





































































## SCHEDULE E

### SUMMARY OF MAIN PLAN PROVISIONS AS INTERPRETED FOR VALUATION PURPOSES

#### **ELIGIBILITY FOR ACCESS TO RETIREE MEDICAL PLAN COVERAGE:**

**Service Retirement:** For employees hired prior to July 1, 2008, Retiree Medical Plan coverage eligibility is attained when an employee retires, which is possible after the completion of 27 years of service or attainment of age 55 and 5 years of service with reduced pension benefits. For employees hired on or after July 1, 2008, employees may retire after the completion of 27 years of service, the attainment of age 55 and 10 years of service with reduced pension benefits, or the attainment of age 60 and 5 years of service with unreduced pension benefits, but must complete a minimum of 15 years of service to be eligible for Retiree Medical Plan coverage.

**Disability Retirement:** Disabled employees hired prior to July 1, 2008 with at least 5 years of service, who are totally and permanently incapable of being employed as a teacher, are eligible for Retiree Medical Plan coverage upon approval for TRS disability retirement benefits. Disabled employees hired after July 1, 2008 must have 15 years of service to be eligible for Retiree Medical Plan coverage upon approval for TRS disability retirement benefits.

Members and dependents under age 65 and eligible for Medicare due to a disability after January 1, 2013 are only eligible to enroll in the MEHP. Under age 65 members who retired prior to Jan. 1, 2013, are grandfathered from this requirement and allowed a choice of KEHP or MEHP coverage. Actual census data and current plan elections were used for current disabled retirees. All future disabled members under the age of 65 with Medicare are placed on the MEHP and not the KEHP. This has been consistently applied since 2013.

**Survivors:** Spouses of employees who die in service while eligible to retire, as well as survivors of service and disabled retirees, are eligible for Retiree Medical Plan coverage if elected within 30 days of the employee's/retiree's death with no future remarriage. Otherwise, survivor is not eligible for Retiree Medical Plan coverage.

**Spousal Shared Risk Waiver for MEHP:** Beginning in 2013, eligible spouses who waive the MEHP coverage, will no longer have the opportunity to enroll during any annual MEHP open enrollment so most spousal waivers on the MEHP are now permanent waivers unless a KTRS specific qualifying event is met. This does not apply to the KEHP. This MEHP eligibility rule became necessary to mitigate spousal adverse selection with zero premium Medicare Advantage plans on the individual and open market.

**Termination:** For employees hired prior to July 1, 2008 and who terminated with at least 5 years of service, Retiree Medical Plan coverage eligibility is attained at age 60 with unreduced pension benefits. For employees hired on or after July 1, 2008 and who terminated with at least 15 years of service, Retiree Medical Plan coverage eligibility is attained at age 60 with unreduced pension benefits.

**Reemployed Retirees:** Retirees who return to work in an agency that participates in KEHP are required to terminate their coverage through the System. Additionally, if a retiree returns to work somewhere that does not participate in the KEHP, but offers health insurance, the retiree must terminate System coverage unless the employer coverage is of lesser value. For valuation purposes, active employees identified as currently receiving retiree health care through the System are valued as retirees.





**SCHEDULE E**  
**(Continued)**

**COVERED MEMBER RETIREE MEDICAL PLAN CONTRIBUTIONS:**

**Under Age 65 Retiree Shared Responsibility Contribution:** Effective July 1, 2010, retirees under the age of 65 began a three-year phase-in of the Shared Responsibility Contribution. This contribution reduces the applicable amount of the full contribution provided by the System to retirees, by adjusting the Shared Responsibility Contribution amount by 100% less the appropriate percentage from the Retiree Percentage Contribution table below. Effective July 1, 2012, the full Shared Responsibility Contribution equals the Standard Medicare Part B premium paid by retirees ages 65 and older.

