



2010 LEGISLATIVE PROGRAM

Approved by the Delegate Assembly on April 17, 2009

ITEM I: KEEP THE GOVERNANCE OF THE KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) AS IT IS PRESENTLY CONSTITUTED.

COMMENT: The Board of Trustees (a majority whom are elected by the active and retired teachers) acting as a semi-independent state agency has a record of seventy (70) years of successful management that is unsurpassed in state government. The Board employs experienced, competent investment consultants to advise them on all matters pertaining to investments. The present trustee election process has served the best interest of Kentucky's public school teachers and retirees for many years with marked success.

ITEM II: OPPOSE ANY LEGISLATION THAT WOULD ENDANGER THE ACTUARIAL SOUNDNESS OF KTRS.

COMMENT: All proposed legislation relating to KTRS will be evaluated. KTRS must be operated in a manner that assures earned benefits are paid in a timely manner. Both present and future retirees must be considered in any and all decisions relating to benefits to be paid, the funding of these benefits and the investment of the systems' resources.

ITEM III: PROMOTE FULL FUNDING OF KTRS INCLUDING THE MEDICAL INSURANCE FUND.

COMMENT: Full funding in a timely manner is required to maintain the sound condition of the annuity and medical insurance funds.

ITEM IV. OPPOSE ANY EFFORT TO APPROPRIATE OR BORROW RETIREMENT SYSTEM FUNDS AND/OR ANY EFFORT TO DIRECT THE INVESTMENTS OF KTRS.

COMMENT: Efforts by the State to reduce or withhold contributions to KTRS and/or to direct the system's investments will be vigorously challenged.

ITEM V: SUPPORT COST OF LIVING ADJUSTMENTS (COLA) THAT REFLECT THE ACTUAL INCREASE IN THE COST OF LIVING BEING EXPERIENCED BY RETIREES.

COMMENT: Retired teachers should continue to receive cost of living adjustments at least equal to those received by other state retirees and equal to the increase in the CPI. In 2009 Social Security recipients will receive a 5.8% COLA.

ITEM VI: MAINTAIN KTRS AS A DEFINED BENEFIT GROUP RETIREMENT PLAN.

COMMENT: Unlike a Defined Contribution (DC) plan, a retiree cannot outlive his/her pension under a Defined Benefit (DB) Group Retirement plan. Administrative costs are much higher for DC plans than for DB plans.

ITEM VII: MAINTAIN ADEQUATE AND ACCESSIBLE HEALTH INSURANCE COVERAGE FOR ALL RETIREES.

COMMENT: The current health insurance programs provided by KTRS must be continued as per agreements with retirees.

ITEM VIII: SUPPORT LEGISLATION REQUIRING LONG-TERM CARE (LTC) INSURANCE CARRIERS TO SUBMIT RATE INCREASES TO THE ATTORNEY GENERAL, AS WELL AS THE OFFICE OF INSURANCE, AND ALLOW INTERVENTION BY THE ATTORNEY GENERAL.

COMMENT: During the past three (3) years, the Kentucky Department of Insurance has permitted huge rate increases (i.e.69%) by long-term care insurance carriers. The increases are intolerable for individuals on fixed incomes. Unlike auto and homeowner policy holders, LTC policy holders do not have an option to change insurance companies.

ITEM IX: SUPPORT LEGISLATION REQUIRING STATE AND LOCAL ENTITIES THAT HAVE RETIREES PARTICIPATING IN THE STATE INSURANCE PROGRAM BRING ACTIVE EMPLOYEES INTO THE PROGRAM.

COMMENT: Currently some city, county, university and state active employees do not participate in the state health insurance program but are brought into the program upon retirement. These groups' active employees need to either participate in the state program or pay a surcharge for their retirees being in the program.

ITEM X: SUPPORT AN INCREASE IN THE AMOUNTS PAID TO SURVIVORS OF ACTIVE CONTRIBUTING MEMBERS AND DISABILITY RETIREES.

COMMENT: Benefits paid to survivors of active teachers and disability retirees have not been increased for many years and have not kept pace with inflation. Special attention should be paid to the plight of teachers who become disabled in the line of duty with less than 27 years of service.

ITEM XI: OPPOSE EFFORTS AT THE FEDERAL LEVEL TO IMPOSE MANDATORY SOCIAL SECURITY FOR MEMBERS OF KTRS.

COMMENT: If KTRS contribution rates are reduced by 12.4% so that the combined KTRS and social security rate is maintained at the present level, the benefit actuarial formula for teachers would have to be reduced from 2.5% to less than 1.0%. The result would greatly reduce overall benefits for current and future teacher retirees.

ITEM XII: SUPPORT THE 2010 LEGISLATIVE PRIORITIES OF THE AARP/NRTA STATE LEGISLATIVE COMMITTEE AND/OR OTHER GROUPS REPRESENTING SENIOR CITIZENS, WHICH ARE NOT IN CONFLICT WITH THE POSITION OF KRTA.

COMMENT: Supporting issues of particular interest to retired teachers such as predatory lending, home and community-based health and living services, and long-term care regulations benefit our members.