

## Retired Member Issue

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## \$300 One-Time Benefit Payment Expected This October

Earlier this year, the Legislature approved a \$300 one-time benefit payment for many retirees and benefit recipients. Paying the additional benefit depends on the State of Kansas receiving new gaming revenues.

### **Funding and Timing**

The total cost for the payment is \$9.42 million, to be mostly funded with new expanded gaming revenues. Although not yet available, the State expects to receive enough revenues later this year. Eligible retirees should receive a separate \$300 payment in early October.

### **Who Is Eligible**

Of the more than 65,000 benefit recipients, 31,000 are eligible.

- Members who retired on or before July 1, 1998, with at least ten years of service. Their joint survivors are included in this group.
- Disability recipients who began receiving disability benefits on or before July 1, 1998.

### **Path to the Payment**

Providing an extra payment this year depends on certain conditions. Most have already been met.

- Legislature passes HB 2390, providing a \$300 one-time benefit payment for some benefit recipients.
- Governor approves legislation.
- Kansas Supreme Court upholds constitutionality of Expanded Lottery Act.
- Receiving enough expanded gaming revenues.

Service

Integrity

Respect

Accountability

Innovation

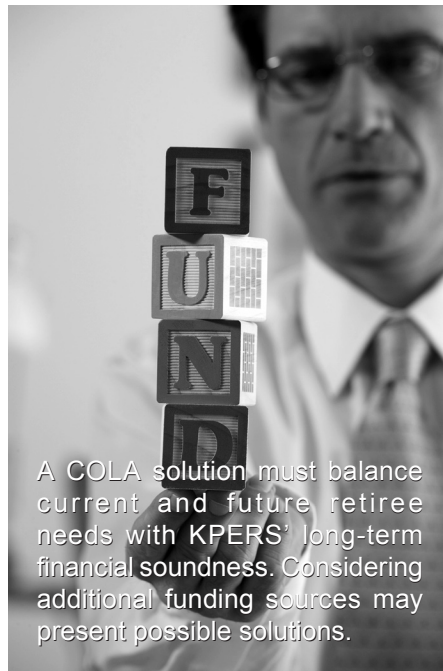
Teamwork

## Joint Committee Looking for Ways to Provide Retiree COLAs

The Legislature's Joint Committee on Pensions, Investments and Benefits is studying post-retirement benefit adjustments during the 2008 Interim Session. Its goal is to eventually craft a long-term solution for retiree cost-of-living adjustments (COLAs).

COLAs are not part of your promised benefits. When KPERS was established in 1962, it wasn't set up to fund retiree COLAs. This plan design was standard at that time. Legislators recognize now that retirees are living longer and inflation erodes the purchasing power of benefits. Each year, the issue of COLAs confronts the Legislature as proposed benefit increases must compete with other budget priorities for limited funds. The Legislature grants COLAs and one-time payments on an ad hoc basis. In the last decade, retirees have received a 3 percent COLA in 1998 and three one-time payments.

The first step toward a comprehensive COLA plan is already in place. Last year, the Legislature passed plan design changes for *future* employees hired on or after July 1, 2009. The new plan design has a pre-funded automatic COLA, funded by increased employee contributions.



The next step is to consider potential costs and funding sources for providing regular COLAs for current retirees, as well as other groups who may be moving into retirement.

- Current active members
- Inactive vested members
- Disabled members

### Long-Term Funding Presents Significant Challenges

For the last several years, the Retirement System's highest priority has been developing a comprehensive plan to address KPERS' long-term funding shortfall. Key steps have already been taken toward improving the System's financial condition, including the new plan design. The Joint Committee hopes to identify ways to fund a comprehensive COLA plan without hurting the System's long-term financial health.

### What Happens Next?

The COLA study is still in the preliminary stages, and a complete solution may not be developed the first year. There are many details and alternatives to consider. If the Joint Committee recommends a proposal, legislation may be introduced during the next legislative session. KPERS will provide updates at [www.kpers.org](http://www.kpers.org) as further information becomes available.

## Have You Claimed Your Economic Stimulus Payment?

Starting in late April, the U.S. Department of Treasury began sending economic stimulus payments to more than 130 million households.

A special stimulus category includes recipients of Social Security and Veterans Affairs benefits who do not normally have to file a tax return. The Internal Revenue Service estimates that 40,000 Kansans in this group qualify for the payment, but have not applied for it. Even those who don't normally file an income tax return may be eligible for a \$300 minimum payment.

You're eligible to receive a payment if you:

- Have a valid Social Security number.
- Have qualifying income of at least \$3,000.
- Cannot be claimed as a dependant on a tax return.

