3 SOURCES OF RETIREMENT INCOME

- Personal Savings
- Social Security
- KPERS

YOUR RETIREMENT INCOME
## Type of Retirement Plan

401(a) defined benefit plan

Contrast to defined contribution plans (personal savings plans)

- 457(b)
- 403(b)
- 401(k)
- IRA

## Portability

- Combine service and salary from KPERS, KP&F and Judges
- Meet eligibility requirements for retirement and vesting
- Doesn’t apply if retired from one system and became a member in another
EMPLOYEE CONTRIBUTIONS

- 7.15% of pay
- Deducted pretax for federal taxes
- Interest credited June 30 based on balance December 31 of previous year
- Balance doesn’t determine benefit
- Only important if you withdraw or die before retirement

EMPLOYER CONTRIBUTIONS

- Are not deposited into your account
- Go into KPERS Trust Fund for:
  - Disability benefits
  - Death benefits
  - Retirement benefits
Retirement Eligibility

KP&F MEMBERSHIP

KP&F Tier 1
Hired **before** July 1, 1989 and did not choose Tier 2 coverage

KP&F Tier 2
Hired July 1, 1989, or after
NORMAL RETIREMENT ELIGIBILITY

Tier 1
• Age 55 with 20 years
• Any age with 32 years

Tier 2
• Age 50 with 25 years
• Age 55 with 20 years
• Age 60 with 15 years

EARLY RETIREMENT ELIGIBILITY

Tier 1 and Tier 2
• Age 50 with 20 years
• Benefit reduced 0.4% each month under age 55

Example: If normal benefit is $3,000 at age 55…

<table>
<thead>
<tr>
<th>Age</th>
<th>Reduction</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>54</td>
<td>4.8%</td>
<td>$2,856</td>
</tr>
<tr>
<td>53</td>
<td>9.6%</td>
<td>$2,712</td>
</tr>
<tr>
<td>52</td>
<td>14.4%</td>
<td>$2,568</td>
</tr>
<tr>
<td>51</td>
<td>19.2%</td>
<td>$2,424</td>
</tr>
<tr>
<td>50</td>
<td>24%</td>
<td>$2,280</td>
</tr>
</tbody>
</table>
Benefit Calculation

Based on the following formula:

- Final average salary (FAS) ×
  Statutory multiplier (2.5%) ×
  Years of service (KP&F) = Annual benefit

- **Example:** $35,000 x 2.5% x 20 years = $17,500 annual benefit
- **Note:** 36 years = maximum benefit (90% FAS)
FINAL AVERAGE SALARY (FAS)

Membership date before July 1, 1993
- Highest 3 of last 5 years, including additional pay
- Additional pay = unused leave payout

Membership date July 1, 1993, or after
- Highest 3 of last 5 years, excluding additional pay

Payment Options
- Maximum Monthly
- Joint-Survivor
- Life-Certain
- Partial Lump-Sum
MAXIMUM MONTHLY BENEFIT OPTION

• Monthly benefit for life
• Beneficiary receives balance of any remaining money
• No continued monthly benefit

JOINT-SURVIVOR BENEFIT OPTIONS

Lifetime monthly benefit after your death

<table>
<thead>
<tr>
<th>Option</th>
<th>Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>94.5% (+/- .2%)</td>
</tr>
<tr>
<td>75%</td>
<td>91% (+/- .3%)</td>
</tr>
<tr>
<td>100%</td>
<td>88% (+/- .4%)</td>
</tr>
</tbody>
</table>

If survivor dies before you, increase to Maximum Monthly
Can’t name someone else
LIFE-CERTAIN BENEFIT OPTIONS

If you die within a guaranteed period of time, beneficiary receives benefit for rest of the guaranteed period

- 5-year Life-Certain | 99%
- 15-year Life-Certain | 92%

Change beneficiaries anytime and name any number of beneficiaries to share benefit

PARTIAL LUMP-SUM OPTION (PLSO)

- Part of benefit in a lump sum
- Based on actuarial present value of lifetime benefit, not account balance
- Also choose a monthly benefit option
- 10%, 20%, 30%, 40% or 50%
- Reduced monthly benefit
### THINGS TO CONSIDER

- PLSO created lifetime reduction
- Can you make up the difference with investments?
- 20% federal withholding if paid directly to you
- Possible 10% IRS penalty if under age 59 1/2

