



*Membership*GUIDE

Kansas Public Employees Retirement System

Welcome to the Retirement System

Welcome to the Kansas Public Employees 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 KPERS 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.

Web Site: www.kpers.org
InfoLine: (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 66603-3803

Why Use Our Web Site?

The Retirement System's web site is an excellent resource to help you find the KPERS 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?

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

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



Our membership totals over 250,000 and includes active, inactive and retired members. We also manage more than \$14 billion in assets for them. These members represent approximately 1,450 state and local employers.

You are part of the Kansas Public Employees Retirement System plan. KPERS accounts for approximately 144,000 of our active members, representing about 1,400 state and local employers.

Who Are KPERS Employers?

- State of Kansas
- All Kansas school districts
- All Kansas counties and most municipalities
- Other local government authorities and districts

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 KPERS, they become “inactive” members.

How We Are Organized

A nine-member Board of Trustees oversees the Retirement System: 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 on your behalf. 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 also have basic life insurance and disability benefits. Your employer pays for these benefits. You can also 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. A covered position for non-school employees is one that is covered by Social Security, is not seasonal or temporary, and requires at least 1,000 hours of work per year. The requirements for school employees differ only in the required hours: 630 hours per year or 3.5 hours per day for at least 180 days, including those who are working concurrently for more than one school employer.

Non-school employees work for one year in a KPERS-covered position (“year of service”) before becoming a member. School employees become members on their first day of employment in a KPERS-covered position. Once a member, non-school members can purchase the service credit for their year of service. See “Increasing Your Retirement Benefit” on page 9 for more information.

Elected officials may choose whether or not to become a member of KPERS. If this applies to you, see your designated agent for more information.

Your Contributions and Interest

As an active member, you contribute 4 percent of your gross earnings each pay period. 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, 2008, is based on your account balance as of December 31, 2007).

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. If you are vested with at least ten years of service credit, 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. Check that your beneficiary is current and be sure your personal information is correct.

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. As a KPERS member, you will become vested with ten 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 credit toward your vesting requirements.

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.

If you have participated in more than one of the retirement plans administered by the Retirement System, you may be able to combine service credit to become eligible for retirement benefits.

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. In addition, this type of service will be credited during any period of approved disability if you qualify for disability benefits. If you are a KPERS members working for a participating employer, you cannot receive service credit for any period of service during which you also participate in the Kansas Police & Firemen’s Retirement System, the Retirement System for Judges or the Board of Regents retirement plan.

Prior Service is the time you worked for your employer before your employer joined KPERS. You will automatically receive prior service credit for past *unbroken* service with that employer. Your employer pays for the cost of this service. Prior service has a smaller value than participating service in the retirement formula.

Broken periods of prior service with your employer will be granted when you become vested (38 quarters) or retire at age 65. You may also receive prior service credit if you worked for other participating employers before they joined KPERS. This service will need to be verified by the designated agent at your previous employer.

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 KPERS. You will need to provide a copy of your military discharge papers (DD214) showing the period of military duty. Granted service is limited to five years, and you can purchase service credit for military service that is not granted. Purchased and granted military service is limited to a total of six years, with certain exceptions permitted by the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Increasing Your Retirement Benefit (Purchasing Service Credit)

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

Cost

Purchase costs are based on your age and salary. If you are under age 42, a year of service will cost about 4 percent of your current salary (or current final average salary, if higher). Each year after age 42, the actuarial cost increases significantly. It is usually best to buy service early in your career.

Benefit of Purchasing Service Credit		
Your final average salary	For each additional year of service, your benefit increases by ...	
\$30,000	\$43 per month	\$516 per year
\$50,000	\$72 per month	\$864 per year
\$70,000	\$102 per month	\$1,224 per year

Types of Service You Can Purchase

The following types can be purchased by payroll deduction, a direct rollover or a lump-sum payment.

