



*Membership*GUIDE

Kansas Police and Firemen's Retirement System

Welcome to the Retirement System

Welcome to the Kansas Police and Firemen's Retirement System. We're glad you are here! This membership guide will help you get to know the Retirement System. It outlines your current benefits as an active member and shows you what is in store when you are ready to retire. The guide can be a reference tool when you have KP&F questions. In the interest of simplicity, certain generalizations have been made in this guide. Kansas law and the rules adopted by the Board of Trustees will control specific situations.

We're Here for You

We're here to answer your questions and help in any way we can. Our offices are open Monday through Friday from 8 a.m. to 5 p.m.

Our "InfoLine" is a toll-free customer service call center dedicated to helping you get the information you need and processing your retirement-related business. The InfoLine is open 8 a.m. to 4 p.m. The easiest time to reach our office is in the afternoon, Tuesday, Wednesday and Thursday. Your questions, comments and suggestions are always welcome, so don't hesitate to call.

If you need one-on-one help or just prefer to visit with someone in person, please call to arrange an appointment first so that we can assist you more effectively when you arrive. Our office is conveniently located in downtown Topeka. Visit our web site for driving directions and parking locations.

Web Site: www.kpers.org

InfoLine: 1-888-275-5737

In Topeka: 785-296-6166

E-mail: kpers@kpers.org

Fax: 785-296-6638

Mail: 611 S. Kansas Ave., Suite 100
Topeka, KS 66603-3869

Why Use Our Web Site?

The Retirement System's web site is an excellent resource to help you find the KP&F information you need. Within seconds, you can locate forms, publications and loads of other information about your membership and benefits. Our web site allows you to get immediate, up-to-date information when you want it, 24 hours a day, seven days a week. You can also estimate your retirement benefits or a partial lump-sum payment with our online calculator using a variety of scenarios.

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What Is KPERS and KP&F?

The Kansas Public Employees Retirement System (KPERS) is an umbrella organization that provides three statewide defined-benefit retirement plans for state and local public employees:

- **Kansas Police and Firemen’s Retirement System (KP&F)**
- Kansas Public Employees Retirement System (KPERS)
- Kansas Retirement System for Judges (Judges)

Our membership totals over 260,000 and includes active, inactive and retired members. We also manage approximately \$13.1 billion in assets for them. These members represent about 1,480 state and local employers.

You are part of the Kansas Police and Firemen’s Retirement System plan. KP&F accounts for approximately 7,000 of our active members, representing 86 state and local employers.

Who Are KP&F Employers?

- Kansas Highway Patrol
- Kansas Bureau of Investigation
- Board of Regents institutions
- Any affiliated county, city or other political subdivision of the state that employs police officers, firefighters, emergency medical technicians or university police

When joining us, employers become known as “participating” or “affiliated” employers. Employees become “active” members. When employees leave their employer, but keep their contributions with the Retirement System, they become “inactive” members.

How We Are Organized

The Kansas Legislature created the Kansas Public Employees Retirement System in 1962 by passing a set of laws known as the “Retirement Act.” The Retirement Act defines our benefits and the Legislature may make changes only by amending the statutes.

The Retirement Act establishes a Board of Trustees that directs and oversees the Retirement System. The Board of Trustees has nine members: four are appointed by the Governor, one is appointed by the President of the Senate, one is appointed by the Speaker of the House of Representatives, two are elected by Retirement System members, and one is the elected State Treasurer. All serve four-year terms.

The Board appoints an executive director who is the managing officer of the Retirement System. The executive director manages a staff to carry out the daily operations of the Retirement System. Staff functions include member services, investments, information resources and fiscal services.

The Board hires a qualified actuary to serve as its technical adviser and to provide an annual valuation of the System’s liabilities and reserves. The Board employs investment managers to invest money in the fund under the “prudent expert” standard. Lastly, the Board hires an investment consultant to assist with investment manager performance reviews.

Someone at Your Employer to Help You

Your employer has appointed a **designated agent** to handle Retirement System transactions. Your designated agent works for the same employer you do. This person is your local connection for Retirement System information. He or she will have all necessary forms and publications and can answer most of your questions about the Retirement System. Check with your personnel office if you don’t know who your designated agent is.

What Are Your Benefits?

Throughout your career, you contribute part of your salary to the Retirement System. Your employer also contributes. The Retirement System then invests these funds and, when you retire, pays you a **guaranteed** monthly benefit for the rest of your life. The Retirement System also provides a \$4,000 death benefit for retirees. As an active member, you have disability and death benefits and you can purchase optional life insurance if your employer offers it.

Membership

Kansas law requires that all employees in “covered” positions with participating employers must become members, except elected sheriffs. The details of your benefits depend on what type of KP&F member you are.

Tier I Members

You are a Tier I member if you were employed before July 1, 1989, and did not choose Tier II coverage.

Tier II Members

All new KP&F members are Tier II members. You are a Tier II member if you were employed on or after July 1, 1989, or before July 1, 1989, and chose Tier II coverage.

Transfer and Brazelton Members

Whether a Tier I or Tier II member, you could be a Transfer or Brazelton member. Transfer members are KP&F members who formerly participated in a local retirement plan and chose to participate in KP&F after their employer joined KP&F. Some members employed by Kansas Highway Patrol, Kansas Bureau of Investigation and countywide law enforcement agencies are included in this group.

Brazelton members participated in a class action lawsuit in 1980. Because of this, their contribution rate is lower (0.008 percent) and their retirement benefits are offset by Social Security. If you are a Brazelton member, please contact the KPERS office if you have questions about your membership.

Your Contributions and Interest

As an active member, you contribute 7 percent of your gross earnings each pay period. Your contribution rate is reduced to 2 percent after you have completed 32 years (not rounded) of service credit. Contributions are made on a pre-tax basis and deferred from federal income taxes until you either withdraw or retire. You do need to add the contributions back into your gross income for state income tax purposes when you file your Kansas state income taxes each year. Please see “State and Federal Taxes” on page 23 for details.

Your contributions are credited with interest annually on June 30, based on the balance in your account on December 31 of the preceding year (i.e. interest credited on June 30, 2009, is based on your account balance as of December 31, 2008).

If you became a member:

- *Before* July 1, 1993, your contributions earn 8 percent interest.
- *On or after* July 1, 1993, your contributions earn 4 percent interest.

Kansas law does not allow you to borrow from your contributions.

The amount of your contributions and interest have no bearing on your retirement benefits. These benefits are determined by your final average salary and years of service. Your account balance is important only if you withdraw or die before retirement. Employer contributions are not credited to your account and stay with the Retirement System if you end employment and withdraw.

Your final average salary
and years of service
determine your retirement
income, not how much
you contribute.

Annual Statements

Each spring, you should receive an annual statement from your designated agent. Your annual statement shows your contributions and earned interest, years of service, current final average salary and beneficiary information. Be sure to check that your beneficiary is current. If you are vested, you will also have retirement benefit estimates. Your annual statement is a tool to help you plan for your future, and we encourage you to review it carefully.

Guaranteeing Your Benefit (Vesting)

When you are “vested,” it means you have earned enough service credit to **guarantee** a retirement benefit, even if you leave covered employment. Tier I members become vested with 20 years of service credit. Tier II members are vested with 15 years of service credit. If you leave employment, simply keep your contributions with the Retirement System and you are guaranteed retirement benefits when you become eligible. If you have participated in any of the other plans the Retirement System administers, you may be able to combine years of service toward your retirement.

