

# THE KERNEL

A publication of the Kentucky Public Retirees, Inc.

Issue 148

March 2025



## President's Perspective

By Larry Totten

*From the November 2016 issue of THE KERNEL:*

In reading some article about pension systems a short time ago, I came across an interesting definition of the word *fiduciary*: "An individual in whom another has placed the utmost trust and confidence to manage and protect property or money. The relationship wherein one person has an obligation to act for another's benefit.

We all know how this applies to the KRS Board of Trustees/Directors – KRS 61.650 (1) (c) even codifies the requirement that they discharge their duties "solely in the interest of the members and beneficiaries." What was intriguing to me about this definition was the second sentence.

I have come to believe that each of us are also fiduciaries. We obviously are not responsible for the pension and insurance trust funds themselves, but I do think each of us has an obligation to act for another's benefit, in this case that of our fellow retirees.

Our defined benefit plan is at its core one based on our fiduciary responsibility to each other. Defined benefit plans such as ours protects the retirement income of our entire KRS membership, those both retired and still working, not leaving individuals on their own to plan for a life of uncertain length, uncertain income, or uncertain ability to navigate through a labyrinth of investment vehicles. The contributions we paid into the systems while working went toward the benefits being paid to retirees at that time and provided funds that were invested for future benefit payments.

Now that we are retired, this responsibility has shifted from the monetary to the participatory. KPR exists to advocate for the pension security for all public retirees. We do this by speaking up in defense of the pensions we all earned – as well as in defense of benefits yet to be received by others - because we all are truly in this together.

Talk to your legislators when you see them in your community and continue to have them at your monthly chapter meetings. Make them commit to the security of pension benefits for all of us. It is only by joining together with one voice that we can even hope to overcome those forces that might deny us our benefits."

What brought this to my attention again was a bill, SB 183, that is being heard at the Public Pension Oversight Board on February 24. The title of this bill is - "An Act relating to the fiduciary duties owed to state-administered retirement systems." In it, it adds definitions of "shareholder sponsored proposal" and seems to require a proxy advisor to vote as directed by a board or to conduct an economic analysis to prove that a vote against management's recommendations is solely in the interest of the retirements plans members and beneficiaries. This bill would apply to all the state's pension plans.

Is this simply giving a proxy a way to disagree with a pension board before voting? What is a "shareholder sponsored proposal" and how does this fit into the pension's investment strategies? Who is this shareholder? Why is this necessary? Before proxies vote on behalf of one of the pension plans, they are already required to follow board-adopted proxy voting guidelines (KRS 61.650 [7]). Maybe I'm making this more complicated than it is. Guess we'll see at the meeting.

I want to again express my appreciation for the dedication of our chapter presidents, state and local committee chairs, and our administrative manager who together make KPR work – it just wouldn't without all of you. I also appreciate the continued membership of everyone reading this newsletter. Our predecessors were correct years ago when they said, an organization is only as strong as its membership – it's what makes us credible to legislators.

Remember, our public pensions are not a handout –

**WE EARNED IT!**

## Kentucky Public Pensions Authority Update

by Larry Totten

As reported in the last *Kernel*, separate Annual Comprehensive Financial Reports for CERS and KRS were published. The recently released Summary Annual Financial Report will still be a combined document. With the strong investment returns for FY 24, the fiduciary net position of the ten pension and insurance plans increase to \$27.1 billion. (In comparison, that amount was \$16.0 billion in FY 15.) As expected, the funding status of all the pension plans increased. On the insurance side, the two CERS plans dropped a bit, but still remained over 100% funded, as did the KERS H and SPRS plans. KERS NH remained static from the previous year at 81.7%. With the release of these reports, it is worth noting that KPPA now has 433,461 members as of June 30, 2024 – 129,136 actives; 172,171 inactive, and 128,154 retired. Tier 1 members remain the largest cohort at 239,844 members, but 52% (125,315) are now retired. Just over 5% of Tier 2s are retired as are just .2% of Tier 3s.

