Teachers' Retirement System
of the State of Kentucky

Fall Workshops 2026

Gary L. Harbin, CPA
Executive Secretary

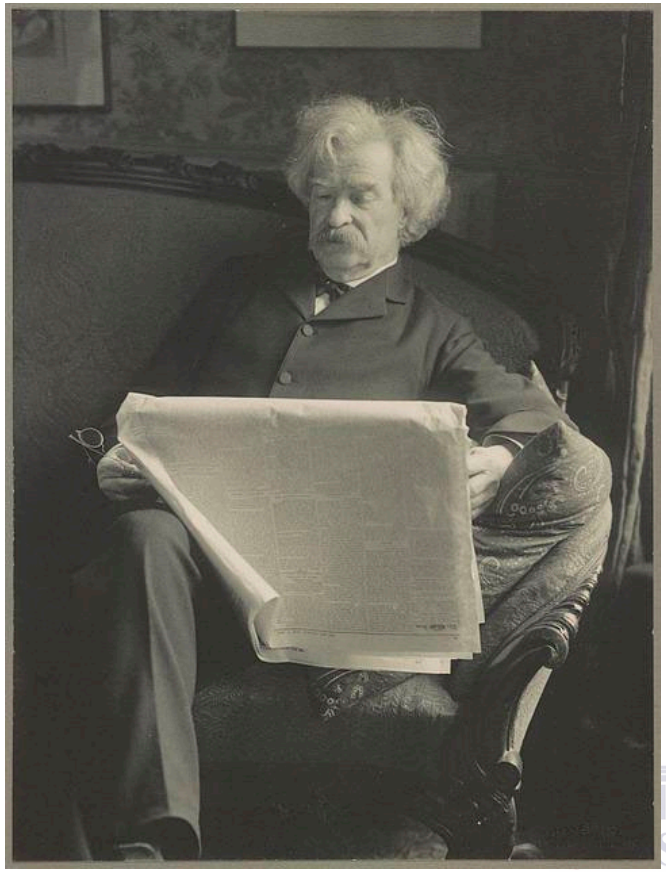
Doing It Right

What That Means at TRS

Providing security for Kentucky's retired teachers using a long-term investing process proven and refined over decades to achieve top returns on investments at the lowest costs.

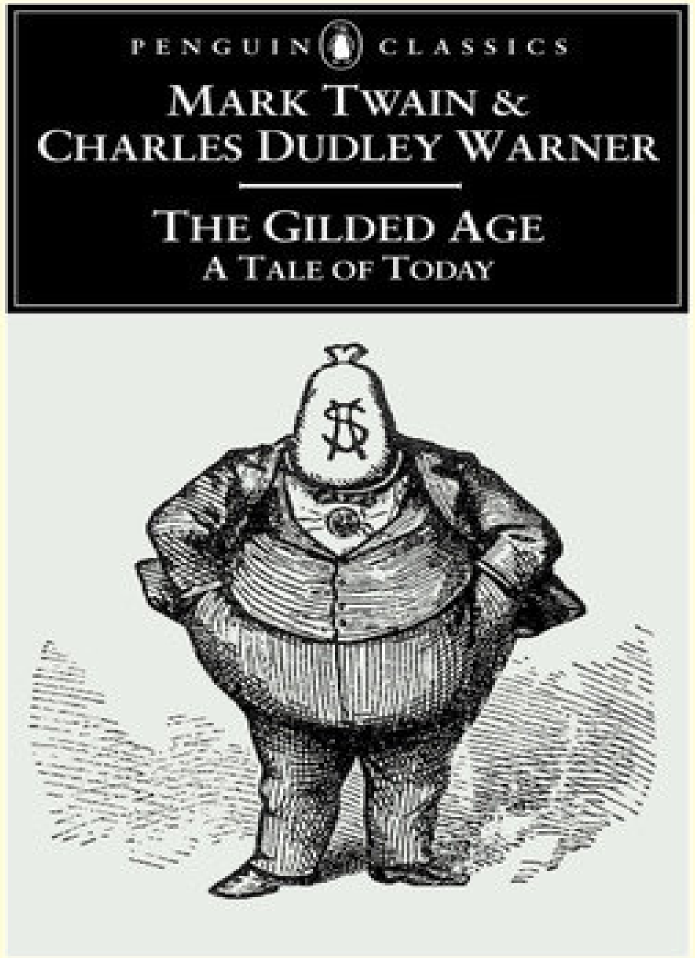
What Mark Twain "Said"

"History doesn't repeat itself, but it often rhymes."



What Mark Twain Really Said

"History never repeats itself, but the Kaleidoscopic combinations of the pictured present often seem to be constructed out of the broken fragments of antique legends."