What Is Service Credit?

Service credit is an important factor used to calculate your retirement benefit. You automatically earn service credit for the years you work in a covered position. Kansas law governs other types of service that can be purchased or granted to count toward retirement.

Granted Service Credit

Participating Service is any service after your membership date. You will automatically receive this type of service credit while you work in a covered position and make contributions to the Retirement System. For Tier II members, this type of service will be credited during any period of approved disability if you qualify for disability benefits.

Prior Service is any time you worked for your employer before your employer joined KP&F. You will automatically receive prior service for all KP&F service with that employer if your employer affiliated for prior service. Your employer pays for the cost of this service.

Military Service: In certain circumstances, Kansas law allows the Retirement System to grant service credit for active military service at no cost to you if the military service interrupts your public service. Service credit may be granted if you are employed in a covered position immediately before activation and you return to covered employment with any participating employer within one year of discharge (or two years, if disabled in the line of duty). You must be off your employer’s payroll during this time to receive granted service credit. When you return to work in a covered position, your employer notifies the Retirement System. You will need to provide a copy of your military discharge papers (DD214) showing the period of military duty. Granted military service is limited to five years. You can purchase up to six years of military service regardless of how many years are granted. For KP&F, military service does not count toward your eligibility to retire, but will increase the amount of your benefit when you retire.

Increasing Your Retirement Benefit (Purchasing Service Credit)

You may be able to increase your retirement benefit and possibly retire earlier by purchasing service credit for your past public service. Only active members may purchase service credit.

Cost

Purchase costs are based on your age and salary. If you are under age 37, a year of service will cost about 7 percent of your current salary (or current final average salary, if higher). Each year after age 37, the actuarial cost increases significantly. It is usually best to buy service early in your career.

Types of Service You Can Purchase

- Forfeited KP&F service (All available forfeited service must be purchased together.)
- Military service (Members can purchase year for year of active military service and one quarter of service credit for each year of military reserve service. Military service does not count toward your eligibility to retire, but does increase your benefit. See “Military Service and Your Benefits” on page 16.)
- Forfeited KPERS service (Previous KPERS service must be purchased in a lump sum and will re-establish or add to your KPERS record.)

Payment Options

Generally, service can be purchased with:

- Pre-tax payroll deduction over a period of time.
- Rollover or trustee-to-trustee transfer from another retirement plan. Eligible plans include a governmental 457(b) plan such as the Kansas Public Employees Deferred Compensation Plan, a 403(b) annuity, or an individual retirement account (IRA).
- Lump sum (personal check, money order or Discover Card).

Benefit of Purchasing Service Credit		
Your final average salary	For each additional year of service, your benefit increases by ...	
\$30,000	\$63 per month	\$750 per year
\$50,000	\$104 per month	\$1,250 per year
\$70,000	\$146 per month	\$1,750 per year

The Purchase Process

1. Contact your designated agent to see if your past service is eligible.
2. If your service is eligible, complete an Application to Purchase Service Credit (KPERS-67) form.
3. You complete the employee part of the form and give it to your designated agent.
4. Your designated agent completes the employer part of the form and sends it to the Retirement System.
5. The Retirement System calculates your purchase cost and sends a letter to you through your designated agent. At this point, you should weigh the cost and benefit before deciding to continue with the purchase.
6. To complete the purchase, you sign the necessary paperwork, arrange for payment and return both to the Retirement System.
7. The Retirement System receives your payment or payroll deduction commitment.
8. The Retirement System adds service to your record after the purchase is completed.

Federal Tax Requirements on Service Purchases

KP&F is a “qualified plan” under federal tax provisions. In a qualified plan, members make contributions on a pre-tax basis and interest grows tax-deferred. Federal law may limit your lump-sum payment if you are purchasing service with after-tax money.

- If you became a member on January 1, 1999, or later, an annual contribution limit may apply on lump-sum after-tax purchases. Please contact the Retirement System for the current contribution limit. This limit applies only to **after-tax** contributions, not to regular contributions or tax-free rollovers.
- If you were a member before July 1, 1999, you keep all the service purchase opportunities that existed under the plan in August 1997, unless you withdraw. Any new types of service purchase opportunities added to the plan after August 1997 are subject to federal restrictions regardless of your membership date.

Disability Benefits

KP&F isn't just for your retirement. As an active member, you are covered by occupational disability benefits that provide income protection if you cannot perform duties related to your job due to an injury or illness. You are not eligible for benefits if you are disabled while working for any employer other than your KP&F employer.

To apply for disability and begin the approval process, please contact your designated agent. He or she will help you with the following forms and information that you need to send to the Retirement System.

Forms

- Employer's Report of Death, Disability or On-the-Job Accident form (KP&F-560).
Your employer sends this form to the Retirement System.
- Application for Disability form (KP&F-523)
- Physician's Report of Member's Condition form (KP&F-538)

Information You Will Need to Provide

- Medical information that supports your present condition, such as test results, doctors' notes and reports from X-rays. Please do not send actual X-ray films to our office.
- If the disability was service-connected, please submit any work correspondence, such as memorandums relating to the incident, accident reports or your workers' compensation application.
- A copy of your job description.
- A letter from you, stating that you have sent all documents that you wish to have considered when reviewing the disability claim.

The approval process is quicker if you send all the needed information together. Once the Retirement System receives all of your documents, the processing time is four to six weeks. Additional information may be requested.

Continuing Disability Requirements

For the first five years, you must provide proof of your continuing disability every year to receive KP&F disability benefits.

After five years, at any time, the Board of Trustees may require additional medical information to determine continuing eligibility for disability benefits. If the Board of Trustees finds that you are no longer disabled for employment, based on your updated medical information, your KP&F disability benefits will stop.

Tier I Disability Benefits

Your coverage depends on your circumstances. As a Tier I member, you must distinguish whether your disability is service-connected or non service-connected. Under Tier I, you will remain on disability for the rest of your life unless you return to work for a KP&F employer or you are no longer disabled.

A **service-connected disability** is caused by an act of duty. Kansas law presumes your disability is service-connected if, after five years of credited service, you develop one of the following:

- Heart, lung or respiratory disease
- A type of cancer that results from exposure to heat, radiation or a known carcinogen

This does not apply if there is evidence that your condition is not service-connected.

Eligible Children

In some cases, members with **eligible children** have additional benefits. Children are considered eligible up to age 18, or 23, if a full-time student. After age 18, proof of full-time school attendance must be provided annually. Benefits for minor children must be paid to a legally-appointed conservator. For any member who becomes disabled on or after July 1, 2001, only children who were born, conceived or adopted before the beginning of the disability are eligible to receive the annual benefit.

If You Have a Service-Connected Disability – Tier I

Monthly Benefit	You receive an annual benefit, in on-going monthly payments, based on the higher of: <ul style="list-style-type: none">• 50 percent of final average salary, or• Final average salary x 2.5 percent x years of service.
Children's Benefit	If you have eligible children (see page 10), each receives an annual benefit of up to 10 percent of your final average salary (subject to maximum), in on-going monthly payments.
Maximum	If you have eligible children, the maximum family benefit, including children's benefits, is 75 percent of your final average salary. If you do not have eligible children, the maximum benefit is 80 percent of your final average salary.
Waiting Period	There is no waiting period to apply. You can submit an application after the last day you are actively at work.
Taxes	Benefits are not included in gross income for federal income tax purposes, for up to 50 percent of your final average salary. Children's benefits are exempt from federal income tax.

