

THE KERNEL

A Publication of the Kentucky Public Retirees

Issue 111

December 2014



President's Perspective by Paul Guffey

Who are the public retirees that KPR represents? The general public paints a picture of them as inactive citizens raking in the gravy from general tax revenues. Little thought is given to the fact that these employees have made contributions out of every paycheck to the retirement fund. Private sector employees expect to collect retirement income from their investments. Why should it be any different for public employees?

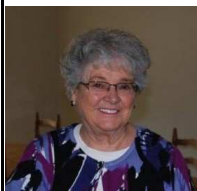
If you look closely, you'll find much more than you first assumed. Once retired, public employees often find opportunities to use their skills, developed through years of training and experience, as volunteers. For many public retirees, the servant mindset continues even without monetary compensation. Many go on to perform free community service, pursuing endeavors of individual choice.

One public retiree helps regularly prepare and deliver meals to people in need within the community. Another helps as a volunteer and active board member of Habitat for Humanity. Our members donate their time and resources to hospice, local hospitals, veterans, and the Boy Scouts. Still others volunteer to support our local KPR chapters. Our chapters donate hundreds of hours and thousands of in-kind contributions during the Christmas season. It's amazing.

Look again, and you'll find retirees who worked in the public sector until health conditions dictated they retire. Their reality has become a day-to-day struggle, getting by on limited resources, staying at home most days, but longing for more. With little or no cost of living increases (COLA's), their standard of living goes down almost every day because of inflation.

At another angle you'll see the travelers. They become snow birds in Florida, visit new places by bus or train, or fly to distant countries. One retiree has visited more than a 100 countries and has acquired a broad world view.

More than this, we are parents, grandparents and children in caregiver roles. We are as diverse as the communities that surround us, and as valuable as any other citizen. We have devoted our lives to the public, and we continue to give in countless ways. Our communities would not be whole without our contributions.



Legislative Article by Shirley Clark

January is fast approaching and with it another legislative session! This will be the "short session," lasting 30 days, which is spread out and seems to last forever! Sarah Hurst, our Legislative Agent, and I, as the State Legislative Chair, are currently watching for any pre-filed bills that will be of interest or impact our retirees.

We anticipate several retirement bills to be filed that did not pass in the 2014 session. These bills/issues pertain to pension spiking; quasi-agencies leaving the system; adding legislative, judicial and teachers to the pension oversight board; taking out the provision in the law that does not allow retirees or state employees to serve on the board; and a bill that would require an actuarial experience study of KRS to be conducted every five years rather than every ten years.

The KRS housekeeping bill will be resurrected (and, perhaps be re-written). This was the bill that KPR was instrumental in getting an amendment attached which would allow vacancies of elected member positions on the KRS board to be filled by the elected members of the board. This issue remains very important to our retirees as we continue to push for a more balanced representation of elected vs. appointed members of this board.

On October 21st, the Public Pension Oversight Board met. KPR, as well as other invited organizations, testified. Our President, Paul Guffey, and our Legislative Chair, Shirley Clark, discussed our concerns on bills that may be introduced as well as the importance of

continued full funding to assure stability and solvency of the system. We also expressed concern that at the end of the 2016 biennium, retirees will not have received a COLA for four years and stressed the importance of an adjustment for all retirees.

As we follow the legislative website on the pre-filed bills, you will be kept informed of all the news that pertains to retirees. We will keep you updated once actual bill numbers are assigned. The toll-free number for you to be able to call your legislator when the session begins is 1-800-372-7181. You can also contact them via our KPR website, which provides their email, home addresses and phone numbers. Again, I cannot tell you how important it is for a legislator to be contacted by the person who elects him or her.



Membership Article by Betty Hawkins

As we approach 2015, we are pleased to announce new changes which we feel will promote membership growth and enhance the effectiveness of our organization. Spouses will now have the opportunity for KPR membership, with the first year of membership free in the year which they join. Membership dues thereafter will be \$15 per year, the same amount as any other member. All spousal memberships will be tracked in the KPR database.