At this writing in mid-February, investment returns through December – midway through the fiscal year - have been posted. While all ten insurance and pension plans suffered losses in December (-1.5% average), year-to-date, all of the plans have had returns in the neighborhood of 4.5%. As a side note considering this money will eventually make its way into KERS NH, the excise tax from online gambling activities has reached over \$54 million for the Sep 23 – Dec 24 time period.

## Legislative Chair Update

by Larry Totten

As this article is being written, the current Session has passed the deadlines for the filing of proposed legislation in both chambers, so we know what may or may not come out of this Session.

Two bills were introduced that would provide an increase to our pensions: HB 336 (a 2% COLA) and HB 337 (a 13<sup>th</sup> check for retirees). As of the date of this writing (mid-February), both have been assigned to the House Appropriations & Revenue Committee but have not been called for a hearing. One bill that was unanimously passed out of the Senate is SB 10, a bill that would increase the health insurance subsidy for under-65 retirees in CERS (but NOT KERS or SPRS). The content of the bill is something that definitely needs doing, but I have voiced my concerns to one of the co-sponsors about the omission of KERS/SPRS retirees who face the same financial burden. Passing out of the House, HB 71, a KPPA reorg bill creating the Office of Financial Management, and HB 30, a bill that exempts salary increases approved by the legislature or an administrative employer from pension spiking provisions.

HB 71 was introduced on behalf of KPPA in the General Assembly as a reorg bill to create an Office of Financial Management. HB 30 was introduced to exempt recent increases in active employees pay, as appropriate, from pension spiking provisions. Both have passed out of the House.

Voting for the three CERS trustees ended on March 1. The successful candidates will be announced by the end of the month and begin their positions on April 1. There have been no recent, major staff changes to KPPA.

February becomes the month where two longstanding legal issues may be resolved or, at least, moved along. The Boards recently voted to tentatively approve a settlement with Bayhills – an investment manager that then-KRS intended to fire for breach-of-contract in 2018. The other is the much larger issue involving multiple hedge fund litigations. Attorneys in the “Tier 3” case successfully argued that their case should not just be dismissed by the proposed \$227 million settlement in the “Mayberry” case and will go to mediation. March 14 is the deadline for that process, and March 26 is the new date for a possible decision on the original “Mayberry” settlement.

Committee and Board meetings for KPPA/KRS/CERS may be viewed live via Facebook Watch or in an area set up at KPPA offices for this specific purpose as they occur. They can also be viewed anytime by choosing the meeting from the “About”, then “Meeting Calendar” tabs on the KPPA website. My summaries of all KPPA, CERS, KRS, Public Pension Oversight Board, and any other pertinent meetings are posted on the KPR Facebook page shortly after they occur. I hope these provide you with some benefit.

One piece of legislation related more to seniors and not just KPPA retirees is SB 67. It is one of four bills that would provide an exemption for homeowners over the age of 65 from increases in the valuation of their personal residences for property tax purposes. As of this writing, it has passed out of the Senate. This proposal would require a constitutional amendment which, if approved, would not be voted on until 2026. There are a small number of other bills that are not likely to move in this short session.

The Public Pension Oversight Board has a few new members, including a new Co-Chair Rep. Walker Thomas (R-8). The January meeting saw discussion of three bills; the agenda for the February meeting shows two bills listed and a discussion on the membership of this Board. This committee generally meets on the 4<sup>th</sup> Monday of each month but has been known to vary. The schedules for all legislative committees, is on the LRC webpage under “Schedules and Calendars.” Meetings are open to the public in the Capitol Annex Room 154, or available for remote viewing through either KET or the LRC’s own live feeds: <https://legislature.ky.gov/Public%20Services/PIO/Pages/Live-Streams.aspx>.



## Membership Update

By Betty Hawkins

Hello, KPR members. The winter of 2025 has certainly been one to remember. As I compose this article, we have snow covered roads again. By the time you receive this newsletter, hopefully most of the snow will be gone. The November newsletter indicated that we had successfully recruited 40 new members. As of this date, February 22, we have recruited a total of 115 new members. Please refer to Martha's Membership Graph to see how your local chapter is doing. The chapter which recruits the largest number of new members will receive \$70; the chapter which has the largest percentage increase of new members will receive \$70.