### SPOUSAL CONSENT LAW

- If you choose PLSO or if spouse would receive less than 50% of your monthly benefit
- Spouse’s acknowledgment of benefit option chosen
- Notarized signature on Retirement Application
Calculate an Estimate

ONLINE ACCOUNT

I want to find... Search.
ONLINE ACCOUNT HOME PAGE

Your Homepage

Select an Account

<table>
<thead>
<tr>
<th>Account</th>
<th>Relationship</th>
<th>Account Status</th>
<th>Account Balance</th>
<th>Service Credit</th>
<th>Membership Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>KP&amp;F</td>
<td>Member</td>
<td>Active</td>
<td>$178,656.63</td>
<td>23 years</td>
<td>08/30/1992</td>
</tr>
</tbody>
</table>

Click account link above to enter your account.

Optional Life Insurance
Open Enrollment

Click here to apply

For info about life insurance and open enrollment.

BENEFIT CALCULATOR

Snapshot

<table>
<thead>
<tr>
<th>Account Balance</th>
<th>Total Service Credit</th>
<th>Membership Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>$178,656.63</td>
<td>23.00 years</td>
<td>08/30/1992</td>
<td>AEINA</td>
</tr>
</tbody>
</table>

Employee Contributions

Tied | Untied | *Interest
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.00</td>
<td>$83,569.72</td>
<td>$95,673.31</td>
</tr>
</tbody>
</table>

*Includes interest credited to the account on 6/30/2014

Service Credit

<table>
<thead>
<tr>
<th>Type</th>
<th>Multiplier</th>
<th>Type</th>
<th>Multiplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earned</td>
<td>23.00 years</td>
<td>Service @ 2.5%</td>
<td>23.00 years</td>
</tr>
<tr>
<td>Total Service Credit</td>
<td>20.00 years</td>
<td>Total Service Credit</td>
<td>20.00 years</td>
</tr>
</tbody>
</table>

Other Details

Coverage Group | Final Average Salary
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>KP&amp;F</td>
<td>$77,507.54</td>
</tr>
</tbody>
</table>
BENEFIT CALCULATOR

Step 2: What date do you plan to retire?
- I will retire on 09/01/2019.
- I will retire on 09/01/2019: (mm/dd/yyyy). Must be the 1st of a month.
- You may actually become eligible sometime in the previous year before this date due to earning additional service credit. Please check with your employer if you are nearing retirement and would have an exact eligibility date.

Step 3: What is your fiscal year-end salary?
- Your current fiscal year-end salary (FY) is $77,657.63. What is FY?
- Use $77,657.62 as my FY.
- Use $77,657.62 as my FY plus annual salary increase of ___%.

Step 4: What is your total service credit?
- Your current total service credit is 20.00 years.
- Service @ 3.5% @ 70:
- You projected total service credit is 26.00 years if you continue working to your estimated retirement date shown above.
- Use the projected service based on selected retirement date in Step 2.
- Use 26.00, my total years of service as of December 31, 2012.
- Use 26.00 for my total years of service.

Step 5: Do you plan to provide a continuing benefit to a survivor?
- I do not plan to provide for a survivor. I want a benefit for my lifetime only.
- I plan to provide for a survivor. My survivor's date of birth is _____ (mm/dd/yyyy).

Retirement Date: 09/01/2019
Retirement Age: 55
Final Average Salary: $72,657.62
Total Service: 20.00 years
Annual Benefit: $58,343.32
**KPERS-15E BENEFIT ESTIMATE REQUEST FORM**

**Part A – Member Information**
1. Social Security Number: _______________________
2. Name (First, M., Last): _______________________
3. Mailing Address: ____________________________
   City, State, Zip: _____________________________
4. Employer: _________________________________
5. Position: _________________________________
6. Expected Retirement Date: __________________
7. Expected Last Day on Payroll: _____________
8. Is Member Subject to Continuing Contract Law? Yes □ No □
9. Yes, Date Contract Expires: _____________
10. Daytime Telephone Number: _____________
11. Email Address: __________________________

**Part B – Joint Annuitant Information**
1. Name (First, M., Last): _______________________
2. Date of Birth: _____________

