

# BENEFITS

## at a glance



For KP&F Members  
Hired July 1, 1989 & After

Throughout your career, you make contributions to the Retirement System. We invest the money and pay you interest. Your employer also helps fund the System. When you retire, the Retirement System pays you a guaranteed monthly benefit for life. And while you're still working, you have disability and death benefits.

## RETIREMENT BENEFITS

### Your Contributions

You contribute 7.15% of your salary from each paycheck. It's automatic and pretax. Your contributions earn 4% interest annually, unless you became a member before July 1993. If you leave employment you can withdraw your account balance, but you can't take a loan from your account while you are still working.

### Vesting

After 15 years of service you are guaranteed a retirement benefit, even if you leave employment. This is called "vesting" your benefit.

### Retirement Benefits

Your benefits are based on a formula with three parts: final average salary, multiplier and years of service.

- 1 Your **final average salary** is an average of the three highest of your last five years.
- 2 The **multiplier** is set by statute at 2.5%.
- 3 You automatically earn **service credit** for the years you work in a covered position.

### How Your Benefit Is Calculated

**FAS × multiplier × years of service = annual benefit**

Example: \$50,000 × 2.5% × 20 = \$25,000 annual benefit

## ADDITIONAL BENEFITS

### Disability Benefits

If disabled, you receive an annual benefit of 50% of your final average salary. There is no waiting period. While on disability, you continue receiving service credit until you are eligible to retire.

## WILL KP&F BE ENOUGH?

KP&F may not be enough for a sound retirement. You need to save on your own, too. The easiest way to save is through a tax-sheltered employer plan like a 457(b) deferred compensation plan. Check with your employer about options where you work.

The State of Kansas and many local public employers offer KPERS 457, a deferred compensation savings plan. Contributions are automatically deducted from your pay, and you can get started with as little as \$12 per pay period. Visit [kpers457.org](http://kpers457.org) for more info.

However you choose to save, the important thing is to start. The sooner you begin, the more time your money has to grow. Socking away even a sliver of your salary could have a big impact on your retirement.

Most financial experts suggest replacing at least 80% of your income for retirement.



Increasing healthcare costs and living longer may mean you need to save even more.

# RETIREMENT TO-DO LIST

- ✓ Set up your online account access at [kpers.org](http://kpers.org).
- ✓ Designate a beneficiary in your online account or with a paper form.
- ✓ Check out [kpers.org](http://kpers.org) for details about your KP&F benefits.
- ✓ Make a plan for extra savings. KP&F may not be enough.

## Death Benefits

Benefits are based on your final average salary (FAS), and are automatically paid to your spouse and/or eligible children. Children are eligible up to age 18, or 23, if a full-time student. If you have no spouse or eligible children, your beneficiary receives a one-time lump-sum benefit equal to your current annual salary.

### Service-Connected

Your spouse receives an annual benefit, paid monthly, of at least 50% of FAS. Eligible children receive an annual benefit of up to 10% of FAS. The maximum total benefit is 90% of FAS.

### Non Service-Connected

Your spouse receives a lump sum payment of 100% of FAS, plus an annual benefit equal to  $FAS \times 2.5\% \times \text{years of service}$ , paid monthly. The maximum benefit is 50% of FAS. Eligible children share the benefit if you have no spouse.

## Optional Life Insurance

Many employers offer optional group life insurance, including the State of Kansas. Check with your employer. You can get coverage for yourself, your spouse and children. Premiums are deducted from your pay. You can start or increase your coverage or your spouse's coverage anytime by answering a few health questions. New employees are eligible for guaranteed coverage within 31 days.

### Guaranteed coverage (no health questions)

	Member	Spouse	Child
Guaranteed Coverage Max	\$250,000	\$25,000	\$20,000
Annual open enrollment	up to \$50,000 increase	up to \$25,000	\$10,000 or \$20,000
New hire	up to \$250,000	up to \$25,000	\$10,000 or \$20,000
*Family status change	up to \$50,000 increase	up to \$25,000	\$10,000 or \$20,000

\*Within 31 days of marriage, divorce, birth, adoption or employment status change (member or spouse).

### Anytime coverage (some health questions)

	Member	Spouse	Child
Choice of \$5,000 increments	\$5,000 min \$400,000 max	\$5,000 min \$100,000 max	only available w/new hire, open enrollment or family status change

## When Can You Retire?

- Age 50 with 25 years
- Age 55 with 20 years
- Age 60 with 15 years
- Reduced benefits at age 50 with 20 years

You'll receive a guaranteed monthly benefit for the rest of your life.

You can also choose from different payment options if you want to leave a monthly benefit for someone after your death or get some of your benefit in an up-front lump sum at retirement.

This is important – your benefits don't include an automatic cost-of-living increase. You'll need to save extra on your own to keep pace with inflation.

## Questions?

**Email:** [kpers@kpers.org](mailto:kpers@kpers.org)

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[kpers.org](http://kpers.org)