If you are included in this group, file a 2007 federal tax return by **October 15, 2008** to receive your economic stimulus payment.

For more information, visit [www.irs.gov](http://www.irs.gov) or contact the IRS for individual assistance at 1-800-829-1040.

## Board of Trustees Seeks Candidates for Upcoming Election

KPERS board members serve an important role overseeing Retirement System operations and safeguarding the System’s assets. Interested active and retired members can run for an elected board position and get involved.

In April 2009, members will elect two board members. The **school position** is elected by a majority vote of the school membership. The **non-school position** is elected by a majority vote of the non-school membership. The new board members will serve July 1, 2009 to June 30, 2013.

### Board Responsibilities

- Review and accept actuarial assumptions
- Recommend employer contribution rates
- Determine the appropriate investment asset allocation mix
- Establish investment policies and guidelines
- Hire the executive director and monitor performance
- Hire investment managers and monitor performance
- Hire and monitor the performance of various other service providers, including actuaries, consultants, advisors and custodians

The board usually meets seven times a year in Topeka. Board members also serve on committees, which require additional meetings.

### What’s Your Next Step?

For more information about board responsibilities and the election, visit [www.kpers.org](http://www.kpers.org) or contact the Retirement System. To get on the ballot next spring, you need to complete a petition form and have 100 eligible members sign your petition. Download the form at [www.kpers.org](http://www.kpers.org) or call the Retirement System at 1-888-275-5737, or 785-296-6166 in Topeka. Completed petitions are due by November 30, 2008.

### Election Countdown

<b>Now – November 2008</b>	Candidates collect signatures
<b>November 30, 2008</b>	Candidate petition deadline
<b>March – April 2009</b>	Voting period
<b>April 30, 2009</b>	Voting deadline
<b>May 20, 2009</b>	Winners announced
<b>July 1, 2009</b>	New trustees take office

### Remember to Vote!

Even if you don’t run for election, it is important that you vote. Watch for ballot information in the next issue of KPERS Papers.

## Help Your Survivors by Planning Ahead

As you plan for the future, it may be helpful to think about what your family would need if you should become incapacitated or die suddenly. Sometimes the most appreciated gift you can leave your loved ones is organization. The Retirement System has two different publications to help you prepare for the unexpected.

### “Funeral Planning and KPERS \$4,000 Retiree Death Benefit”

Dealing with financial issues related to funeral arrangements can be difficult for survivors. The Retirement System provides a \$4,000 retiree death benefit that can be used for funeral expenses. This publication can help you and your beneficiaries understand how your death benefit can be used for funeral planning.

### “Personal Document Locator”

Creating a list of all your important documents and their locations can help others take care of your affairs if you die or become incapacitated. Use this tool at home to help you and your key family members draw a roadmap to all your vital legal, financial and personal information.

You can download either of these publications at [www.kpers.org](http://www.kpers.org) in the “Retired Member” section. You also can contact the Retirement System, and we’ll be happy to mail you a printed copy.

## Resource Organizations for Kansas Retirees

Occasionally we receive calls asking about retiree groups organized to meet the needs and address the issues of retired Kansas public employees. Here are a few of the more well-known organizations.

- **Coalition of Kansas Public Retirees**  
(coalition of groups advocating for retiree COLA)  
Dennis Phillips, [djpiaff83@yahoo.com](mailto:djpiaff83@yahoo.com),  
785-286-2929, [www.ksretirees.org](http://www.ksretirees.org)
- **Kansas Association of Retired School Personnel**  
Harvey Ludwick, [K.A.R.S.P@hotmail.com](mailto:K.A.R.S.P@hotmail.com),  
785-232-8788, [www.karsp.org](http://www.karsp.org)
- **Kansas National Education Association - Retired**  
Kevin Riemann, [kevin.riemann@knea.org](mailto:kevin.riemann@knea.org),  
785-232-8271, <http://ks.nea.org>

- **Kansas Organization of State Employees**  
Paula Bentley, [info@koseunion.org](mailto:info@koseunion.org), 785-354-1174,  
1-866-518-8267 (toll-free), [www.koseunion.org](http://www.koseunion.org)

You can contact these organizations directly for information about their mission and goals, as well as membership details.

### 2008 Retirement Benefit Schedule

July 31	October 31
August 29	November 26
September 30	December 31

Benefit payments are sent on the last working day of each month.

**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.

**KPERS Board of Trustees:** Lon Pishny, *Chair*  
Jody Boeding  
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