Welcome to the Retirement System
Welcome to the Kansas Public Employees Retirement System. We’re glad you are here! This membership guide will help you get to know the Retirement System. It outlines your current benefits as an active member and shows you what is in store when you are ready to retire. In the interest of simplicity, certain generalizations have been made in this guide. Kansas law and the rules adopted by the Board of Trustees will control specific situations.

We’re Here for You
We’re here to answer your questions and help in any way we can. You can count on KPERS to be a trusted partner in your financial future.

Our “InfoLine” is a toll-free customer service call center dedicated to helping you. The InfoLine is open 8 a.m. to 4 p.m. The easiest time to reach our office is in the afternoon, Tuesday, Wednesday and Thursday.

If you need one-on-one help or just prefer to visit with someone in person, please call to arrange an appointment first so that we can assist you more effectively when you arrive. Our offices are open Monday through Friday from 8 a.m. to 5 p.m. Visit kpers.org for driving and parking directions.

Email: kpers@kpers.org
Toll-free: 1-888-275-5737
In Topeka: 785-296-6166
Website: kpers.org

Access Your KPERS Account Online
You can keep track of your membership information and plan for retirement with your online account.

• Annual statements
• Benefit estimates
• Beneficiary designations

See kpers.org to get started.
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What Are Your Benefits?
Throughout your career, you contribute part of your salary to the Retirement System. Your employer also contributes to help fund the System. The Retirement System then invests these funds and, when you retire, pays you a dependable monthly benefit for the rest of your life. The Retirement System also provides a $4,000 death benefit for retirees.

As an active member, you have basic life insurance and disability benefits. Your employer pays for these benefits. You can also purchase optional life insurance for you, your spouse and children if your employer offers it.

Know Your KPERS Member Type
KPERS has three benefit structures. The details of your benefits depend on whether you are a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 3 members are not covered in this guide.

- **KPERS 1**: Hired before July 1, 2009
- **KPERS 2**: Hired July 1, 2009 - December 31, 2014
- **KPERS 3**: Hired January 1, 2015 and after

Your Contributions and Interest
You contribute 6% of your gross earnings each pay period.

Contributions are made on a pretax basis and deferred from federal income taxes until you either withdraw or retire. You do need to add the contributions back into your gross income for Kansas state income tax purposes.

Your contributions are credited with interest annually on June 30, based on the balance in your account on December 31 of the year before (i.e., interest credited on June 30, 2020, is based on your account balance as of December 31, 2019).

If you became a member:
- **Before** July 1, 1993, your contributions earn 7% interest.
- **On or after** July 1, 1993, your contributions earn 4% interest.

Kansas law does not allow you to borrow from your contributions. The amount of your contributions and interest have no bearing on your retirement benefits. These benefits are determined by your salary and service. Your account balance is important only if you withdraw or die before retirement. Employer contributions are not credited to your account and are used to fund the System. They stay with the Retirement System if you end employment and withdraw.
**You’ll Need More Than Just Your Pension**

Most financial experts suggest replacing at least 80% of your income for retirement. Increasing healthcare costs and living longer may mean you need to have even more.

KPERS and Social Security won’t be enough for a sound retirement. You need to save on your own, too. The easiest way to save is through an eligible employer plan like a 457(b) deferred compensation or a 403(b) annuity 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 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.

**Annual Statements**

Each spring, you receive a KPERS annual statement. Your annual statement shows your contributions and earned interest, years of service, current final average salary and beneficiary information. If you are vested with at least five years of service credit, you will also have retirement benefit estimates.

**Someone at Your Employer to Help You**

Your employer has appointed a designated agent to handle Retirement System transactions. This person is your local connection for Retirement System information. Check with Human Resources if you don’t know who your designated agent is.
Guaranteeing Your Benefit (Vesting)

When you are “vested,” it means you have earned enough service to guarantee a retirement benefit, even if you leave employment. All active members vest their benefit with five years of service. If you leave employment once vested, simply keep your contributions with the Retirement System and you are guaranteed retirement benefits when you become eligible.

