

Membership

KPERS Tier 1 Member

- Tier 1 Grace Period for Non-School
- Tier 1 Grace Period for School

KPERS Tier 2 Member

Vesting

Employee Contributions

Interest

Can a Member Borrow from Their KPERS Account

Employer Contributions

Contribution Rates on the Employer Portal

Compensation to Include in Contributions

Annual Statements

Printing Annual Statements

Membership School

School Employee Covered Position

Membership Date

Concurrent Employment

Positions Unique to Schools

Membership Non-School

Non-School Employee Covered Position

Membership Date

Elected Official (non-legislative)

Membership

Totality of Employment

Dual Employment

Changing Positions

KPERS Tier I Member

- Members hired prior to July 1, 2009 who are active contributing members on July 1, 2009.
- Those hired and in their “Year of Service” between July 1, 2008 and June 30, 2009 and are active on July 1, 2009.
- Inactive, vested members.
- Members on military leave who return to service.
- Members on a leave of absence up to one (1) year who return to service
- Active Board of Regents members who have KPERS service and had no break in service.
- Inactive members who moved to a non-covered position with the same employer with no break in service (within three days).
- **Tier 1 members contribute 4%**

Tier 1 Grace Periods (Temporary inactive non-vested members in one of the following grace periods.

Non-Schools

- Non-school members have a 30-day grace period between KPERS covered employment

Schools

- **School** members have a grace period from May 1 to September 30 of any given year to *move between school employers.*
- If the school employee leaves employment outside of the above grace period, the grace period defaults to 30 days.
- If a school employee leaves a school employer and goes to a non-school employer, the 30-day grace period applies.

KPERS Tier 2 Membership

- All members first employed in KPERS covered positions on or after July 1, 2009.
- Inactive, non-vested members on or after July 1, 2009 who return to covered employment after the grace period.
- Former members who withdrew their KPERS account and commence membership on or after July 1, 2009.
- **Tier 2 members contribute 6%**

Vesting

KPERS Tier 1 and Tier 2 members are vested with **five (5)** years of service credit. When you are vested, it means you have earned enough service credit to guarantee a retirement benefit, even if you leave covered employment. If you leave covered employment, simply keep your

contributions with the Retirement System and you are guaranteed retirement benefits when you become eligible

Employee Contributions

Kansas law requires that all employees in “covered positions” with participating employers must become members. KPERS members make contributions from gross wages each pay period on a pre-tax basis. The employee rate is set by state statute. The employee contributions will be deposited into the member’s account under their name and social security number.

Tier 1 members contribute 4%

Tier 2 members contribute 6%

Interest

- If the employee’s membership date is prior to July 1, 1993, the member is earning 8% interest on their contributions.
- If the employee’s membership date is July 1, 1993 or after, the member is earning 4% interest on their contributions.

On June 30th, members will accrue interest on their accounts for money they had in their account on the previous December 31st. The amount of contributions and interest have no bearing on the member’s future retirement benefits. These benefits are determined by the member’s final average salary and years of service. The member’s account balance is only important if the member withdraws or dies before retirement.

Can a Member Borrow From Their KPERS Account?

Kansas law does not allow for a member to borrow from their KPERS account.

Employer Contributions

Employer contributions are deducted from member’s gross compensation before any deductions. The employer contributions are not deposited into the member’s account. The employer contributions are deposited into the Employer Fund. The KPERS office will mail you a letter giving you your employer rate for the upcoming year. You may view your employer rate on the Employer Web portal. Click on employer profile under the Organizational Detail.

Employee and Employer Rates Can Be Found on the Employer Portal Under the “Contribution Rates” tab. **The employer rate is the same for KPERS Tier 1 and Tier 2 members.**

Employer Details									
Bank Info	Remittance	Contacts	Addresses	Fund Statement	Payroll	Contribution Rates	Insurance Rates	Member Type	Period of
1 2									
Member Type	Description	Effective Date	Employee Rate	Employer Rate					
NRT2	Non-school Regular-Tier 2	7/1/2009	0.0600	0.0554					
NR	Non-school Regular -Tier 1	1/1/2009	0.0400	0.0554					
NR	Non-school Regular -Tier 1	1/1/2008	0.0400	0.0493					
NR	Non-school Regular -Tier 1	1/1/2007	0.0400	0.0431					
NR	Non-school Regular -Tier 1	7/1/2006	0.0400	0.0381					
NR	Non-school Regular -Tier 1	1/1/2006	0.0400	0.0381					
NR	Non-school Regular -Tier 1	7/1/2005	0.0400	0.0341					
NR	Non-school Regular -Tier 1	1/1/2005	0.0400	0.0341					
NR	Non-school Regular -Tier 1	1/1/2004	0.0400	0.0322					
NR	Non-school Regular -Tier 1	1/1/2003	0.0400	0.0307					

Compensation to Include in Contributions

Some employers have types of compensation that may not be included for Social Security, but should be included for KPERs. Make sure you withhold contributions on gross wages.