The KPR State Board voted at the December 12, 2024, board meeting to extend the date of the membership contest from May 31, 2025, to August 31, 2025, to coincide with the date of our 2025 Annual Meeting, September 25, 2025. The Annual Meeting will be held at The Clarion Hotel and Conference Center, 1950 Newtown Pike, Lexington. Winners of the membership contest will be recognized at this meeting. You do not have to be present at the annual meeting to participate in the contest.

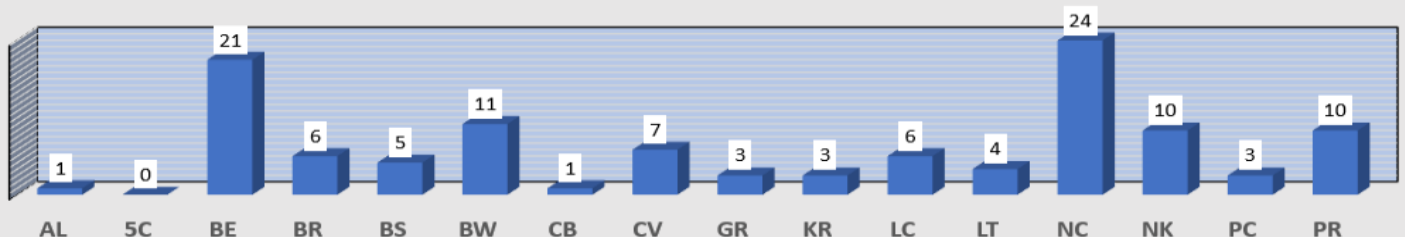
Again, we have some very nice cash prizes for the winners of the contest: first place - \$125; second place - \$100; third place - \$75; and fourth place - \$50. There are also three \$20 random drawings for those individuals who recruit a new member. Please remember that your spouse is eligible to be a member. Recruit your spouse and be eligible for one of the \$20 random drawings. I encourage all members reading this article to seriously consider recruiting your spouse. Spouses have as much invested as you do since they are the likely beneficiaries of your pension benefit.

KPR membership applications may be printed and downloaded from the KPR website. You can also complete an online application by clicking on the new member tab. Each local KPR chapter should also have a supply of membership applications. Please contact your chapter president, or you may contact me if you need a paper copy. My email address is: [betty.hawkins49@gmail.com](mailto:betty.hawkins49@gmail.com) or you may call me at 502-321-0649.

I am reminding and encouraging those of you who have not paid your 2025 dues to do so as soon as possible. Second notices will be mailed soon. Those members who haven't paid their 2025 dues will be removed from the membership roll on May 31, 2025. KPR has provided several options for members to pay their dues. You can pay online by going to the website at: [www.kentuckypublicretirees.org](http://www.kentuckypublicretirees.org) and clicking on the membership tab. There you can pay by personal credit card or an online dues subscription which automatically renews each year. Should you not want to pay electronically, you can also mail a personal check for \$15 to our business office at KPR, P. O. Box 944, Frankfort, KY 40602. Should you have a question concerning the status of your dues payment, please contact our administrative manager, Floyd Parrish at 502-437-9408, or send an email to: [kprmanager@gmail.com](mailto:kprmanager@gmail.com).

We worked very hard this last session to secure a pension supplement for **all** retirees. We are continuing to meet with key legislators. Membership numbers matter when we are lobbying for this supplement. If you are undecided about renewing your 2025 KPR membership, please think about doing your part to keep that membership number as high as possible. It has been many years since we have received an increase. Please contact your legislators in your districts regarding this increase.

Martha's Membership Contest  
June 1, 2024 - Aug. 31, 2025  
New Members  
February 21, 2025 = 115



# Chapter News

**Barren River** - In October there were ten chapter members in attendance, two guest speakers, and Larry Totten, state KPR president. Chapter President Carol Douglas introduced the guest speakers, officers Andrew Kilbourne and Amber Kae Bowman, with the newly created Bowling Green Police Department (BGPD) Community Outreach Program.