If You Have a Disability Not Connected to Service – Tier I

Monthly Benefit	You receive an annual benefit of your final average salary x 2.5 percent x years of service, in on-going monthly payments. There is no children's benefit.
Minimum	The minimum annual benefit is 25 percent of your final average salary.
Maximum	The maximum annual benefit is 80 percent of your final average salary.
Waiting Period	You must wait 180 days from the last day you were actively at work to apply for benefits.
Taxes	Benefits are included in gross income for federal income tax purposes.

Working While Receiving Disability Benefits – Tier I

If you return to work with any KP&F employer, your disability benefits will automatically stop. If you return to work in a KPERS-covered position, you do not have an earnings limit, and you will immediately become a contributing member of KPERS. You do not have an earnings limit if you work for any employer not affiliated with the Retirement System.

Tier II Disability Benefits

Your benefits are the same, whether your disability is service-connected or not. If you are eligible for full retirement benefits based on your age and service, you cannot apply for disability benefits.

Monthly Benefit	You receive an annual benefit of 50 percent of your final average salary, in on-going monthly payments. There is no children's benefit.
Waiting Period	There is no waiting period to apply. You can submit an application after the last day you are actively at work.
Service Credit	You will continue to earn service credit until you are no longer disabled, or until you meet the age and service requirements for full retirement benefits. If you have service in more than one of the retirement plans administered by the Retirement System, you can remain on disability until you are eligible for full retirement benefits from each plan.
Taxes	Benefits are included in gross income for federal income tax purposes.

Working While Receiving Disability Benefits – Tier II

If you return to work with any KP&F participating employer, your disability benefits will automatically stop. If you return to work in a KPERS-covered position, you cannot contribute to KPERS. This is because you will continue to receive KP&F service credit while receiving disability benefits. For any employment subject to Social Security, your disability benefit will be reduced \$1 for every \$2 of earned income over \$10,000 in a calendar year.

Death Benefits

KP&F death benefits cover regular Tier I and Tier II members, Brazelton, and Transfer members. Benefits are automatically paid to your spouse and/or children. Children are eligible up to age 18, or 23, if a full-time student. Benefits for minor children must be paid to a legally-appointed conservator. If you are unmarried and have no eligible children, your beneficiary receives a one-time lump-sum benefit.

If You Die From a Cause Connected to Your Job While an Active Member – Tier I and Tier II

Monthly Benefit	Your spouse receives an annual benefit of 50 percent of your final average salary in on-going monthly payments for the rest of his or her life.
Children's Benefit	In addition to your spouse's monthly benefit, each eligible child receives an annual benefit of 10 percent of your final average salary, in on-going monthly payments. Benefits for minor children must be paid to a legally-appointed conservator.
Maximum	The total annual benefit cannot exceed 75 percent of your final average salary.
If No Spouse/Child	If you do not have a surviving spouse or eligible children, your beneficiary receives a lump-sum equal to 100 percent of your current annual salary, less any refundable contributions and interest.
Taxes	Benefits are not included in gross income for federal income tax purposes.

If You Die From a Cause Not Connected to Your Job While an Active Member – Tier I and Tier II

Lump-Sum Benefit	Your spouse receives a one-time payment of 100 percent of your final average salary.
Monthly Benefit	Your spouse receives an annual benefit of your final average salary x 2.5 percent x years of service in on-going monthly payments for the rest of his or her life.
Children's Benefit	If you do not have a surviving spouse, the benefits will be paid in equal shares to eligible children. Benefits for minor children must be paid to a legally-appointed conservator.
Maximum	The total annual benefit cannot exceed 50 percent of your final average salary.
If No Spouse/Child	If you do not have a surviving spouse or eligible children, your beneficiary receives a lump-sum equal to 100 percent of your current annual salary, less any refundable contributions and interest.
Taxes	Benefits are included in gross income for federal income tax purposes.

If You Die as a Disability Recipient – Tier I Non Service-Connected and All Tier II

Lump-Sum Benefit	Your spouse receives a one-time payment of 50 percent of your final average salary.
Monthly Benefit	Your spouse receives a lifetime annual benefit of 50 percent of your disability benefit in on-going monthly payments for the rest of his or her life.
Children's Benefit	If you do not have a surviving spouse, the benefits will be paid in equal shares to eligible children. Benefits for minor children must be paid to a legally-appointed conservator.
If No Spouse/Child	If you do not have a surviving spouse or eligible children, your beneficiary receives a lump sum equal to your remaining contributions.
Taxes	Benefits are included in gross income for federal income tax purposes.
Death Benefit	For Tier I members, your beneficiary receives a \$4,000 death benefit.

If You Are a Tier I Service-Connected Disability Recipient and Die From:

- Any cause within two years following your disability incident.
- Your disability at any time.

Monthly Benefit	Your spouse receives an annual benefit of 50 percent of your final average salary in on-going monthly payments for the rest of his or her life.
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Children's Benefit	In addition to your spouse's monthly benefit, each eligible child receives an annual benefit of 10 percent of your final average salary, in on-going monthly payments. Benefits for minor children must be paid to a legally-appointed conservator. If you do not have a surviving spouse, then the benefit will be paid in equal shares to eligible children.
Maximum	The total annual benefit cannot exceed 75 percent of your final average salary.
If No Spouse/Child	If you do not have a surviving spouse or eligible children, your beneficiary receives a lump sum equal to your remaining contributions.
Taxes	Benefits are not included in gross income for federal income tax purposes.
Death Benefit	Your beneficiary receives a \$4,000 death benefit.

If You Are a Tier I Service-Connected Disability Recipient and Die After Two Years From a Cause Other Than Your Disability

Lump-Sum Benefit	Your spouse receives a one-time payment of 50 percent of your final average salary.
Monthly Benefit	Your spouse receives an annual benefit of 50 percent of your monthly benefit, in on-going monthly payments for the rest of his or her life.
Children's Benefit	If you do not have a surviving spouse, the benefits will be paid in equal shares to eligible children. Benefits for minor children must be paid to a legally-appointed conservator.
If No Spouse/Child	If you do not have a surviving spouse or eligible children, your beneficiary receives a lump sum equal to your remaining contributions.
Taxes	Benefits are included in gross income for federal income tax purposes.
Death Benefit	Your beneficiary receives a \$4,000 death benefit.

Special Members

Special members have statutory spousal benefits. Please contact the Retirement System office.

Surviving Spouse Benefit Option for Inactive Members

If you die before retirement as an inactive member, your spouse may be able to receive a monthly benefit for the rest of his or her life, instead of receiving your returned contributions and interest. You must have at least 20 years of service and designated your spouse as your sole primary beneficiary. Your spouse can begin receiving a monthly benefit at the earliest time that you would have been eligible for retirement. You can name contingent beneficiaries without affecting this benefit option.

Optional Group Life Insurance

Optional group life insurance provides you with additional coverage beyond your KP&F death benefits. You decide how much coverage you need and you pay the cost of this additional coverage through payroll deduction. Many employers offer optional group life insurance, including the State of Kansas. Check with your employer about participation.