What Is Service Credit?

Service credit is an important factor used to calculate your retirement benefit. You automatically earn service credit for the years you work in a benefits-eligible position.

If you have participated in more than one of the retirement plans administered by the Retirement System, you may be able to combine service credit to become eligible for retirement benefits.

Participating Service is any service after your membership date. You will automatically receive this type of service credit. If you are a KPERS member working for a participating employer, you cannot receive credit for any service during which you also participate in the Kansas Police & Firemen’s Retirement System, the Retirement System for Judges or the Board of Regents Retirement Plan.

Military Service: In certain circumstances, Kansas law allows the Retirement System to grant service credit for active military service at no cost to you. Service credit may be granted if you are employed immediately before activation and you return to employment within one year of discharge (or two years, if disabled in the line of duty). You must be off your employer’s payroll during this time. Granted military service is limited to five years. You can purchase up to six years of military service regardless of how many years are granted. Service credit cannot be granted or purchased for military service that overlaps participating service.

Increasing Your Retirement Benefit (Purchasing Service Credit)

You may be able to increase your retirement benefit and possibly retire earlier by purchasing service credit for your past public service. Only active, contributing members may purchase service credit, and all payments must be received on or before your last day on your employer’s payroll.

Cost

Purchase costs are based on your age and salary. As a general rule, it is usually best to buy service early in your career.

KPERS 1

If you are under age 45, a year of service will generally cost about 6% of your current salary (or current final average salary, if higher). Each year after age 45, the cost increases significantly.

KPERS 2

If you are under age 37, a year of service will generally cost about 6% of your current salary (or current final average salary, if higher). Each year after age 37, the cost increases significantly.
### Benefit of Purchasing Service Credit

<table>
<thead>
<tr>
<th>Your final average salary</th>
<th>For each additional year of service, your benefit increases by ...</th>
</tr>
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<tbody>
<tr>
<td>$30,000</td>
<td>$44 per month</td>
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<tr>
<td>$50,000</td>
<td>$73 per month</td>
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<tr>
<td>$70,000</td>
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### Types of Service You Can Purchase
- “Year of Service” or partial year of service
- Forfeited KPERS service
- Military (See section on “Military Service and Your Benefits.”)
- Elected official service
- Out-of-state teaching
- Non-federal public service
- Forfeited Kansas Board of Regents Retirement Plan service
- Waiting period for Regents plan eligibility
- VISTA and Peace Corps

### Payment Options
Generally, service can be purchased with:
- Pretax payroll reduction over time.
- Rollover or trustee-to-trustee transfer from another retirement plan. Eligible plans include a governmental 457(b) plan like KPERS 457, a 403(b) annuity, or an individual retirement account (IRA).
- Lump sum (personal check, money order or Discover Card).

### KPERS 1 Members Can Purchase “Year of Service”
Until July 1, 2009, non-school employees worked for one year in a benefits-eligible position before becoming members. KPERS 1 members can purchase service credit for this time worked.

### The Purchase Process
1. Ask your employer or contact KPERS to see if your past service is eligible.
2. If your service is eligible, complete an Application to Purchase Service Credit (KPERS-67) form.
3. Your employer completes the employer part of the form and sends it to the Retirement System.
4. The Retirement System calculates your purchase cost and sends a letter to you through your employer. At this point, you should weigh the cost and benefit before deciding to continue with the purchase.
5. To complete the purchase, you sign the necessary paperwork, arrange for payment and return both to the Retirement System.
6. The Retirement System receives your payment or payroll reduction commitment.
7. All payments must be completed on or before your last day on your employer’s payroll.
8. The Retirement System adds service to your record after the purchase is completed.
**Long-Term Disability Benefits**

KPERS isn’t just for your retirement. As an active member, you are covered by KPERS’ long-term disability benefits that provide income protection if you cannot work because of an illness or injury. If you become disabled, you may qualify for a disability benefit based on 60% of your annual salary. You must be disabled for 180 days and no longer receive employer compensation. The minimum benefit is $100, and the maximum benefit is $5,000. The disability program also features rehabilitation programs to help you return to work. A Summary Plan Description is available at kpers.org.