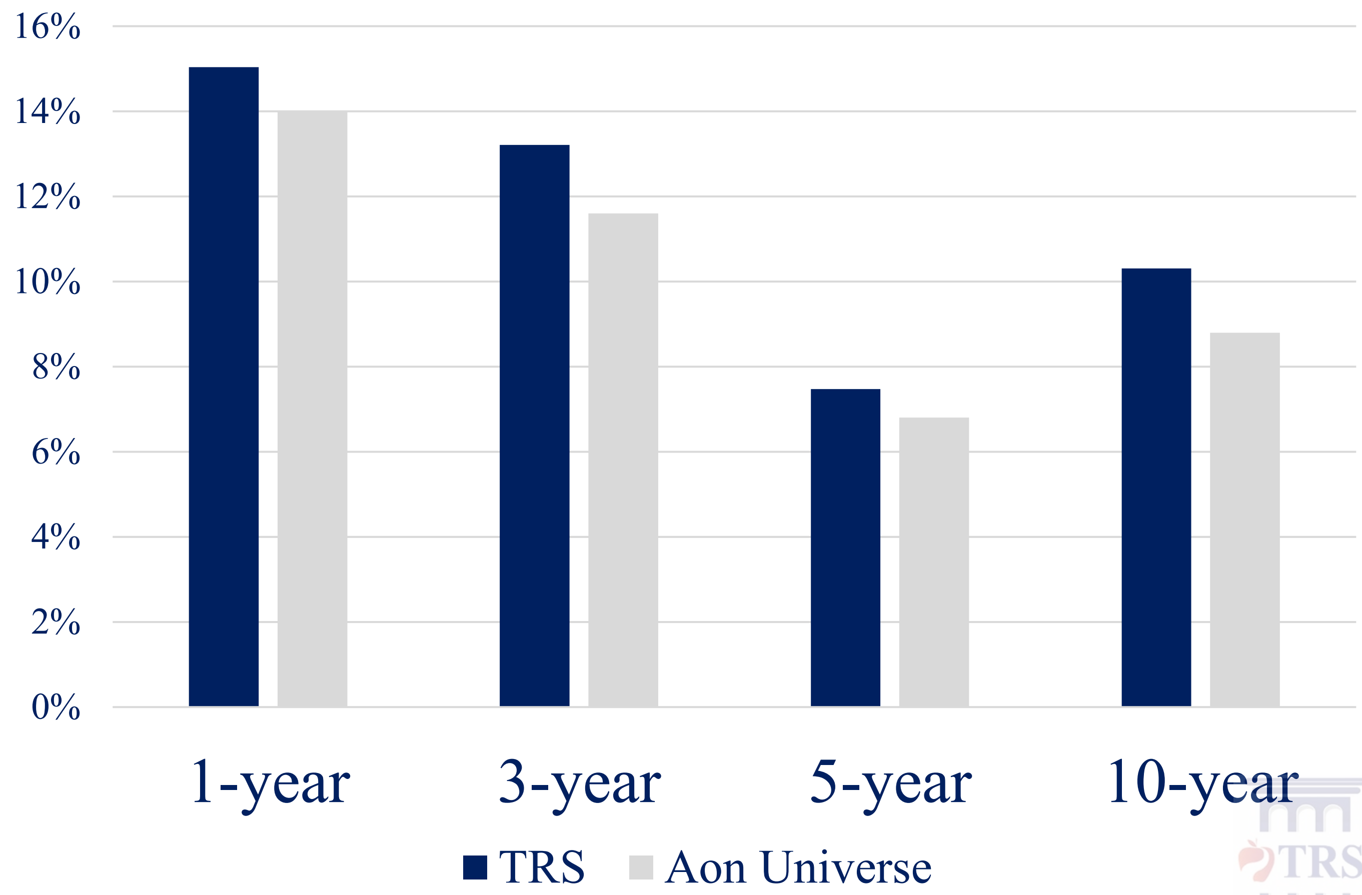
Investment Performance

Retirement Annuity Trust Gross Returns as of June 30, 2026

	TRS	Aon Rank
1-year	15.04%	Top 29%
3-year	13.21%	Top 10%
5-year	7.47%	Top 25%
10-year	10.31%	Top 4%
20-year	8.28%	N/A

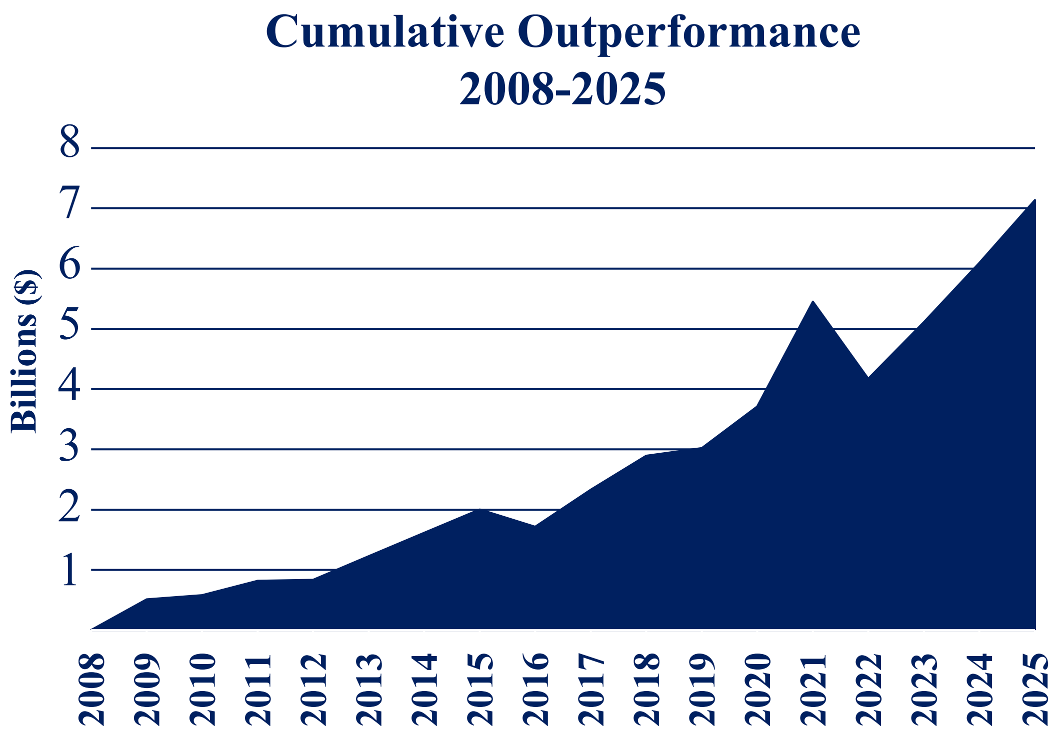
30-year compounded

8%



Investment Performance

TRS vs. Average Retirement Plan



In the 17 years since the Great Recession, TRS's net annuity assets grew to $28.4 billion, compared to average plan's $21.3 billion.