Coverage amounts range from \$5,000 to \$250,000 in \$5,000 increments. New employees are eligible for an initial \$50,000 of guaranteed coverage *without* proof of good health within 30 days of their hire date. You must provide proof of good health for amounts over \$50,000. Optional life insurance premiums are automatically deducted from your pay.



Optional insurance lets you decide how much coverage you need.

Starting or Increasing Coverage: You can start or increase coverage *at any time* with proof of good health.

Actively at Work: If, due to sickness or injury, you are not actively at work on the effective date, your optional group life insurance will not become effective *until* the first day following the date of your return to active work.

Family Status Change: You can enroll for or increase your coverage by up to \$25,000 (subject to the plan maximum of \$250,000) *without* proof of good health, within 30 days of a family status change like marriage, divorce, birth or adoption.

Accelerated Death Benefit: If you are diagnosed as terminally ill with 12 months or fewer to live, you may be eligible to receive up to 100 percent of your life insurance *instead* of your beneficiary receiving a death benefit.

If You Leave Employment or Retire

If you retire, end employment or move to a position not covered by the Retirement System, your life insurance will end. You can continue your coverage through a *conversion* or *portability* option within 31 days of ending employment. Individual whole life insurance and portable group term life insurance offer different features to satisfy the needs of a broad range of members. You should weigh the costs and benefits before deciding which option is right for you.

Conversion to an Individual Policy: When you convert to an individual policy, your life insurance will change from term insurance to a whole life plan of insurance. Although a whole life plan of insurance is generally more expensive, this type of policy builds cash value, offers level premiums, and pays the face amount of insurance at your death. You can convert up to the full amount of your current insurance coverage without proof of good health, but you cannot convert any more than you currently have.

Portable Term Life Insurance: Portable term life insurance can provide affordable short-term protection if you change jobs or retire. Term life insurance is not intended to provide level lifetime coverage. The benefit decreases according to a specified schedule and coverage ends at age 70. Your premiums also will increase as you get older.

Your designated agent can provide either a life insurance conversion or portability form, or you can download one from our web site. The completed form is sent directly to the insurance company for processing, and the insurance company will contact you directly with any questions.

Special rules apply if you leave due to a disability or military service. See your designated agent for details.

Naming Your Beneficiary

Active KP&F members have statutory benefits payable to a spouse or eligible children. (See “Death Benefits” on page 12.) If you do not have a spouse or eligible children at the time of your death, benefits will be paid to your named beneficiary. If you are an inactive member, benefits will be paid to your named beneficiary.

Who You Can Name as Beneficiary

You can choose:

- A living person.
- A trust.
- Your estate.
- Any combination of these options.

If you choose more than one beneficiary, each will share your benefits equally. You can name separate beneficiaries for your retirement benefits and any optional life insurance you have. You can also name a contingent beneficiary to receive your benefits if your primary beneficiary is not living. A contingent beneficiary will receive benefits only if no primary beneficiary survives you. As with the primary beneficiary, you can name more than one and each will receive equal shares of your benefit.

You can add or change beneficiaries at any time by completing a Designation of Beneficiary (KPERS-7/99) form. You can download one at www.kpers.org or get one from your designated agent. Only members can complete the form. Even conservators, guardians and those with power of attorney cannot select or change a Retirement System beneficiary. The change is not effective until we receive your form in this office.

Each time you complete a beneficiary form, it cancels all those you have previously completed. Every time you complete the form, be sure to fill in both the primary and contingent beneficiary sections if you intend to have a contingent beneficiary. If you complete only the contingent section and leave the primary blank, you will have no primary beneficiary, even if a past form names one.



Reviewing Your Designation

It is important to keep your beneficiary designation up-to-date.

Review your designation whenever you have a significant life event.

- Marriage
- Divorce
- A birth or adoption in your family
- A death in your family

Naming a Minor Child as Beneficiary

If you name a minor child as a primary beneficiary, lump-sum benefit amounts under \$10,000 will be paid out under the Kansas Uniform Transfer to Minors Act. The Retirement System will send the guardian or custodian a form to complete and the benefit is paid to that individual on behalf of the minor. If the benefit is \$10,000 or more, Kansas law requires a conservator be appointed to receive the benefit on the child's behalf.

Surviving Spouse Benefit Option for Inactive Members

If you die before retirement as an inactive member, your spouse may be able to receive a monthly benefit for the rest of his or her life, instead of receiving your returned contributions and interest. You must have at least 20 years of service and designated your spouse as your sole primary beneficiary. Your spouse can begin receiving a monthly benefit at the earliest time that you would have been eligible for retirement. You can name contingent beneficiaries without affecting this benefit option.

Especially for Retirees

The Retirement System provides a \$4,000 retiree death benefit to your beneficiary. As with active members, you can choose a living person, a trust, your estate or a combination of these options. You can also name a funeral establishment to directly receive your death benefit for funeral expenses. The \$4,000 death benefit is exempt from Kansas income tax, but is included in income for federal taxes. The benefit is taxable income to a beneficiary.

How a funeral establishment receives the benefit determines who is responsible for the taxes.

- If you directly designate a funeral establishment, the establishment receives \$4,000 and pays the taxes.
- If your beneficiary assigns the benefit to a funeral establishment, your beneficiary is responsible for the taxes. KPERS will send the beneficiary a 1099-R form the following January for his or her federal tax return.

If you designate a funeral establishment, you also need to name another beneficiary to receive any remaining contributions you may have in your account at the time of your death. Only the \$4,000 death benefit can be paid to a funeral establishment.

If You Don't Name a Beneficiary

If you do not have a living primary or contingent beneficiary when you die, the Retirement System must follow a line of descendants by Kansas law.

1. Spouse
2. Dependent children
3. Dependent parents
4. Non-dependent children
5. Non-dependent parents
6. Estate of the deceased member

A dependent is a parent or child who relies on you for at least half of his or her support.

Military Service and Your Benefits

If you are called to active military service, you need to notify your employer. Your employer will notify the Retirement System as needed. Employers are required to give you the same rights and benefits that they would give to an employee on a non-military leave of absence. You also have a few additional benefits.

Life Insurance

- Optional group life insurance continues for 16 months as long as you continue to pay the premiums to Minnesota Life. After 16 months, you can continue your coverage through a conversion or portability option.
- Optional coverage is reinstated if you return to covered employment within five years, even if you did not choose to convert to an individual policy. Your premiums will be based on your age when you return.

Disability Insurance

There is no disability coverage during military service.

Receiving Retirement System Service Credit for Military Service

Service credit is important when calculating your retirement benefit. You can increase your benefit amount by receiving service credit for your military service. When you return from military service, the Retirement System might be able to grant you service credit for your time away at no cost to you or you can purchase service credit for military service that was not granted. See page 8 for more information about purchasing military service credit. For KP&F, military service does not count toward your eligibility to retire, but will increase the amount of your benefit when you retire.

- If you are in the middle of a service credit purchase when called to active duty, your purchase resumes when you get back and nothing changes.
- Granted military service is limited to five years. You can purchase up to six years of military service regardless of how many years are granted.

When You Return from Active Military Service

- Notify your employer and return to work. Your employer will notify the Retirement System.
- Notify your employer if you wish to reinstate your optional insurance. Your coverage will begin again at the previous coverage level with no waiting period or approval process.
- Check with your employer about receiving granted service credit or purchasing service for the time you were on active military service.