**Applying for Disability Benefits**

1. If you become disabled, contact your Human Resources office.

2. If approved, disability benefits will begin the later of the date you complete 180 continuous days of total disability or the date you stop receiving employer compensation. Toward the end of this waiting period, the plan administrator will mail you a claim packet with everything you need.

**Active Member Death Benefits**

If you die before retirement, we return your contributions and interest in a lump sum to your beneficiary. In certain situations, your spouse may be able to choose a monthly benefit instead of receiving your contributions. (See section on “Surviving Spouse Benefit Option.”) Your beneficiary also receives your basic life insurance and any optional life insurance.

**Basic Life Insurance**

You have basic life insurance equal to 150% of your annual salary.

**Job-Related Death**

If you die from an on-the-job accident, your spouse will receive a monthly benefit based on 50% of your final average salary, less Workers’ Compensation. The minimum benefit is $100 per month. He or she will also receive a $50,000 lump-sum payment. Job-related death benefits are nontaxable. These benefits are in addition to your life insurance and returned contributions.

If you do not have a spouse, other family members are eligible in this order:

- Children up to age 18, or 23, if a full-time student
- Dependent parents

**Optional Life Insurance**

Optional life insurance provides additional coverage beyond your basic life insurance. You decide how much coverage you need, and you pay the cost of this additional coverage through payroll deduction. Many employers offer optional life insurance, including the State of Kansas. Check with your employer about participation.

Employee coverage ranges from $5,000 to $400,000 in $5,000 increments. New employees are eligible for up to $250,000 of guaranteed coverage without proof of good health within 31 days of their hire date.
Spouse coverage ranges from $5,000 to $100,000 in $5,000 increments. New employees are eligible for up to $25,000 of guaranteed spouse coverage within 31 days of their hire date. Employee coverage is not required to choose spouse coverage. You, the employee, are the beneficiary for spouse coverage.

Child coverage is available in $10,000 or $20,000 amounts, and one premium covers all your dependent children. Children are covered to age 26, with no age limit on disabled dependents. You can add child coverage only as a new hire, during open enrollment or with a family status change.

**Annual Open Enrollment:** You can apply for guaranteed member, spouse and child coverage without answering health questions.

**Starting or Increasing Coverage Anytime:** You can start or increase your coverage or your spouse’s coverage at any time with proof of good health.

**Family Status Change:** A family status change is a life event such as marriage, divorce, birth or adoption, or death of a spouse or child. It also includes a change in employment status.

Within 31 days of a family status change, you can enroll for or increase coverage without proof of good health:
- Employee coverage - up to $50,000 (health questions required for amounts $250,000 to $400,000)
- Spouse coverage - up to $25,000 (health questions required for amounts $25,000 to $100,000)
- Child coverage - $10,000 or $20,000

**Accelerated Death Benefit:** If you are diagnosed as terminally ill with 24 months or fewer to live, you may be eligible to receive up to 100% of your life insurance instead of your beneficiary receiving a death benefit. Spouse and child coverage are also eligible for this benefit.

**Accidental Death & Dismemberment Benefits:** This benefit covers you if you experience an occupational assault, or accidental death and dismemberment. Some exclusions apply. For full details, see the Optional Life Insurance brochure or the Certificate of Insurance available at kpers.org.

**If You Leave Employment or Retire**
If you retire, end employment or move to a position not covered by KPERS, your basic and any optional insurance will end. You can continue your coverage within 60 days of ending employment. Download the forms from kpers.org.

Special rules apply if you leave employment due to a disability or military service. See your employer.

**Surviving Spouse Benefit Option**
If you die before retirement, your spouse may be able to receive a monthly benefit for the rest of his or her life, instead of receiving your returned contributions and interest. You must designate your spouse as your sole primary retirement beneficiary.