TRS's investment return outperformance in that time added $7.1 billion in assets to the benefit of Kentucky's teachers and all taxpayers.

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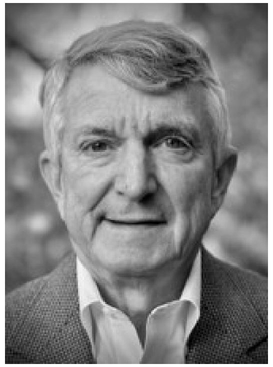

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TRS
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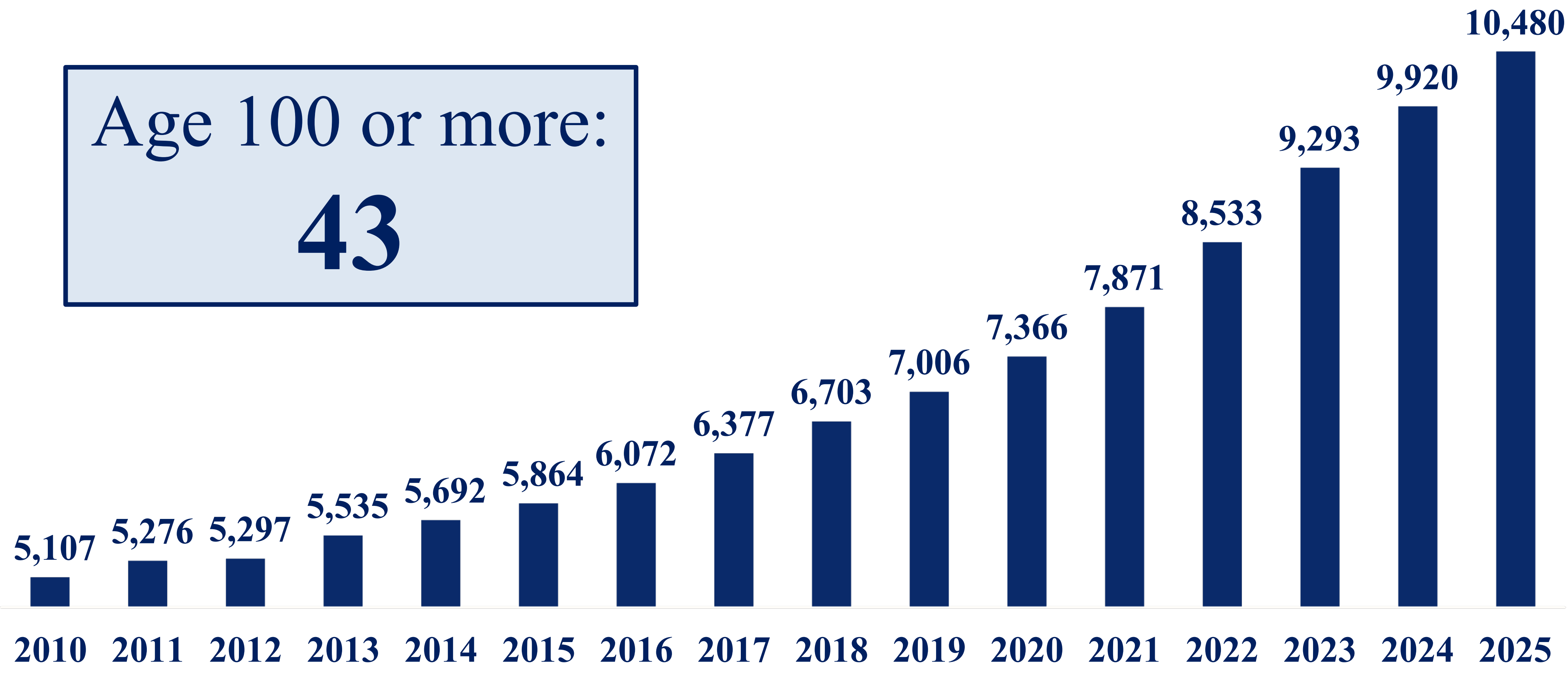
TRS Benefits Protect Teachers

Retirees Over 80 as of Dec. 31

Age 100 or more:
43



Retired Teachers Benefit Kentucky

- TRS pays retired teachers:
  - $226.2 million in retirement annuity benefits *(July 2026)*
  - $18 million in medical benefits *(monthly average)*
- 90% of TRS pension benefits stay in Kentucky
- $2.5 billion a year paid into Kentucky's economy because of pension benefits

