

Employer Pay Period Reporting: Current State and Business Process Overview

Key Acronyms:

Acronym	Elaboration
BMS	Benefit Member Services
EWP	Employer Web Portal
FS	Fiscal Services
LDOP	Last Day on Payroll
PPR	Pay Period Reporting

1. Key Business/Operational Rules

- Employers report contributions on a on a pay period basis. Some employers have multiple pay cycles, therefore submit multiple reports.
- Contribution payments are due to KPERS and must arrive on or before the 3rd day following the Agency's Pay date; If the payment has not arrived to KPERS on or before day 3, by Kansas Statue the agency will receive a delinquency fee calculated at the Kansas Judgement Rate.
 - If the calculation of the delinquency fee is less than \$5.00, no invoice will be generated by the system.
- Payment cannot be processed unless a report is submitted.
- Reports submitted must align with the reporting cycle that is established by the employer prior to commencement of the year.
- Employers must submit reports in pay date order. A new report cannot be submitted until the prior report is submitted and the invoice has been paid.
- File Layout / Reporting fields (state has its own version):

Field	Agency Id	Plan Id	SSN	First Name	M.I.	Last Name	Pay Date	Gross Wages	Adj to Gross Wages	Member Contributions	Service Purchase Amount	Begin Date	End Date	Reason Code
Examples	1234	1	123456789	Joe	H	Smith	01/22/1900	1234.56	0	74.07	0	02/01/1992	02/01/2017	6
Length	4 digits	1 digit	9 digits no dashes	Up to 15 char	1 char	Up to 20 char	mm/dd/yyyy	10 char 7 num 1 dec pt 2 dec	10 char 7 num 1 dec pt 2 dec	10 char 7 num 1 dec pt 2 dec	10 char 7 num 1 dec pt 2 dec	mm/dd/yyyy	mm/dd/yyyy	1 digit

Each pay report during submission will be compared against several validations to catch any errors and allow Employers the ability to correct errors before pay report is submitted to KPERs.

2. As-Is Process Description

A detailed employer manual is included that describes much of the processes. These are found on the KPERs employer site: <https://www.kpers.org/employers/manual.html> Specifically see:

- <https://www.kpers.org/employers/manual>
- <https://www.kpers.org/employers/ewp.html>

- **Process Trigger:**

- Employer completes their employee payroll process
- Within 3 days of the pay date the employer should process their pay period report and have it submitted along with payment to KPERs.

Employer Log's in to Portal – Employers are assigned a user ID with the appropriate access to process a PPR.

- **Pay Period Report Creation (Non-State file processing – step by step wizard in EWP):**

- Step 1 – Employer selects the pay date (prepopulated based on predefined schedule) they will be uploading a file for.
- Step 2 – Fix errors – The user is presented with the records that have triggered a validation issue. ([Full list of Validations here](#)).
 - Errors = employer cannot proceed without repair
 - Warnings= Employers must address warnings before submitting. In some cases, the warning can be suppressed by KPERs (about 12 messages have “contact KPERs” within them)
 - Informational = alert to the user that can be ignored.
 - They can fix them all online, or cancel the process, reload a new file.
 - If a new member is identified, the user can trigger the enrollment wizard
 - All errors must be fixed before proceeding
 - See *Summer Pay Condition* below
- Step 3 – Review and Submit. All calculated values are shown to the user, and they must indicate that they agree and submit. (See additional details below “Calculating Employer Amounts Due”)