**Part C – Certification of Final Pay**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Previous Annual Salary Subject to KPERS Contributions:</td>
<td>$</td>
</tr>
<tr>
<td>2. Current Annual Salary Subject to KPERS Contributions:</td>
<td>$</td>
</tr>
<tr>
<td>3. Next Annual Salary Subject to KPERS Contributions:</td>
<td>$</td>
</tr>
<tr>
<td>4. Lump-Sum Payment for Sick and/ or Annual Leave: Paid where member leaves work, not included in above salaries.</td>
<td>$</td>
</tr>
</tbody>
</table>

---

The Retirement Process
CHOOSING YOUR RETIREMENT DATE

- Must be first day of any month
- Must be off payroll

---

### Working 1 Day Into Rounding Quarter

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4th</td>
<td></td>
<td>30,296.49</td>
<td>23,448.39</td>
<td>24,975.57</td>
<td>19,197.57</td>
<td>17,977.29</td>
</tr>
<tr>
<td>3rd</td>
<td>482.17</td>
<td>30,296.48</td>
<td>23,448.53</td>
<td>24,975.43</td>
<td>19,197.43</td>
<td></td>
</tr>
<tr>
<td>2nd</td>
<td>43,876.62</td>
<td>30,296.48</td>
<td>23,448.53</td>
<td>24,975.43</td>
<td>19,197.43</td>
<td></td>
</tr>
<tr>
<td>1st</td>
<td>43,876.62</td>
<td>30,296.48</td>
<td>23,448.53</td>
<td>24,975.43</td>
<td>19,197.43</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$87,753.24</td>
<td>$121,185.93</td>
<td>$46,896.92</td>
<td>$99,901.86</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Highest Quarter Total: $355,737.95
Final Year Salary:
- Compensation: $49,098.14
- Leave Payouts: $39,137.27
- Total: $88,235.41
  - 183 days = 482.16
  - 91 days = $4,387.62

Years in FAS: 3
FAS: $118,579.32
  - 0.025
  - 25 yrs = 74,112.07
  - 12 mos = $6,176.01
### Working 1 Pay Period (2 weeks) Into Rounding Quarter

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<tbody>
<tr>
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<tr>
<td>3rd</td>
<td>5,634.75</td>
<td>30,296.48</td>
<td>23,448.53</td>
<td>24,975.43</td>
<td>19,197.43</td>
<td></td>
</tr>
<tr>
<td>2nd</td>
<td>42,730.24</td>
<td>30,296.48</td>
<td>23,448.53</td>
<td>24,975.43</td>
<td>19,197.43</td>
<td></td>
</tr>
<tr>
<td>1st</td>
<td>42,730.24</td>
<td>30,296.48</td>
<td>23,448.53</td>
<td>24,975.43</td>
<td>19,197.43</td>
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<tr>
<td>Total</td>
<td>$85,460.48</td>
<td>$121,185.93</td>
<td>$46,896.92</td>
<td>$99,901.86</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Highest Quarter Total: $353,445.19

Final Year Salary
- Compensation: $51,057.96
- Leave Payouts: 39,137.27
- Total: $90,195.23
- + 194 days
  - 469.55
- x 91 days
  - $42,730.24

Total: $159,925.47

Years in FAS: 3
FAS: $117,815.06

Leave Payouts: $39,137.27 x 0.025
Total: $9,784.34

Final Year Salary
- Compensation: $75,122.82
- Leave Payouts: 39,137.27
- Total: $114,260.09
+ 3 qtrs
  - 38,086.70
- x 25 yrs
  - 2,989.97
- + 12 mos
  - $6,229.10

Total: $149,559.16

### Working Until End of Rounding Quarter

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4th</td>
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<td>23,448.39</td>
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<td>19,197.57</td>
<td>17,977.29</td>
<td></td>
</tr>
<tr>
<td>3rd</td>
<td>38,086.70</td>
<td>30,296.48</td>
<td>23,448.53</td>
<td>24,975.43</td>
<td>19,197.43</td>
<td></td>
</tr>
<tr>
<td>2nd</td>
<td>38,086.70</td>
<td>30,296.48</td>
<td>23,448.53</td>
<td>24,975.43</td>
<td>19,197.43</td>
<td></td>
</tr>
<tr>
<td>1st</td>
<td>38,086.70</td>
<td>30,296.48</td>
<td>23,448.53</td>
<td>24,975.43</td>
<td>19,197.43</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$114,260.10</td>
<td>$121,185.93</td>
<td>$46,896.92</td>
<td>$99,901.86</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Highest Quarter Total: $358,796.28