**Situation #1 ...** If you were eligible to retire, your spouse begins receiving a monthly benefit immediately.

**Situation #2 ...** If you were not yet eligible to retire but had ten years of service, your spouse begins receiving a monthly benefit when you would have reached age 55.

You can name contingent beneficiaries or separate beneficiaries for your life insurance without affecting this benefit option.
Naming Your Beneficiary

What Your Beneficiary Receives
• Basic life insurance (150% of your annual salary)
• Any optional life insurance
• Returned contributions and interest or continuing monthly benefit for spouse if you meet the criteria
  (See section on “Surviving Spouse Benefit Option.”)

Who Can You Name as Beneficiary
You can choose:
• A living person.
• A trust.
• Your estate.
• Any combination of these options.

You cannot name a church or other charitable organization as a beneficiary.

If you choose more than one beneficiary, each will share your benefits equally. You can name separate
beneficiaries for your retirement benefits and life insurance. You can also name a contingent beneficiary
to receive your benefits if your primary beneficiary is not living. A contingent beneficiary will receive
benefits only if no primary beneficiary survives you. As with the primary beneficiary, you can name
more than one and each will receive equal shares of your benefit.

You can add or change beneficiaries any time through your online account at kpers.org or by completing
a Designation of Beneficiary (KPERS-7/99) form. You can download one at kpers.org.

Reviewing Your Designation
It is important to keep your beneficiary designation up-to-date.
Review your designation whenever you have a significant life event.
• Marriage
• Divorce
• A birth or adoption in your family
• A death in your family
• Retirement

Especially for Retirees
The Retirement System provides a $4,000 retiree death benefit. You can choose a living person, a trust,
your estate or a combination of these. You can also name a funeral establishment to directly receive
your death benefit for funeral expenses. The benefit is taxable income to a beneficiary.
Divorce and Your Benefits
KPERS contributions that you have accumulated during marriage are considered marital assets. If you divorce before or after retiring, a former spouse may be able to receive part of your benefit or contributions. A former spouse can receive payment from the Retirement System under a Qualified Domestic Relations Order (QDRO) when you withdraw, retire or die. Additional information about QDROs is available at kpers.org. Please seek legal counsel if this situation applies to you.

Military Service and Your Benefits
If you are called to active military service, you need to notify your employer. Your employer will notify the Retirement System as needed. Employers are required to give you the same rights and benefits that they would give to an employee on a non-military leave of absence. You also have a few additional benefits.

Life Insurance
• Basic life insurance continues during periods of active military duty at no cost to you. Once you return from active duty, your basic life insurance will stop if you do not immediately return to covered employment.

• Optional life insurance continues for 16 months as long as you continue to pay the premiums. After 16 months, you can continue your coverage through a portability or conversion option.

• Optional coverage is reinstated if you return to covered employment within five years, even if you did not choose to convert to an individual policy. Your premiums will be based on your age when you return.

Disability Benefits
Disability coverage generally ends when you leave employment, but the Uniformed Services Employment and Reemployment Rights Act (USERRA) does give you certain additional rights. If you have a disability that was received or aggravated during military service, please contact KPERS.

Receiving Service Credit for Military Service
When you return from military service, the Retirement System might be able to grant you service credit for your time away at no cost to you or you can purchase service credit for military service that was not granted. Check with your employer when you return. Also see “Purchasing Service Credit” section.
Leaving Employment Before Retiring

If you leave employment, you can continue your life insurance coverage. You can also choose to withdraw your account balance. If you withdraw, you will give up all Retirement System rights, benefits and service credit. Employer contributions made to fund the System stay with the Retirement System. You can receive your contributions as a direct payment to you or roll over the amount into an eligible retirement plan.

If You Are Vested (at least five years of service)
You are guaranteed a monthly retirement benefit for the rest of your life if you leave your contributions in your account. Often, your vested benefit is more valuable than the amount of your actual contributions. Keep your contributions with the Retirement System and apply for retirement benefits when you become eligible. Your contributions will continue to earn interest and you can withdraw them at any time if you change your mind.