Divorce and Your Benefits

Retirement System contributions that you have accumulated during marriage are considered marital assets. If you divorce before or after retiring, a former spouse may be able to receive part of your benefit or contributions. A former spouse can receive payment from the Retirement System under a Qualified Domestic Relations Order (QDRO) when you withdraw, retire or die. Please seek legal counsel if this situation applies to you.

Withdrawal If you end employment before you retire and withdraw your contributions, your former spouse may be awarded part of your payment.

Retirement When you retire, your former spouse may be awarded either a lump-sum payment or a percent of each monthly benefit. If you are already retired when you divorce, a QDRO may become effective immediately, with your former spouse receiving part of your monthly benefit.

Death If you die *before* retirement, your former spouse may be awarded part of your contributions or death benefit.

Leaving Employment Before Retiring

If you leave covered employment, you can take any optional life insurance coverage with you through a conversion or portability option. You can also choose to withdraw your contributions plus interest. If you withdraw, you will give up all Retirement System rights, benefits and service credit. Employer contributions made on your behalf stay with the Retirement System. You can receive your contributions as a direct payment to you or roll over the amount into an eligible retirement plan. The decision to withdraw could affect your financial future, especially if you have many years of public service and accumulated contributions. Please seek professional tax advice before withdrawing.

If You Are Vested (Tier I, 20 years; Tier II, 15 years)

You are **guaranteed** a monthly retirement benefit for the rest of your life if you leave your contributions in your account. In nearly all cases, your vested benefit is more valuable over time than the amount of your actual contributions. Keep your contributions with the Retirement System and apply for retirement benefits when you become eligible. Your contributions will continue to earn interest and you can withdraw them at any time if you change your mind.

If you do not withdraw your contributions, you will become an “inactive” member. Even though you’re inactive, it is important to let us know if your address or phone number changes. If you return to covered employment and did not withdraw your contributions, you will immediately become a contributing active member again and keep the credit for your past public service.

If You Are Not Vested

You are **not guaranteed** a retirement benefit. You need to withdraw your account balance **within five years** of the date you ended employment. After five years, your contributions stop earning interest and you forfeit your service credit.

If you do not withdraw and you return to covered employment within five years, you will immediately become a contributing active member again and keep the credit for your past public service.

Options for Withdrawing Your Contributions

You can apply to withdraw your contributions anytime 31 days after you end employment.

Option #1 ... Roll your contributions over into an eligible retirement plan like a 457(b) deferred compensation plan, 403(b) annuity, 401(k) plan, individual retirement account (IRA), or a qualified retirement plan. This option allows you to defer paying taxes until a later date. The type of plan that can accept your rollover is determined by whether or not you have already paid taxes on your contributions.

Option #2 ... Have your contributions paid directly to you. You will owe federal taxes and possibly a 10 percent federal penalty.

Reasons to Roll Over Contributions Instead of Taking a Direct Payment

- Preserve your past efforts toward saving for retirement.
- Keep from paying taxes right away, giving your money more time to compound.
- Avoid paying federal penalties for early distribution.



Direct rollovers
allow you to
defer federal
taxes.

The Withdrawal Process

1. Download an Application for Withdrawal of Contributions form (KPERS-13) at www.kpers.org or get one from your designated agent.
2. Your designated agent completes the employer section of the withdrawal application if you recently left employment. Complete your part of the application and send it to the Retirement System.
3. When we receive your completed application, we will send payment within four weeks.
4. KPERS will send you a 1099-R form the following January for your federal income tax return.

You'll Need More Than Just Your Pension

For financial security in retirement, you'll need to depend on other sources of income in addition to KP&F. While an important part of your retirement income, your KP&F benefits will be just one part. KP&F was designed to be combined primarily with your personal savings. As you work and earn service credit with KP&F, it is equally important to save on your own.

Most financial advisors say you'll need at least 70 to 80 percent of your working income to comfortably maintain your standard of living in retirement. Your retirement income will most likely come from two or three sources – your pension benefits from KP&F, personal savings and investments, and possibly Social Security. These sources together will help you replace the income you now earn from working. Many public safety positions are not covered by Social Security. However, you may have coverage from other employment. Without Social Security, though, personal savings becomes even more important.

Retirement Planning Helpful Links

Kansas Public Employees Retirement System:
www.kpers.org

Social Security Administration:
www.ssa.gov

American Savings Education Council:
www.choosetosave.org

Kansas Public Employees Deferred Compensation Plan:
www.accesskansas.org/employee/ing.html

Special Consideration for KP&F Members

KP&F members generally retire at a younger age, often well before Social Security and Medicare benefits begin. Your personal savings will need to make up any income shortfall and pay for health care costs.

Personal Savings

Your personal savings is up to you. Personal savings can come in many forms including savings accounts, certificates of deposit, individual stocks, bonds, mutual funds and individual retirement accounts. Each option offers different benefits and risks as well as different rates of return on investment.

Savings Per Month					
		\$25	\$50	\$75	\$100
Years	5	\$1,790	\$3,580	\$5,370	\$7,160
	10	\$4,300	\$8,601	\$12,901	\$17,202
	15	\$7,822	\$15,643	\$23,465	\$31,286
	20	\$12,760	\$25,520	\$38,280	\$51,041
	25	\$19,687	\$39,373	\$59,060	\$78,847
	30	\$29,402	\$58,803	\$88,205	\$117,606
	35	\$43,027	\$86,055	\$129,082	\$172,109

Example assumes regular monthly contributions and a 7 percent rate of return on investment.
www.ingretirementplans.com: Reach Your Investment Objectives - Future Value calculator

investments have a similar return on contribution. It's better to get started sooner than later, even with a small amount of money. Throughout your working career, you should make saving a high priority. The "Savings Per Month" chart above shows how much you might be able to save by investing regular monthly contributions in a tax-sheltered savings plan. Now is the best time to start saving for your future.

One of the easiest ways you can accumulate personal savings for retirement is through tax-sheltered plans like 457(b) deferred compensation plans and individual retirement accounts (IRAs). State of Kansas employees can participate in the State's 457(b) plan administered by ING Financial Services. Many local governments offer the State's plan or sponsor similar plans. Check with your employer about participation.

It's Important to Start Early

Time is critical. With Social Security and KP&F the number of years you pay into the system is important. Personal savings and

Retiree Cost-of-Living Adjustments (COLAs)

A cost-of-living adjustment (COLA) is an increase in monthly pension benefits to help keep pace with inflation. Retirees do not receive regular COLAs. For this reason, your personal savings become even more important to provide protection against inflation.

When Can You Retire?

Retiring With Full Benefits

Tier I

- Age 55 with 20 years of service
- Any age with 32 years of service

Tier I Transfer Members

- Age 50 with 25 years of service

Brazelton Members

- Same as Tier I and Tier II members, except that monthly benefit is offset by Social Security

Tier II

- Age 50 with 25 years of service
- Age 55 with 20 years of service
- Age 60 with 15 years of service

Tier II Transfer Members

- Age 50 with 25 years of service
- Age 55 with 20 years of service
- Age 60 with 15 years of service

Special Members

- See your local plan provisions

You must meet both age and service credit requirements. Your age equals your age on your last birthday. Additional months do not count. However, two quarters of service round to the next year.

For example: 14.5 years will round to 15 years of service.

The maximum retirement benefit is 80 percent of your final average salary. This limit is reached when you have earned 32 years of service credit. Working more than 32 years will not increase your benefit unless your final average salary increases.

