

KPERS Papers

Celebrating 40 years of service

July 2002

Retired Member Issue

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In recent months KPERS staff has taken a step back from day-to-day operations to get a clearer picture on where we are as a system, and even more importantly, where we are headed. The bottom line is we're working together to help you get the most from your retirement benefits.

Core Values

As part of this process, we have identified six core values that guide us in all we do:

- service
- respect
- innovation
- integrity
- accountability
- teamwork

Goals

We have also identified three major goals, each a critical factor for our overall success.

KPERS' first goal is to **invest assets according to the prudent expert standard of care** to provide benefits for our members and their beneficiaries. This goal emphasizes our fiduciary responsibility. A fiduciary is someone who holds assets in trust for another. Our trustees and staff are fiduciaries because they manage the System's assets for you, our members.

To fulfill our responsibility, we manage a carefully diversified and monitored portfolio designed for long-term gains. We invest that portfolio in a variety of assets to maximize returns while limiting risk.

Some of the ways we'll work to achieve this goal is through updating our asset allocation and implementing a new risk management/internal audit program.

As our second goal, everyone on the KPERS team strives to **provide excellent customer service**. Often, members need our help when they are experiencing a significant life event like retirement, a new job, divorce or a death. We want to respond to those needs promptly and professionally, with personal service and care.

continued inside ...

Working Toward Our Future *cont.*

Upcoming strategies to meet this goal include improving employer reporting and annual statements and providing more member education.

Our third goal recognizes it is important to **provide open and clear communication**. People can't take advantage of a benefit they don't know about. KPERS has recently included communications as a distinct organizational goal.

With this effort, we are hoping to create consistency in our communications that will in turn make it easier for members and employers to get what they need. Some of our main focus will be on web site enhancement and overall publications improvement .

What's Next?

KPERS staff divisions are developing and implementing operating plans—working to meet our goals. Staff will continue to be involved on a basic level, contributing to our successes. At least once a year, we plan to review our successes and opportunities for improvement across the entire organization. It is our intent to create a strategic planning process that is results-oriented and encourages accountability and improvement.

We Need You

As members, this is where you come in. You can help us gauge our progress with your feedback. We welcome any comments you have as well as ideas on ways we can improve and continue to serve you better. Serving you is the reason we are here.

Keeping Your Info Up-to-Date

To help ensure that you receive your retirement payments and tax documents on time, it is important you keep your personal information up-to-date at KPERS. Such information includes banking information and your address.

You can update your personal information by phone, (888) 275-5737, e-mail, kpers@kpers.org, or mail, 611 S. Kansas Ave., Suite 100, Topeka, KS 66603).

Also, always include your social security or retirement number on all correspondence with the System. This helps ensure we have the right personal file when helping you on the phone, answering an e-mail or processing a form.

Where do the most KPERS retirees live?

Kansas	49,035
Missouri	1,866
Oklahoma	800
Texas	649
Colorado	543
Arizona	435
Arkansas	405
California	329
Florida	283
All other states	1,594
Total	55,939

Year-to-Date Investment Report

Fiscal year-to-date returns (July 2001 through March 2002) for the KPERS investment portfolio were negative 0.8 percent. Negative volatility early in the fiscal year from market weaknesses and the affects of September 11 caused poor performance in the first quarter. Since then, the portfolio has performed better. Investments in the fixed income portfolio and the real estate portfolio have helped to offset some of the weakness in the equity markets.

Over the longer term, KPERS has a trailing ten-year average annual return of 9.9 percent. A well-diversified investment strategy allows us to weather short-term weakness and profit from longer-term market returns.

More importantly, trends in financial markets do not affect retirement benefits because the state guarantees them.

Long-Term Care Scam

KPERS has received reports about someone calling retirees selling long-term care, supposedly approved by us. At this time KPERS has sponsored no such program.

If this happens to you, please do not accept the offer and contact the KPERS office. We are currently working with the attorney general's office to investigate this matter.

Kansas Law May Affect Your Plans To Work After Retirement

If you return to work after retirement, according to Kansas law you may have a \$15,000-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.

There is no limit if you work after retirement as a substitute teacher in K-12 education or as an employee of the Legislature.

When there is a limit, it works like this:

- Your employer's designated agent notifies KPERS when you reach \$15,000 of earnings for the calendar year.
- The DA uses form KPERS-15S, available on KPERS' web site.
- You or the DA should say on the form which choice you are making: to continue working or to stop working after reaching \$15,000.
- If you choose to *continue* working, KPERS will suspend your retirement benefit for the balance of the calendar year.

- If you choose to *stop* working, you'll continue to receive your regular retirement benefit.
- If your benefit is suspended, it will resume with the January 1 benefit the next year (payable January 31).

If you go to work for a different employer—one you didn't work for during the last two years of your KPERS participation—there is no earnings limit. The state of Kansas is all one employer. State agencies, boards, commissions and institutions under the Board of Regents are all the state of Kansas. Going from one to another of them is not a change of employers for this purpose.

By contrast, every school district is a different employer. If you retired from a school district, you may work with no annual earnings limits for another school district as long as you did not work there within your last two years of KPERS participation. (Again, there is no earnings limit for employment as a K-12 substitute teacher.)

Before doing anything about working after retirement, remember that you need to wait 30 days after your KPERS retirement date before returning to work for any KPERS-covered employer. The requirement to wait 30 days **does** apply to substitute teaching.

2002 Kansas Legislative Session Summary

This was a difficult year in the Kansas Legislature because of the budget situation. With this environment as the backdrop, no new legislation passed for a cost-of-living increase or additional benefits for KPERS members. Following is a highlight of other legislation from the 2002 session, which mostly affects active members.

Trustee-to-Trustee Transfer

Many active members participate in voluntary tax-deferred savings plans. These plans include 457(b), 403(b) and others. New legislation will allow active members to use money from their 457(b) or 403(b) plans to purchase additional KPERS service credit. This is called an "In-Service Trustee-to-Trustee Transfer."

Multi-Employer Legislation

New legislation allows employers the option to offer KPERS benefits to an employee who works for more

than one employer in a similar position. The employee's combined hours must total at least 1,000 hours per year, and both employers must agree to provide KPERS benefits for the employee.

An example might be an appraiser who does work on a part-time basis for more than one county. The hours for each county alone would not make the employee KPERS-eligible, but added together, the employee's combined hours total at least 1,000 hours annually. The employers together could offer KPERS membership to the appraiser if both employers agreed to provide the benefits.

Death and Disability Contributions

A moratorium was placed on death and disability benefit employer contributions on behalf of active KPERS members between July 1 and December 31, 2002.

KPERS Web Site and E-mail Provide Member Convenience

Fast, easy, convenient. The KPERS web site is an excellent resource to help you get the KPERS information you need.

Within seconds you can find KPERS forms, publications and loads of other information about KPERS 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.

At KPERS we want to make it as easy as possible for you to communicate with us. One vital element is electronic communication. You can e-mail us at kpers@kpers.org with questions and requests instead of calling. No waiting. On your own time schedule. KPERS staff is committed to a 24-hour turn-around for responses.

Take some time this week and browse www.kpers.org. We have a gold mine of information just waiting for you.

2002 Benefit Payment Schedule

July 31
August 30
September 30
October 31
November 27
December 27

Mission Statement of the Retirement System: The Kansas Public Employees Retirement System, in its fiduciary capacity, exists to deliver retirement, disability and survivor benefits to its members and their beneficiaries.

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