

Side By Side

KPERS Tier 1 and Tier 2

	Tier 1	Tier 2
Membership	<ul style="list-style-type: none"> • Active members hired before July 1, 2009, who are: <ul style="list-style-type: none"> ○ Contributing members on July 1, 2009 ○ On military leave and return to work ○ On leave of absence and return to work • Active Board of Regents members who have KPERS service and had no break in service • Employees who have been in their “year of service” between July 1, 2008, and June 30, 2009, and are still employed on July 1, 2009 • Inactive, <i>vested</i> members • Members who are inactive because they moved to a non-covered position with the same employer with no break in service (within three days) • Temporarily inactive non-vested members in one of the following grace periods <ul style="list-style-type: none"> ○ Non-school, 30 days between employment ○ School, May 1 to September 30 to move 	<ul style="list-style-type: none"> • All members first employed in covered positions on or after July 1, 2009 • Inactive members who are <i>not vested</i> on July 1, 2009, and return to employment • Active members who leave employment before vesting in Tier 1 and return to employment on or after July 1, 2009 • Former members who withdrew their accounts and begin a new membership on or after July 1, 2009

	Tier 1	Tier 2
	between school employers	
Vesting	5 year vesting <i>Exception</i> — Inactive members who are not active Board of Regents members or not in non-covered positions	5 year vesting
Contributions	4% of gross salary	6% of gross salary
Account Balance Interest	Credited annually each June 30 on previous December's account balance <ul style="list-style-type: none"> • Membership date is before July 1, 1993 — 8% • Membership date is on or after July 1, 1993 — 4% 	Credited annually each June 30 on previous December's account balance <ul style="list-style-type: none"> • Membership date is on or after July 1, 1993 — 4%
Full Retirement Eligibility	<ul style="list-style-type: none"> • Age 65 with 1 year of service • Age 62 with 10 years of service • Any age when age + service = 85 	<ul style="list-style-type: none"> • Age 65 with 5 years of service • Age 60 with 30 years of service
Early Retirement Eligibility	<ul style="list-style-type: none"> • Age 55 with 10 years of service <p><i>Note:</i> Tier 1 early reduction factor tables apply</p>	<ul style="list-style-type: none"> • Age 55 with 10 years of service • Less of a reduction with 30 years <p><i>Note:</i> Tier 2 early reduction factor tables apply</p>

	Tier 1	Tier 2
Correctional Members Full Retirement Eligibility	<p>Correctional Group A Must be in Group A at least 3 years immediately before retirement and retire on the first day of the month after the last day on the payroll</p> <ul style="list-style-type: none"> • Age 55 with 3 years of service • Any age when age + service = 85 <p>Correctional Group B Must be in Group B at least 3 years immediately before retirement and retire on the first day of the month after the last day on the payroll</p> <ul style="list-style-type: none"> • Age 60 with 3 years of service • Any age when age + service = 85 <p>If member leaves employment before retiring, regular KPERS age and service requirements apply</p>	<p>Correctional Group A Must be in Group A at least 3 years immediately before retirement and retire on the first day of the month after the last day on the payroll</p> <ul style="list-style-type: none"> • Age 55 with 10 years of service <p>Correctional Group B Must be in Group B at least 3 years immediately before retirement and retire on the first day of the month after the last day on the payroll</p> <ul style="list-style-type: none"> • Age 60 with 10 years of service <p>If member leaves employment before retiring, regular KPERS age and service requirements apply</p>
Correctional Members Early Retirement Eligibility	<p>Correctional Group A Must be in Group A at least 3 years immediately before retirement and retire on the first day of the month after the last day on the payroll</p> <ul style="list-style-type: none"> • Age 50 with 10 years of service <p>Correctional Group B Must be in Group B at least 3 years immediately before retirement and retire on the first day of the month after the last day on the payroll</p> <ul style="list-style-type: none"> • Age 55 with 10 years of service <p><i>Note:</i> Tier 1 early reduction factor tables apply</p>	<p>Correctional Group A Must be in Group A at least 3 years immediately before retirement and retire on the first day of the month after the last day on the payroll</p> <ul style="list-style-type: none"> • Age 50 with 10 years of service <p>Correctional Group B Must be in Group B at least 3 years immediately before retirement and retire on the first day of the month after the last day on the payroll</p> <ul style="list-style-type: none"> • Age 55 with 10 years of service <p><i>Note:</i> Tier 2 early reduction factor tables apply</p>

