



3 SOURCES OF RETIREMENT INCOME

- Experts recommend replacing **at least 80%** of retirement income
- Amount could be affected by **individual expenses** (e.g. health care)
- KPERS and Social Security alone **may not be enough**
- **Personal savings** is vital income source for sound retirement



SOCIAL SECURITY

- KPERS will not affect Social Security
- Social Security will not affect KPERS
- Social Security Administration: 1-800-772-1213

KPERS 457 AFTER RETIREMENT

- Stay in KPERS 457 after retirement
- Retirement Specialist to help
- Great for retirement lump sums
 - Sick/vacation payouts
 - Retirement incentive



TYPE OF RETIREMENT PLAN

401(a) defined benefit plan

Contrast to defined contribution plans (personal savings plans)

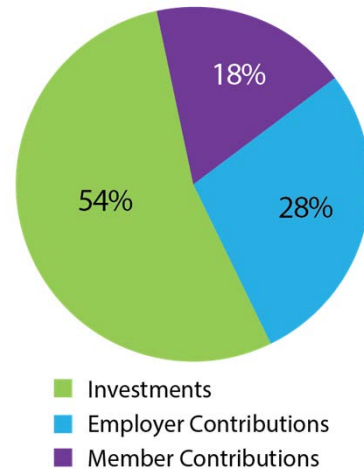
- 457(b)
- 403(b)
- 401(k)
- IRA

EMPLOYEE CONTRIBUTIONS

- 7.15% of pay
- Deducted pretax for federal taxes
- Interest credited June 30 based on balance December 31 of previous year
- Balance doesn't determine benefit
- Only important if you withdraw or die before retirement

EMPLOYER CONTRIBUTIONS

- Are not deposited into your account
- Go into KPERS Trust Fund for:
 - Disability benefits
 - Death benefits
 - Retirement benefits



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BENEFITS WILL BE HERE

- KPERS prefunded during your career
- Contributions and investment earnings now for when you retire
- About \$1 billion in contributions each year
- Over \$1 billion in investment income in FY 2017
- About \$1 billion in benefits each year

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BENEFITS WILL BE HERE

- Over \$19 billion in assets and growing
- Long-term funding shortfall
- Keep funding needs in front of the Legislature
- We're your fiduciary

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Retirement Eligibility



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KP&F MEMBERSHIP

KP&F Tier 1

Hired **before** July 1, 1989 and did not choose Tier 2 coverage

KP&F Tier 2

Hired July 1, 1989, or after

NORMAL RETIREMENT ELIGIBILITY

Tier 1

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

Tier 2

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

PORTABILITY

- Combine service and salary from KPERS, KP&F and Judges
- Meet eligibility requirements for retirement and vesting
- Doesn't apply if retired from one system and became a member in another

EARLY RETIREMENT ELIGIBILITY

Tier 1 and Tier 2

- Age 50 with 20 years
- Benefit reduced 0.4% each month under age 55

Example: If normal benefit is \$3,000 at age 55...

Age	Reduction	Example
54	4.8%	\$2,856
53	9.6%	\$2,712
52	14.4%	\$2,568
51	19.2%	\$2,424
50	24%	\$2,280

THINGS TO CONSIDER BEFORE RETIRING EARLY

- The earlier you retire, the more your benefit is reduced
- Lifetime reduction
- No automatic COLA
- Inflation reduces your buying power over time

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Benefit Calculation



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FINAL AVERAGE SALARY (FAS)

Membership date **before July 1, 1993**

- Highest 3 of last 5 years, **including** additional pay
- Additional pay = unused leave payout

Membership date **July 1, 1993, or after**

- Highest 3 of last 5 years, **excluding** additional pay

BENEFIT CALCULATION

EXAMPLE	Final Avg Salary	x	Statutory Multiplier	x	Years of Service	=	Annual Benefit	÷	Months in Year	=	Monthly Benefit
		35,000	x	2.5%	x	20	=	\$17,500	÷	12	=

- Note: 36 years = maximum benefit (90% FAS)

Working 1 Day Into Rounding Quarter

QTR	2017	2016	2015	2014	2013	2012
4th		30,296.49	23,448.39	24,975.57	19,197.57	17,977.29
3rd	482.17	30,296.48	23,448.53	24,975.43	19,197.43	
2nd	43,876.62	30,296.48	23,448.53	24,975.43	19,197.43	
1st	43,876.62	30,296.48	23,448.53	24,975.43	19,197.43	
Total	\$ 87,753.24	121,185.93	46,896.92	99,901.86		