Monthly Under Age 65 Shared Responsibility Contribution Timeline			
Effective Date	Medicare Part B Monthly Cost	Formula	Shared Responsibility Contribution
July 1, 2010	\$110.50	(1/3 x \$110.50)	\$ 37.00
January 1, 2011	115.40	(1/3 x 115.40)	39.00
July 1, 2011	115.40	(2/3 x 115.40)	77.00
January 1, 2012	99.90	(2/3 x 99.90)	66.00
July 1, 2012	99.90	99.90	99.90
January 1, 2013	104.90	104.90	104.90
January 1, 2014	104.90	104.90	104.90
January 1, 2015	104.90	104.90	104.90
January 1, 2016	121.80	121.80	121.80
January 1, 2017	134.00	134.00	134.00
January 1, 2018	134.00	134.00	134.00
January 1, 2019	135.50	135.50	135.50

**Retiree Years of Service Percentage Contribution:** Retirees contribute the following percentages based on years of service at retirement, which are then applied to the Retiree Contribution Rate Basis:

Retiree Percentage Contribution*				
Year of Service	Entered System Before 7/1/2002		Entered System After 6/30/2002 and Before 7/1/2008	Entered System After 6/30/2008
	Age 65 or Older and Covered Before 1/1/2005	Age 65 After or Covered After 12/31/2004		
5 – 9.99	30%	75%	90%	Not Eligible
10 – 14.99	20	50	75	Not Eligible
15 – 19.99	10	25	55	55%
20 – 24.99	0	0	35	35
25 – 25.99	0	0	10	10
26 – 26.99	0	0	5	5
27 or more	0	0	0	0

\*0% for disabled retirees that retired prior to 1/1/2002



**SCHEDULE E**  
**(Continued)**

**COVERED MEMBER RETIREE MEDICAL PLAN CONTRIBUTIONS (CONTINUED):**

Monthly Retiree Contribution Rate Basis Effective January 1, 2019					
Tier Elected	Under Age 65 (KEHP)				Ages-65 and Older (MEHP)
	LivingWell CDHP	LivingWell PPO	LivingWell Basic CDHP	LivingWell Limited HDP	
Single	\$660.04	\$646.96	\$656.60	\$583.96	\$226.00
Parent Plus	\$851.84	\$802.26	\$878.24	\$808.92	n/a
Couple	\$1,029.02	\$1,060.74	\$1,189.96	\$1,093.10	n/a
Family	\$1,131.64	\$1,105.34	\$1,303.24	\$1,196.18	n/a
Family C-R	\$738.64	\$719.12	\$771.84	\$704.70	n/a

**Under Age 65 Retiree Plan Cost Contribution:** An additional contribution according to the table below is required to be paid by retirees under the age of 65 based upon the plan elected:

Monthly Under Age 65 Plan Cost Contribution* Effective January 1, 2019				
Tier Elected	LivingWell CDHP	LivingWell PPO	LivingWell Basic CDHP	LivingWell Limited HDP
Single	\$49.42	\$82.38	\$26.20	\$23.58
Parent Plus	\$126.66	\$234.82	\$62.40	\$56.16
Couple	\$304.62	\$528.36	\$260.06	\$234.06
Family	\$358.12	\$662.26	\$312.06	\$280.86
Family C-R	\$80.32	\$157.56	\$29.10	\$26.20

\* Does not include the additional contribution required to be paid by retirees under the age of 65 who use tobacco (\$40 for Single or Family Cross-Reference, and \$80 for Parent Plus, Couple or Family). Also, this does not include the additional contribution required to be paid by retirees und the age of 65 who do not complete their LivingWell Promise, which is an additional \$40 per month for all levels of coverage—single, parent +, couple, and family. Approximately 600 retirees did not complete their LivingWell Promise for 2017.



**SCHEDULE E**  
**(Continued)**

**COVERED MEMBER MEDICAL PLAN CONTRIBUTIONS (CONTINUED):**

**Spouse Contributions:** 100% of the full cost for non-Medicare eligible dependents is paid through a combination of payments from beneficiaries and the State. Spouses of current post-65 retirees and surviving spouses of deceased retirees with a date of death on or after July 1, 2002 pay 100% of the full contribution. Spouses of active members who died while eligible to retire prior to July 1, 2002, are provided the same subsidy by the System that would have been provided to the retiree for the lifetime of the spouse, or until remarriage. Spouses of active members who die while eligible to retire on or after July 1, 2002 or later pay 100% of the full contribution.

**Survivors:** Spouses of employees who die in service while eligible to retire, as well as survivors of service and disabled retirees, are eligible for Retiree Medical Plan coverage if elected within 30 days of the employee's/retiree's death with no future remarriage. Otherwise, survivor is not eligible for Retiree Medical Plan coverage.

**Spousal Shared Risk Waiver for MEHP:** Beginning in 2013, eligible spouses who waive the MEHP coverage, will no longer have the opportunity to enroll during any annual MEHP open enrollment so most spousal waivers on the MEHP are now permanent waivers unless a KTRS specific qualifying event is met. This does not apply to the KEHP. This MEHP eligibility rule became necessary to mitigate spousal adverse selection with zero premium Medicare Advantage plans on the individual and open market.

