Protecting and Enhancing Public Pensions through Advocacy NCPERS Public Pension Funding Forum September 12, 2019

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## **Kentucky Public Pension Coalition**

- Formed May 2017
- 15 Public Sector Unions, Retiree **Groups and Policy Organizations**



























### State of Retirement Security: **Kentucky**



#### Kentucky's public pension systems play a valuable role in our state

They help our teachers, firefighters, police officers, nurses, and other public employees retire with dignity. They're also a powerful economic engine for local communities. We must protect pensions and ensure they are on a sustainable, long-term funding plan.

#### Major public pension systems in state

- · Teachers Retirement System (TRS)
- · Kentucky Retirement System (KRS)
  - · Kentucky Employees Retirement System
  - · County Employees Retirement System
  - · State Police Retirement System

#### Total number of pension system members

- · Active members (all systems): 209,401
- · Annuitants (all systems): 156,894
- Total (all systems): 488,121

#### Average monthly pension benefit

·TRS Retiree

\$3,114 or \$37,368 annually TRS members do not participate in Social Security

- ·KRS Retiree
  - · KERS, non-hazardous: \$1,669 or \$20,028 annually
  - KERS, hazardous: \$1,194 or \$14,328 annually
  - · CERS, non-hazardous: \$922 or

\$11,064 annually

- · CERS, hazardous: \$2,063 or
- \$24,756 annually
- · SPRS: \$3,062 or \$36,744 annually



\$1.43

for each dollar invested in

Pension benefit multiplier (economic)

#### \$3.5 billion

Total paid in pension benefits in 2014

#### \$4.9 billion

pension benefits in 2014

33,748

Total economic impact from Total number of jobs supported by pension expenditures in 2014









\$32,499

Average DC plan account balance





benefits that stay in



Percentage of pension

43% Percentage of private sector workers participating in employer-sponsored plan



## THE ECONOMIC BENEFIT OF DEFINED BENEFIT PENSIONS IN KENTUCKY

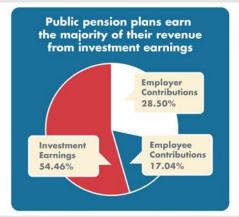
Defined benefit pensions are the most reliable path to a secure retirement for working families. They are also powerful economic engines for local communities. The spending of pension benefits by retirees supports local businesses through purchases of food, medicine, gas, and other staple items.

In 2016, the spending of pension benefits in Kentucku:

- · Generated \$5.1 billion in economic activity
- Supported 37,084 jobs that paid nearly \$1.5 billion in income

Each dollar paid out in pension benefits creates **\$1.24** in total economic output in Kentucky.

Public pensions are a great investment for taxpayers. Each dollar invested by Kentucky taxpayers in public pensions supports **\$4.34** in economic activity.



Public pension plans create more tax revenue than what is contributed to the plan by the taxpayer. Nationally in 2016, taxpayers saw \$277.6 billion in state and local tax revenue because of pension asset investment and the spending of pension benefits. Since taxpayers only contributed \$140.3 billion into these funds, taxpayers saw a return of \$137.3 billion. In Kentucky, public pension plans create \$510.9 million more in tax revenue than what is contributed to the plan by the taxpayer.

Information provided by NIRS. For full reports, go to protectpensions.org/pensionsonmainstreet.



# **Kentucky Legislation**

- Governor Bevin's Keeping the Promise (October 2017)
- SB 1 (2018 Regular Session pension proposal)
- SB 151 (2018 Regular Session sewage bill with 291 page last minute sub)
- HB 525 (TRS restructure of board)
- HB 358 (quasi-governmental contribution rate freezeviolation of inviolable contract)
- · HB 1 (2019 Special Session)



### **Contact Info**

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