	$ 0.19	N/A	3.5%	N/A	$ 3.35	N/A	$ 0.03	N/A	99%	N/A
2031	$ 0.20	N/A	3.6%	N/A	$ 3.73	N/A	$ 0.01	N/A	100%	N/A
2032	$ 0.21	N/A	3.7%	N/A	$ 4.09	N/A	$ 0.00	N/A	100%	N/A
2033	$ 0.21	N/A	3.5%	N/A	$ 4.46	N/A	$ (0.01)	N/A	100%	N/A
2034	$ 0.22	N/A	3.5%	N/A	$ 4.85	N/A	$ (0.03)	N/A	101%	N/A
2035	$ 0.23	N/A	3.5%	N/A	$ 5.30	N/A	$ (0.04)	N/A	101%	N/A
2036	$ 0.24	N/A	3.6%	N/A	$ 5.72	N/A	$ (0.06)	N/A	101%	N/A
2037	$ 0.25	N/A	3.6%	N/A	$ 6.21	N/A	$ (0.07)	N/A	101%	N/A
2038	$ 0.26	N/A	3.5%	N/A	$ 6.68	N/A	$ (0.09)	N/A	101%	N/A
2039	$ 0.27	N/A	3.5%	N/A	$ 7.11	N/A	$ (0.11)	N/A	102%	N/A
Sum of Contributions	$ 3.65	N/A								

*Under 2020 HB 270, all members are assumed to move to the KERS nonhazardous hybrid cash balance plan and will no longer impact KLRP.

Assumes 6.5% future asset returns beginning July 1, 2019 in the Hybrid Defined Benefit plan.
Assumes 100% of the recommended contribution is contributed each year.
Unfunded Liability is calculated as Accrued Liability minus the Actuarial Assets Value.
Funded Ratio is calculated as Actuarial Value of Assets divided by Accrued Liability.
Contribution(%) is calculated as the Contribution($) divided by total payroll in the Traditional plan.

Kentucky Legislators Retirement Plan
Cost Projections - HB 270
Prepared by Findley, Inc.
January 30, 2020
Traditional OPEB Plan Only

	Contribution ($M)		Contribution (%)		Accrued Liability ($M)		Unfunded Liability ($M)		Funded Ratio (Assets/Liabilities)	
Year Beginning July 1	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
2019	$ 0.0	$ 0.0	0.0%	0.0%	$ 19.6	$ 19.6	$ (26.9)	$ (26.9)	237%	237%
2020	$ 0.0	$ 0.0	0.0%	0.0%	$ 19.7	$ 19.7	$ (29.7)	$ (29.7)	251%	251%
2021	$ 0.0	$ 0.0	0.0%	0.0%	$ 19.8	$ 19.8	$ (33.0)	$ (33.0)	267%	267%
2022	$ 0.0	$ 0.0	0.0%	0.0%	$ 19.8	$ 19.8	$ (35.9)	$ (35.9)	281%	281%
2023	$ 0.0	$ 0.0	0.0%	0.0%	$ 19.8	$ 19.8	$ (38.7)	$ (38.7)	295%	295%
2024	$ 0.0	$ 0.0	0.0%	0.0%	$ 19.7	$ 19.7	$ (41.1)	$ (41.1)	309%	309%
2025	$ 0.0	$ 0.0	0.0%	0.0%	$ 19.5	$ 19.5	$ (43.7)	$ (43.7)	324%	324%
2026	$ 0.0	$ 0.0	0.0%	0.0%	$ 19.4	$ 19.4	$ (46.5)	$ (46.5)	340%	340%
2027	$ 0.0	$ 0.0	0.0%	0.0%	$ 19.2	$ 19.2	$ (49.4)	$ (49.4)	357%	357%
2028	$ 0.0	$ 0.0	0.0%	0.0%	$ 18.9	$ 18.9	$ (52.6)	$ (52.6)	378%	378%
2029	$ 0.0	$ 0.0	0.0%	0.0%	$ 18.6	$ 18.6	$ (56.0)	$ (56.0)	401%	401%
2030	$ 0.0	$ 0.0	0.0%	0.0%	$ 18.3	$ 18.3	$ (59.6)	$ (59.6)	426%	426%
2031	$ 0.0	$ 0.0	0.0%	0.0%	$ 17.9	$ 17.9	$ (63.4)	$ (63.4)	454%	454%
2032	$ 0.0	$ 0.0	0.0%	0.0%	$ 17.5	$ 17.5	$ (67.5)	$ (67.5)	486%	486%
2033	$ 0.0	$ 0.0	0.0%	0.0%	$ 17.1	$ 17.1	$ (71.8)	$ (71.8)	520%	520%
2034	$ 0.0	$ 0.0	0.0%	0.0%	$ 16.6	$ 16.6	$ (76.4)	$ (76.4)	560%	560%
2035	$ 0.0	$ 0.0	0.0%	0.0%	$ 16.2	$ 16.2	$ (81.4)	$ (81.4)	602%	602%
2036	$ 0.0	$ 0.0	0.0%	0.0%	$ 15.7	$ 15.7	$ (86.6)	$ (86.6)	652%	652%
2037	$ 0.0	$ 0.0	0.0%	0.0%	$ 15.2	$ 15.2	$ (92.2)	$ (92.2)	707%	707%
2038	$ 0.0	$ 0.0	0.0%	0.0%	$ 14.7	$ 14.7	$ (98.2)	$ (98.2)	768%	768%
2039	$ 0.0	$ 0.0	0.0%	0.0%	$ 14.1	$ 14.1	$ (104.6)	$ (104.6)	842%	842%
Sum of Contributions	$ 0.0	$ 0.0								