Retired Teachers Benefit Kentucky

Fiscal Year 2026 Annuity Benefits (in millions) by KRTA District

Fifth $150

Northern $175.6

Eastern $135.3

Upper Kentucky River $72.6

Jefferson $385.9

Fourth $170.5

Big Sandy $98

Second $146.7

Upper Cumberland $129.2

First $145.5

Central East $149.8

Third $203.5

Central West $318.8

Middle Cumberland $95.3

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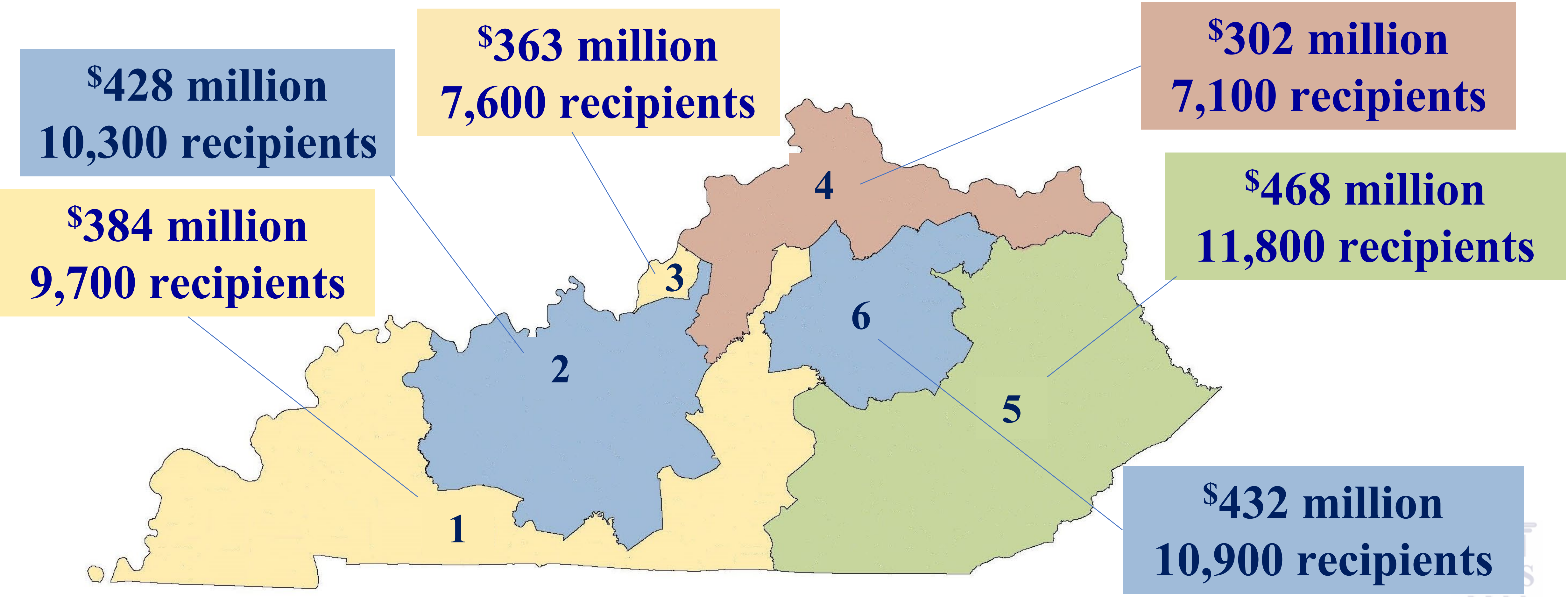
Retired Teachers Benefit Kentucky

FY 2026 Annuity Benefits by Congressional District (est.)