Please enroll your spouse as a member today. Take advantage of the first year of free membership. You can modify the current membership application by writing the word "Spouse" near the date on the application. Membership of spouses has been included in the online application. A new membership application is in the design process at the present time.

As a convenience to our members, the Administrative Manager has added the option of allowing members the ability to pay their KPR dues online. Those individuals wanting to use this method of payment are encouraged to go to the KPR web site and click on the dues payment tab at the top, select the option of paying for one year or two years and click submit. You will be directed to the PayPal page where you will have the option of using a PayPal account or your own personal credit card. Members will also still be able to pay their dues by mail after receipt of a dues statement or pay at your local chapter meetings. The dues statements will be mailed on or about December 31, 2014. Those individuals who have already prepaid their dues will not receive a statement.

In 2015, we will again be holding a Membership Contest. Winners will be recognized at the Annual Meeting. This contest will begin January 1, 2015, and end May 31, 2015. The first-place prize of \$50 will go to the individual who recruits the largest number of new members during the contest period, the second-place prize will be \$35, and the third-place prize will be \$15. The chapter which has the largest percentage increase during the contest period will receive \$25. We will also have a random drawing prize of \$25. Every member who has referred a new member has a chance to win. Please get busy - we need members. Our membership number is so important when our Legislative Chair and Lobbyist start their work during the next legislative session. Start your recruiting early - you can make a difference. We need your help - ask your former coworkers, friends, and family members.

Retirement System Update by Larry Totten

Over the past few months, there have been several meetings by KRS, its Committees, and the Public Pension Oversight Board.

The Investment Committee met on August 5th and was provided an overview of activities of the investment staff. The Committee heard presentations regarding investment opportunities and approved the proposals sending them to the full Board for consideration. The Committee approved a proposal from KRS' general investment consultant for an Asset Liability Study, which was last done in 2009. This study provides guidance into which areas KRS should allocate its investments and is required no less than every five years. All five pension funds and all five insurance funds will be included at an approximate cost of \$485,000.

The Audit Committee met on August 7th at which KRS' auditing firm discussed the upcoming FY14 audit. Results will be presented at this Committee's November meeting and the Board's December one. The Committee was given unaudited financial statements for the just-ended fiscal year. Net plan assets for all five pension plans increased by about \$862 million; all insurance trusts increased by about \$630 million. Amidst this good news was the disturbing news that the ***KERS Non-Hazardous plan assets decreased by about \$183 million.***

The Retiree Health Care Committee met on September 4th with agenda items dealing with the approval of health insurance rates for 2015. Non-Medicare eligible employees will stay covered under the same plan as that provided to Kentucky state government employees. For retirees eligible for Medicare, the Medicare Advantage plan from Humana will continue for another year. As a result of having actual plan usage (CY2014) in hand, new and expensive drugs becoming available, and lower net federal government reimbursement, Humana was requesting a 15% rate increase. While a significant amount, it was noted that the proposed rate (\$244.25/month) was still notably less than the actual 2012 rate paid (\$300+), the last year that retirees were covered under the self-

insurance plan. The RFP for Medicare eligible retirees' insurance coverage for the 2016 plan year and beyond will be reviewed at the next Committee meeting.

The KRS Human Resources Committee met on September 11th. The Committee approved providing KRS employees with the same increments as those being provided to state employees. The Committee also approved a request to provide tiered monetary incentives to employees, as opposed to the vacation days given to state employees, for evaluations with above-average performance ratings. Both of these were to take effect on September 1.