If you return to covered employment and did not withdraw your contributions, you will immediately become an active member again and keep the credit for your past public service.

If You Are Not Vested (less than five years of service)
You are not guaranteed a retirement benefit. You need to withdraw your account balance within five years of the date you end employment. After five years, your contributions stop earning interest and you forfeit your service credit.

If you do not withdraw and you return to covered employment within five years, you will keep the credit for your past public service. You will return as a KPERS 3 member.

Options for Withdrawing Your Contributions
You can apply to withdraw your contributions anytime 31 days after you end employment.

Option #1 … Roll your contributions over into an eligible retirement plan like a 457(b) deferred compensation plan, 403(b) annuity, 401(k) plan, individual retirement account (IRA), or a qualified retirement plan. This option allows you to defer paying taxes until a later date.

Option #2 … Have your contributions paid directly to you. You will owe federal taxes and possibly a 10% federal penalty. Federal law requires a mandatory 20% tax withholding on taxable amounts paid to you.

Reasons to Roll Over Contributions
• Preserve your past efforts toward saving for retirement.
• Keep from paying taxes right away, giving your money more time to compound.
• Avoid paying federal penalties for early distribution.

The Withdrawal Process
1. Download an Application for Withdrawal of Contributions form (KPERS-13) at kpers.org.
2. When we receive your completed application, we will send payment within four weeks.
3. KPERS will send you a 1099-R form the following January for your federal income tax return.
When Can You Retire?
Your age and the amount of service credit you have determines when you can retire. The minimum age and service requirements differ between KPERS 1 and KPERS 2.

Your age equals your age at your last birthday. Additional months do not count. However, two quarters of service credit round to the next year. *For example:* 9.5 years will round to ten years of service.

**KPERS 1**
- Age 65 with 1 year of service
- Age 62 with 10 years of service
- Or any age when age + service = 85 (85 points)

**Retiring with 85 Points**
You can retire anytime with “85 points.” The 85 point rule is when your age and years of service credit added together equal 85. Every year you work, you will gain two points – one for each birthday and one for the year of service credit. The 85 point rule is only one of three ways you can qualify for retirement.

**Retiring Early**
You can receive reduced benefits beginning at age 55 with ten years of service. The earlier you retire, the more your benefit is reduced.

**KPERS 2**
- Age 65 with 5 years of service
- Age 60 with 30 years of service

**Retiring Early**
You can receive reduced benefits beginning at age 55 with ten years of service. The earlier you retire, the more your benefit is reduced. If you retire before age 60 with *at least* 30 years of service, there is less of a reduction to your benefit.
Correctional KPERS Members

As a Correctional member, you may be eligible to retire at an earlier age than regular KPERS members. To qualify for these Correctional age and service requirements, you must work in a Group A or Group B position for at least three years immediately before retirement and retire on the first day of the month after your last day on the payroll.

**Group A** generally includes:
- Most correctional officers and their supervisors.

**Group B** generally includes:
- Correctional institution employees in certain power plant positions, correctional industries, food service supervision or maintenance operation supervision who have regular contact with inmates.

If you do not qualify for either of these categories, your age and service requirements for retirement are the same as regular KPERS members.

If You Leave Employment Before Retiring

If you leave Correctional employment and wait to retire, you will become a regular inactive KPERS member. Regular KPERS age and service requirements will apply. Your benefits will have a greater reduction for early retirement.

**Group A Retirement Eligibility**

**KPERS 1**
- Age 55 if employed in a Group A position for at least three years immediately before retirement
- Any age when your age and years of service credit added together equal 85 (85 points)
- Reduced benefits beginning at age 50 with 10 years of service

**KPERS 2**
- Age 55 with ten years of service, including three years in a Group A position immediately before retirement
- Reduced benefits beginning at age 50 with 10 years of service. If you retire before age 60 with at least 30 years of service, there is less of a reduction to your benefit.