Retiring Early

You can receive reduced benefits beginning at age 50 with 20 years of service. The earlier you retire, the more your benefit is reduced. Benefits are reduced by 0.4 percent for each month you are under age 55 at retirement.

If You Retire Early ...		
Age	Reduction	Example
55	0%	Full benefit = \$1,500/month
53	9.6%	Reduced benefit = \$1,356/month
50	24%	Reduced benefit = \$1,140/month

If You Also Have Service Credit with KPERS or the Judges Retirement System

You may be able to combine years of service credit in all three retirement plans to become eligible for retirement. If you are an active member in one of the retirement plans and inactive (did not withdraw) in another, this may apply to you.

For example: If you have KPERS service credit, it may be used to count toward your KP&F service requirement for retirement eligibility. However, only actual KP&F service will be used to calculate your KP&F retirement benefit. A separate retirement benefit will be calculated for your KPERS service and you will receive two separate benefit payments each month.

Specific guidelines apply. Please contact the Retirement System to make sure you are eligible to retire.

Calculating Your Retirement Benefit

You can calculate your own estimate using the table below. For a more detailed look, try our online benefit calculator at www.kpers.org. Click on “Estimate Your Benefit” and enter your own information from your annual statement. The calculator lists benefit estimates based on the information you enter.

KP&F retirement benefits are calculated using the following formula:

Final average salary x statutory multiplier x years of service (up to 32) = annual benefit

For example: \$35,000 x 2.5% x 20 = \$17,500 annual benefit

Calculate Your Monthly Retirement Benefit		
	Example	Yourself
1. Enter your Final Average Salary (see section below)	\$ 35,000.00	\$
2. Multiply by .025 (2.5% multiplier)	x .025	x .025
3. <i>Subtotal</i>	\$ 875.00	\$
4. Multiply #3 by your total number of years of participating service (20 years is used here for example purposes)	\$ 875.00 x 20	\$ x _____ years
5. <i>Estimated annual retirement benefit</i>	\$ 17,500.00	\$
6. Divide #5 by 12 (months) to calculate your estimated monthly benefit	\$ 17,500.00 ÷ 12	\$ ÷ 12
7. <i>Estimated monthly retirement benefit with no survivor benefits</i>	\$ 1,458.33	\$

Final Average Salary

If your membership date was *on or after July 1, 1993*, your final average salary is an average of the three highest of your last five years of service, **excluding** additional compensation.*

If your membership date was *before July 1, 1993*, your final average salary is an average of the three highest of your last five years of service, **including** additional compensation.*

If you have 32 years of service credit, you will receive the maximum retirement benefit (80 percent of FAS). If you keep working, your contribution rate will drop to two percent. Your retirement benefit will not increase with more than 32 years of service unless your final average salary increases.

***Additional Compensation:** Additional compensation or “add-on pay” is compensation from your employer for unused sick leave, annual leave, etc. KP&F cannot use an early retirement incentive or severance pay as part of add-on pay when calculating your final average salary. When add-on pay is included in your final average salary, it is only included in the year of your retirement date.

Statutory Multiplier

The multiplier used to calculate KP&F retirement benefits is 2.5 percent. This percentage is set by law. You receive 2.5 percent of your final average salary for each year of service credit you have earned.

The Retirement Process

Your Retirement Date

Your retirement date can be the first day of any month, as long as you are off your employer's payroll.

Retirement Benefit Estimates

It is a wise step to have the Retirement System calculate a retirement estimate for you when considering your retirement options. You can download a Benefit Estimate Request form (KPERS-15E) at www.kpers.org, or get one from your designated agent. Your designated agent can help you complete the form with your most current pay information. While just an estimate, it will give you a good guide to determine your monthly retirement benefits. This can be an important factor in deciding when to retire. Working even a few more days can sometimes make a difference in your benefit payment. Members often schedule a personal consultation at our office before retiring. Have your designated agent submit a benefit estimate request form beforehand so that we have your most current pay information available for your visit.

Steps in the Retirement Process

1. Attend a pre-retirement seminar. Our pre-retirement seminars are designed to help you navigate the last steps to retirement. Each free seminar covers a variety of topics directly related to your KP&F retirement.
2. Find out when you are eligible to retire. Knowing when you'll meet the age and service requirements to retire can help you decide on the best retirement date.
3. Calculate a retirement benefit estimate.
4. Review the KP&F *Retirement Options* publication to understand your benefit payment options. You can use the benefit calculator at www.kpers.org to see how taking a partial lump-sum option or providing a benefit for someone after your death affects your benefit amount.
5. Complete an Application for Retirement form (KPERS-15). Submit your application 60 to 90 days before the day you want to retire. *You need to apply for your benefits. They do not begin automatically.* You will need to provide birth and name change documents. Details are included in the Application for Retirement Benefits booklet.
6. The Retirement System will process your application. We will notify you if we need more information.
7. The Retirement System will mail a letter to you with information about your benefit amount and taxes.
8. Your monthly benefit payments will be directly deposited at your financial institution on the last working day of each month.

Other Important Steps to Consider

- **If you are covered by Social Security, confirm your benefits.** You can get information about Social Security applications and benefits by calling the Social Security Administration's toll-free number, 1-800-772-1213 or contacting your local Social Security office.
- **Determine your health insurance needs in retirement.** If you have been with your current employer for ten years or more, Kansas law allows you to remain in your current health plan by paying the entire premium. Contact your employer's personnel office for more information. If you're close to age 65, check into your Medicare options at your local Social Security office.
- **Review your other retirement income sources.** You'll need a method for turning your retirement savings and investments into income. Different plans have different payout options and requirements. To figure out the best way to supplement your KP&F benefits, you'll need to consider all your options.

If you participate in the Kansas Deferred Compensation Plan, meet with an ING retirement income specialist to discuss your specific situation and options for turning your retirement savings into income. Contact the ING Service Center at 1-800-232-0024, 785-296-7095 in Topeka, to schedule a visit with your local representative.

Retirement Benefit Payment Options

As a retired KP&F member, you will receive a monthly retirement benefit for the rest of your life. In addition, KP&F has retirement payment options that add financial flexibility and allow you to provide for loved ones after your death. **The decision about which option to take is crucial, because once you make a choice, you cannot change it.**

Maximum Monthly Benefit Option

The Retirement System will first establish your maximum monthly benefit amount. This amount will provide the basis for the rest of your options. You can choose to stay with this maximum monthly benefit amount without any survivor options. You will then receive a payment each month for this same amount for the rest of your life. After your death, your beneficiary will receive the balance of any remaining money that you contributed to the Retirement System. **There is no continued benefit after your death.**

Joint-Survivor Options

You may want to provide a continuing monthly benefit for someone after your death. You can do this by choosing one of three joint-survivor options. Like you, your survivor will receive a monthly benefit for the rest of his or her life. In order to provide the continuing benefit, your regular monthly payments will be reduced. The higher your survivor's benefit payment is, the lower yours will be during retirement. Another factor is the difference in your ages.

Your survivor, also called a *joint annuitant*, cannot be changed once you retire. If he or she dies before you, your survivor benefit is cancelled. Your monthly benefit amount will then increase to your original maximum monthly benefit amount.

50 percent benefit to survivor

Your benefit About 94.5 percent of your maximum monthly benefit, then adjusted for age difference.