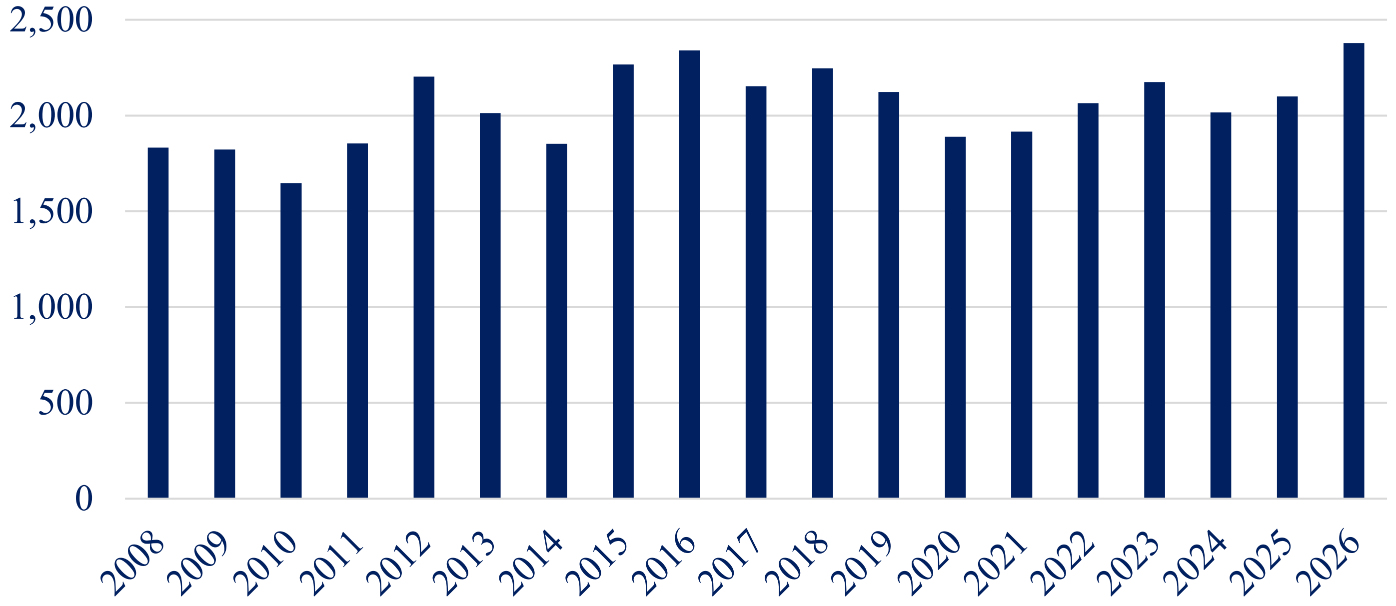


Retirements and Counseling

Fiscal 2026 – Preliminary and Unaudited

Service Retirements

2,379

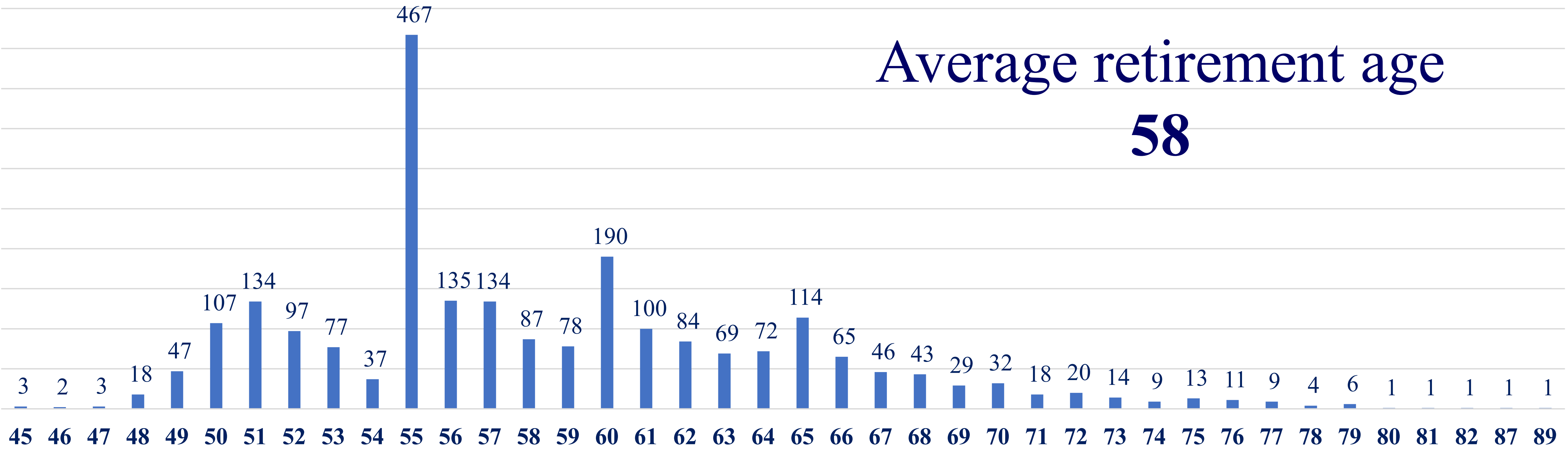


8,165

Scheduled Visitors

Retirees By Age At Retirement

Fiscal Year 2026: 2,379 Service Retirements



- Only 3% retire before age 50
- Six times as many people retire at 65 and over than retire under age 50
- Average career teacher retiring in FY 2026 worked 29 years

Actuarial Status

As of June 30, 2025

Dollars in billions

	Assets	Liabilities	Unfunded	Percent
Retirement Annuity Trust	$ 27.4	$ 44.9	$ 17.5	61%

Actuarial values

Funding

A Tale of Two Different Decades

- A decade of full or nearly full funding appropriated
- Followed a decade of underfunding
- Funding progress is steady and on track with funding plan
- Impacts of underfunding take time to overcome and the higher contributions required as a result don't disappear when full funding starts