Highest Quarter Total: 355,737.95

Years in FAS: ÷ 3

FAS: 118,579.32

x 0.025

2,964.48

x 25 yrs

74,112.07

÷ 12 mos

\$ 6,176.01

Final Year Salary

Compensation: 49,098.14

Leave Payouts: 39,137.27

Total: 88,235.41

÷ 183 days

482.16

x 91 days

\$ 43,876.62

Working 1 Pay Period (2 weeks) Into Rounding Quarter

QTR	2017	2016	2015	2014	2013	2012
4th		30,296.49	23,448.39	24,975.57	19,197.57	17,977.29
3rd	5,634.75	30,296.48	23,448.53	24,975.43	19,197.43	
2nd	42,730.24	30,296.48	23,448.53	24,975.43	19,197.43	
1st	42,730.24	30,296.48	23,448.53	24,975.43	19,197.43	
Total	\$ 85,460.48	121,185.93	46,896.92	99,901.86		

Highest Quarter Total: 353,445.19

Years in FAS: ÷ 3

FAS: 117,815.06

x 0.025

2,945.38

x 25 yrs

73,634.41

÷ 12 mos

\$ 6,136.20

Final Year Salary

Compensation: 51,957.96

Leave Payouts: 39,137.27

Total: 91,095.23

÷ 194 days

469.56

x 91 days

42,730.24

Working Until End of Rounding Quarter

QTR	2017	2016	2015	2014	2013	2012
4th		30,296.49	23,448.39	24,975.57	19,197.57	17,977.29
3rd	38,086.70	30,296.48	23,448.53	24,975.43	19,197.43	
2nd	38,086.70	30,296.48	23,448.53	24,975.43	19,197.43	
1st	38,086.70	30,296.48	23,448.53	24,975.43	19,197.43	
Total	\$ 114,260.10	121,185.93	23,448.39	99,901.86		

Highest Quarter Total: 358,796.28

Years in FAS: ÷ 3

FAS: 119,598.76

x 0.025

2,989.97

x 25 yrs

74,749.23

÷ 12 mos

\$ 6,229.10

Final Year Salary

Compensation: 75,122.82

Leave Payouts: 39,137.27

Total: 114,260.09

÷ 3 qtrs

38,086.70

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Purchasing Service Credit



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TYPES OF SERVICE AVAILABLE TO PURCHASE

Forfeited Service

- Increase benefit
- Retire sooner
- Portability

Military

- Increase benefit

COST AND METHODS OF PAYMENT

Cost based on age and salary

Payroll Deduction*

- Payroll deduction over a period of time

Lump-Sum

- Rollover or trustee-to-trustee transfer
- Personal check, money order or Discover Card (after tax)
- Paid for before last day on payroll

*If cross plan cannot buy as payroll deduction

Payment Options

- Maximum Monthly
- Joint-Survivor
- Life-Certain
- Partial Lump-Sum



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MAXIMUM MONTHLY BENEFIT OPTION

- Monthly benefit for life
- Beneficiary receives balance of any remaining money
- No continued monthly benefit

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JOINT-SURVIVOR BENEFIT OPTIONS

Lifetime monthly benefit **after your death**

Option	Benefit Reduced to:	Age Diff/Month
• 50%	94.5%	(+ /- .2%)
• 75%	91%	(+ /- .3%)
• 100%	88%	(+ /- .4%)

If survivor dies before you, increase to Maximum Monthly
Can't name someone else

LIFE-CERTAIN BENEFIT OPTIONS

If you die within a guaranteed period of time, beneficiary receives benefit for **rest of the guaranteed period**

• 5-year Life-Certain	99%
• 10-year Life-Certain	98%
• 15-year Life-Certain	92%

Change beneficiaries anytime and name any number
of beneficiaries to share benefit

PARTIAL LUMP-SUM OPTION (PLSO)

- Part of benefit in a lump sum
- Based on **actuarial present value** of lifetime benefit, **not** account balance
- Also choose a monthly benefit option
- 10%, 20%, 30%, 40% or 50%
- Reduced monthly benefit

THINGS TO CONSIDER

- PLSO creates lifetime reduction
- Eligible for rollover into a qualified retirement account
- Can you make up the difference with investments?
- 20% federal withholding if paid directly to you
- Possible 10% IRS penalty if under age 59 ½

SPOUSAL CONSENT LAW

- If you choose PLSO or if spouse would receive less than 50% of your monthly benefit
- Spouse's acknowledgment of benefit option chosen
- Notarized signature on Retirement Application

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Calculate an
Estimate



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Your Homepage

Select an Account

Account	Relationship	Account Status	Account Balance	Service Credit	Membership Date
KP&F	Member	Active	\$178,650.03	23 years	08/10/1992

Click account link above to enter your account.