Final Year Salary
- Compensation: $75,122.82
- Leave Payouts: 39,137.27
- Total: $114,260.09
+ 3 qtrs
  - 38,086.70
- x 25 yrs
  - 2,989.97
- + 12 mos
  - $6,229.10

Total: $149,559.16

2017 KP&F Pre-Retirement
## STEPS TO TAKE

- Pick your best retirement date
- Choose a payment option
- Submit application at least 30 days before retirement date
- Provide age and name change documents

## RECEIVING MONTHLY BENEFIT PAYMENTS

- Direct deposit form (KPERS-15B)
- Paid on last working day of month
- Get notice of changes, but no regular payment notice
- Payment summary online
BENEFITS WILL BE HERE

- KPERS prefunded during your career
- Contributions and investment earnings now for when you retire
- About $1 billion in contributions each year
- Over $1 billion in investment income in FY 2017
- About $1 billion in benefits each year

BENEFITS WILL BE HERE

- Over $18 billion in assets and growing
- Long-term funding shortfall
- About $1 billion in contributions each year
- Keep funding needs in front of the Legislature
- We’re your fiduciary
RETIREE DEATH BENEFIT

- $4,000 death benefit
- Taxable for federal taxes, not Kansas taxes
- Person, estate, trust or funeral establishment
- Beneficiary responsible for taxes
- No death benefit for joint annuitant

IMPORTANT TO KEEP BENEFICIARY UP-TO-DATE

- Time to review beneficiaries
  - Marriage  - Birth/adoptive
  - Divorce  - Death
  - Retirement
  - Retirement

- Change beneficiaries any time
CONTINUING OPTIONAL LIFE INSURANCE

Portability

• **Term** insurance option
  - Must port some member coverage to port spouse coverage
• No health questions
• Under age 80 and actively at work
• Coverage reduces to 65% at age 65
• Coverage ends at age 100
• Within 60 days of last day on payroll

Conversion

• **Whole-life** option
• No health questions
• Higher rates, builds cash value
• Within 60 days of last day on payroll
HEALTH INSURANCE

• KPERS does not provide health insurance coverage
• Contact your personnel office

FEDERAL AND STATE INCOME TAXES

• Federal: taxable
• Kansas: not taxable
  • You already paid state taxes while working
  • Other states? Check with that state
• Change federal withholding anytime online
• 1099-R tax form each January
RETIRED MEMBER

SOCIAL SECURITY

Social Security Administration: 1-800-772-1213
WORKING AFTER RETIREMENT

**No prearrangements**
- No arrangements before retirement or during waiting period
- Important for KPERS qualified plan status
- Penalty
WAITING PERIOD

- 30-day waiting period before returning to work for KP&F employer
- Begins with retirement date
- **Cannot** make contributions to KP&F

EARNINGS LIMIT

- $25,000 per calendar year
- Employer worked for last two years of KP&F participation
## WORKING AFTER RETIREMENT

<table>
<thead>
<tr>
<th>If you go back to work for …</th>
<th>Waiting Period</th>
<th>Earnings Limit</th>
<th>Retirement System Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Same employer – KPERS</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Same employer – KP&amp;F</td>
<td>Yes</td>
<td>$25,000</td>
<td>Yes. KPERS</td>
</tr>
<tr>
<td>Different employer – not KP&amp;F or KPERS</td>
<td>No</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Different employer – KP&amp;F</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Different employer - KPERS</td>
<td>Yes</td>
<td>No</td>
<td>Yes. KPERS</td>
</tr>
</tbody>
</table>

### RETIREMENT CHECKLIST

- Find out when you’re eligible
- Calculate an estimate
- Review payment options
- Submit application
- Review optional life insurance
- Determine tax withholding
- Confirm Social Security
- Review health insurance needs
- Review your other retirement plans and savings
**CONTACT US**

Website: kpers.org

Phone: Toll-free 1-888-275-5737
       In Topeka 785-296-6166

Email: kpers@kpers.org

---

**KPERS 457 AFTER RETIREMENT**

- Can stay in KPERS 457 after retirement
- Retirement Specialist to help
- Great for retirement lump sums
  - Sick/vacation payouts
  - Retirement incentive

1-800-232-0024
kpers457.org
Thank You