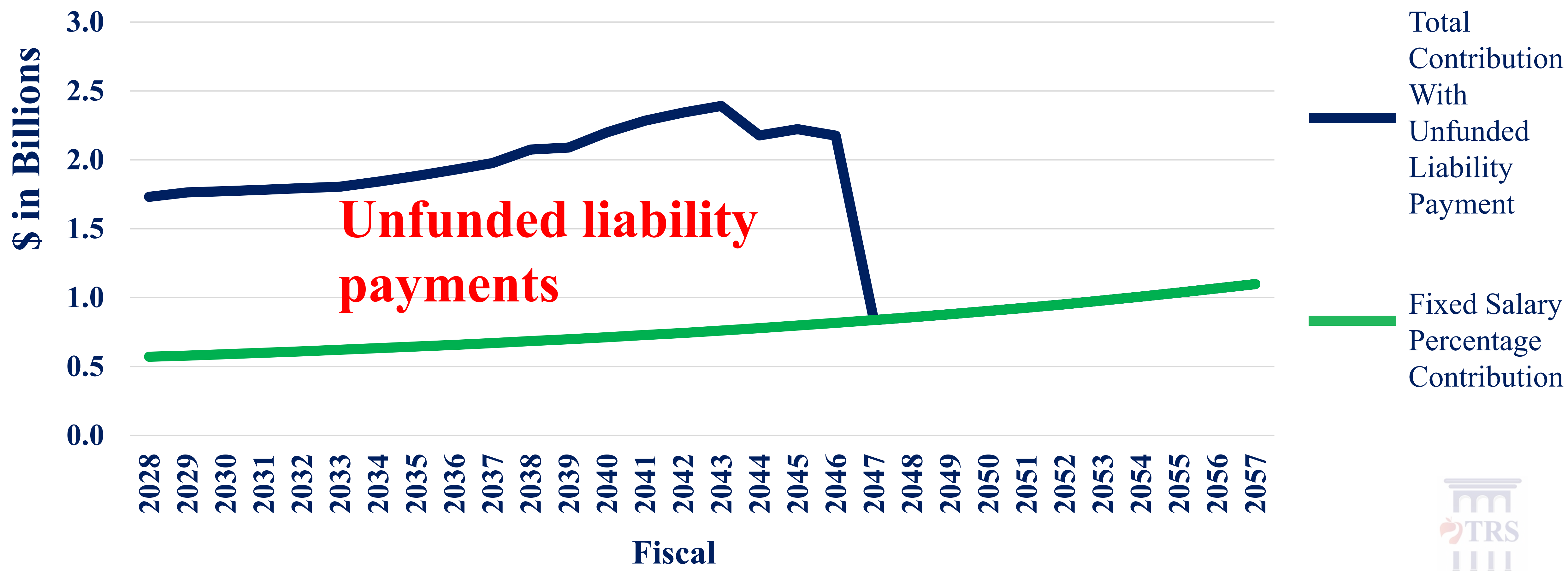
Funding

2026-28 Biennial Budget

- Means **12** straight years of full or nearly full annuity funding
- More than $2.24 billion to meet actuarially required contribution for annuities
- $213 million for state statutory contribution for under-65 health insurance under Shared Responsibility

Actuary's 30-Year Projections

At Full Funding, TRS Required Contributions Decrease



Two Plans for TRS Health Benefits

KEHP **Kentucky Employees' Health Plan**	• Under 65 and not Medicare-eligible • Same fund as active teachers and state employees • Coverage options
MEHP **Medicare Eligible Health Plan**	• Medicare-eligible or 65 & over • Exclusively TRS members • One plan

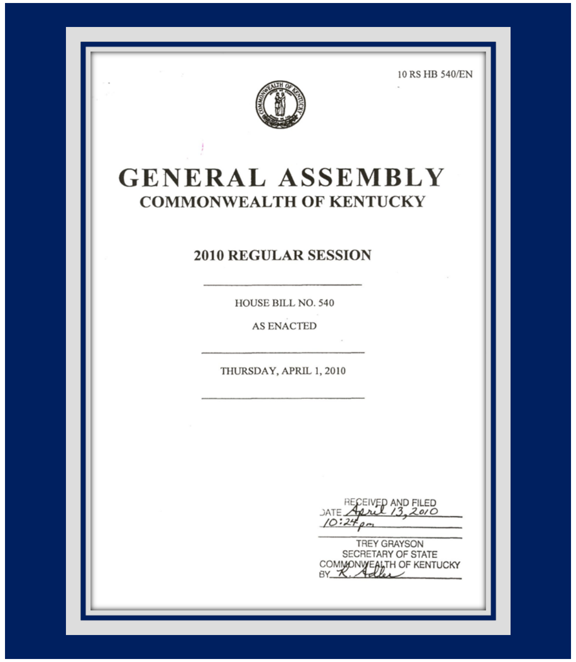
Insurance Details Can Change

Kentucky law guarantees retired teachers access to group coverage, but the details of that coverage – including costs, subsidy and level of coverage – can change.