Survivor's benefit 50 percent of your benefit

75 percent benefit to survivor

Your benefit About 91 percent of your maximum monthly benefit, then adjusted for age difference.

Survivor's benefit 75 percent of your benefit

100 percent benefit to survivor

Your benefit About 88 percent of your maximum monthly benefit, then adjusted for age difference.

Survivor's benefit 100 percent of your benefit

Adjusting for age difference

If your survivor is younger than you, your benefit will be decreased for each year of age difference. If your survivor is older, your benefit will be increased.

	<i>Younger Survivor</i>	<i>Older Survivor</i>
50% benefit	-0.2% per year	+0.2% per year
75% benefit	-0.3% per year	+0.3% per year
100% benefit	-0.4% per year	+0.4% per year

A joint-survivor benefit example

Dan has a maximum monthly benefit of \$2,000. He chooses the 50 percent joint-survivor benefit and his wife, Sue, as his joint annuitant. Dan is 55 years old at retirement and Sue is age 52.

Dan's monthly maximum	\$ 2,000
Reduced for survivor benefit	<u>x 94.5%</u>
	\$ 1,890
Adjusted for age difference (-0.2 x 3 years)	<u>- 0.6%</u>
Dan's adjusted benefit	\$ 1,878
Sue's survivor benefit (50% of Dan's)	\$ 939

Life-Certain Options

With a life-certain option, you will receive a reduced monthly benefit for the rest of your life. If you die within a guaranteed period of time from your *retirement date*, your beneficiary will receive the same monthly benefit for the rest of that guaranteed period. You can change beneficiaries at any time, and you can have any number of beneficiaries at once. They will equally share the benefit for the remaining time.

You have three life-certain options.

- Five-year: Your benefit is reduced to 99 percent.
- Ten-year: Your benefit is reduced to 98 percent.
- 15-year: Your benefit is reduced to 92 percent.

A life-certain benefit example

Joe has a maximum monthly benefit of \$2,000. He chooses the ten-year life-certain option. He receives \$1,960 monthly for the rest of his life, no matter how long he lives.

Joe dies seven years after he retires. As his chosen beneficiary, Joe's daughter will receive \$1,960 monthly for three more years. If Joe had two daughters named as beneficiaries at the same time, they would share the \$1,960 monthly benefit and each would receive \$980 monthly for three years.

Partial Lump-Sum Option (PLSO)

You can take part of your retirement benefit in an up-front lump sum at retirement. This lump sum is then combined with one of the other retirement options to provide reduced, regular monthly payments for the rest of your life.

Choosing the PLSO will reduce your monthly benefits, no matter which other option you choose.

The PLSO is available in 10, 20, 30, 40 or 50 percent amounts of the actuarial present value of your lifetime benefit. The percentage you select determines the size of the lump sum and the decrease in your monthly benefit. For example, a 40 percent PLSO payment would result in a single lump-sum payment equal to 40 percent of the actuarial present value of your lifetime benefit, along with a permanent 40 percent reduction in your monthly benefit. If you are interested in knowing more about this option, there is a PLSO brochure available from the Retirement System. You can download the brochure at www.kpers.org.

Special and Transfer Members

These members have their own benefits. Please contact the Retirement System for details.

State and Federal Taxes

Reporting Retirement System Contributions on Your Kansas Income Tax Return

The amount you contribute each year from your salary to the Retirement System is subject to Kansas income tax. Your contributions are deducted from your pay on a pre-tax basis for federal income tax purposes. Because of this, you need to make a specific entry on your Kansas income tax return.

You can calculate the amount of your contributions from your W-2 form. Some employers will provide this amount for you in Box 14 (labeled KPER). See the "Schedule S Line-by-Line Instructions" in the Kansas Income Tax Booklet for more information or contact the Kansas Department of Revenue.

Taxes on Lump-Sum Payments When You Withdraw or Retire

Lump-sum payments are paid directly to you or rolled over into an eligible retirement plan. The Retirement System will withhold 20 percent for federal income tax unless your payment is rolled over into an eligible plan. If you are under age 59 1/2, your payment may also be subject to a 10 percent federal penalty. When rolled over to a qualified retirement plan, a lump-sum payment and its earnings keep their KPER tax characteristics.

Taxes on Retirement Benefits

In general, Retirement System benefits, including the \$4,000 retiree death benefit, are subject to federal tax, but not Kansas state tax. If you move to another state, check if your retirement benefit is taxable in that state. Your monthly benefit is taxable from the time your benefits begin.

Retiree Death Benefit

The Retirement System pays a \$4,000 lump-sum death benefit to your beneficiary. All monthly benefit payments are payable through the last day of the month your death occurs.

The \$4,000 death benefit is:

- Payable with all retirement payment options.
- Not payable when a joint annuitant dies.
- Nontaxable for Kansas income tax.
- Taxable for federal income tax purposes.

You can choose a person, your estate, a trust or a funeral establishment to receive your \$4,000 retiree death benefit. For details, please see “Especially for Retirees” in the Naming Your Beneficiary section of this guide.

The Retirement System does not pay the \$4,000 death benefit automatically. Beneficiaries need to contact the Retirement System first to receive confirmation and an application form.

Returning Your Contributions

If you die before receiving retirement benefits equal to your contributions, and no survivor benefits are payable, the Retirement System will return any remaining contributions and interest to your beneficiary.

If You Designated Someone Other Than Your Spouse as Beneficiary

Sometimes members designate someone other than their spouse as their beneficiary. These members anticipate that their death benefit should be paid, for example, to their children from a previous marriage. Under some circumstances, a surviving spouse has the right to make a claim for a portion of the benefits, called an elective share. If this situation applies to you, we recommend that you ensure your current spouse consents to your beneficiary designation. You should seek legal advice about how this law affects your plans.

If your surviving spouse files a notice of intent to claim the elective share, the Retirement System is required to pay the benefits to the probate court, which would ultimately decide the distribution of your benefits.

Working After You Retire

Many retirees decide to return to work after retiring. KP&F members often begin their careers at a young age and pursue second careers after retiring in their 50s. However, returning to work after retirement may affect your benefits. If you work for a non-Retirement System employer, there are no restrictions. But, if you choose to work for an affiliated employer, some rules apply to you.

30-Day Waiting Period

You must wait 30 days after retirement to go back to work for any Retirement System employer. To calculate the 30-day waiting period, count the day after your retirement date as day one.

For example: If your retirement date is July 1, July 2 is day one and you cannot begin employment with any Retirement System employer until August 1.

Earnings Limit

According to Kansas law, if you return to work, you have a \$15,000-per-year earnings limit if:

- You retired on or after July 1, 1994, and
- You go to work for an employer you worked for during your last two years of KP&F participation.

For example: If you retire on July 1, you can earn \$15,000 for the period of August 1 through December 31. You will then start the new calendar year with a limit of \$15,000 for the period of January 1 through December 31. The \$15,000 limit will continue each year as long as you are working for the same employer.

If you reach the \$15,000 limit before the end of the year, you have two choices.

Choice #1 ... You can end employment for the rest of the calendar year.
You will continue to receive your retirement benefits.

Choice #2 ... You can keep working and your retirement benefits will stop for the rest of the calendar year.
Your benefits will begin again with your January payment for the following year or if you end employment, whichever happens first.