**Group B Retirement Eligibility**

**KPERS 1**
- Age 60 if employed in a Group B position at least three years immediately before retirement
- Any age when your age and years of service credit added together equal 85 (85 points)
- Reduced benefits beginning at age 55 with 10 years of service

**KPERS 2**
- Age 60 with ten years of service, including three years in a Group B position immediately before retirement
- Reduced benefits beginning at age 55 with 10 years of service. If you retire before age 60 with at least 30 years of service, there is less of a reduction to your benefit.
Calculating Your Retirement Benefit

KPERS retirement benefits are calculated using the following formula:

\[
\text{Final average salary} \times \text{statutory multiplier} \times \text{years of service} = \text{annual benefit}
\]

**Example:**

\[
\$40,000 \times 1.75\% \times 25 = \$17,500
\]

You can calculate a personalized benefit estimate through your online account access at kpers.org.

*Statutory multiplier is 1.85% for KPERS 2 members and for KPERS 1 members who earn service after January 1, 2014. See details in Statutory Multiplier section.

**Final Average Salary**

Final average salary is based on your highest years of pay during your career. These years do not have to be continuous.

**KPERS 1 Hired on or After July 1, 1993**

- Highest three-year salary average (12 quarters)

**KPERS 1 Hired Before July 1, 1993**

- Highest three-year salary average (12 quarters)

  or

- Highest four-year salary average including additional compensation*

  KPERS will calculate both options and use whichever is higher to calculate your retirement benefit. If “add-on pay” is included in your final average salary, it is spread over all the days that you worked in the calendar year you retired. It is not credited only to the quarter in which you left employment.

*Additional Compensation or “add-on pay” is compensation from your employer for unused sick leave, annual leave, etc.

**KPERS 2**

- Highest five-year average (20 quarters)

**Final Average Salary Cap**

If your salary increases substantially from year to year, a cap on compensation may be used to calculate your final average salary. Generally, the cap applies when your salary changes and your position does not. For KPERS 1, the cap is 15%. For KPERS 2, the cap is 7.5%.

**Statutory Multiplier**

The multiplier is a percentage set by the Legislature used to calculate benefits. You receive this percentage of your final average salary for each year of service.

**KPERS 1**

- 1.85% for service earned January 1, 2014, and after
- 1.75% for service earned before January 1, 2014 and any service purchases

**KPERS 2**

- 1.85% for all service
Retiree Cost-of-Living Adjustments (COLAs)
A cost-of-living adjustment (COLA) is an increase in monthly pension benefits to help keep pace with inflation. Retirees do not receive regular COLAs. For this reason, your personal savings becomes even more important to provide protection against inflation.

The Retirement Process

Your Retirement Date
Your retirement date can be the first day of any month, as long as you are off your employer’s payroll. State law requires that your retirement date must be the first day of the month. Licensed school members must wait until June 1 or after.

Retirement Benefit Estimates
You can calculate an estimate through your online account or with the general benefit calculator at kpers.org. You can also submit a Benefit Estimate Request form (KPERS-15E), and we can calculate an estimate for you. Your employer can help you complete the form with your most current pay information. Estimates are a wise step when considering your options.

Steps in the Retirement Process
1. Attend a pre-retirement seminar.
2. Find out when you are eligible to retire. Knowing when you’ll meet the age and service requirements to retire can help you decide on the best retirement date.
3. Calculate a retirement benefit estimate. Members often schedule a personal consultation at our office before retiring.
4. Review the KPERS Retirement Options publication to understand your benefit payment options.
5. Complete an Application for Retirement form (KPERS-15). Submit your application at least 30 days before the day you want to retire. You need to apply for your benefits. They do not begin automatically.
6. The Retirement System will mail a letter to you with information about your benefit amount and taxes.
7. Your monthly benefit payment will be directly deposited at your financial institution on the last working day at the end of the month you retire.
Retirement Benefit Payment Options

As a retiree, you will receive a monthly retirement benefit for the rest of your life. In addition, we have retirement payment options that add financial flexibility and allow you to provide for loved ones after your death.