The unit works toward positively engaging with citizens of the community in ways outside the normal operating procedures. The speakers highlighted the Citizen's Police Academy and the Junior Police Academy. They noted the popularity of both programs and stated that waiting lists exist for enrollment. Officer Kilbourne gave some interesting statistics on the BGPD. The department patrols an area of 43 square miles, consisting of eight districts. There are 206 total employees, of which 142 are sworn officers. The department receives approximately 12,000 calls per month. Officers Kilbourne and Bowman addressed questions from the members in attendance.



**Andrew Kilbourne and Amber Kae Bowman**

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Larry Totten spoke to the group concerning several issues:

- \*The KPR state board is looking into the rationality of continuing with a full state conference in 2025. The number of statewide members attending the 2024 meeting was minimal, which has been a problem since the onset of COVID. There will be some type of annual meeting, but what form it will take remains to be seen.

- \* The new prescription drug formulary is available, and everyone was encouraged to reference the list for changes regarding coverage and co-payments.

- \* The most recent actuarial reports show growth in all retirement plans.

- \* CERS will elect three new trustees to take office in April 2025. Everyone in this system was encouraged to vote.

- \* KPR and other parties are still working on the 13<sup>th</sup> check for retirees. No pension related bills are currently being discussed during the interim session. Meetings have taken place with Jason Petrie, chair of the Appropriations and Revenues Committee, regarding a potential supplemental payment. Rep. Petrie is determined that CERS retirees must be a part of any legislation passed. The state assembly has no authority to authorize supplemental payments to CERS, so this is a situation that must be addressed. Rep. Petrie is fearful that retirees will ask for additional payments each year, but has been assured in the meetings that this is not an issue.



**Jacqueline Hendricks, Allen Costellow, and Carol Douglas**

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In December the speakers were Allen Costellow and Jacqueline Hendricks, with Southern Kentucky Financial Services in Bowling Green. Mr. Costellow is the CEO and financial planner, and Ms. Hendricks is a client service associate. Mr. Costellow discussed the importance of not only saving for retirement but also managing funds after retirement. He compared retirement to coming down from a mountain top which can be more volatile than the ascent. (Cont'd page 5)

**Barren River** - Mr. Costellow stated that state retirees are better prepared than many because of the monthly pension and excellent insurance benefits. He spoke of investment strategies and provided tips on how to manage tax liability during retirement. He also encouraged everyone to consider a long-term care policy due to the rising costs of healthcare. Mr. Costellow provided some basic information on living and irrevocable trusts and encouraged those interested to contact an elder care attorney. Trusts are often set up to prevent assets from being lost to creditors, such as nursing home facilities.

**Bluegrass West** - In November Vicki Glaug with Tivity Health spoke to our chapter on behalf of Silver Sneakers. They asked how many of our members take advantage of the Silver Sneakers program and was impressed with the number that are using this benefit. Ms. Glaug demonstrated, and then asked members to participate, in several exercises that are good for strengthening balance. She encouraged everyone to stay active by doing some form of exercise daily.



In December Bonnie Reeves provided Christmas music while our members enjoyed a Christmas lunch prepared by the VFW. It's always a joy to have Bonnie entertain us during the holiday season with her music which is festive and uplifting.

Due to extremely cold weather, Bluegrass West cancelled our January meeting.

**Bonnie Reeves**

**Cumberland Valley** - In November we met at David's Steak House in Corbin. Chapter President David Cornett presided over the meeting. Minutes of the previous meeting and the treasurer report were read and approved. We discussed pension and insurance fund percentages, the 40 million dollars in sports gambling revenue, and retirement trends being up for



**David Cornett**

KERS and state police, but lower for CERS. We also discussed updates on the Social Security Fairness Act that recently passed the U.S. House. Members were encouraged to contact Senators Rand Paul and Mitch McConnell.

We did not meet in December.

**Green River** - In October our guest speaker was Larry Totten, state KPR president. He began with a brief overview of our health insurance changes for the upcoming year. The big change, which was explained to us by Lewis Jean at last month's meeting, is that for 2025, for retirees who are 65 and over covered by Medicare, there is a substantial benefit enhancement relating to the Part D prescription drug program. The annual threshold has been reduced to \$2,000.