If You Go Back to Work for ...	Waiting Period	Earnings Limit	Retirement System Membership
Same Employer - KP&F	Yes	Yes	No
Same Employer - KPERS	Yes	No	Yes. KPERS
Different Employer - not KP&F or KPERS	No	No	N/A
Different Employer - KP&F	Yes	No	No
Different Employer - KPERS	Yes	No	Yes. KPERS

Are You Working for the Same Employer?

The **State of Kansas** is not considered all one employer for KP&F, even though state agencies, boards, commissions and Board of Regents institutions are all under the State of Kansas. A KP&F retiree must return to the exact same local department or state agency to be considered returning to the same employer.

If you do return to work for the same employer, but in a KPERS-covered position, you do not have an earnings limit. This is considered a change of employer because you have switched Retirement Systems.

Retirement System Membership

You cannot contribute to KP&F after retirement, even if you change employers. If you return to work in a KPERS-covered position, you will become a KPERS member unless you also retired with a KPERS benefit.

Frequently Asked Questions

Here are some of the most frequent questions the InfoLine receives about KP&F.

- 1. What type of plan is KP&F?** KP&F is a qualified, governmental, section 401(a) defined benefit pension plan. KP&F has Internal Revenue Service Determination Letters attesting to the plan's qualified status dated October 14, 1999, and March 5, 2001. KP&F is also referred to as a "contributory" defined benefit plan, meaning that employees make contributions to the plan. This is different from non-contributory pension plans (more common in the private sector), which are funded entirely by employer contributions.
- 2. How much interest am I earning?** If your membership date in the Retirement System was before July 1, 1993, you are earning 8 percent interest on your accumulated contributions account. If your membership date was July 1, 1993, or after, you are earning 4 percent. The interest rate on your accumulated contributions is relevant only if you withdraw from the Retirement System. If you retire, your benefit is based on a formula set by statute and lasts for your lifetime; it does not depend on the amount of money in your account.
- 3. Can I borrow money from my KP&F account?** No. State law does not allow the Retirement System to administer a loan program for its members.
- 4. When can I withdraw my contributions?** You may apply to withdraw your Retirement System contributions 31 days after your last day on payroll if, in the meantime, you have not begun other Retirement System-covered employment.
- 5. If I withdraw my contributions, will I also get what my employer paid in?** No. If you withdraw from KP&F, you take out your own accumulated contributions plus interest. Employer contributions remain in the plan. A defined benefit retirement plan, such as KP&F, typically does not credit employer contributions to the accounts of individual members.
- 6. How long does it take to process my withdrawal?** Approximately four weeks.
- 7. Why am I required to contribute to the Retirement System?** The Kansas Legislature created the Kansas Public Employees Retirement System in 1962 to build a financial retirement foundation for those spending their careers in Kansas public service.

Because the Retirement Act requires that the State of Kansas participate, membership in the System is mandatory for all state employees in covered positions. Any governmental entity or instrumentality whose employees are covered by Social Security may also affiliate for KPERS coverage. Approximately 1,480 employers have affiliated with the Retirement System in order to ensure their employees eventually enjoy a guaranteed lifetime retirement benefit.

- 8. How do I get a copy of my last annual statement?** Your designated agent should be able to provide a copy of your last annual statement. You can also contact the InfoLine and we can mail you a copy. Call 1-888-275-5737 or 296-6166 or e-mail us at kpers@kpers.org.
- 9. How do I get a retirement benefit estimate?** You can calculate your own estimate online with the benefit calculator at www.kpers.org. Information from your most recent Retirement System annual statement may be helpful. You can also download a Benefit Estimate Request form, or get one from your designated agent, and we can do an estimate for you.
- 10. Is my Retirement System money safe?** Retiree benefits are safe and guaranteed by Kansas law. A retiree will receive his or her benefit for life, no matter the economic condition. Members who leave employment and withdraw their contributions before retirement will receive the full amount they have contributed, plus interest.

KP&F Disability Benefits Quick Reference Chart

	Tier I	Tier II
Regular & Transfer Member		
<i>service-connected with no eligible children</i>	<ul style="list-style-type: none"> Higher of: 50% FAS or FAS x 2.5% x years of service credit in on-going monthly payments for life Maximum benefit = 80% FAS 	<ul style="list-style-type: none"> 50% FAS in on-going monthly payments until eligible for retirement Continue earning service credit for retirement Reduced \$1 for every \$2 earned over \$10,000
<i>service connected with eligible children</i>	<ul style="list-style-type: none"> Higher of: 50% FAS or FAS x 2.5% x years of service credit in on-going monthly payments for life 10% FAS for each child in on-going monthly payments until they become ineligible Maximum benefit = 75% FAS (all combined) 	<ul style="list-style-type: none"> 50% FAS in on-going monthly payments until eligible for retirement Continue earning service credit for retirement Reduced \$1 for every \$2 earned over \$10,000
<i>non service-connected</i>	<ul style="list-style-type: none"> FAS x 2.5% x years of service credit in on-going payments for life 180-day waiting period Minimum benefit = 25% FAS Maximum benefit = 80% FAS 	<ul style="list-style-type: none"> 50% FAS in on-going monthly payments until eligible for retirement Continue earning service credit for retirement Reduced \$1 for every \$2 earned over \$10,000
Brazelton Member		
<i>service-connected</i>	<ul style="list-style-type: none"> Same as regular Tier I Reduced by 1/2 of Social Security benefit 	<ul style="list-style-type: none"> Same as regular Tier II Reduced by 1/2 of Social Security benefit
<i>non service-connected</i>	<ul style="list-style-type: none"> Same as regular Tier I Reduced by 1/2 of Social Security benefit 	<ul style="list-style-type: none"> Same as regular Tier I Reduced by 1/2 of Social Security benefit

Special Members Are Not Tier I or Tier II

Special members have statutory spousal benefits. Please contact the Retirement System for details.

KP&F Active Death Benefits Quick Reference Chart

	Tier I	Tier II
Regular, Transfer and Brazelton Member		
<i>service-connected with surviving spouse</i>	<ul style="list-style-type: none"> 50% FAS in on-going monthly payments for life 	<ul style="list-style-type: none"> 50% FAS in on-going monthly payments for life
<i>service connected with surviving spouse and eligible children</i>	<ul style="list-style-type: none"> 50% FAS in on-going monthly payments for life to spouse 10% FAS for each child in on-going monthly payments until they become ineligible Maximum benefit = 75% FAS (all combined) 	<ul style="list-style-type: none"> 50% FAS in on-going monthly payments for life to spouse 10% FAS for each child in on-going monthly payments until they become ineligible Maximum benefit = 75% FAS (all combined)
<i>non service-connected with surviving spouse or eligible children</i>	<ul style="list-style-type: none"> 100% FAS, one-time lump sum FAS x 2.5% x years of service credit in on-going monthly payments for life to spouse or to children until they become ineligible Maximum = 50% FAS 	<ul style="list-style-type: none"> 100% FAS, one-time lump sum FAS x 2.5% x years of service credit in on-going monthly payments for life to spouse or to children until they become ineligible Maximum = 50% FAS

Note: If you have no spouse or eligible children, your beneficiary receives one-time benefit equal to 100 percent of current annual salary, less any refundable contributions and interest.

Special Members Are Not Tier I or Tier II

Special members have statutory spousal benefits. Please contact the Retirement System for details.

FAS = Final Average Salary