Optional Life Insurance Open Enrollment

Click here to apply

For info about life insurance and open enrollment

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BENEFIT CALCULATOR

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- › Insurance/Disability
- › **Benefit Calculator**
- › Annual Statements

Snapshot

Account Balance	Total Service Credit	Membership Date	Status
\$178,650.03	23.00 years	08/10/1992	Active

Employee Contributions

Taxed	Untaxed	*Interest
\$0.00	\$82,976.72	\$95,673.31

*Includes interest credited to the account on 6/30/2014

Service Credit

Type	Multiplier	
Earned	23.00 years	Service @ 2.5%
Total Service Credit	23.00 years	Total Service Credit

Other Details

Coverage Group	Final Average Salary
KP&F II	\$77,907.44

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BENEFIT CALCULATOR

Step 2: What date do you plan to retire?

The earliest date you can receive a full retirement benefit is **09/01/2014**.*

I will retire on 09/01/2014.

I will retire on 9/1/2019 (mm/dd/yyyy). Must be the first day of a month.

*You may actually become eligible sometime in the previous year before this date due to earning additional service credit. Please check with your employer if you are nearing retirement and would like an exact eligibility date.

Step 3: What is your final average salary?

Your current final average salary (FAS) is **\$77,657.62**. [What is FAS?](#)

Use \$77,657.62 as my FAS.

Use 0 as my FAS.

Use 0 as my FAS with annual salary increase of %

Step 4: What is your total service credit?

Your current total service credit is **24.00** years.

Service @ 2.5% : 23.50

Your projected total service credit is **30.00** years, if you continue working until your estimated retirement date shown above.

Use the projected service based on the selected retirement date in **Step 2**

Use 24.00, my total years of service as of December 31, 2012

Use 0.00 as my total years of service.

Step 5: Do you plan to provide a continuing benefit to a survivor?

I do not plan to provide for a survivor. I want a benefit for my lifetime only.

I plan to provide for a survivor. My survivor's date of birth is 10/24/1969 (mm/dd/yyyy).

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BENEFIT CALCULATOR

Retirement Date: **09/01/2019**
 Retirement Age: **55**
 Final Average Salary: **\$77,657.62**
 Total Service: **30.00 years**

Annual Benefit: **\$58,243.22**

Benefit Option	No Lump Sum	10% Lump Sum	20% Lump Sum	30% Lump Sum	40% Lump Sum	50% Lump Sum
PLSO	\$0.00	\$63,001.63	\$126,003.27	\$189,004.90	\$252,006.54	\$315,008.17
Maximum	\$4,853.60	\$4,368.24	\$3,882.88	\$3,397.52	\$2,912.16	\$2,426.80
50% Joint-Survivor	\$4,538.12	\$4,084.31	\$3,630.49	\$3,176.68	\$2,722.87	\$2,269.06
75% Joint-Survivor	\$4,343.97	\$3,909.58	\$3,475.18	\$3,040.78	\$2,606.38	\$2,171.99
100% Joint-Survivor	\$4,174.10	\$3,756.69	\$3,339.28	\$2,921.87	\$2,504.46	\$2,087.05
5-Year Life-Certain	\$4,805.07	\$4,324.56	\$3,844.05	\$3,363.55	\$2,883.04	\$2,402.53
10-Year Life-Certain	\$4,756.53	\$4,280.88	\$3,805.22	\$3,329.57	\$2,853.92	\$2,378.26
15-Year Life-Certain	\$4,465.31	\$4,018.78	\$3,572.25	\$3,125.72	\$2,679.19	\$2,232.66

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KPERS-15E BENEFIT ESTIMATE REQUEST FORM

■ **Part A – Member Information**

- | | |
|--|---|
| 1. Social Security Number: _____ | 2. Name (First, MI, Last): _____ |
| 3. Mailing Address: _____
City, State, Zip: _____ | 4. Employer: _____ |
| 6. Expected Retirement Date: ____/____/____ | 7. Expected Last Day on Payroll: ____/____/____ |
| 8. Is Member Subject to Continuing Contract Law? <input type="checkbox"/> No <input type="checkbox"/> Yes; Date Contract Expires: ____/____/____ | 10. E-mail Address: _____ |
| 9. Daytime Telephone Number: (____) _____ | |

■ **Part B – Joint Annuitant Information** – To have joint-survivor options estimated, complete the information below for the person you want as your joint annuitant.