He said KERS is 24 or 25 percent funded, which is outstanding compared to several years ago. He said all plans are doing well. He is still pushing for a 13<sup>th</sup> check for all of us. He is hopeful we get it in 2025, when it will have been 14 years since we've gotten any increase in our checks. If we get it, it will be a one-time thing.



**Rep. Scott Lewis**

In November our guest speaker was Representative Scott Lewis who represents Hancock, Ohio, and part of Daviess County. He noted that state employees' pay scales have increased, and hopefully it will help with the retention of current staff. He said that retirement system funding has increased significantly. The state has set aside funding for roads and infrastructure.



**Peggy Welsh**



**Brenda Stone**



**Wayne Boling**

In December our guest speaker was Sheriff Brad Youngman. He shared with us his organizational chart for the sheriff's office. It shows every division within the office, including the Special Deputy Unit, Administrative Division, Patrol Division, Investigative Division, and Tax Division. He gave statistics on the past year's DUI's, traffic stops, accidents, etc. He said there was a 1,700 percent increase in fentanyl traffic. He also shared that the primary target for deportation is Chinese nationals.



**Lincoln Trail members - L-R: President Theresa Wickersham. Vice-President Linda Funk, Membership Chair Marlena Brown, Linda Marcum, Sheila Gibson, Kenneth Gibson, Secretary-Treasurer Sandy Allen, Leslie Humphrey, Martha Turner, and Martha Stephens**

**Lincoln Trail** - Our guest speaker in October was Matthew Clark, APRN at Baptist Health Hardin Diabetic Care. He has lived with diabetes most of his life and said that, generally, 70 percent of people in a room have diabetes or prediabetes. He advised us to chew, not drink, our carbs; exercise (a 15-minute a day casual stroll burns up extra glucose in your system); make lifestyle changes; and keep at it. He wrapped up his presentation with an informative Q&A session. Blood pressure screenings were offered by Medical Assistant Tosha Clontz.



**Matthew Clark**

November's guest speaker was Christy Furlong, Humana Group Medicare account executive. She spoke about Go365, a Humana Medicare Advantage program that rewards members for wellness activities. Preventive screenings are automatically logged, and members log additional activities every 90 days to earn rewards.

December's meeting was moved to the Kingdom Buffet for the chapter holiday celebration, which consisted of secret Santa gift exchanging, door prize drawings, and joke-sharing. Members voted to cancel meetings in the months of January and July each year.

**Northern Kentucky** - In October several of our members and friends joined together on a beautiful Monday afternoon for a fun group outing.

The weather was a little windy and cool, but thanks to Don Ball, who recently retired from the park staff, we were able to go into the warmth of the Historic Tower Park Armory. Our "Bingo" was a big hit! We are inviting all of you who missed out on this outing to come and join us next year.

Our guest speaker for November was Natalie Ciulla, community outreach specialist for St. Elizabeth Hospice. She discussed services regarding hospice that St. Elizabeth offers, as well as their Veteran's Appreciation Program. Natalie gave us a wonderful program that was of great interest to everyone. She can be reached at [Natalie.Ciulla@stelizabeth.com](mailto:Natalie.Ciulla@stelizabeth.com) or (859) 301-4600.

In December we met at the Golden Corral in Florence. Sixteen members were in attendance. Chapter President Milton Mains was unable to join us, but says he is doing better and wants to take his time with his recuperation.

**Purchase** - In November our speaker was newly elected District 2 State Representative Kim Holloway. She shared her thoughts about issues the state is facing. We shared our concerns about no increase in retirees' benefits for 13 years and none scheduled until 2049. We noted the number of retirees in her district, the average income of each, and the total dollar income we contribute to the local economy. We encouraged her to support any legislation that would give some relief to retirees.

Senator Danny Carroll was our speaker in December. Sen. Carroll is a retired CERS employee and a member of our chapter. He shared his thoughts about the upcoming session as a non-budget one. We asked for his support on any bills presented that would be beneficial to retirees. We did not meet in January. In February we did not have a guest speaker. We discussed declining membership and current legislation that has a direct impact on retirees.



