



TEACHERS' RETIREMENT SYSTEM

of the State of Kentucky

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FUNDING, INVESTMENTS PROPEL TEACHERS' RETIREMENT FUND IN PANDEMIC-DOMINATED YEAR

FRANKFORT, Ky. – Thanks to full funding and top investing, the Retirement Annuity Trust for Kentucky's public school teachers finished the fiscal year with record asset levels.

Independent actuarial valuations by Cavanaugh Macdonald Consulting and an independent auditor's report by Blue & Co. were presented Friday, Nov. 13, to the Governance and Audit Committee of the Teachers'

Retirement Annuity Trust	June 30, 2020	June 30, 2019
Assets (actuarial value)	\$20.8 billion	\$20.2 billion
Liabilities	\$35.6 billion	\$34.7 billion
Unfunded liabilities	\$14.8 billion	\$14.5 billion
Funded ratio	58.4%	58.1%

Retirement System of the State of Kentucky (TRS) Board of Trustees.

The assets of the Retirement Annuity Trust grew to \$20.8 billion as of June 30 from \$20.2 billion the year before, according to the actuary. In a year when a global pandemic wreaked havoc on financial markets, these asset gains resulted from receiving full funding, the fourth consecutive year of full or nearly full funding, coupled with investment returns among the top 5% of large pension plans (5.8% gross and 5.5% net). The funded ratio improved to 58.4%, compared to 58.1% a year earlier, the fourth straight year for an improved ratio.

“Full funding from the state budget allowed TRS to invest prudently, even when the markets bottomed in March, so that retired teachers earned 5.8% this year,” said Gary Harbin, CPA, the executive secretary of TRS. “This shows that pensions work in tough times, as well as the good, when full funding is provided by elected leaders, to whom we express thanks for coming through.”