

KEA grid of “Keeping the Promise” pension framework* for current TRS participants

*All information on this grid is based on information available on pensions.ky.gov as of October 20, 2017

Provided as information only, not to be interpreted as an endorsement of this plan by KEA

The “Keeping the Promise” framework refers repeatedly to public employees who “meet the threshold” for retirement. For all the information that follows, KEA interprets “meeting the threshold” for retirement as being eligible to receive an unreduced retirement benefit from TRS. We have not yet seen a bill.

The information included in this grid is not final and is subject to change based on the details of the proposed legislation.

Current TRS retirement eligibility rules (per KRS 161.660) are:					
<ul style="list-style-type: none"> • 27 years of Kentucky service and any age (high 5 calculation applies) • 27 years of Kentucky service and age 55 (high 3 calculation applies) • Age 60 with 5 years of Kentucky service (high 5 calculation applies) • If hired before July 1, 2008, age 55 and at least 5 years of Kentucky service, with a reduction of 5% of the basic allowance for each year under age 60 or each year of service less than 27, whichever amount is less (high 5 calculation applies) • If hired after July 1, 2008, age 55 with at least 10 years of Kentucky service, with a reduction of 6% of the basic allowance for each year under age 60 or each year of service less than 27, whichever amount is less (high 5 calculation applies) 					
MY SITUATION AS A TRS PARTICIPANT:	I will have 27 years or more of Kentucky service by July 1, 2018	I will have less than 27 years of Kentucky service on July 1, 2018	I will be age 60 with at least 5 years of Kentucky service on July 1, 2018	I was hired BEFORE July 1, 2008 and will be 55 and have at least 5 years of Kentucky service on July 1, 2018	I was hired AFTER July 1, 2008 and will be 55 and have at least 10 years of Kentucky service on July 1, 2018
Must I retire on July 1, 2018?	NO; you can keep working as long as you like	NO; you can keep working as long as you like	NO; you can keep working as long as you like	NO; you can keep working as long as you like	NO; you can keep working as long as you like
Can I continue to contribute to TRS after July 1, 2018?	Yes, because you are already eligible to retire, you may continue contributing to TRS until June 30, 2021; at that point, you can retire or, if you keep working, you will participate in the 401(a) plan every year you work after July 1, 2021	Yes, but only until you reach 27 years of service, regardless of age; if you choose to keep working after you reach 27 years in TRS, you will participate in the 401(a) plan for additional years of employment	Yes, because you are already eligible to retire with an unreduced benefit, you may continue contributing to TRS until June 30, 2021; at that point, you can retire or, if you keep working, you will participate in the 401(a) plan every year you work after July 1, 2021	Yes, until you turn 60 or attain 27 years of service and are eligible for an unreduced benefit; if you are already eligible for an unreduced benefit, you may continue contributing to TRS until June 30, 2021; at that point, you can retire or, if you keep working, you will participate in the 401(a) beginning July 1, 2021	Yes, until you turn 60 or attain 27 years of service and are eligible for an unreduced benefit; if you are already eligible for an unreduced benefit, you may continue contributing to TRS until June 30, 2021; at that point, you can retire or, if you keep working, you will participate in the 401(a) beginning July 1, 2021
If I retire, will I get a	Only if you meet the	Only if you meet the	Only if you meet the	Only if you meet the	Only if you meet the

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“high 3 calculation”?	eligibility requirements for the “high 3” plan and retire by June 30, 2023	eligibility requirements for the “high 3” and retire by June 30, 2023	eligibility requirements for the “high 3” and retire by June 30, 2023	eligibility requirements for the “high 3” and retire by June 30, 2023	eligibility requirements for the “high 3” and retire by June 30, 2023
If I retire, will I get a “high 5 calculation?”	Yes, “high 5” is the default; your benefits will be calculated on that basis unless you meet the “high 3” criteria and retire by June 30, 2023	Yes, “high 5” is the default; your benefits will be calculated on that basis unless you meet the “high 3” criteria and retire by June 30, 2023	Yes, “high 5” is the default; your benefits will be calculated on that basis unless you meet the “high 3” criteria and retire by June 30, 2023	Yes, “high 5” is the default; your benefits will be calculated on that basis unless you meet the “high 3” criteria and retire by June 30, 2023	Yes, “high 5” is the default; your benefits will be calculated on that basis unless you meet the “high 3” criteria and retire by June 30, 2023
Will my sick leave payout be included in my final year salary?	Yes, but only if you retire from TRS by June 30, 2023	Yes, but only if you retire from TRS by June 30, 2023	Yes, but only if you retire from TRS by June 30, 2023	Yes, but only if you retire from TRS by June 30, 2023	Yes, but only if you retire from TRS by June 30, 2023
Will I have to participate in the 401(a) defined contribution plan?	Only if you opt out of the 3 year window to continue participation in TRS or if you keep working after June 30, 2021	Yes, beginning in year 28, regardless of age. <i>If you have less than 5 years of Kentucky service on July 1, 2018, you have the option to continue to participate in TRS or voluntarily move to the 401(a) plan.</i>	Yes, beginning July 1, 2021 if you keep working after that date	Yes, beginning the year after you become eligible for an unreduced benefit, if you elect to keep working	Yes, beginning the year after you become eligible for an unreduced benefit, if you elect to keep working
Will the 3% multiplier apply to years in excess of 30?	Yes, but only if you accumulate years in excess of 30 before June 30, 2021	n/a; if you are in this group, you cannot accrue more than 27 years in TRS	Yes, but only if you accumulate years in excess of 30 before June 30, 2021	Yes, but only if you accumulate years in excess of 30 before June 30, 2021	Yes, but only if you accumulate years in excess of 30 before June 30, 2021
Will I pay an additional 3% of salary for retiree health care?	Yes, as long as you are actively employed	Yes, as long as you are actively employed	Yes, as long as you are actively employed	Yes, as long as you are actively employed	Yes, as long as you are actively employed