Assumes 6.5% future asset returns beginning July 1, 2019 in the Traditional OPEB plan.
In the Current column, Assumes 100% of the recommended contribution is contributed each year. However, in the Proposed column, assumes no employer contribution is made in any year.
Unfunded Liability is calculated as Accrued Liability minus the Actuarial Assets Value.
Funded Ratio is calculated as Actuarial Value of Assets divided by Accrued Liability.
Contribution(%) is calculated as the Contribution($) divided by total payroll of participants in the Traditional OPEB plan.

Kentucky Legislators Retirement Plan
Cost Projections - HB 270
Prepared by Findley, Inc.
January 30, 2020
Hybrid OPEB Plan Only

	Contribution ($M)		Contribution (%)		Accrued Liability ($M)		Unfunded Liability ($M)		Funded Ratio (Assets/Liabilities)	
Year Beginning July 1	Current	Proposed*	Current	Proposed*	Current	Proposed*	Current	Proposed*	Current	Proposed*
2019	$ 0.01	N/A	0.5%	N/A	$ 0.09	N/A	$ 0.03	N/A	67%	N/A
2020	$ 0.02	N/A	0.4%	N/A	$ 0.14	N/A	$ 0.04	N/A	71%	N/A
2021	$ 0.03	N/A	0.5%	N/A	$ 0.27	N/A	$ 0.09	N/A	67%	N/A
2022	$ 0.09	N/A	1.3%	N/A	$ 0.43	N/A	$ 0.15	N/A	65%	N/A
2023	$ 0.09	N/A	1.2%	N/A	$ 0.61	N/A	$ 0.16	N/A	74%	N/A
2024	$ 0.11	N/A	1.3%	N/A	$ 0.82	N/A	$ 0.17	N/A	79%	N/A
2025	$ 0.11	N/A	1.2%	N/A	$ 1.04	N/A	$ 0.18	N/A	83%	N/A
2026	$ 0.12	N/A	1.2%	N/A	$ 1.29	N/A	$ 0.19	N/A	85%	N/A
2027	$ 0.13	N/A	1.2%	N/A	$ 1.57	N/A	$ 0.19	N/A	88%	N/A
2028	$ 0.14	N/A	1.2%	N/A	$ 1.87	N/A	$ 0.20	N/A	89%	N/A
2029	$ 0.14	N/A	1.1%	N/A	$ 2.20	N/A	$ 0.21	N/A	90%	N/A
2030	$ 0.15	N/A	1.1%	N/A	$ 2.56	N/A	$ 0.21	N/A	92%	N/A
2031	$ 0.16	N/A	1.1%	N/A	$ 2.94	N/A	$ 0.21	N/A	93%	N/A
2032	$ 0.16	N/A	1.1%	N/A	$ 3.35	N/A	$ 0.22	N/A	93%	N/A
2033	$ 0.17	N/A	1.1%	N/A	$ 3.77	N/A	$ 0.21	N/A	94%	N/A
2034	$ 0.17	N/A	1.1%	N/A	$ 4.22	N/A	$ 0.21	N/A	95%	N/A
2035	$ 0.18	N/A	1.1%	N/A	$ 4.66	N/A	$ 0.19	N/A	96%	N/A
2036	$ 0.17	N/A	1.0%	N/A	$ 5.12	N/A	$ 0.18	N/A	96%	N/A
2037	$ 0.18	N/A	1.0%	N/A	$ 5.62	N/A	$ 0.19	N/A	97%	N/A
2038	$ 0.18	N/A	1.0%	N/A	$ 6.15	N/A	$ 0.19	N/A	97%	N/A
2039	$ 0.19	N/A	1.0%	N/A	$ 6.71	N/A	$ 0.19	N/A	97%	N/A
Sum of Contributions	$ 2.70	N/A								

*Under 2020 HB 270, all members are assumed to move to the KERS nonhazardous hybrid cash balance plan and will no longer impact KLRP.

Assumes 4.0% future asset returns beginning July 1, 2019 in the Hybrid OPEB plan.
Assumes 100% of the recommended contribution is contributed each year.
Unfunded Liability is calculated as Accrued Liability minus the Actuarial Assets Value.
Funded Ratio is calculated as Actuarial Value of Assets divided by Accrued Liability.
Contribution(%) is calculated as the Contribution($) divided by total payroll of participants in the Hybrid OPEB plan.