

 KENTUCKY YMCA YOUTH ASSOCIATION KENTUCKY YOUTH ASSEMBLY Commonwealth Bill	Red CW 36						
	Referred to Committee: Senate 2						
Authors: Robert Sproul, Jackson Stewart, Grant Early, Caroline Burkhardt	Action on the Bill						
School: Martha Layne Collins HS							
City: Shelbyville							
	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center;">House</td> <td style="width: 50%; text-align: center;">Senate</td> </tr> <tr> <td style="text-align: center;">____ <input type="checkbox"/> Passed</td> <td style="text-align: center;">____ <input type="checkbox"/> Passed</td> </tr> <tr> <td style="text-align: center;">____ <input type="checkbox"/> Defeated</td> <td style="text-align: center;">____ <input type="checkbox"/> Defeated</td> </tr> </table>	House	Senate	____ <input type="checkbox"/> Passed	____ <input type="checkbox"/> Passed	____ <input type="checkbox"/> Defeated	____ <input type="checkbox"/> Defeated
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1 An act to allow current and future teachers multiple options for their retirement investments
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3 **Be it enacted by the Youth Assembly of the Commonwealth of Kentucky**
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5 Section 1: Under Kentucky’s current teacher retirement policy (Teacher’s Retirement System or TRS), all
6 public school educators who are employed within the state are required by state law to put their
7 retirement investments into a state mandated pension fund that forfeits their social security benefits.
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9 Section 2: Presently under these terms, this pension fund is used to fund other general projects in the
10 state’s budget. Because of this, the money that teachers put into this pension is being spent without
11 their consent. If the prevailing spending trend and retiree payout levels continue, the money in the
12 pension is projected to run out by 2025, causing teachers not to get the full benefits of their
13 investments.
14

15 Section 3: This bill would provide teachers with four more sustainable retirement investment
16 opportunities. A 403b, Roth IRA, giving their money to a financial adviser to manage in a mutual fund,
17 or continuing their investment into the pension. This will give teachers the option and freedom to
18 invest their money how they choose and how they feel will better prepare them for retirement.
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20 Section 4: Teachers who have been hired within the last 10 years will have a buyout clause that will
21 give them the ability to withdraw all money that is currently in the TRS pension with a designated 10
22 percent withdrawal fee, which will go directly to fund existing pension members, based off the amount
23 of money currently in the fund. Teachers must show proof of a setup replacement retirement option in
24 order to activate this buyout clause. Teachers who have been teaching longer than 10 years will not be
25 given this option and will continue to contribute to the existing pension.
26

27 Section 5: This bill goes into effect January 1st, 2018.