- “Year of Service” (First year you worked to become eligible for KPERS - non-school members only)
- Partial year of service
- Forfeited KPERS service (all available forfeited service must be purchased together)
- Military (Members can purchase year for year of **active** military service and one quarter of service credit for each year of **reserve** service. See “Military Service and Your Benefits” on page 15.)
- Elected official service
- Out-of-state teaching
- In-state or out-of-state non-federal public service
- Forfeited TIAA-CREF (Board of Regents) service
- VISTA and Peace Corps
- Waiting period for Regents plan eligibility

The following types of service credit may be purchased in a lump-sum only.

- Forfeited KSRS
- “Buy-up” public service (raises the rate of certain previously-purchased service from 1 percent to 1.75 percent in the retirement calculation)

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 like a governmental 457(b) plan, 403(b) annuity, or an individual retirement account (IRA).
- Lump sum (personal check, money order or Discover Card).

Purchasing Your “Year of Service”

If you are a non-school employee, you must work for one year in a covered position before becoming a KPERS member. You do not make contributions during this first year. After you become a member, you may purchase one year of service credit for the first year you worked. The best time to do this is during your first year of membership. During that time, your year of service will cost 4 percent of your current salary. After your first year of membership, the purchase cost could go up significantly as your age and salary increases.

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. Your designated agent completes the employer part of the form and sends it to the Retirement System.
4. 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.
5. To complete the purchase, you sign the necessary paperwork, arrange for payment and return both to the Retirement System.
6. The Retirement System receives your payment or payroll deduction commitment.
7. The Retirement System adds service to your record after the purchase is completed.

Federal Tax Requirements on Service Purchases

KPERS 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 KPERS 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.

Long-Term Disability Benefits

KPERS isn't just for your retirement. As an active member, you are covered by KPERS long-term disability benefits that provide income protection if you cannot work because of an illness or injury. If you become disabled, you may qualify for a disability benefit based on 60 percent of your annual salary. You must be disabled for 180 days and no longer receive employer compensation. You must apply for Social Security benefits and, if denied, complete any appeal process. Your employer provides this long-term disability benefit.

KPERS disability benefits are administered by a third-party administrator, DCG Resource Options. Your benefits are defined completely in the Summary Plan Description available from your designated agent or at www.kpers.org.

Definition of Disability

You are disabled when, on the date of disability, you meet the following definition of total disability:

Own Occupation Period. For the first 24 months you receive benefits, you must be unable to perform the material and substantial duties of your regular occupation due to sickness or injury.

Any Occupation Period. After benefits have been paid for 24 months, you must be unable to perform the material and substantial duties of any gainful occupation due to sickness or injury.

Long-term disability benefits provide income protection if you cannot work because of an illness or injury.

While you are disabled, you will continue receiving:

- Participating service credit.
- Basic life insurance coverage.
- Optional life insurance at group rates (if under age 65 when disabled).

If you withdraw your contributions at any time, you will forfeit all disability benefits.

Monthly Disability Benefit

Monthly benefits are based on 60 percent of your current salary and are reduced by other sources of income:

- Social Security primary disability or retirement benefits
- Workers' compensation benefits
- Other disability benefits from any other source by reason of employment
- Earnings from eligible rehabilitative employment

The minimum monthly benefit is \$100, and the maximum monthly benefit is \$5,000.

Limited Benefit Periods

A 24-month limitation on benefit payments applies to disabilities caused by:

- Non-biologically-based mental illnesses
- Substance abuse

The limit does not apply to biologically-based mental illnesses.

Rehabilitative Employment

The disability plan also features rehabilitation programs to help you return to work. You may be required to participate in the program if DCG determines that rehabilitation services may benefit you. DCG will work with you to create a plan that best meets your needs.

During rehabilitative employment, you are allowed to earn disability income without becoming ineligible for benefits. Your monthly benefit will be reduced by 50 percent of earnings for the first 12 months and 75 percent of earnings for the second 12 months. Rehabilitative employment benefits can continue for up to 24 months.

Continuing Eligibility Requirements and Age Limits

You must confirm your disability each year to continue receiving benefits. DCG will send you a letter each year and your doctor must certify your disability annually. In addition, time and age limits affect eligibility.