- | | |
|----------------------------------|----------------------------------|
| 1. Name (First, MI, Last): _____ | 2. Date of Birth: ____/____/____ |
|----------------------------------|----------------------------------|

■ **Part C – Certification of Final Pay**

Important: Do not include any incentive pay or additional compensation for unused sick or annual leave in amounts listed in 1-3 below.

	Year	Amount
1. Previous Annual Salary Subject to KPERS Contributions:	_____	\$ _____
2. Current Annual Salary Subject to KPERS Contributions: <i>If retiring in current year, include only compensation through estimated last day on payroll.</i>	_____	\$ _____
3. Next Annual Salary Subject to KPERS Contributions: <i>If retiring in next year, include only compensation through estimated last day on payroll.</i>	_____	\$ _____
4. Lump-Sum Payment for Sick and/or Annual Leave: <i>Paid when member leaves work, not included in above salaries.</i>	_____	\$ _____

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The Retirement Process



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CHOOSING YOUR RETIREMENT DATE

- Must be first day of any month
- Must be off payroll

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STEPS TO TAKE

- Pick your best retirement date
- Choose a payment option
- Submit application at least 30 days before retirement date
- Provide age and name change documents

RECEIVING MONTHLY BENEFIT PAYMENTS

- Direct deposit form (KPERS-15B)
- Paid on last working day of month
- Get notice of changes, but no regular payment notice
- Payment summary online

IMPORTANT TO KEEP BENEFICIARY UP-TO-DATE

- **Time to review beneficiaries**
 - Marriage
 - Birth/adoption
 - Divorce
 - Death
 - Retirement
- **Change beneficiaries any time**

CONTINUING OPTIONAL LIFE INSURANCE

Portability – Optional Only

- **Term** insurance option
- Must port some member coverage to port spouse coverage
- No health questions
- Under age 80 and actively at work
- Coverage begins to reduce at age 65
- Within 60 days of last day on payroll

CONTINUING OPTIONAL LIFE INSURANCE

Conversion – Optional Only

- **Whole-life** option
- No health questions
- Higher rates, builds cash value
- Premiums payable to age 100
- Within 60 days of last day on payroll

HEALTH INSURANCE

- KPERS does not provide health insurance coverage
- Contact your personnel office

FEDERAL AND STATE INCOME TAXES

- Federal: taxable
- Kansas: not taxable
 - You already paid state taxes while working
 - Other states? Check with that state
- Change federal withholding anytime online
- 1099-R tax form each January

RETIRED MEMBER

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- › Direct Deposit Info
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- › Income Verification

Account Information

Benefit Start Date:	10/01/2011	Total Contributions:	\$148,567.01
Benefit Option:	Maximum	Lifetime Benefits to Date:	\$97,671.82

Monthly Benefit Information

Next Payment Date: 10/31/2013

Item	Item Amount
Taxable Base Benefit	\$2,604.65
Fed Withholding - Monthly	\$92.00
Net Amount	\$2,512.65

Tax Withholding Information

Your current tax withholding info	Update tax withholding information
<p>Marital Status</p> <p>Allowances</p> <p>Additional Amount \$0.00</p>	<p>Type directly in the box below to update tax withholding. Click Add/Update button. For no withholding click the No Withholding button.</p> <p>Marital Status <input style="width: 100%;" type="text"/></p> <p>Allowances <input style="width: 100%;" type="text"/></p> <p>Additional Amount <input style="width: 100%;" type="text" value="\$0.00"/></p> <p style="text-align: center;"> <input type="button" value="Add/Update"/> <input type="button" value="No Withholding"/> </p>

You have not selected a tax withholding preference. IRS guidelines may apply. To make a designation, use the update section.