Maximum Monthly Option
This option is the maximum monthly benefit you can receive. There is no continued monthly benefit after your death.

Joint-Survivor Options
Survivor benefits are equal to 50%, 75% or 100% of your benefit and are paid for the rest of your survivor’s life. To provide this continuing benefit, your monthly benefit is reduced.

Life-Certain Options
If you die within a guaranteed period of time from retirement, your beneficiary will receive the same monthly benefit for the rest of that guaranteed period. Your monthly payments are reduced based on whether you chose the five-, ten-, or 15-year life-certain option. You can change beneficiaries anytime.

Partial Lump-Sum Option
You can take part of your retirement benefit in an up-front lump sum at retirement. This lump sum is then combined with one of the other retirement options to provide reduced, regular monthly payments for the rest of your life.

State and Federal Taxes

Reporting Contributions on Your Kansas Income Tax Return
The amount you contribute each year from your salary to the Retirement System is subject to Kansas income tax. Your contributions are deducted from your pay on a pretax basis for federal income tax purposes. Because of this, you need to make a specific entry on your Kansas income tax return.

You can calculate the amount of your contributions from your W-2 form. Some employers will provide this amount for you in Box 14 (labeled KPER). See the “Schedule S Line-by-Line Instructions” in the Kansas Income Tax Booklet for more information or contact the Kansas Department of Revenue.

Taxes on Lump-Sum Payments
Lump-sum payments are paid directly to you or rolled over into an eligible retirement plan. KPERS will withhold 20% for federal income tax unless your payment is rolled over into an eligible plan. If you are under age 59 1/2, your payment may also be subject to a 10% federal penalty. When rolled over to an eligible retirement plan, a lump-sum payment and its earnings keep their KPERS tax characteristics.

Taxes on Retirement Benefits
In general, Retirement System benefits, including the $4,000 retiree death benefit, are subject to federal tax, but not Kansas state tax. If you move to another state, check if your retirement benefit is taxable in that state. Your monthly benefit is taxable from the time your benefits begin.
Retiree Death Benefit
KPERS pays a $4,000 lump-sum death benefit to your beneficiary. All monthly benefit payments are payable through the last day of the month your death occurs.

You can choose a person, your estate, a trust or a funeral establishment to receive your $4,000 retiree death benefit.

KPERS does not pay the $4,000 death benefit automatically. Beneficiaries need to contact the Retirement System first to receive confirmation and an application form.

Returning Your Contributions
If you die before receiving retirement benefits equal to your contributions, and no survivor benefits are payable, the Retirement System will return any remaining contributions and interest to your beneficiary.

If You Designated Someone Other Than Your Spouse as Beneficiary
Sometimes members designate someone other than their spouse as their beneficiary. Under some circumstances, a surviving spouse has the right to make a claim for a portion of the benefits, called an elective share. We recommend that you ensure your current spouse consents to your beneficiary designation. You should seek legal advice about how this law affects your plans.

Working After You Retire
Many retirees decide to return to work. But, there are a few things you need to know if you plan to go back to work for any KPERS employer, even if it’s different than the one you retired from. Working in positions covered by the Kansas Board of Regents or working for a third-party entity that contracts with a KPERS employer means these rules will apply to you, too.

These rules don’t apply if you work for a non-KPERS employer.

No Prearrangements
While you’re working, any time before retirement and during your waiting period, you can’t plan to return to work for any KPERS employer. This is very important to KPERS. It helps keep our qualified plan status with the IRS.

A “prearrangement” is a situation where you or an employer might anticipate employment after retirement. You cannot consider returning to work before you retire, all the way through to the end of your waiting period.

Waiting Period
You’ll have a waiting period before you can go back to work for any KPERS employer.

Your waiting period depends on the age you retire.
• 60 days if you retire at age 62 or later
• 180 days if you retire before age 62

Penalties
KPERS will suspend your benefit going forward and for six months after you leave all KPERS employment. You’ll also need to repay any monthly benefits we’ve paid to you while you were working.