	Tier 1	Tier 2
Retirement Options	<ul style="list-style-type: none"> • Maximum (no survivor benefit) • Joint <ul style="list-style-type: none"> ○ 50% to survivor ○ 75% to survivor ○ 100% to survivor • Life-Certain <ul style="list-style-type: none"> ○ 5 years certain ○ 10 years certain ○ 15 years certain • Partial Lump-Sum Option (lump-sum at retirement combined with one of the other options for a reduced monthly benefit) <ul style="list-style-type: none"> ○ 10% ○ 20% ○ 30% ○ 40% ○ 50% 	<ul style="list-style-type: none"> • Maximum (no survivor benefit) • Joint <ul style="list-style-type: none"> ○ 50% to survivor ○ 75% to survivor ○ 100% to survivor • Life-Certain <ul style="list-style-type: none"> ○ 5 years certain ○ 10 years certain ○ 15 years certain • Partial Lump-Sum Option (lump-sum at retirement combined with one of the other options for a reduced monthly benefit) <ul style="list-style-type: none"> ○ 10% ○ 20% ○ 30%

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<p>Salary/Compensation Cap Used for Final Average Salary</p>	<p>If compensation is more than 15% higher than the year before, the amount over 15% will not be included. Member contributions on the amount over 15% will be returned.</p> <p><i>Examples</i> — Subject to cap:</p> <ul style="list-style-type: none"> • Pay raises over 15% • Bonuses over 15% <p><i>Exceptions</i> — Not subject to cap:</p> <ul style="list-style-type: none"> • Compensation for accumulated sick /annual /vacation leave • Increases due to reclassification to a higher range or level • Increases from any contract entered into before July 1, 1991, and still in force on July 1, 1991, because of an early retirement incentive program 	<p>If compensation is more than 7.5% higher than the year before, the amount over 7.5% will not be included. Member contributions on the amount over 7.5% will be returned.</p> <p><i>Examples</i> — Subject to cap:</p> <ul style="list-style-type: none"> • Pay raises over 7.5% • Bonuses over 7.5% <p><i>Exceptions</i> — Not subject to cap:</p> <ul style="list-style-type: none"> • Increases due to reclassification to a higher range or level

	Tier 1	Tier 2
Final Average Salary	<p>Membership date before July 1, 1993, or if a member was in a “year of service” waiting for membership</p> <ul style="list-style-type: none"> • A three-year salary average based on the highest 12 annualized quarters of pay excluding additional pay such as payments for unused sick or annual leave • A four-year salary average based on the highest 16 annualized quarters of pay including additional pay such as payments for unused accumulated sick or annual leave <p>Membership date on or after July 1, 1993</p> <ul style="list-style-type: none"> • A three-year salary average based on the highest 12 annualized quarters of pay excluding additional pay such as payments for accumulated sick or annual leave 	<p>A five-year salary average based on the highest 20 annualized quarters of pay excluding additional pay such as payments for unused sick or annual leave</p>
Cost-of-Living-Adjustment (COLA)	<p>Ad hoc, granted by the Kansas Legislature</p>	<p>Automatic and annual, begins on the second July 1 after a member’s retirement date:</p> <ul style="list-style-type: none"> • Retirees, age 65 • Survivors, when member would have been age 65 • Beneficiaries, when member would have been age 65 <p><i>Note:</i> If a member retires on July 1, it will be two years before he or she is eligible for the COLA.</p> <p><i>Example:</i></p> <ul style="list-style-type: none"> • Member retires June 1, 2010. Member’s first COLA will be July 1, 2011. • Member retires July 1, 2010. Member’s first COLA will be July 1, 2012.