The Board of Trustees met on September 11th and was attended by Rep. Brent Younts, Co-Chair of the Legislative Public Pension Oversight Board. Bill Thielen, Executive Director, made two personnel announcements: Becky Stephens as Chief Benefits Office and David Peden as Chief Investment Officer. As is the case with each quarterly meeting, there were a number of standard reports given to the Board by various KRS staff. The Board approved the recommendations made by the KRS Human Resources Committee, Audit, Retiree Health Care, and Investment Committees. It was announced that there are two candidates for the elected State Police Retirement System position and the Board approved both applicants. Barring any petitions submitted, eligible voters will choose between Keith Aaron Piercy and Lisa Marie Rudinsky. (Piercy is an active member of SPRS and Rudinsky is retired.) Executive Director Bill Thielen discussed the webinars done by Peden and himself as an attempt to inform the public about the workings of KRS. The Board reviewed the actual-vs-budget performance of KRS for the fiscal year ending June 30. As KRS operations are funded out of the trust funds, FY14 ended \$5.9 million under budget but with several areas recording more spending as a result of litigations. Thielen presented items he believed would be brought up in the 2015 General Session; essentially, the same proposed legislation presented, but not passed, during the 2014 Session. He also announced that the RFP for Communications Services was withdrawn after bids came in, noting the high cost of the proposals. Board Chair Thomas Elliott, along with Peden, announced that KRS would begin website posting of the fees to be paid for investment managers once they are approved by the Investment Committee. It was noted that these may not end up being the actual fees paid, as KRS would continue to negotiate for lower fees, but would be those approved by the Committee at their public meetings.

There have been no recent announcements regarding the Seven County Services litigation. The case brought against KRS by the city of Fort Wright was moved from Kenton to Franklin County Circuit Court but there have not been any recent announcements regarding this case, as well.

The Legislative Public Pension Oversight Board has had three recent meetings. The first, on August 28th, dealt primarily with KRS investments. David Peden, Chief Investment Officer, provided a broad outline of what KRS was doing in terms of investments, why it was doing so, and how well it was doing. The question of disclosure of fees paid to fund managers created the most discussion. The Board next met on September 25th with an agenda concerning legislative proposals expected for the 2015 session of the General Assembly. Since most of the 2014 legislative proposals were not passed, all should be expected to return for this next session. The latest meeting of the Board occurred on October 25th, at which various groups were allowed to make presentations relevant to the Retirement System. Resolving some pension "spiking" issues brought about by SB2 and protecting CERS funding from the problem that exists with the KERS Non-Hazardous were the topics most discussed by the other presenters. This Board will be presenting a report to the General Assembly in December.

For those interested in learning more about the general operations and the investment strategies used by KRS, all of the webinars done by Bill Thielen and David Peden to date are available through the KRS website.

PAY ONLINE

Save yourself and KPR the cost of postage.

Pay membership dues online.

It's easy!

Go to (www.kentuckypublicretirees.org) and select the dues payment button at the top of the screen. Choose a one-year or two-year membership and hit submit. You will be directed to a page which will allow you to pay either with a PayPal account or your credit card. (It only costs a quarter more, and a postage stamp is more than that!)



JOIN TOGETHER

Spouses of KPR members are now eligible for membership. There is strength in numbers. Recruit your spouse! Membership is free the first year.

SAVE THE DATE

KPR Annual Meeting

June 24-26, 2015

The meeting will be at the Clarion Hotel, Lexington, Kentucky (easily accessed from I-64 at Newtown Pike). Sarah Hurst and Shirley Clark, co-hosts, have negotiated a contract at the Clarion which will offer our members a room rate of \$79.00 with a hot breakfast buffet included for each guest in a room.

The 2015 Annual Meeting will be a Board affair! For the first time, we will be involving all KPR Chapters in the planning, volunteering, and implementation of our conference.

Plans are for a new conference format with more program content. We hope to have the Quarterly KPR Board Meeting on Wednesday afternoon June 24, rather than the morning of the annual meeting. The opening general session will begin at 10 a.m. on the 25th. With such reasonable rates, you may wish to come on the evening of the 24th and enjoy an evening, on your own, in Lexington - the horse capital of the world!

We think you will be excited about what we plan to offer and will want to attend!!