- *If you become disabled before age 60*, you can continue to receive disability benefits until you retire or reach age 65, whichever comes first.
- *If you become disabled at or after age 60*, you can continue to receive disability benefits for five years or until you choose to retire, whichever comes first.

When your disability benefits end, you can apply for retirement benefits. If you are disabled for five years or more, KPERS adjusts your final average salary at retirement using a cost-of-living formula designed to help your salary better reflect changes in living costs since you have been off the payroll. This formula is based on the **lesser** of:

- The percentage of increase in the Consumer Price Index (CPI) for the period of disability minus 1 percent or,
- 4 percent

If you die after receiving disability benefits for five years or more, your annual salary for life insurance coverage is adjusted using the same formula.

Applying for Disability Benefits

1. If you become disabled, contact your designated agent or personnel office. Your designated agent submits the Employer's Report of a Death or Disability (KPERS-60) form after your last day at work.
2. You must apply for Social Security benefits and complete any appeal process. Estimated benefits may be paid during the appeal process.
3. KPERS will verify your eligibility to apply for benefits, then forward your information to DCG.
4. If approved, disability benefits will begin the **later** of the date you complete 180 continuous days of total disability or the date you stop receiving employer compensation. Toward the end of this waiting period, you will receive a claim packet in the mail from DCG with everything you need to apply for disability benefits.

Active Member Death Benefits

If you die before retirement, we return your contributions and interest in a lump sum to your beneficiary. In certain situations, your spouse may be able to choose a monthly benefit instead of receiving your contributions. (See “Surviving Spouse Benefit Option” on page 14.) Your beneficiary also receives the death benefit from your basic life insurance and any optional life insurance. Group life insurance benefits are nontaxable to your beneficiary. You can name different beneficiaries for your retirement and life insurance benefits.

Basic Group Life Insurance

You have basic group life insurance equal to 150 percent of your annual salary and your employer sponsors this benefit. All active KPERs members and State employees in their “year of service” before becoming KPERs members are covered. Employees of local employers also have coverage in their “year of service” if their employer provides it.

Basic Group
Life Insurance
is automatic and
at *no cost to you*.

Job-Related Death

If you die from an on-the-job accident, your spouse will receive a monthly benefit based on 50 percent of your final average salary, less Workers’ Compensation. The minimum benefit is \$100 per month. He or she will also receive a \$50,000 lump-sum payment. Job-related death benefits are nontaxable because they are “service-connected” benefits. These benefits are in addition to your life insurance and returned contributions.

If you do not have a spouse, other family members are eligible in this order of preference:

- Children up to age 18, or 23, if a full-time student
- Dependent parents

Optional Group Life Insurance

Optional group life insurance provides you with additional coverage beyond your basic life insurance. 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.

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 KPERs, your basic and any optional insurance will end. You can continue your coverage through a *conversion* or *portability* option within 31 days of end-

ing 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 whole life insurance. Although whole life 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

What Your Beneficiary Receives if You Are an Active Member

- Basic group life insurance (150 percent of your annual gross earnings)
- Any optional group life insurance
- Returned contributions and interest or continuing monthly benefit for spouse if you meet the criteria (See “Surviving Spouse Benefit Option” on page 14.)

Who Can You 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 life insurance. 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.

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. **If you directly designate** a funeral establishment to receive the benefit, the establishment will be responsible for taxes on the benefit. **If your beneficiary assigns** your death benefit to a funeral establishment, he or she is still responsible for paying the taxes. 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 upon the member for at least half of his or her support.

Surviving Spouse Benefit Option

If you die before retirement, 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 designated your spouse as your sole primary beneficiary.

Situation #1 ... *If you were eligible to retire, your spouse begins receiving a monthly benefit immediately.*

Situation #2 ... *If you were not yet eligible to retire but had ten years of service, your spouse begins receiving a monthly benefit when you would have reached age 55.*

You can name contingent beneficiaries or separate beneficiaries for your life insurance without affecting this benefit option.

