Retirement is a major milestone in the lives of most adults. Hopefully you’ve been preparing for years, and you are ready to take the big plunge.

You now have decisions to make that will greatly impact your financial future. Among those is choosing which type of Judges retirement option is best for you.

As a retired Judges member, you will receive a monthly retirement benefit for the rest of your life. In addition, the Retirement System has retirement payment options that add financial flexibility and allow you to provide for loved ones after your death.

Your decision about which option to take is crucial, because once you make a choice, you cannot change it. Consider all of your options carefully so you can make the best decision for yourself and your loved ones.

It may be helpful to see how different options and scenarios affect your monthly benefit amount. Login to your Retirement System account through kpers.org to create a personalized benefit estimate. This will help you put dollar amounts with your choices. You can also schedule a personal counseling appointment with a KPERS staff member to discuss your retirement options.
Scenario for All Examples
Here is the scenario we’ll use for all of the payment option examples:
David is retiring at age 65. His wife, Karen, is age 62. David’s final average salary is $91,429, and he has 15 years of service. His retirement benefit is calculated using the following formula:

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

\[
$91,429 \times 3.5\% \times 15 = $48,000
\]

Maximum Monthly Option
The Retirement System will first establish your maximum monthly benefit amount. This amount provides the basis for the rest of your options. You can choose to stay with this maximum monthly benefit amount without any survivor options. You will receive a payment each month for the rest of your life. After your death, your beneficiary will receive the balance of any remaining money that you contributed to the Retirement System. There is no continued monthly benefit after your death.

Example
David’s annual benefit is $48,000. $48,000 ÷ 12 = $4,000 per month

Joint-Survivor Options
You may want to provide a continuing monthly benefit for someone after your death. You can do this by choosing a joint-survivor option. Your survivor, also called a joint annuitant, cannot be changed once you retire. After your death, your survivor will receive a monthly benefit for the rest of his or her life.

The three joint-survivor options:
• 50%
• 75%
• 100%

The percentages show your survivor’s benefit amount compared to your benefit amount. Your survivor can receive 50% of your benefit amount or 75%. You can also choose the 100% option, and he or she will receive the same benefit amount that you received before your death.

In order to provide the continuing benefit, your regular monthly benefits will be reduced. The higher your survivor’s benefit, the lower yours will be during retirement. If he or she dies before you, your survivor option is canceled and your benefit increases to your original maximum monthly benefit amount.

The difference between your ages also affects your benefit amount. If your survivor is younger than you, your benefit will be decreased more than if your survivor is older. Actuarial tables and factors are used to calculate these adjustments.

Example
David’s maximum monthly benefit is $4,000. He chooses the 50% joint-survivor option for his wife, Karen. David’s benefit is reduced by an actuarial factor to provide the survivor benefit.

David’s monthly maximum $4,000
Actuarial factor for David’s and Karen’s ages x .898
David’s adjusted monthly benefit $3,592
Karen’s monthly survivor benefit (50% of David’s) $1,796
Life-Certain Options

With a life-certain option, you’ll receive a monthly benefit for the rest of your life. If you die within a guaranteed period of time from your retirement date, your beneficiary will receive the same monthly benefit you have been receiving for the rest of the guaranteed period. You can change beneficiaries at any time, and you can have any number of beneficiaries at once. They will share the benefit equally.

The three life-certain options:
- Five-year period: Your benefit is reduced to 98%.
- Ten-year period: Your benefit is reduced to 95%.
- 15-year period: Your benefit is reduced to 88%.

In order to provide the continuing benefit, your regular monthly benefits will be reduced. The longer the guaranteed period, the more your benefit is reduced. Fixed percentages are used to calculate these adjustments.

Example

David’s maximum monthly benefit is $4,000. He chooses the ten-year life certain option for his wife, Karen. David’s benefit is reduced to 95% to provide the survivor benefit. He receives $3,800 a month for the rest of his life, no matter how long he lives.

David dies seven years after he retires. As his chosen beneficiary, Karen will receive $3,800 a month for three more years. David’s seven years plus Karen’s three total the ten years David was guaranteed. If David had named his two daughters as beneficiaries instead of Karen, the daughters would share the $3,800 monthly benefit and each would receive $1,900 a month for three years.

Retiree Death Benefit

With all benefit options, KPERS pays a $4,000 lump-sum death benefit. You can choose a person, your estate, a trust or a funeral establishment to receive the death benefit.

COLAs

Cost-of-living adjustments are increases in your benefit amount after you retire. You do not receive an automatic COLA. For this reason, personal savings becomes even more important to provide protection against inflation.
Other Information

Your retirement benefits are based on your age, salary and years of service, including both prior and participating service. See the Judges Membership Guide or visit kpers.org for more information on the calculation process. You can calculate a personalized retirement benefit estimate through your personal account at kpers.org or you can request an estimate from KPERS. These are wise steps when considering your options before retirement.

Since your employer is an important part of your retirement process, be sure to keep your designated agent informed of your retirement plans. Try to give as much notice as you can before you retire. Find out if you are eligible for any additional benefits or programs from your employer and coordinate health care and life insurance coverage.

If you don’t have one already, you can download and print the Application for Retirement Benefits booklet (KPERS-15) at kpers.org or contact us and we can mail a copy to you.

Other Helpful Contacts

- Social Security Administration: 1-800-772-1213
  ssa.gov
- Internal Revenue Service: 1-800-829-1040
  irs.gov

Contact Us

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Certain generalizations have been made in this publication. Kansas law and the rules adopted by the Board of Trustees will control specific situations.