



2008 LEGISLATIVE PROGRAM

ITEM I: KEEP THE ADMINISTRATION OF THE TEACHERS' RETIREMENT SYSTEM 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 sixty-eight (68) years of successful management that is unsurpassed in state government. To change the manner of election or the qualifications of the trustees would endanger the System which has been serving the best interest of Kentucky's public school teachers and retirees for so many years, with marked success.

ITEM II: EVALUATE ALL PROPOSED LEGISLATION RELATING TO THE TEACHERS' RETIREMENT SYSTEM AND OPPOSE ANY LEGISLATION THAT WOULD ENDANGER THE ACTUARIAL SOUNDNESS OF THE SYSTEM.

COMMENT: The Teachers' Retirement System must be operated in a manner to assure that earned benefits will be paid in a timely manner. Both present and future retirees must be considered in any and all decisions related to the benefits to be paid, the funding of such benefits and the investment of the Systems' resources.

ITEM III: PROMOTE FULL FUNDING OF THE TEACHERS' RETIREMENT SYSTEM, INCLUDING THE MEDICAL INSURANCE FUND, BY THE STATE AND OPPOSE ANY EFFORT TO REDUCE OR WITHHOLD THE STATE'S CONTRIBUTION TO THE KENTUCKY TEACHERS' RETIREMENT SYSTEM FOR MATCHING MEMBER CONTRIBUTIONS AND/OR OTHER STATUTORY APPROPRIATIONS TO THE SYSTEM FOR THE PURPOSE OF BALANCING THE BUDGET FOR OTHER GENERAL FUND EXPENDITURES. OPPOSE ANY EFFORT TO APPROPRIATE OR BORROW RETIREMENT SYSTEM FUNDS. OPPOSE ANY EFFORT TO DIRECT THE INVESTMENT OF RETIREMENT SYSTEM FUNDS.

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

ITEM IV: CONTINUE TO SUPPORT COST OF LIVING ADJUSTMENTS 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.

ITEM V: MAINTAIN THE KENTUCKY TEACHERS' RETIREMENT SYSTEM (KTRS) AS IT CURRENTLY IS, A DEFINED BENEFIT GROUP RETIREMENT PLAN.

COMMENT: Discussion is occurring about changing KTRS' current Group Retirement (Defined Benefit) plan to an Individual Savings (Defined Contribution) plan. Unlike a Defined Contribution plan, under a Defined Benefit plan a retiree cannot outlive his/her pension plan. The administration costs of Defined Contribution plans are much higher than the administration costs of Defined Benefit Plans.

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

COMMENT: The current health insurance programs provided by KTRS must be continued. Full funding is needed as provided under KRS 161.550(2).

ITEM VII: SUPPORT LEGISLATION REQUIRING LONG-TERM CARE 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 Office 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.

ITEM VIII: SUPPORT LEGISLATION REQUIRING STATE AND LOCAL ENTITIES THAT HAVE RETIREES PARTICIPATING IN THE STATE INSURANCE PROGRAM TO 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 IX: 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.

ITEM X: OPPOSE EFFORTS AT THE FEDERAL LEVEL TO IMPOSE MANDATORY SOCIAL SECURITY FOR MEMBERS OF THE KENTUCKY TEACHERS' RETIREMENT SYSTEM.

COMMENT: If the 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 XI: SUPPORT THE 2008 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: Issues of particular interest to retired teachers include predatory lending, increased home and community-based health and living services, and long-term care regulations.