Compensation Type	Include in Contributions	Do Not Include in Contributions
Pay eligible for federal withholding	X	
Pay eligible for Social Security tax	X	
Pay eligible for Medicare tax	X	
Pay sheltered for 403(b), 457 plans and 125 plans (flex spending accounts)	X	
Maintenance, board, lodging, tuition assistance, goods and services, and other allowances in lieu of money eligible for federal withholding	X	
<i>(Hired before July 1, 1993)</i> Lump-sum termination payments for vacation, sick leave, compensatory time	X	
Pay deducted for health insurance, even if pre-tax	X	
Cash in lieu of health insurance	X	
Value of health insurance paid by the employer		X
Any amount not counted in final average salary at retirement		X
Taxable amount of life insurance premium for coverage over \$50,000		X
Reimbursement for actual expenses		X
Early retirement incentive paid before retirement		X
<i>Hired before July 1, 1996:</i> Pay over \$360,000 for 2009 and pay over \$360,000 for 2010		X
<i>Hired on or after July 1, 1996:</i> Pay over \$245,000 for 2009 and pay over \$245,000 for 2010		X

Annual Statements

- Each Spring, the Retirement System provides each member with an annual statement of his or her account.

- Benefit projections on the annual statement are pre-taxed estimates.
- Estimates will be based on whether the member is a KPERS Tier 1 member or KPERS Tier 2 member.
- If the member is not vested, a benefit estimate is not provided on the annual statement.

Printing Annual Statements

You may print your employee's annual statement using the Employer Web Portal. Under Organizational Details Click on Employees

- Enter your employee's social security number or name and click on the search button.
- Click in the box in front of the employee's social security number and click on the open button.

Other Details													
Employment History		Beneficiaries		Service Purchase		Annual Statement		End Date Request History					
View MAS													
<input type="checkbox"/>	MAS Year	Plan	Statement Status	Agency Name	DA Name	Generated Date	Printed Date	Sent To Home	MAS Distribution Code	Incomplete	Status	Action Status	MAS ID
<input type="checkbox"/>	2008	KPERS	Active	Kansas Public Employees Ret Sys	Julie Baker	2/19/2009	2/19/2009	<input type="checkbox"/>	S365-1-00-00000000	<input type="checkbox"/>	Valid		1242654

- Under other details, click on the **Annual Statement button**
- **Click in the box** in front of the annual statement year you would like to view.
- Click on the **view MAS button**

If the annual statement does not open, you may have your “pop-up” blocker on. Look on your “tools” pull down menu to turn off the pop-up blocker and click on the **View MAS** button again.

You can then print or save to a new location on your PC or server. Close the member's annual statement window and click on return to open up your next employee's annual statement.

Membership School

School Employee Covered Position

- Position is not a temporary position.
- Position requires **at least 630 hours** of work per year. Prior to July 1, 1993, the position requirement was 1,000 hours.
- Position is covered by Social Security.

Membership Date

Membership date is hire date in a KPERS covered position.

Concurrent Employment (schools only)

- Position is not a temporary position.
- Position is not a seasonal position (lawn mowing, swimming pool, tax preparer, etc.).
- Employee is employed with **2 or more eligible school employers simultaneously**.
- **Combined positions require at least 630 hours** of work per year, or 3.5 hours per day for at least 180 days.
- **You must provide a KPERS-1C form** to each non-seasonal, non temporary employee whose position requires fewer than 630 hours per school year or 3.5 hours per day for 180 days.
- If employee is working enough hours for position to be a KPERS covered position, then concurrent employment does not apply.

Positions Unique to Schools

- Substitute Teacher (Daily Call) – A substitute teacher is one who is on daily call and is paid on a daily basis for services rendered. **A substitute teacher is not appointed to a covered position** and is generally appointed to a temporary position for that day.
- Long-Term Substitute Teacher – If one school district hires a substitute teacher who is required to regularly work over 630 **continuous** hours per year, then **that substitute teacher is in a covered position**.
- Replacement Teacher – If a replacement teacher is hired during the year to replace a teacher who, for whatever reason, could not complete the school year, and the replacement teacher is assigned permanently (i.e., is appointed to the covered KPERS position held by the former teacher), **then the replacement teacher's participation in KPERS is required**.
- Temporary Teacher –The employer may appoint a teacher to a temporary position. KPERS contributions **will not be deducted**. If the temporary teacher is appointed to the KPERS position because the **regular teacher is not able to return to work**, the **temporary teacher now becomes the replacement teacher**. KPERS participation is required and **contributions will be deducted**.

School and Non-School Positions

Totality of Employment

Totality of employment is when an employee is paid for working extra jobs **with the same employer** such as (lawn work, janitorial work, etc.).

- The member **must be working in a KPERS covered position** with the employer and
- The member will have KPERS contributions deducted from all compensation earned from all positions with the same employer.

Dual Membership

Employee is working for **two or more participating employers** and is working in a KPERS covered position with each KPERS employer. Employee can be working 1,000 hours in a non-school position and 630 hours in a school position.

- Each KPERS employer submits an enrollment form.
- The second KPERS employer will enroll the employee as a dual employee.
- Employee and employer contributions are deducted by each employer.
- If an employee is purchasing service credit by payroll deduction, KPERS buyback contributions will be deducted with each KPERS employer.
- Dual employment will increase a member's compensation, but will not add additional years of service credit.

Changing Positions

Changing positions from covered to non-covered or non-covered to covered.

- Applies to school and non-school positions.
- You should carefully monitor employees working in temporary and seasonal positions and positions requiring less than 1,000 hours for non-school and 630 hours for school.
- A part-time position is not necessarily a non-covered position.
- Documentation is needed to track the number of hours an employee works.