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

- Basic life insurance continues during periods of active military duty at no cost to you. Once you return from active duty, your basic life insurance will stop if you do not immediately return to covered employment.
- 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 portability or conversion 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 Benefits

There is no disability coverage during military service.

Receiving Retirement System Service Credit for Military Service

You can increase your retirement benefit and possibly retire earlier by increasing your years of service credit. Up to five years of military service may be granted at no cost to you if your service is surrounded by KPERS-covered employment. You can purchase service credit for military service that is not granted. Purchased and granted military service is limited to a total of six years, with certain exceptions permitted by federal law.

- If you are in your “year of service” when called to active duty, your time away is counted toward completion of your “year of service” if you return to the same employer immediately after service.
- If you are in the middle of a service credit purchase when called to active duty, your purchase resumes when you return and nothing changes.
- When you return, KPERS 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.

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 for the time you were on active military service. You can purchase military service credit if it is not granted.

Divorce and Your Benefits

KPERS 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 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 your 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 (at least ten years of service)

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 (less than ten years of service)

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 reach age 65 within the five-year period, you may apply for retirement benefits. If you do not withdraw or retire 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

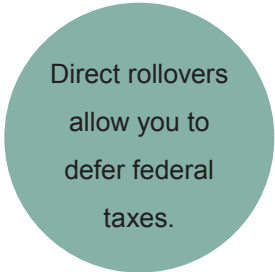
You can apply to withdraw your contributions anytime 31 days after you end employment.

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 KPERS

For financial security in retirement, you'll need to depend on other sources of income in addition to KPERS. While an important part of your retirement income, your KPERS benefits will be just one part. KPERS was designed to *supplement* Social Security and your personal savings. As you work and earn service credit with KPERS, 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 three sources – your pension benefits from KPERS, Social Security and your personal savings and investments. This model of retirement planning is commonly referred to as the “three-legged stool” theory of retirement planning. These three sources together will help you replace the income you now earn from working.

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.

One of the easiest ways you can accumulate personal savings for retirement is through tax-sheltered plans like 457(b) deferred compensation plans, 403(b) annuity plans or 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 have adopted the State's plan or sponsor similar plans. Most KPERS school members are eligible to participate in a 403(b) plan through their school districts. Check with your employer about participation.

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

State of Kansas Deferred Compensation Plan:
www.accesskansas.org/employee/ing.html

It's Important to Start Early

Time is of the essence. Now is the best time to start saving for your future. With Social Security and KPERS the number of years you pay into the system is important. Personal savings and investments have a similar return on contribution. It's better to get started sooner, even with a small amount of money, than later. Throughout your working career, you should make saving a high priority. The “Savings Per Month” chart below shows how much you might be able to save by investing regular monthly contributions in a tax-sheltered savings plan.

Savings Per Month

	\$25	\$50	\$75	\$100	
Years	5	\$1,835	\$3,671	\$5,506	\$7,341
	10	\$4,532	\$9,064	\$13,596	\$18,128
	15	\$8,494	\$16,989	\$25,483	\$33,978
	20	\$14,317	\$28,633	\$42,950	\$57,266
	25	\$22,871	\$45,742	\$68,613	\$91,484
	30	\$35,440	\$70,881	\$106,321	\$141,761
	35	\$53,909	\$107,818	\$161,726	\$215,635

Example assumes regular monthly contributions and an 8 percent rate of return on investment.
Source: www.ingretirementplans.com: Reach Your Investment Objectives - Future Value calculator

When Can You Retire?

- Age 65 with at least one year of service credit
- Age 62 with at least ten years of service credit
- Any age when your age and years of service credit added together equal 85 (85 points)

Your age equals your age at your last birthday. Additional months do not count. However, two quarters of service credit round to the next year.

For example: 9.5 years will round to 10 years of service.

You can usually combine years of service credit in any of the three retirement plans. However, a separate benefit will be calculated for each retirement plan you have service credit with. Specific guidelines apply. Please contact the Retirement System to make sure you meet all the requirements to retire.