Shared Responsibility

In Second Decade

Shared solution providing permanent funding for retiree health care



10 RS HB 540/EN

GENERAL ASSEMBLY
COMMONWEALTH OF KENTUCKY

2010 REGULAR SESSION

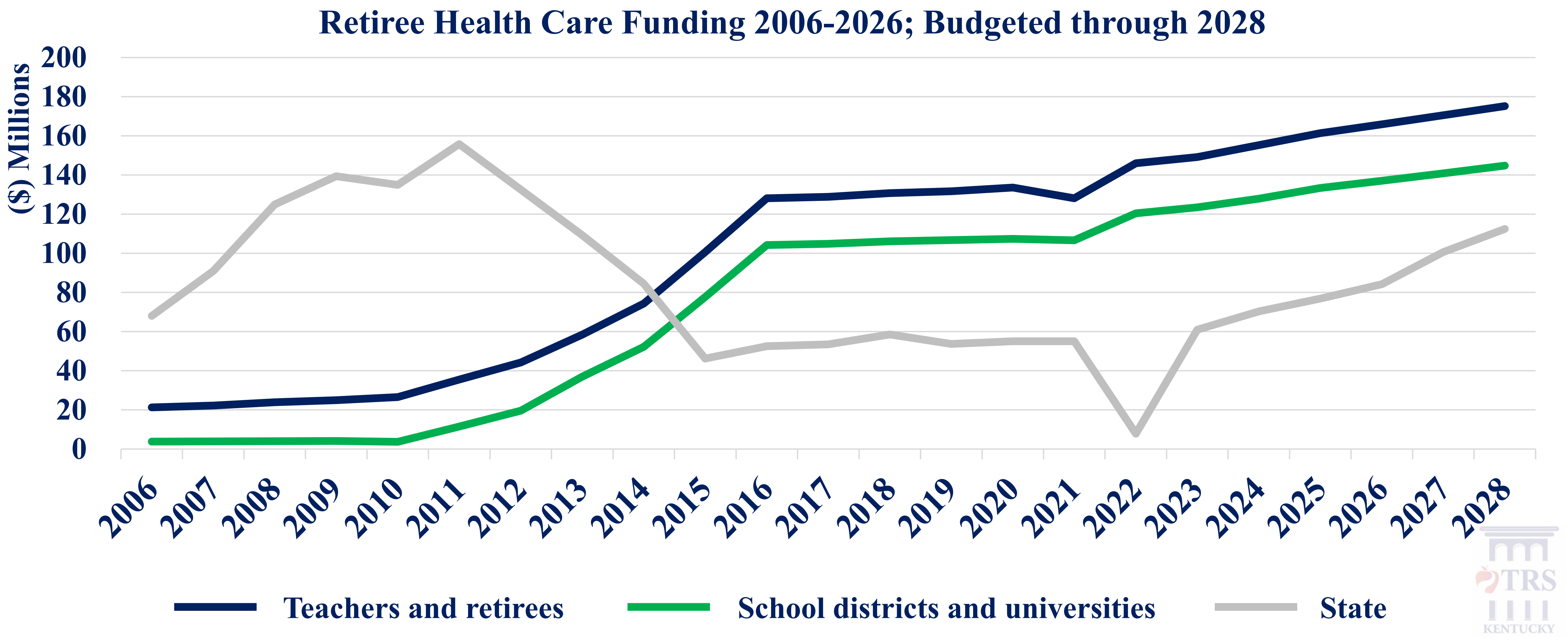
HOUSE BILL NO. 540
AS ENACTED

THURSDAY, APRIL 1, 2010

RECEIVED AND FILED
DATE April 13, 2010
10:24 pm
TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY

