

# BENEFITS

Kansas Police & Firemen's  
Retirement System

## at a glance

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. As an active member, you also have disability and death benefits. This publication highlights your current benefits and the one's you'll receive when you retire.

### Membership and Contributions

Kansas law requires that all eligible employees must become members, except elected sheriffs. As an active member, you contribute 7 percent of your gross earnings and your contributions earn interest annually. Your contribution rate will drop to 2 percent after you have 32 years of service credit.

If you became a member:

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

You automatically earn service credit for the years you work in a covered position. When you have earned enough service credit, you are *guaranteed* a monthly retirement benefit for the rest of your life. This is called "vesting" your benefit.

#### Tier I

You are a Tier I member if you were employed before July 1, 1989, and did not choose Tier II coverage. Tier I members vest with 20 years of service credit.

#### Tier II

All new KP&F members are Tier II members. Tier II members vest with 15 years of service credit.

#### Transfer and Brazelton Members

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.

Brazelton members participated in a class-action lawsuit in 1980. Because of this, their contribution rate is 0.008 percent, and their retirement benefits are offset by Social Security.

### Disability Benefits for Active Members

Tier I and Tier II members are covered by different disability benefits. You are not eligible for disability benefits if you are injured while working for any employer other than your KP&F employer.

#### Tier I, Service-Connected Disability Benefits

You receive an annual disability benefit, in on-going monthly payments, based on the **higher** of:

- 50 percent of your final average salary, or
- Final average salary x 2.5 percent x years of service

If you have *eligible children*, each receives an annual benefit of up to 10 percent of your final average salary (subject to maximum) in on-going monthly payments. Children are eligible up to age 18, or 23, if a full-time student. 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.

## **Tier I, Non Service-Connected Disability Benefits**

You receive an annual benefit of your final average salary  $\times$  2.5 percent  $\times$  years of service, in on-going monthly payments. The minimum benefit is 25 percent of your final average salary and the maximum benefit is 80 percent. You must wait 180 days from the last day you are actively at work to apply for benefits.

## **Tier II Disability Benefits**

Your disability benefits are the same, whether your disability is service-connected or non service-connected. You receive an annual benefit of 50 percent of your final average salary, in on-going monthly payments. There is no waiting period. You will continue receiving service credit until you are no longer disabled or until you are eligible to retire. If you are already eligible to retire, you cannot apply for disability.

## **Working While Receiving Disability Benefits**

If you return to work for any KP&F participating employer, your disability benefits will automatically stop. There is no earnings limit for non-public safety employment.

## **Death Benefits for Active Members**

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 eligible children. Children are eligible up to age 18, or 23, if a full-time student. If you are unmarried and have no eligible children, your beneficiary receives a one-time lump-sum benefit.

### **Service-Connected Death**

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. Your children, if eligible, also receive an annual benefit of up to 10 percent of your final average salary. The maximum total benefit is 75 percent of your final average salary. If you do not have a surviving spouse or eligible children, your beneficiary receives a lump sum equal to your current annual salary.

### **Non Service-Connected Death**

Your spouse receives a lump-sum payment of 100 percent of your final average salary, plus an annual benefit of your final average salary  $\times$  2.5 percent  $\times$  years of service in on-going monthly payments for the rest of his or her life. The maximum annual benefit is 50 percent of your final average salary. If you do not have a surviving spouse, your eligible children share the benefit. If you do not have a surviving spouse or eligible children, your beneficiary receives a lump-sum equal to your current annual salary.

## **Optional Life Insurance for Active Members**

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.

### **Other Optional Insurance Details**

- You can start or increase coverage at *any time* with proof of good health.
- You can enroll for or increase your coverage by up to \$25,000 *without* proof of good health when you have a family status change like marriage, divorce, birth or adoption.
- With the "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.

## Increasing Your Retirement Benefit (Purchasing Service Credit)

You may be able to increase your retirement benefit and possibly retire earlier by purchasing additional public service credit. Types of service that can be purchased include forfeited service and military service. Service credit can be purchased by payroll deduction, personal check, Discover Card, or transferred from another retirement plan like a deferred compensation plan, tax-sheltered annuity or an individual retirement account (IRA).

## Leaving Employment Before Retiring

If you leave covered employment, you can take any optional insurance coverage with you through a conversion or portability option. You can also choose to withdraw your contributions anytime 31 days after your last day on payroll. 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 and interest as a direct payment to you or roll over the amount into an eligible retirement plan.

### If You Are Not Vested (Tier I, less than 20 years of service; Tier II, less than 15 years of service)

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

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

You are **guaranteed** a monthly retirement benefit for the rest of your life if you keep your contributions in your account. Often, if you have a significant amount of service, your vested benefit is more valuable than the amount of your actual contributions. If you keep your contributions with the Retirement System, you can apply for retirement benefits when you become eligible. Your contributions continue to earn interest and you can withdraw them at any time if you change your mind.

## 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 II

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

#### Transfer Members

- Age 50 with 25 years of service

If You Retire Early		
Age	Example	Reduction
55	Full benefit = \$1,500/month	0%
53	Reduced benefit = \$1,350/month	10%
50	Reduced benefit = \$1,140/month	24%

### 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.

## Calculating Your Retirement Benefit

You can calculate your own estimate online with the benefit calculator at [www.kpers.org](http://www.kpers.org). Click on "Estimate Your Benefit" and enter your own information from your annual statement.

Retirement benefits are calculated using the following formula:

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

*Example:* \$35,000 x 2.5% x 20 = \$17,500 annual benefit

### 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, such as sick and annual leave.

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, such as sick and annual leave.

## 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.

Transfer members have built-in options. Contact your designated agent. Brazelton members will have a benefit payment reduction when they begin receiving Social Security benefits.

### Maximum Monthly Payment Option

This option is the maximum monthly benefit you can receive. There is no continued monthly benefit after your death.

### Joint-Survivor Option

You can provide a continuing monthly benefit for someone after your death. Survivor benefits are equal to 50 percent, 75 percent or 100 percent of your benefit and are paid for the rest of your survivor's life. To provide this continuing benefit, your monthly benefit is reduced. Your benefit decreases as your joint annuitant's benefit increases.

### Life-Certain Option

If you die within a guaranteed period of time from retirement, your beneficiary will receive the same monthly benefit for the rest of that guaranteed period. Your monthly payments are reduced based on whether you chose the five-, ten-, or 15-year life-certain option. You can change beneficiaries at any time.

### Partial Lump-Sum Option

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. The PLSO is available in 10, 20, 30, 40 or 50 percent amounts of the actuarial present value of your benefit.

## Retiree Death Benefit

Your beneficiary receives a \$4,000 lump-sum death benefit. If you don't select survivor benefits, any contributions and interest remaining in your account are returned to your beneficiary.

## Working After Retirement

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. Please see your Membership Guide or [www.kpers.org](http://www.kpers.org) for details.

## Additional Information

For additional information about member benefits, please refer to the KP&F Membership Guide, visit our web site or contact the Retirement System office.

You also have someone at your employer to help you. Your **designated agent** works for the same employer you do, and is appointed by your employer to handle Retirement System transactions. This person will have all necessary forms and publications and can answer most of your questions about the Retirement System.

## Contacting Us

**Web Site:** [www.kpers.org](http://www.kpers.org)

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*In the interest of simplicity, certain generalizations have been made in this publication. Kansas law and the rules adopted by the Retirement System Board of Trustees will control specific situations.*

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