Retiring with 85 Points

You can retire anytime with “85 points.” The 85 point rule is when your age and years of service credit added together equal 85. Every year you work, you will gain two points – one for each birthday and one for the year of service credit. The 85 point rule is only one of three ways you can qualify for retirement.

Use this worksheet to find out when you'll have 85 points	
<ol style="list-style-type: none"> 1. Your current age: _____ 2. Your current years of service: _____ 3. *Your current point total (Line 1 + Line 2): _____ 4. Number of points needed (85 - Line 3): _____ 5. Number of years to reach 85 points (Line 4 ÷ 2): _____ 6. Your current age (same as Line 1): _____ 7. You will have 85 points at age (Line 5 + Line 6): _____ <p><i>* If line 3 is greater than or equal to 85, you can retire now with full benefits.</i></p>	<p><i>Example</i></p> <p>John is 52 years old. He has 29 years of service. $52 + 29 = 81$ points now $85 - 81 = 4$ points needed $4 \div 2 = 2$ years to go 52 years old $52 + 2 = 54$ years old John can retire at age 54.</p>

Retiring Early

You can receive reduced benefits beginning at age 55 with 10 years of service. The earlier you retire, the more your benefit is reduced. Benefits are reduced by 0.6 percent for each month you are between age 55 and 60, and 0.2 percent for each month you are between age 60 and 62.

If You Retire Early ...		
Age	Reduction	Example
65	0%	Full benefit = \$1,500/month
60	5%	Reduced benefit = \$1,425/month
55	41%	Reduced benefit = \$885/month

Kansas Corrections Officers

As a correctional employee, you may be eligible to retire at an earlier age than regular KPERS members. To qualify for these special early retirement provisions, you must work in a position in either Group A or Group B for at least three years immediately before retirement.

Group A generally includes:

- Most corrections officers and their supervisors.

Group B generally includes:

- Correctional institution employees in certain power plant positions, correctional industries, food service supervision or maintenance operation supervision who have regular contact with inmates.

If you do not qualify for either of these categories, your age and service requirements for retirement are the same as regular KPERS members. If you have questions or are unsure of your position classification, see your designated agent.

Retiring With Full Benefits – Group A

- Age 55 if employed in a Group A position for at least three years immediately before retirement
- Any age when your age and years of service credit added together equal 85 (85 points)

Retiring Early – Group A

You can receive reduced benefits beginning at age 50 with 10 years of service. Benefits are reduced by 0.2 percent for each month you are under age 55. You must be employed in a Group A position for at least three years immediately before retirement.

Group A – If You Retire Early ...		
Age	Reduction	Example
55	0%	Full benefit = \$1,500/month
52.5	6%	Reduced benefit = \$1,410/month
50	12%	Reduced benefit = \$1,320/month

Retiring With Full Benefits – Group B

- Age 60 if employed in a Group B position for at least three years immediately before retirement
- Any age when your age and years of service credit added together equal 85 (85 points)

Retiring Early – Group B

You can receive reduced benefits beginning at age 55 with 10 years of service. Benefits are reduced by 0.2 percent for each month you are under age 60. You must be employed in a Group B position for at least three years immediately before retirement.

Group B – If You Retire Early ...		
Age	Reduction	Example
60	0%	Full benefit = \$1,500/month
57.5	6%	Reduced benefit = \$1,410/month
55	12%	Reduced benefit = \$1,320/month

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.

KPERS retirement benefits are calculated using the following formula:

Final average salary x statutory multiplier x years of service = annual benefit

For example: \$30,000 x 1.75% x 30 = \$15,750 annual benefit

Calculate Your Monthly Retirement Benefit		
	Example	Yourself
1. Enter your Final Average Salary (see previous section)	\$ 30,000.00	\$
2. Multiply by .0175 (1.75% multiplier)	x .0175	x .0175
3. <i>Subtotal</i>	\$ 525.00	\$
4. Multiply #3 by your total number of years of participating service (25 years is used here for example purposes)	\$ 525.00	\$
	x 25	x years
5. <i>Estimated annual retirement benefit</i>	\$ 13,125.00	\$
6. Divide #5 by 12 (months) to calculate your estimated monthly benefit	\$ 13,125.00	\$
	÷ 12	÷ 12
7. <i>Estimated monthly retirement benefit with no survivor benefits</i>	\$ 1,093.75	\$

Final Average Salary

If your membership date is on or after July 1, 1993, your final average salary is:

- A three-year salary average **excluding** additional compensation.* This three-year average is based on your three highest years of pay during your career. They do not have to be continuous years.