So, save the dates and look forward to more detailed information after the first of the year! We promise an educational and fun experience for you to enjoy!

--- Chapter News ---

Barren River In October, Jim Gifford, from Booth Fire and Safety, presented a very informative program on fire safety in the home. He discussed the basic elements of fire, the classifications of fire, and how to properly use extinguishers. We also discussed the idea of spousal partners being allowed to join the KPR organization. President Martha Parrish stated that some chapters are developing three-month programs to give members more advance notification to plan for monthly meetings. At the first of the new year our chapter plans to have a 10-county membership drive/contest, and the member with the most new members will have their membership dues paid.

Bluegrass East Bluegrass East is meeting monthly. We now have a full slate of officers. In October, we went to Natural Bridge, and Abby Sutherland, Retirement Program Manager of Health Benefits, gave a very informative talk on health benefits. In November, we will be back in Lexington at Golden Coral, and Marty Pinkston from the office of Veterans Affairs will be our speaker. This is in celebration of our veterans. We have our first spouse member, Shirley Hoffman, who is the wife of Joe Hoffman. We have already put her to work as our Program Chairman.



BW Picnic

Bluegrass West In August, Jennifer Doom, Public Information Officer with Kentucky Department of Financial Institutions, spoke to our chapter about financial fraud and scams. In September, we had a picnic at Juniper Hills Park at the Jack Williams Pavilion. A large group attended. Everyone brought potluck dishes, and we all enjoyed a really good time. Bill Catlett brought the chicken that the chapter furnished. Bill and his wife Ann also brought their homemade ice cream which everyone always enjoys. Chuck Knowles, Cindy's husband, helped with door prizes.

In October, Nell Williams and Janice Bush from Irvine performed an enjoyable comedy skit. They called themselves Bea and Myrtle and, in the skit, have a hilarious visit to the doctor.



Nell Williams and Janice Bush

Cumberland Valley In August, our chapter met at the Golden Corral Restaurant in London. Guest speaker was Senator Albert Robinson of Laurel County. In September, Senate President Robert Stivers was the guest speaker. In explaining why the retirement system was under-funded, he said the Legislature had provided what the Governor requested. This was our third annual potluck picnic, and the chicken was furnished by the chapter. State Vice President, Jerry Connell, updated us on our KPR organization since we last met. Also David Cornett, our Chapter Vice President and Legislative Chair, updated us on any new information concerning the retirement system.



CV Members

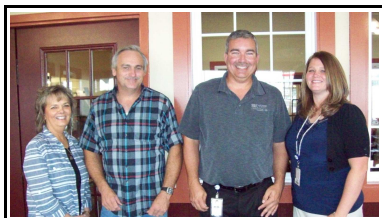
In October, State Senator Brandon Smith was the guest speaker. He gave some excuses as to why our pension system has not been adequately funded, but believes the system will be fully funded in the future.

Jefferson Regional In August, the chapter provided a final update on the Annual Conference. President Nikki Henderson and Conference Chair, Mary Helen Peter, sincerely thanked everyone in the chapter who had a part in making the 2014 KPR Annual Conference a success. Also, at the August meeting, Beverly Zehnder, Membership Chair, announced there were two new members who joined the chapter. She said that Jefferson Regional would be represented by her and Barbara McGee at the Deferred Comp meeting in Louisville. They would bring membership applications to give to retired state workers to consider joining KPR and explain why it is important to them. Don Zeller, PR Chair, reported that since the Louisville Chief of Police joined this chapter, he will promote the organization through their retirees. At the September meeting, Jim Wayne, State Representative, discussed legislative issues and explained his work on the special committee appointed by the Governor regarding revamping the tax laws.



CV Picnic

Kentucky River The Kentucky River Chapter has elected the following as officers: Tony Watts, President; Ron Easter, Vice President; Patsy Williams, Treasurer; and Brenda Brandenburg, Secretary. Our meetings are held every third Friday at various sites. We currently have 155 members and continue to recruit new ones. Our November meeting will be at JaBoaz's Restaurant in Hazard. In December, we will meet on the 19th, but the site has not been set. Tony Watts, President, can be contacted at (606) 666-2767 for more information.



