

MINUTES OF MEETING NO. 344
BOARD OF TRUSTEES
KENTUCKY RETIREMENT SYSTEMS
September 11, 2008 at 9:00 A.M., E.T.
Board Room
Perimeter Park West, 1270 Louisville Road
Frankfort, Kentucky 40601

Item 1

At the Special Called Meeting of the Board of Trustees held on September 11, 2008, the following members answered to their names: Randy J. Overstreet, Chair, W. Lewis Reynolds III, Bobby D. Henson, Vince Lang and Crystal Pryor, Personnel Cabinet, proxy for Nikki R. Jackson.

In addition, staff members present were Robert M. Burnside, Executive Director, William A. Thielen, J. Eric Wampler, Richard Schultz, Steve Mackey, Connie Pettyjohn, Linda Cloud and Tracey M. Mulder, Recording Secretary. Also present were Mary Helen Peter, Rebecca Heckler and Patsy Morrison, Kentucky Public Retirees; and Brad Gross, Frank Willey and Kelly Dudley, Legislative Research Commission.

Mr. Overstreet advised that Ms. Pryor was sitting in for Ms. Jackson. An Attorney General's ruling from Scott White, Assistant Deputy Attorney General, advises that KRS 18A.035(1) provides that the Secretary "...may from time to time designate in writing an employee of the cabinet to act for him in case of his absence or inability from any cause to discharge the powers and duties of his position. In this case, the powers and duties of the secretary shall devolve upon his designee."

Item 2

Mr. Thielen provided a background of the subsidy for non-Medicare non-single plans. Mr. Thielen advised that by statute retirees are entitled to receive health benefits equal to those provided to active state employees. Mr. Thielen noted that there are no longer monies appropriated for the subsidy by the general fund and therefore it is paid for from the trust. Mr. Thielen advised that last year the amount for the non-hazardous retirees was approximately 11 million dollars, therefore the cost of the subsidy will be approximately 22 million over the next two years.

Item 3

Mr. Overstreet presented the memorandum "Plan Year 2009 Health Insurance Coverage for the Under 65 Retirees."

Mr. Burnside advised that the Personnel Cabinet has a deadline of Monday, September 15, 2008 to release the health insurance contribution rates to the Legislative Research Commission. Mr.

Burnside advised that as of this date, those rates have not been released but that KRS has been in close contact with the Personnel Cabinet and have verified with them the plan that best meets the requirements of KRS 61.702. Mr. Burnside noted that today's meeting was held in order to meet a deadline for printing of the KRS open enrollment forms.

Mr. Schultz reviewed the memorandum. Mr. Schultz advised that Cavanaugh Macdonald reviewed the plans provided under the Kentucky Employee Health Plan and determined that the Commonwealth Capitol Choice Plan best meets the requirements of KRS 61.702

It was moved by Mr. Henson, seconded by Mr. Lang, and carried by the Board of Trustees to adopt the following recommendations of the Executive Director:

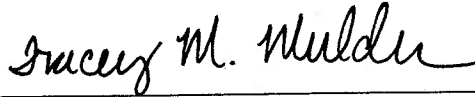
1. Monthly contribution rates for single coverage for hazardous and non-hazardous non-Medicare eligible retirees based on the premium for the 2009 Commonwealth Capitol Choice Plan.
2. Monthly contribution rates for hazardous non-Medicare eligible retirees electing parent plus, couple and family coverage based on the 2009 Commonwealth Capitol Choice Plan.
3. Monthly contribution rates for retirees living out of state, subject to the contribution levels set forth in paragraphs 1 or 2 above. Reimbursement under the Medical Insurance Reimbursement Plan will be established by reference to the premium for the 2009 Commonwealth Capitol Choice Plan.
4. Approval of the usage of cross-referencing in accordance with the Kentucky Employees Health Plan for Plan Year 2009.
5. Approval of the administrative fee not to exceed \$4.35 per plan month, excluding waivers.

Item 4

There being no further business, the meeting was adjourned at 9:17 A.M., E.T., to meet on October 31, 2008 at 8:30 A.M., E.T., or upon the call of the Chair, Executive Director, or at the request of five members of the Board.

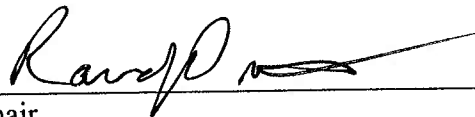
CERTIFICATION

I, Tracey M. Mulder, do certify that I was present at this meeting and that I have recorded above the action of the Board on the various items considered by it at this meeting. Further, I certify that all requirements of KRS 61.605 through 61.850 were met in connection with this meeting. Finally, I certify that the Minutes and supporting materials have been forwarded to each member of the Board and have been included in the permanent records of the Board.



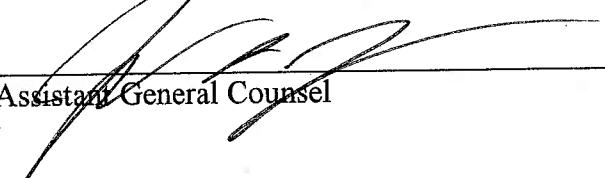
Tracey M. Mulder
Recording Secretary

We, the Chair and the Executive Director of the Board of Trustees of the Kentucky Retirement Systems, do certify that the Minutes of Meeting No. 344 were approved by the Board on February 19, 2009.

Signed: 
Chair

Signed: 
Executive Director

I, Jennifer A. Jones, was not present at the September 11, 2008 Board of Trustees meeting, but have reviewed the minutes of Meeting No. 344 for form, content and legality.


Assistant General Counsel