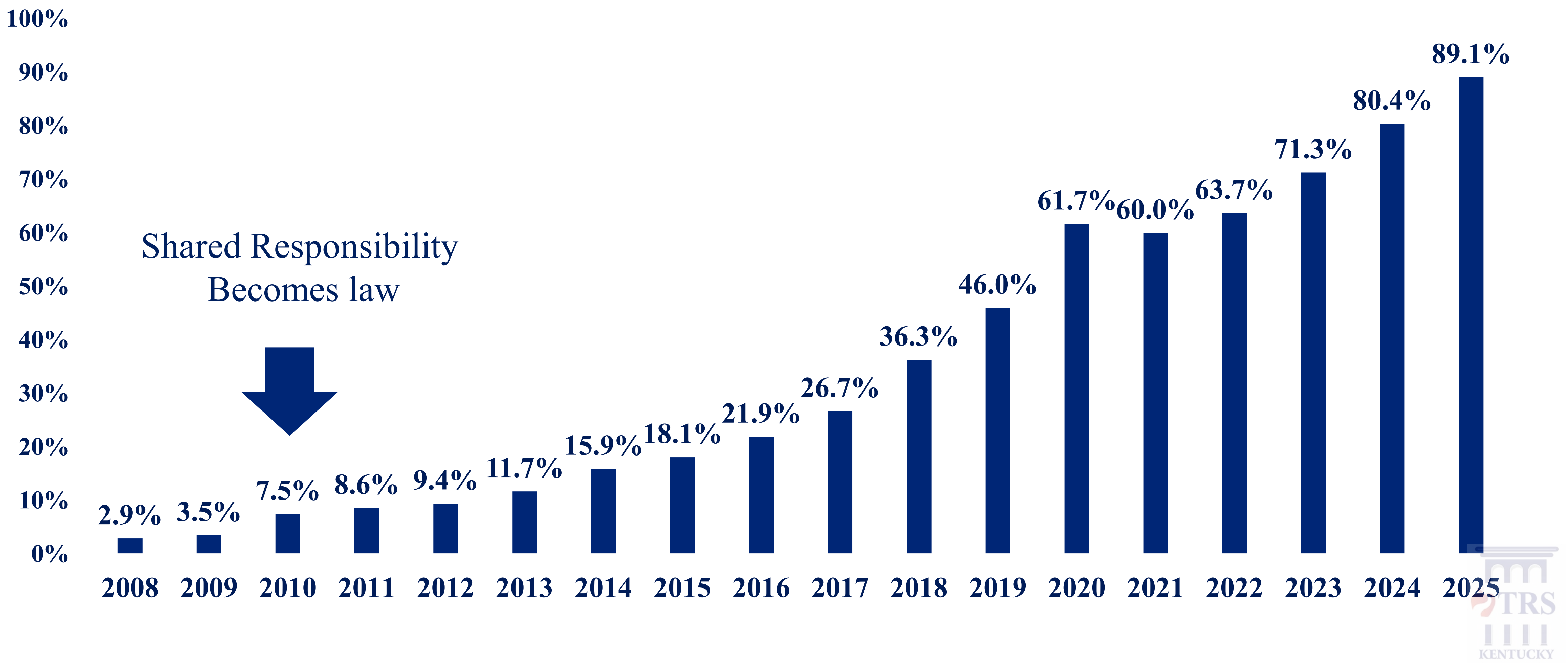
Shared Responsibility

How the Cost Has Been Shared

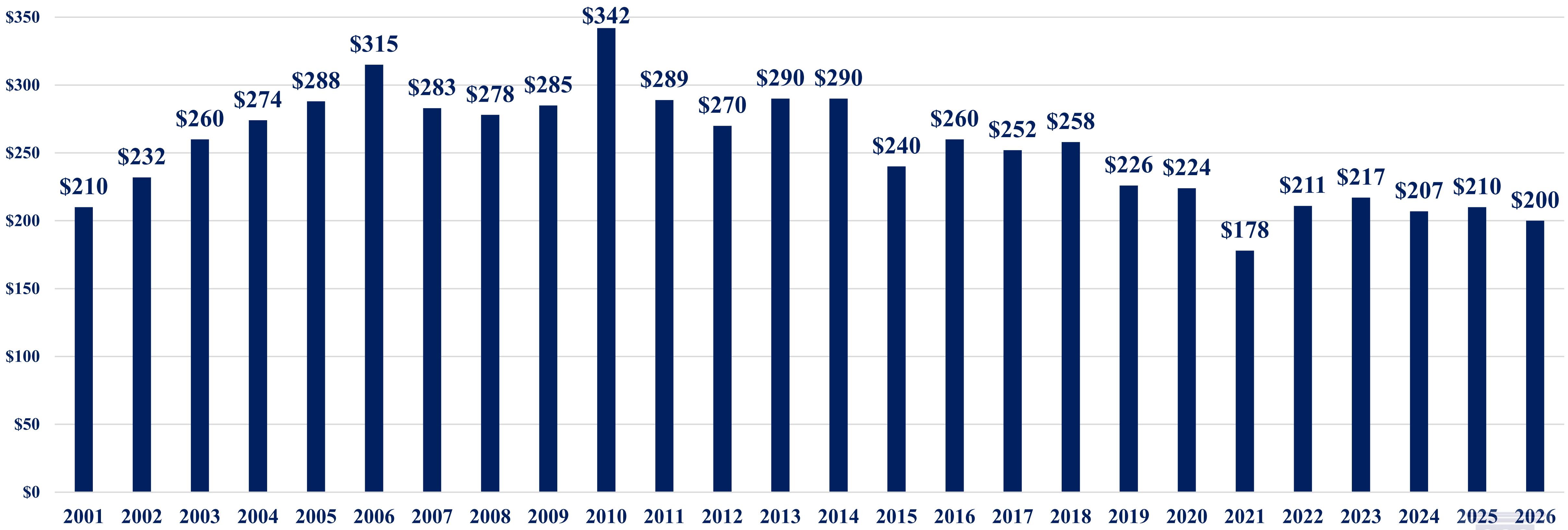


TRS Health Insurance

Funded Status



MEHP Premiums



Premiums Held Almost Constant For 25 Years

MEHP Consists of:

Humana

EXPRESS SCRIPTS®

CORIELL LIFE SCIENCES
recently acquired by InformedDNA

KNOW YOUR Rx COALITION

SilverSneakers®

nations hearing

KEHP MEHP **Know Your Rx Coalition**

Free counseling with live pharmacists

Know Your Rx Coalition *Pharm-Assist*

Hours: Monday to Friday, 8 a.m. to 6 p.m. ET
Phone: 855-218-5979
Email: KYRx@uky.edu
Website: www.KYRx.org

KNOW YOUR Rx COALITION
A GOVERNMENTAL PURCHASING COLLABORATIVE

TRS KENTUCKY

TRS Solution: Personalized Medicine Partnership

TRS KENTUCKY

CORIELL LIFE SCIENCES
recently acquired by InformedDNA

You
Your Doctor
Your Pharmacist

KNOW YOUR Rx COALITION
A GOVERNMENTAL PURCHASING COLLABORATIVE

KEHP MEHP

Personalized Medicine

Why It Works

- Helps avoid taking ineffective medications that even could be fatal
- Saves money for retirees and their insurance trust
- Uses DNA testing to help doctors making treatment decisions
- Results help make sure medications are beneficial from the start
- Avoids traditional trial-and-error process without DNA information

KEHP MEHP

Personalized Medicine

Peer-Reviewed Initial Results Receive Attention

Journal of *Personalized Medicine*

- 66% had genetic risks detected in a current medication
- 14.9% reduction in inpatient visits
- 6.8% reduction in emergency room visits
- $37 million savings in direct medical charges over 32 months

KEHP MEHP

Personalized Medicine

How to Sign Up

MEHP

Call **888-454-9024** or go to **enroll.dnaimpact.com/trsky** to request free DNA kit.

KEHP

Discuss with your doctor whether a DNA test could be covered because of medical necessity.

or

Retirees on KEHP can contact CLS/InformedDNA and use HRA funds to pay any cost.

KEHP Consists of:

Anthem BlueCross BlueShield

CVS CAREMARK

Castlight

KNOW YOUR Rx COALITION

HealthEquity

SmartShopper

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KEHP

2027 Update

Materials To Be Sent By KEHP

- Open enrollment will be **mandatory**, so **you need to enroll** to ensure you keep the coverage you have.
- The mandatory open enrollment is Oct. 5-23.
- Review your coverage to make sure you don't want to make any changes to your existing coverage.
- Benefit fairs to be announced.
- Remember to complete the LivingWell Promise between Jan. 1 and June 30 to receive premium discount in 2028.

Don’t Be Fooled

Make Sure You’re Talking to TRS

Third-party solicitations are not from TRS, and nor does TRS offer counseling through third parties.

Reminder

Be Aware of Deadlines

- Certain benefits have deadlines that are the member's, retiree's or beneficiary's responsibility.
- Many deadlines depend on life events, like a birth of a child, marriage or death.
- Qualifying events have strict deadlines for retiree insurance and member benefits.
  - For health insurance, it's 30 days from the life event to enroll in or terminate insurance and or to add a new spouse.
  - For member benefits, retirees have 60 days to change a retirement option and or change a beneficiary.

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TRS News and Information

https://trs.ky.gov

TEACHERS' RETIREMENT SYSTEM
PATHWAY

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What That Means at TRS

Providing security for Kentucky's retired teachers using a long-term investing process proven and refined over decades to achieve top returns on investments at the lowest costs.

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Our Members Come First!

800-618-1687

8 a.m. – 5 p.m. ET
Monday – Friday

info@trs.ky.gov
https://trs.ky.gov

Protecting & Preserving Teachers' Retirement Benefits