Lake Cumberland At the August meeting, Alan Coffey and Bobbie Coggins from South Kentucky RECC spoke about programs available to help customers with energy efficiency. Peggy Tiller is the new Secretary for the Lake Cumberland Chapter. Pictured at left are June Waters, John Engle, Alan Coffey, and Bobbie Coggins.

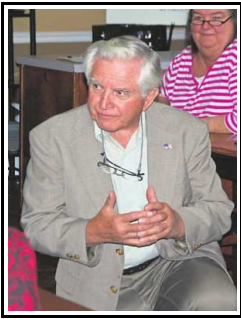
Lincoln Trail In August, Shirley Clark, KPR Legislative Chair was our guest speaker. In September, J. J. Duvall, Mayor of Radcliff and candidate for Hardin County Judge Executive was our speaker. In October we meet at the Watermill Restaurant in Cave City.



J. J. Duvall

North Central In October, Connie G. Pettyjohn, Kentucky Retirement Systems, Director of Retiree Health Care, spoke about the Anthem Health Care System which serves non-Medicare retirees and Humana which serves Medicare-eligible retirees. In November, Mike Wynn, KRS and political reporter for the Courier-Journal, addressed the pension reform struggle in Kentucky, the future of the newspaper vs. other news media, and how we might better utilize the media to advance the long-range protection of our pension benefits.

Northern Kentucky In August, Stacey Hans, who is with the Kentucky Transportation Cabinet and the project manager for the design phase of the new Brent Spence Bridge, spoke. She gave a very enlightening presentation on electronic tolls, how they are working in different states around the country, and how efficient they are for commuters who use an Easy Pass. In October, Dale Edmundson was our guest speaker. Mr. Edmundson is a retired firefighter from Ft. Thomas who is now a 911 dispatcher. He wanted us to understand how to help the dispatcher help us if we make a 911 call. He said you should make sure you give concise information, speak clearly, state your location, and provide a call-back number. He said, it is very important, if using a cell phone, to tell the dispatcher your location and cell phone number.



William Turner

Pennyrile Our chapter met in September at the Country Cupboard in Madisonville. Past Chapter President Kay Bard installed the new officers: L. Peyton Adams, President; Donna F. Slaton, Vice-President; and Judith Young, Secretary. Returning Treasurer, Phyllis Kennedy was unable to attend. Bylaws were adopted by the group unanimously from documents prepared by the State Board and based on State KPR recommendations. Guest Speaker Will Cox, former Mayor of Madisonville and a candidate for Kentucky Senate seat from several counties in Pennyrile, was the guest speaker. He talked specifically about state worker pensions, saying it was "a promise made that needs to be kept." He stated he would work to see that pensions are correctly funded and would investigate the process for getting a COLA. In October, historian William Turner of Christian County presented the story of Bell Witch of Adams, Tennessee to a full room after luncheon. At the business meeting, members voted to donate \$100 to McLean County Food Bank and rotate donations around counties in future years.



Will Cox

Purchase We have installed our new officers, and our priority is to get the attention of local legislators and help them understand the underfunding of our pensions. We hosted recently-elected Senator Danny Carroll, who is a retired Paducah policeman. We also hosted State Representative Gerald Watkins who was reelected. Shirley Clark and Sarah Hurst updated us on the insurance changes and possible upcoming legislative issues. We have a new Membership Chair, Russell Hobbs, and campaigned for new members at the Humana insurance meeting, where we recruited several new members. Pictured at right are Dale Harmon, Joe McManus, Jr., David Madison, and Carolyn Richards.