To keep up to date with current activities affecting our retirement sign up for our email bulletins at [kentuckypublicretirees.org](http://kentuckypublicretirees.org). Also, follow our Facebook page and webpage for information about issues of concern to all KPR members.



Please let us know if you change your address, phone number, or email address so that you don't miss receiving our newsletter, dues notice, or other information.

You can email the change to [kprmanager@gmail.com](mailto:kprmanager@gmail.com), call and leave a message at 502-437-9408, or complete the contact form on our website [kentuckypublicretirees.org](http://kentuckypublicretirees.org).



Scan the QR code at right to visit our website.



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KENTUCKY PUBLIC RETIREES





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**kprmanager@gmail.com**



<p><b>Barren River</b>          10 a.m. (CT), 3rd Monday          (Alternate months – F,A,J,A,O,D)          BRADD Center          177 Graham Avenue (off Plum Springs Rd)          Bowling Green, KY          Contact Carol Douglas          (270) 535-4023</p>	<p><b>Big Sandy</b>          11:30 a.m., 2nd Thursday          Jenny Wiley State Resort Park          75 Theater Court          Prestonsburg, KY          Contact Judy White          (606) 886-7922</p>	<p><b>Bluegrass East</b>          11:30 a.m. (ET), 2nd Wednesday          Quarterly - Jan., Apr., Jul., Oct.          Pasta Garage          962 Delaware Ave.          Lexington, KY          Contact Stephen Wyatt          (859) 806- 8883</p>	<p><b>Bluegrass West</b>          11:30 a.m. (ET), 3rd Tuesday          VFW Franklin County Post 4075          104 E. Second St.          Frankfort, KY          Contact Jean Henning          (502) 682-6996</p>
<p><b>Covered Bridge</b>          11:00 a.m. (ET), 2nd Thursday          Double 'S' Bowling          150 Foster St.          Flemingsburg, KY          Contact June Pugh          (606) 849-2651</p>	<p><b>Cumberland Valley</b>          11:30 a.m. (ET), 2nd Tuesday          Meeting locations vary          Contact David Cornett          (606) 260-0490</p>	<p><b>Fivco</b>          11:30 a.m. (ET), 3rd Monday          Belle Fonte'          1320 Carter Avenue          Ashland, KY          Contact Morris Wells          (606) 465-5784</p>	<p><b>Green River</b>          12:00 p.m. (CT), 2nd Wednesday          Briarpatch Restaurant          2760 Veach Road          Owensboro, KY          Contact Agnes Barron          ((270) 298-7151</p>
<p><b>Kentucky River</b>          3rd Friday of each month          Variety Pizza          1189 Main St.          Jackson, KY          Contact Jeff Allen          606-568-0757</p>	<p><b>Lake Cumberland</b>          11:30 a.m. (ET), 3rd Monday          The Mellow Mushroom          2520 Monticello St          Somerset, KY          Contact Bruce Brown          (606) 305-9960</p>	<p><b>Lincoln Trail</b>          11:30 a.m. (ET), 2nd Monday          Golden Corral Buffet and Grill          1835 N. Dixie Highway          Elizabethtown, KY          Contact Theresa Wickersham          (270) 300-2453</p>	<p><b>North Central</b>          11:30 a.m. (ET), 2nd Wednesday          Jumbo Buffet          2731 S. Hurstbourne Pkwy          Louisville          Louisville, KY          Contact Charles Klunder          (502) 454-3493</p>
<p><b>Northern Kentucky</b>          11:30 a.m. (ET), 2nd Monday          Golden Corral          4770 Houston Rd          Florence, KY          Contact Milton Mains          (859) 512-9881</p>	<p><b>Pennyrile</b>          11:30 a.m. (CT), 4th Thursday          Country Cupboard Restaurant          518 McCoy Avenue          Madisonville, KY          Contact Rev. Ollie Littlepage          (270) 881-7935</p>	<p><b>Purchase</b>          10:30 a.m. (CT), 1st Thursday          Pizza Inn          Joe Clifton Drive          Paducah, KY          Contact Tom Moore          (270) 898-7289</p>	