FEDERAL AND STATE INCOME TAXES

Payment History (up to last 3 years)

Lifetime benefits paid to date : \$867,419.58

Payment Year	Gross Benefit	Taxable	Non-Taxable	Federal Taxes	Deductions	Total Payments
2017	\$56,900.16	\$56,900.16	\$0.00	(\$11,644.00)	\$0.00	\$45,256.16
2016	\$56,900.16	\$56,900.16	\$0.00	(\$11,688.00)	\$0.00	\$45,212.16

Payment History

Payment Date	Gross Benefit	Taxable	Non-Taxable	Federal Taxes	Deductions	Net Payment
01/31/2017	\$4,741.68	\$4,741.68	\$0.00	(\$974.00)	\$0.00	\$3,767.68
02/28/2017	\$4,741.68	\$4,741.68	\$0.00	(\$970.00)	\$0.00	\$3,771.68
03/31/2017	\$4,741.68	\$4,741.68	\$0.00	(\$970.00)	\$0.00	\$3,771.68
04/28/2017	\$4,741.68	\$4,741.68	\$0.00	(\$970.00)	\$0.00	\$3,771.68
05/31/2017	\$4,741.68	\$4,741.68	\$0.00	(\$970.00)	\$0.00	\$3,771.68
06/30/2017	\$4,741.68	\$4,741.68	\$0.00	(\$970.00)	\$0.00	\$3,771.68

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FEDERAL AND STATE INCOME TAXES

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Tax 1099-R Forms

Calendar Year	Gross Distribution
2017	\$34,328.88
2016	\$34,328.88
2015	\$34,328.88

PAYER'S name, street address, city, state or province and ZIP code KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM 611 S KANSAS AVE SUITE 100 TOPEKA KS 66603 - 3869		1 Gross distribution 34,328.88	2017 Form 1099-R	Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.
		2a Taxable amount 34,227.12		
PAYER'S federal ID number RECIPIENT'S ID number		2b Taxable amount not determined <input type="checkbox"/>	Total distribution <input type="checkbox"/>	Copy C for Recipient's Records
RECIPIENT'S name, street address, city, state or province and ZIP code		3 Capital gain (included in box 2a)	4 Federal income tax withheld 2,906.00	
RECIPIENT'S name, street address, city, state or province and ZIP code		5 Employee contributions or insurance premiums 101.76	6 Net unrealized appreciation in employer's securities	
		7 Distribution code(s) 7	8 Other IRA/ SEP/ SIMPLE	
		9a Your percentage of total distribution	9b Total employee contributions	
		RETIRED 10-11 IRS NET INVESTMENT 2,628.32 EXCLUDED TO 12/31/17 636.00		

Form 1099-R

www.irs.gov/form1099r

Department of the Treasury - Internal Revenue Service

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RETIREE DEATH BENEFIT

- \$4,000 death benefit
- Taxable for federal taxes, not Kansas taxes
- Person, estate, trust or funeral establishment
- Beneficiary responsible for taxes
- No death benefit for joint annuitant

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Working After Retirement



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WORKING AFTER RETIREMENT

- No restrictions for non-KPERS employers
- Only when working for a KPERS employer
- No additional contributions to KPERS

WORKING AFTER RETIREMENT

No prearrangements before retirement or during waiting period

- Important for KPERS qualified plan status
- Penalties for retiree and employer

WORKING AFTER RETIREMENT

Penalties for retiree

- Benefit **suspended** starting the month you return to work, and ending 6 months after you stop employment
- Must **repay** benefits received while working after retirement

Note: Employer will have to pay penalties as well

WAITING PERIOD

- 30-day waiting period before returning to work for KP&F employer
- Cannot be on the payroll of any KPERS or KP&F employer
- Begins with retirement date
- **Cannot** make contributions to KP&F

EARNINGS LIMIT

- \$25,000 per calendar year
- Employer worked for last two years of KP&F participation

WORKING AFTER RETIREMENT

If you go back to work for ...	Waiting Period	Earnings Limit	Retirement System Membership
Same employer – KP&F	Yes	\$25,000	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

Retirement Resources



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RETIREMENT CHECKLIST

- Find out when you're eligible
- Calculate an estimate
- Review payment options
- Submit application
- Review optional life insurance
- Determine tax withholding
- Confirm Social Security
- Review health insurance needs
- Review your other retirement plans and savings

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RETIREMENT INFORMATION CENTER

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Are You Ready to Retire?

When Can I Go?

How Much Will I Get?

How Do I Apply?

What Else Do I Need to Know?

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CONTACT US

KPERS	Social Security	KPERS 457
Email: kpers@kpers.org	Website: ssa.gov	Email: kpers457@kpers.org
Toll-free: 1-888-275-5737	Toll-free: 1-800-772-1213	Toll-free: 1-800-232-0024
Topeka: 785-296-6166	Topeka: 1-888-327-1271	Topeka: 785-414-3600

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Thank You

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