join our group +

Keep up-to-date with KPR activities

Visit our Facebook page and website



Kentucky Public Retirees

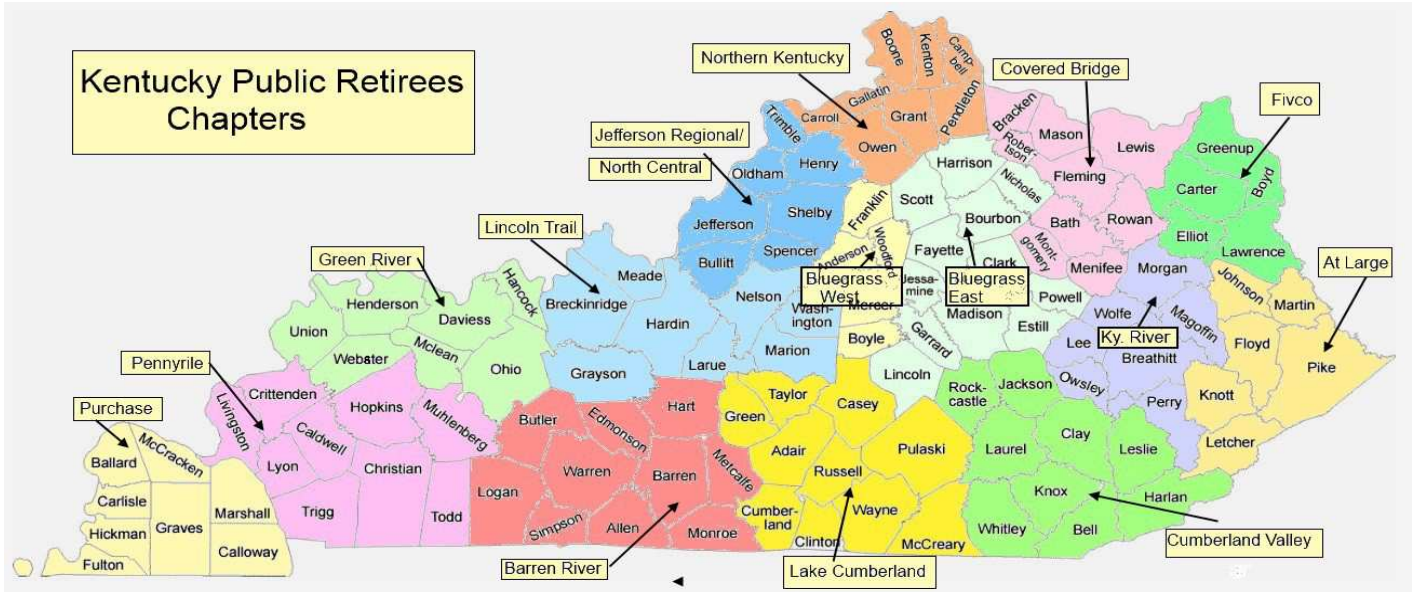


Kentucky Public Retirees

www.kentuckypublicretirees.org

These pages are updated often to provide current legislation information and articles of special interest to our members. Become involved and actively work to protect our retirement benefits.

Remember: You can now pay your dues online!