If your membership date is before July 1, 1993, or you were in your “year of service” waiting for membership on July 1, 1993, your final average salary is the higher of:

- A three-year salary average **excluding** additional compensation.* This three-year average is based on your three highest years of pay during your career. They do not have to be continuous years.
- A four-year salary average **including** additional compensation.* This four-year average is based on your four highest years of pay during your career. They do not have to be continuous years.

KPERS will calculate both options and use whichever is higher to calculate your retirement benefit. If add-on pay is included in your final average salary, it is spread over all the days that you worked in the calendar year you retired. It is not credited only to the quarter in which you were paid for it.

***Additional Compensation** or “add-on pay” is compensation from your employer for unused sick leave, annual leave, etc. KPERS cannot use an early retirement incentive or severance pay as part of add-on pay when calculating your final average salary. School employees have special guidelines. Please contact the Retirement System.

Statutory Multiplier

The multiplier is a percentage set by law. You receive this percent of your final average salary for each year of service credit you have earned.

- 1.75 percent for participating years of service (years you work for an employer in a KPERS-covered position)
- 1 percent or 0.75 percent for prior years of service (time worked for an employer before affiliation with KPERS)

If You Have Credited and Non-Credited Prior Service

Prior service is time you worked for an employer before the employer affiliated with KPERS. These years also count toward your retirement benefit, but are calculated at a different statutory multiplier. Credited prior service for both school and non-school members is calculated using 1 percent as the statutory multiplier. Withdrawn KSRS teaching service is non-credited and is calculated at 0.75 percent.

You also can use the table on the previous page to calculate your benefit from any prior service you have. Simply substitute the correct multiplier in #2 for the type of prior service you have. Calculate each type of service separately and add them all together for your total monthly benefit.

For example:

1. $\$30,000 \times 1.75\% \times 20 = \$10,500 \div 12 \Rightarrow \875 (monthly benefit for participating service)
 2. $\$30,000 \times 1\% \times 10 = \$3,000 \div 12 \Rightarrow \250 (monthly benefit for credited prior service)
 3. $\$30,000 \times 0.75\% \times 5 = \$1,125 \div 12 \Rightarrow \93.75 (monthly benefit for non-credited KSRS prior service)
- $\$875 + \$250 + \$93.75 = \$1,218.75$ (total maximum monthly benefit)

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. School members under contract must wait until July 1 or after. School members who are not under contract and non-school members can retire on the first day of any month.

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.

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 KPERS 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 KPERS *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

- Confirm your Social Security benefits. Get accurate information about Social Security applications and benefits by calling the Social Security Administration's toll-free number, (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 KPERS benefits, you'll need to consider all your options.

Retirement Benefit Payment Options

As a retired KPERS member, you will receive a monthly retirement benefit for the rest of your life. In addition, KPERS 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

KPERS 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 KPERS. **There is no continued benefit after your death.**

Joint-Survivor Options

Because of your personal situation, you may want to provide a continuing monthly benefit for someone after your death. You can do this by choosing a joint-survivor option. In order to provide this continuing benefit, your regular monthly payments will be reduced. The higher your survivor's benefit payment is, the lower yours will be during retirement. The difference in your ages is also a factor. There are three joint-survivor options.

A joint-survivor option can help provide support for your loved ones after your death.

50 Percent Benefit to Survivor: You will receive approximately 91 percent of your maximum monthly benefit, before adjustment for age difference. Your benefit will be decreased 0.4 percent for each year your joint annuitant is younger than you or increased 0.4 percent for each year your joint annuitant is older than you. Your survivor will receive 50 percent of your reduced monthly benefit for his or her lifetime after your death.