Monthly Surviving Spouse Contribution Effective January 1, 2019					
Tier Elected by Surviving Spouse	Under Age 65 (KEHP)				Ages 65 and Older (MEHP)
	LivingWell CDHP	LivingWell PPO	LivingWell Basic CDHP	LivingWell Limited HDP	
Single	\$716.90	\$736.78	\$690.24	\$614.98	\$226.00
Parent Plus	985.94	1,044.52	948.08	872.52	n/a

**SYSTEM RETIREE MEDICAL PLAN CONTRIBUTIONS:** The System Contribution Rate Basis is determined annually by the System; and the full cost is projected based on historical claims data. For retirees, the following percentages are based on years of service at retirement and are then applied to the System Contribution Rate Basis:

Percentage of System Contribution Rate Provided to Retirees*				
Year of Service	Entered System Before 7/1/2002		Entered System After 6/30/2002 and Before 7/1/2008	Entered System After 6/30/2008
	Age 65 or Older and Covered Before 1/1/2005	Age 65 After or Covered After 12/31/2004		
5 – 9.99	70%	25%	10%	Not Eligible
10 – 14.99	80	50	25	Not Eligible
15 – 19.99	90	75	45	45%
20 – 24.99	100	100	65	65
25 – 25.99	100	100	90	90
26 – 26.99	100	100	95	95
27 or more	100	100	100	100

\*100% for disabled retirees that retired prior to 1/1/2002



**SCHEDULE E**  
**(Continued)**

**SYSTEM RETIREE MEDICAL PLAN CONTRIBUTIONS (CONTINUED):**

Monthly Retiree Contribution Rate Basis Effective January 1, 2019					
Tier Elected	Under Age 65 (KEHP)				Ages-65 and Older (MEHP)
	LivingWell CDHP	LivingWell PPO	LivingWell Basic CDHP	LivingWell Limited HDP	
Single	\$660.04	\$646.96	\$656.60	\$583.96	\$226.00
Parent Plus	\$851.84	\$802.26	\$878.24	\$808.92	n/a
Couple	\$1,029.02	\$1,060.74	\$1,189.96	\$1,093.10	n/a
Family	\$1,131.64	\$1,105.34	\$1,303.24	\$1,196.18	n/a
Family C-R	\$738.64	\$719.12	\$771.84	\$704.70	n/a

*\*Irrespective of a participating retiree's service, an additional \$7.44 per month is paid by the System to the Department of Employee Insurance (DEI) for KEHP coverage.*

**ACTIVE MEMBER RETIREE MEDICAL PLAN CONTRIBUTIONS:** Actively employed members make payroll contributions to the Medical Insurance Fund based upon the following schedule:

Active Member Percentage of Payroll Contribution Made to Medical Insurance Fund

Active Member Percentage of Payroll Contribution Made to Medical Insurance Fund					
University Employees		School District Employees (Non-Federal)		Other Employees	
Hired Before 7/1/2008	Hired On or After 7/1/2008	Hired Before 7/1/2008	Hired On or After 7/1/2008	Hired Before 7/1/2008	Hired On or After 7/1/2008
2.775	2.775	3.750	3.750	3.750	3.750



**SCHEDULE E**  
**(Continued)**

**LIFE INSURANCE PLAN BENEFITS:**

(1) Effective July 1, 2000, the Teachers' Retirement System shall:

- (a) Provide a life insurance benefit in a minimum amount of five thousand dollars (\$5,000) for its members who are retired for service or disability. This life insurance benefit shall be payable upon the death of a member retired for service or disability to the member's estate or to a party designated by the member on a form prescribed by the retirement system; and
- (b) Provide a life insurance benefit in a minimum amount of two thousand dollars (\$2,000) for its active contributing members. This life insurance benefit shall be payable upon the death of an active contributing member to the member's estate or to a party designated by the member on a form prescribed by the retirement system.

**Note:** Members employed on a substitute or part-time basis and working at least 69% of a full contract year in a single fiscal year will be eligible for a life insurance benefit for the balance of the fiscal year or the immediately succeeding fiscal year under certain conditions. For non-vested members employed on a substitute or part-time basis, the life insurance benefit is provided if death occurs as the result of a physical injury on the job. For vested members employed on a substitute or part-time basis, death does not have to be the result of a physical injury on the job for life insurance benefits to be provided.



