

# Protecting and Enhancing Public Pensions through Advocacy

## NCPERS Public Pension Funding Forum

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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

### 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

### Total number of pension system members

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



**\$1.43**

*for each dollar invested in pension fund*

**Pension benefit multiplier (economic)**

**\$3.5 billion**

**Total paid in pension benefits in 2014**

**\$4.9 billion**

**Total economic impact from pension benefits in 2014**



**33,748**

**Total number of jobs supported by pension expenditures in 2014**



**KRS**

**Percentage of pension benefits that stay in state**



**TRS**



**43%**

**Percentage of private sector workers participating in employer-sponsored plan**



**\$32,499**

**Average DC plan account balance**



## 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 Kentucky:

- 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](http://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 freeze-violation of inviolable contract)
- HB 1 (2019 Special Session)



# Contact Info

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