75 Percent Benefit to Survivor: You will receive approximately 87 percent of your maximum monthly benefit, before adjustment for age difference. Your benefit will be decreased 0.5 percent for each year your joint annuitant is younger than you or increased 0.5 percent for each year your joint annuitant is older than you. Your survivor will receive 75 percent of your reduced monthly benefit for his or her lifetime after your death.

100 Percent Benefit to Survivor: You will receive approximately 83 percent of your maximum monthly benefit, before adjustment for age difference. Your benefit will be decreased 0.6 percent for each year your joint annuitant is younger than you or increased 0.6 percent for each year your joint annuitant is older than you. Your survivor will receive 100 percent of your reduced monthly benefit for his or her lifetime after your death.

Pop-Up Feature: If the person you choose to receive a benefit after your death dies before you, your joint-survivor option is canceled. Your monthly benefit will then increase to your original maximum monthly benefit amount. This is called the “pop-up feature.” You cannot name someone else to receive the benefit.

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.

Every retirement option
guarantees
a monthly benefit for
the rest of your life.

You have three life-certain options.

- Five-year: Your benefit is reduced to 98 percent.
- Ten-year: Your benefit is reduced to 95 percent.
- 15-year: Your benefit is reduced to 88 percent.

A life-certain benefit example: Mary has a maximum monthly benefit of \$1,000. She chooses the ten-year life-certain option. She receives \$950 monthly for the rest of her life, no matter how long she lives.

Mary dies seven years after she retires. As her chosen beneficiary, Mary’s daughter will receive \$950 monthly for three more years. If Mary had two daughters named as beneficiaries at the same time, they would share the \$950 monthly benefit and each would receive \$475 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 will give
you up-front money
at retirement, but will
permanently reduce
your monthly benefits.

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.

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. KPERS 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 KPERS 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 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.

Retiree Death Benefit

KPERS 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.

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. 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 \$20,000-per-year earnings limit if:

- You retired on or after July 1, 1988, **and**
- You go to work for an employer you worked for during your last two years of KPERS participation.

For example: If you retire on July 1, you can earn \$20,000 for the period of August 1 through December 31. You will then start the new calendar year with a limit of \$20,000 for the period of January 1 through December 31. The \$20,000 limit will continue each year as long as you are working for the same employer. Regardless of your earnings, you won't contribute to KPERS with your new employer.

Did You Really Change Employers?

The **State of Kansas** is considered one employer. State agencies, boards, commissions and Board of Regents institutions are all under the State of Kansas. Going from one to another is not considered a change of employers for this purpose unless your new position is **not** covered by KPERS. Moving from a KPERS to a KP&F or Judges position is considered a change of employer and you would not be restricted by the earnings limit.

Every **school district** is a different employer. If you retired from one school district, you can go to work for a different school district with no earnings limit as long as you did not work there during your last two years of KPERS participation.

Exceptions to the Earnings Limit

If you go back to work in certain legislative positions or as a “daily-call” K-12 substitute teacher, you do not have an earnings limit. Daily-call substitute teachers are temporary and paid on a daily basis for their services. They are not required to report to work every day. Long-term substitutes under contract do have an earnings limit. Please see your designated agent for details.

There is also no earnings limit for some retirees who return to work as licensed nurses at certain State institutions. This exception began July 2005 and continues indefinitely.

If you reach the \$20,000 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.

Frequently Asked Questions

Here are some of the most frequent questions the InfoLine receives about KPERS.

- 1. What type of plan is KPERS?** KPERS is a qualified, governmental, section 401(a) defined benefit pension plan. KPERS has Internal Revenue Service Determination Letters attesting to the plan's qualified status dated October 14, 1999, and March 5, 2001. KPERS 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 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 KPERS 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 employment with another KPERS employer.
- 5. If I withdraw my contributions, will I also get what my employer paid in?** No. If you withdraw from KPERS, you take out your own accumulated contributions plus interest. Employer contributions remain in the plan. A defined benefit retirement plan, such as KPERS, 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 1,450 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 (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.