**SCHEDULE F**

**TABLE 1  
ACTIVE MEMBER AGE AND SERVICE TABLE AS OF JUNE 30, 2018**

Distribution of Active Members as of June 30, 2018 by Age and Service Groups

Attained Age	Completed Years of Service								
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	>= 35	Total
24 & under	3,356								3,356
Total Pay	73,197,998								73,197,998
Avg. Pay	21,811								21,811
25 to 29	5,728	1,663	5						7,396
Total Pay	203,495,638	82,568,556	187,852						286,252,046
Avg. Pay	35,526	49,650	37,570						38,704
30 to 34	2,675	4,547	1,612	3					8,837
Total Pay	86,293,957	232,507,874	93,615,745	171,059					412,588,635
Avg. Pay	32,259	51,134	58,074	57,020					46,689
35 to 39	2,254	2,127	4,670	1,452	8				10,511
Total Pay	66,909,314	110,685,191	282,452,313	94,329,491	434,996				554,811,305
Avg. Pay	29,685	52,038	60,482	64,965	54,375				52,784
40 to 44	1,783	1,360	2,099	4,041	1,099	6			10,388
Total Pay	50,536,837	70,800,804	127,327,260	271,875,642	78,592,555	466,037			599,599,135
Avg. Pay	28,344	52,059	60,661	67,279	71,513	77,673			57,720
45 to 49	1,481	1,082	1,507	2,140	3,650	1,019	4		10,883
Total Pay	38,192,866	57,257,531	91,642,244	141,344,490	258,449,408	75,036,251	337,145		662,259,935
Avg. Pay	25,789	52,918	60,811	66,049	70,808	73,637	84,286		60,853
50 to 54	1,235	656	968	1,242	1,603	1,883	341	9	7,937
Total Pay	26,561,350	32,743,609	58,414,733	82,215,623	112,128,856	141,021,748	26,428,299	771,555	480,285,773
Avg. Pay	21,507	49,914	60,346	66,196	69,949	74,892	77,502	85,728	60,512
55 to 59	1,517	465	610	913	1,003	726	265	33	5,532
Total Pay	25,011,517	20,976,754	35,767,841	58,954,988	70,939,328	56,218,141	23,218,735	2,581,322	293,668,626
Avg. Pay	16,487	45,111	58,636	64,573	70,727	77,435	87,618	78,222	53,085
60 to 64	1,679	344	305	482	483	390	106	47	3,836
Total Pay	21,246,589	12,139,654	17,529,572	31,791,751	34,076,493	28,894,613	8,938,762	3,162,631	157,780,065
Avg. Pay	12,654	35,290	57,474	65,958	70,552	74,089	84,328	67,290	41,131
65 & over	2,137	525	189	194	199	147	76	62	3,529
Total Pay	18,319,211	10,686,323	8,081,622	12,048,328	13,626,663	11,374,461	5,370,666	5,164,995	84,672,269
Avg. Pay	8,572	20,355	42,760	62,105	68,476	77,377	70,667	83,306	23,993
Total	23,845	12,769	11,965	10,467	8,045	4,171	792	151	72,205
Total Pay	609,765,277	630,366,296	715,019,182	692,731,372	568,248,299	313,011,251	64,293,607	11,680,503	3,605,115,787
Avg. Pay	25,572	49,367	59,759	66,182	70,634	75,045	81,179	77,354	49,929

Average Age: 43.5

Average Service: 10.9



**SCHEDULE F**

(Continued)

**TABLE 2  
SCHEDULE OF TOTAL ACTIVE MEMBER VALUATION DATA**

Valuation Date	Number	Annual Payroll	Annual Average Pay	Percentage Increase in Average Pay
6/30/2018	72,205	\$3,605,115,787	\$49,929	1.06%
6/30/2017	72,130	3,563,584,342	49,405	0.35
6/30/2016	71,848	3,537,226,348	49,232	1.19
6/30/2015	72,246	3,515,113,126	48,655	2.45
6/30/2014	73,407	3,486,326,799	47,493	2.12
6/30/2013	74,831	3,480,066,406	46,506	1.51
6/30/2012	75,951	3,479,567,004	45,813	1.33

