

Retired Member Issue

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What You Need to Know About Beneficiary Designations

As a retired member, your beneficiary will receive a \$4,000 lump-sum death benefit. If you didn't select survivor benefits when you retired, your beneficiary also will receive any contributions and interest remaining in your account. Keeping your beneficiary designations up-to-date ensures these benefits are paid according to your wishes.

How Often Should I Review My Beneficiaries?

You should review your beneficiary designation whenever you have a significant life event.

- Marriage
- Divorce
- A birth or adoption in your family
- A death in your family

Who Are My Current Beneficiaries?

If you are not sure who your current beneficiaries are, contact the InfoLine. KPERS will mail you a copy of your current designations. To protect your privacy, we do not release your beneficiary information to anyone other than you.

How Do I Change My Beneficiaries?

A new beneficiary form is now available for retired members. You can change your beneficiaries any time by completing a Designation of Beneficiary – Retired form (KPERS-7/99R).

You can download any of our forms at www.kpers.org or call the InfoLine, (888) 275-5737 or (785) 296-6166, to receive a form by mail.

Who Can I Name as a Beneficiary?

You can choose a living person, your estate or a trust. If you choose more than one beneficiary, each will share your benefits equally. You can also name a contingent beneficiary to receive your benefits if your primary beneficiary is deceased.

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Can I Name a Funeral Establishment?

You can name a funeral establishment to receive your \$4,000 death benefit, but you still need to name a primary beneficiary to receive any other retirement benefits.

Who Is Responsible for the Taxes?

Your \$4,000 death benefit is taxable income for your beneficiary. A funeral establishment can receive the \$4,000 benefit in two ways, and this determines who is responsible for the taxes.

- **You** can directly designate a funeral establishment, and the establishment pays the taxes.
- **Your beneficiary** can assign the benefit to a funeral establishment, and your beneficiary pays the taxes.

Points to Remember

- Always fill out the beneficiary form completely. Be sure to include your personal information and retirement number.
- Each time you complete the form, it cancels all those you have previously completed.
- Someone other than your beneficiary must witness your signature. Signatures must be on the same day.
- **No one** but you can change your beneficiaries.

Working After Retirement Could Limit Your Benefits

Many members decide to return to work after retirement. However, collecting a paycheck 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.

30-Day Waiting Period

You must wait 30 days after your retirement date to go back to work for any Retirement System employer.

Earnings Limit

According to Kansas law, you 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 Retirement System participation.

Have You Really Changed Employers?

The **State of Kansas** is considered all one employer. State agencies, boards, commissions and institutions under the Board of Regents are all considered the State of Kansas. Transferring from one entity to another within the State is not a change of employers for this purpose unless you also change retirement plans.

For example: If you retired from a KPERS-covered position, returning to work in a position covered by either

KP&F or the Retirement System for Judges is considered a change of employer and you would not be restricted by the earnings limit.

Unlike State agencies, every **school district** is a different employer. If you retired from one school district, you can go to work for a different school district with no earnings limit as long as you did not work there during your last two years of Retirement System participation.

Exceptions to the Earnings Limit

If you go back to work in certain legislative positions or as a “daily call” K-12 substitute teacher, you do not have an earnings limit. Please see your designated agent for details. Long-term substitutes do have an earnings limit.

There is also no earnings limit for retired nurses at certain State institutions. This exception began July 1, 2005, and ends June 30, 2008.

If You Reach the Earnings Limit

If you reach the \$15,000 earnings limit before the end of any calendar year, you will need to make a decision about whether to continue working.

If you continue working, your retirement benefit will stop. You can receive benefits again when you stop working or in January of the next calendar year.

Trustees Elected, Appointed to Board

Two new trustees have joined KPERS' Board and three returning members began new terms.

Our membership elected two of its peers, Duane Anstine and Jody Boeding, in the 2005 KPERS Board of Trustees election earlier this year. If you voted, thank you for your participation. These Board members will be your voice in the Retirement System for the next four years.

Governor Kathleen Sebelius appointed Rachel Lipman Reiber and reappointed current chairperson Michael Braude. Lon Pishny was appointed by the President of the Senate.

The KPERS Board is comprised of nine trustees. Four are appointed by the Governor, two are appointed by legislative leaders, two are elected by Retirement System members, and one is the elected State Treasurer.

Duane Anstine

- Retired Hutchinson classroom teacher and elementary school counselor
- Elected twice to the Hutchinson Board of Education and served on the United Way Board, the Hutchinson Concerts Board and the Mental Health Association Board
- Active member of the Hutchinson and Kansas Associations for Retired School Personnel

Jody Boeding, Vice-Chairperson

- Senior Assistant Counsel, Unified Government of Wyandotte County/Kansas City, Kansas, and has been a lawyer for 25 years
- Legal advisor to the Board of Public Utilities of Kansas City, Kansas, regarding its \$300 million retirement plan
- Served as a KPERS trustee from 1991-1995 and was appointed last year to fill an unexpired term to represent non-school members

Michael Braude, Chairperson

- Retired President and CEO of the Kansas City Board of Trade
- Board member since March 2001

Lon Pishny

- Founder, Pishny Financial Services
- Served as a KPERS trustee from 1999-2003 and has been involved in many organizations and governing boards, on both the state and local level

Rachel Lipman Reiber

- Vice President of Regulatory and Governmental Affairs, Everest Connections
- Previously a member of the Kansas Corporation Commission

KPERS holds board elections every four years for both the school and the non-school positions. The next election is scheduled for Spring 2009.

Medicare Offers New Drug Benefit

Everyone with Medicare is eligible for prescription drug coverage beginning January 1, 2006.

The new program is not just for seniors with limited incomes, but will offer extra help for those who need it most. This could mean no premiums or deductibles for some retirees.

Medicare will also help pay for retiree drug coverage provided by former employers and unions.

The program will pay for both brand-name and generic drugs, with monthly premiums averaging about \$37 in 2006.

People with Medicare can choose between at least two plans and pick a plan that is right for them.

You must enroll in order to receive this new coverage. A low-income subsidy application has already been sent out to those with limited incomes. Medicare will send enrollment information to everyone else in October. Enrollment begins November 15.

For more information about the new benefits and local resources, call (800) 633-4227 or visit www.medicare.gov.

KPERS Briefs

2005 Legislation Affecting KPERS

The Kansas Legislature faced yet another difficult budget year, with K-12 education financing in the spotlight. No legislation passed to increase retirement benefits. However, the Legislature did lift the \$15,000 earnings limit for retirees who return to work as licensed nurses at certain State of Kansas institutions.

You can download a summary explaining all 2005 KPERS legislative activity at www.kpers.org. If you would prefer to have a printed copy mailed to you, please call the Retirement System or e-mail CRafferty@kpers.org.

Be Sure to Keep Your Address Information Current

Even though your benefit is probably deposited directly into your account, we still need your current address to send tax forms and other information. Please call or e-mail the InfoLine if you change addresses.

2005 Benefit Payment Dates

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

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: Michael Braude, *Chair* Jody Boeding, *Vice-Chair* Duane Anstine
Jarold Boettcher Bruce Burditt Lynn Jenkins
Lon Pishny Rachel Lipman Reiber Doug Wolff

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