Chapter Meeting Locations

<p><u>Barren River Chapter</u> 10 AM (CT), 3rd Monday EVERY MONTH BRADD Center 177 N. Graham Avenue (off Plum Springs Rd—N side of B. Green) Bowling Green, KY Contact Martha Parrish (270) 535-4985 for information</p>	<p><u>Fivco Chapter</u> 11:30 AM (ET), 3rd Monday Giovanni's on Greenup Avenue Ashland, KY Contact Morris Wells (606) 465-5784 for information</p>	<p><u>Lincoln Trail Chapter</u> 11:30 AM (ET), 2nd Monday Ryan's Family Steakhouse 1034 Executive Drive On US 62, just West of I-65 Elizabethtown, KY Contact Judith Leshner (270) 872-3497 for information</p>
<p><u>Bluegrass East Chapter</u> 12:00 PM (ET), 2nd Wednesday Golden Corral 185 E. New Circle Road Lexington, KY Contact Eva Jane Jacobs (859) 858-3456 for information</p>	<p><u>Green River Chapter</u> 12:00 PM (CT), 2nd Wednesday (lunch at 11:30 am CT) Ryan's Steakhouse 4500 Frederica St. Owensboro, KY Contact Bill Horton (270) 684-8059 for information</p>	<p><u>North Central Chapter</u> 11:30 AM (ET), 2nd Wednesday Jumbo Buffet—back room (Stoneybrook Shopping Center) 2731 S. Hurstbourne Parkway Louisville, KY Contact Charles Klunder (502) 454-3493 for information</p>
<p><u>Bluegrass West Chapter</u> 11:30 AM (ET), 3rd Tuesday VFW Franklin County Post 4075 104 E. Second St. Frankfort, KY Contact Lexie Southworth (502) 695-3910 for information</p>	<p><u>Jefferson Regional</u> 11:30 AM (ET), 1st Wednesday Ryan's Family Steakhouse (Piccadilly Square) 5338 Bardstown Road Louisville, KY Contact Nikki Henderson ((502) 935-4083 for information</p>	<p><u>Northern Kentucky Chapter</u> 11:45 AM (ET), 2nd Monday Golden Corral Orphanage Rd. at KY Rt. 17 Fort Wright, KY (I - 275, Exit 80) Contact Linn Schmidt (859) 746-8289 for information</p>
<p><u>Covered Bridge</u> 11:00 AM (ET), 2nd Thursday Double 'S' Bowling 150 Foster St. Flemingsburg, KY Contact June Pugh (606) 849-2651 for information</p>	<p><u>Kentucky River Chapter</u> 3rd Friday of each month *Meeting locations vary Contact Tony Watts (606) 666-2767 for information</p>	<p><u>Pennyrile Chapter</u> 11:30 AM (CT), 4th Thursday Country Cupboard Restaurant 518 McCoy Avenue Madisonville, KY Contact L. Peyton Adams (270) 871-9295 for information</p>
<p><u>Cumberland Valley</u> 11:30 AM (ET), 2nd Tuesday Please Note: *Meeting locations vary, please Contact John Harris at (606) 877-0079 for information</p>	<p><u>Lake Cumberland Chapter</u> 11:30 AM (ET), 3rd Monday Golden Corral Restaurant South 27 across from Lowes Somerset, KY Contact John Engle (606) 305-2104 for information</p>	<p><u>Purchase Chapter</u> 10:30 AM (CT), 1st Thursday Pizza Inn Joe Clifton Drive Paducah, KY Contact Tom Moore (270) 898-7289 for information</p>



In Memory of Evelyn Emmons

When Evelyn retired from the Transportation Cabinet she had 57 years of state service, a record at the time. She was a member of the Covered Bridge Chapter. Evelyn was a great example of the professional administrator and parliamentarian. She was gracious, fair-minded, and generous in sharing her knowledge with others. The loss of this unique lady leaves a void that cannot be filled.



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www.kentuckypublicretirees.org

NOTE: You MUST register on-line to receive KPR Alerts



Kentucky Public Retirees Application Form

*Applicants **MUST** qualify by being a member of one or more of the following systems or the spouse of a current KPR member.
 (please circle all that apply):

KERS CERS SPRS Spouse

- Membership dues **FREE** 1st year* (membership runs Jan-Dec. Free dues end 12/31 of the year).
- New members - I want to pay for my 2nd year now. Dues are \$15 per year.
- Existing members - annual renewal dues of \$15 is enclosed.
- I agree to receive dues notices by email. I agree to receive the Kernel newsletter by email.

Remember you can now pay online.

Mail to: **Kentucky Public Retirees**
P. O. Box 4082
Frankfort, KY 40601

Date _____

Name _____ Chapter (if known) _____

Address _____

City _____ State _____ Zip _____

County _____ Telephone (_____) _____

Email Address _____ Referred by _____

(All information will be kept confidential.)