**TABLE 3  
ELIGIBLE DEFERRED VESTED MEMBERS AS OF JUNE 30, 2018  
MALE AND FEMALE DEMOGRAPHIC BREAKDOWN**

Attained Age	Medical Insurance Fund			Life Insurance Fund		
	Number of		Total Number	Number of		Total Number
	Males	Females		Males	Females	
Under 30	1	0	1	15	26	41
30-34	51	195	246	158	570	728
35-39	284	904	1,188	378	1,071	1,449
40-44	300	876	1,176	350	1,024	1,374
45-49	327	1,147	1,474	361	1,298	1,659
50-54	264	975	1,239	287	1,071	1,358
55-59	230	823	1,053	254	884	1,138
60 & Over	253	707	960	294	773	1,067
<b>Total</b>	<b>1,710</b>	<b>5,627</b>	<b>7,337</b>	<b>2,097</b>	<b>6,717</b>	<b>8,814</b>



**SCHEDULE F**  
**(Continued)**

**TABLE 4**  
**ALL RETIREES AND SPOUSES RECEIVING HEALTH CARE BENEFITS AS OF JUNE 30, 2018**  
**MALE AND FEMALE DEMOGRAPHIC BREAKDOWN**

Attained Age	Number of		Total Number
	Males	Females	
Under 40	7	6	13
40-44	25	26	51
45-49	101	165	266
50-54	446	1,075	1,521
55-59	954	3,109	4,063
60-64	1,688	5,918	7,606
65-69	2,962	8,757	11,719
70-74	3,092	6,598	9,690
75-79	2,073	4,013	6,086
80-84	1,257	2,340	3,597
85-89	602	1,412	2,014
90-94	210	712	922
95-99	37	197	234
100 and over	2	41	43
<b>Total</b>	<b>13,456</b>	<b>34,369</b>	<b>47,825</b>





**SCHEDULE F  
(Continued)**

**TABLE 5  
SCHEDULE OF RETIRANTS, BENEFICIARIES AND SURVIVORS ADDED TO AND REMOVED FROM ROLLS\***

Medical Insurance Fund									
Fiscal Year Ending June 30	Number of Members Added to Rolls	Number of Spouses** Added to Rolls	Total Number Added to Rolls	Number of Members Removed from Rolls	Number of Spouses** Removed from Rolls	Total Number Removed from Rolls	Number of Members on Rolls at the End of the Year	Number of Spouses** on Rolls at the End of the Year	Total Number on Rolls at the End of the Year
2012	1,996	702	2,698	1,029	616	1,645	36,000	7,008	43,008
2013	1,853	664	2,517	1,076	619	1,695	36,777	7,053	43,830
2014	1,663	638	2,301	1,165	660	1,825	37,275	7,031	44,306
2015	1,990	731	2,721	1,190	633	1,823	38,075	7,129	45,204
2016	2,045	726	2,771	1,305	674	1,979	38,815	7,181	45,996
2017	1,835	699	2,534	1,153	691	1,844	39,497	7,189	46,686
2018	1,903	828	2,731	1,170	422	1,592	40,230	7,595	47,825

\*Reflects members, spouses, and beneficiaries participating in a health care plan.

\*\*Includes spouses, beneficiaries, and surviving spouses.

**TABLE 6  
SCHEDULE OF RETIRANTS, BENEFICIARIES AND SURVIVORS ADDED TO AND REMOVED FROM ROLLS\***

Life Insurance Fund								
Fiscal Year Ending June 30	Number Added to Rolls	Life Insurance Benefit (\$1,000's)	Number Removed from Rolls	Life Insurance Benefit (\$1,000's)	Number on Rolls at the End of the Year	Life Insurance Benefit (\$1,000's)	Increase in Life Insurance Benefit	Average Life Insurance Benefit
2012	2,364	11,820	880	4,400	42,602	213,010	3.61	5,000
2013	2,195	10,975	952	4,760	43,845	219,225	2.92	5,000
2014	1,964	9,820	954	4,770	44,855	224,275	2.30	5,000
2015	2,270	11,350	1,641	8,205	45,484	227,420	1.40	5,000
2016	2,394	11,970	807	4,035	47,071	235,355	3.49	5,000
2017	2,175	10,875	1,021	5,105	48,225	241,125	2.45	5,000
2018	2,605	13,025	1,408	7,040	49,422	247,110	2.48	5,000

\*The life insurance benefit is payable upon the death of only members retired for service or disability. Numbers do not include life insurance benefits payable upon the death of an active contributing member.