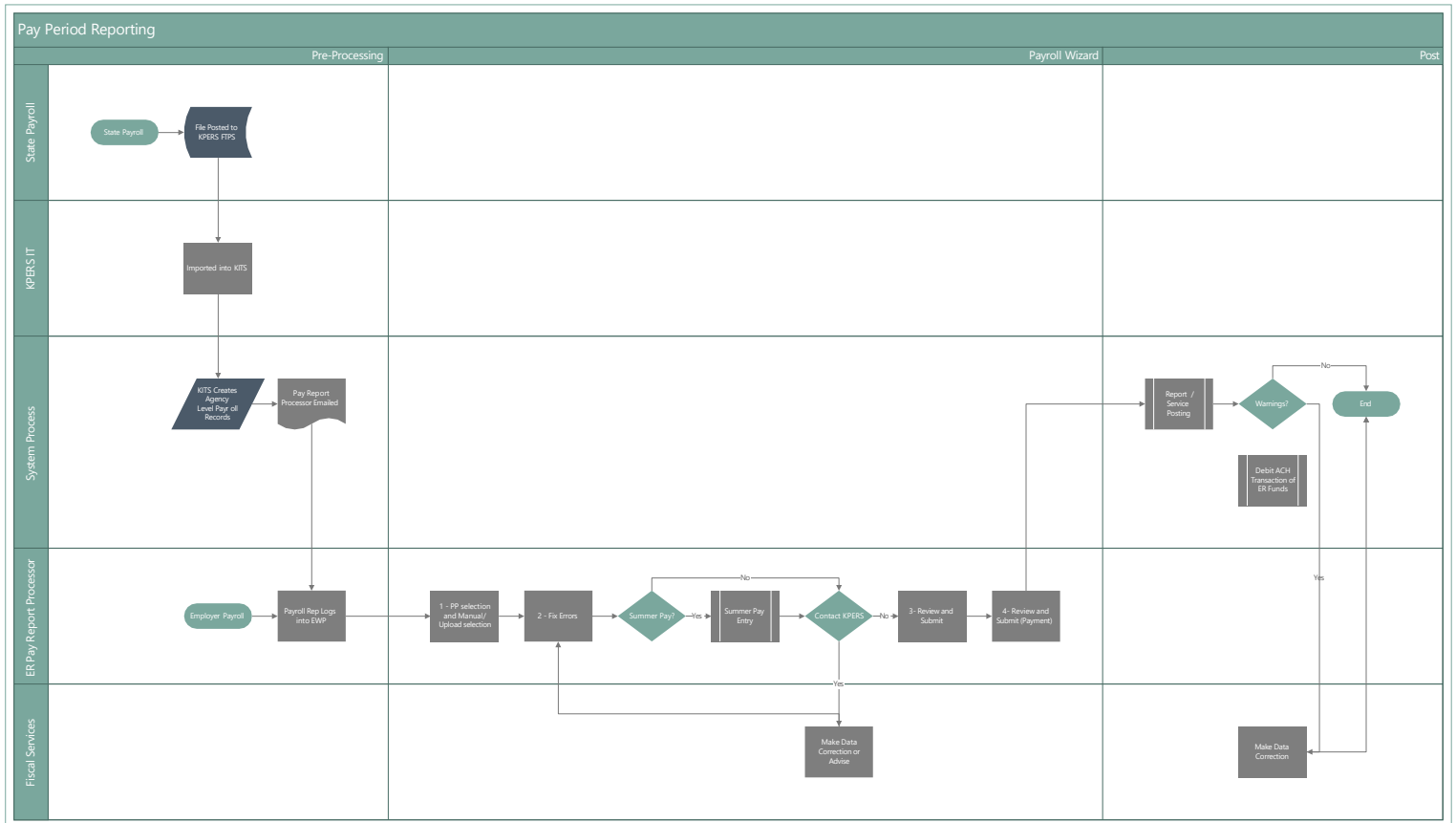
- Employee (ee) contributions
- Service Purchase contributions
- Employer Contributions (er)
- Insurance (Death & Disability Insurance – currently 1% of current payroll)
- **Step 4- Make Payment.** One or more invoices may show up for payment. Payments must be submitted by plan.
 - Full payment is required (within \$1 of what KPERS calculates)
 - Payment must be made and the pay report must be processed before the next report can be submitted
 - › The user can leave the 4-step wizard at any time and return to complete.
 - Pay Report Invoices and Adjustment Invoices must be paid in order,
 - Agency can apply available credits to their payments
 - Once employer submits report, they acknowledge they payment amount, resulting in an ACH draft of their designated bank account.
- KPERS Special Items
 - If an agency requires additional help and has many outstanding/unprocessed reports due; KPERS can manually process the report without payment being received and the next report to generate so the agency can do multiple reports on a single day. This functionality is required for special circumstances. The agency is still required to submit payment however, the manual process would allow the next pay report to open for the agency to work.
- **Pay Period Report Creation (State file processing):**
 - State Payroll is generated by State Dept of Administration bi-weekly
 - The file is dropped onto an FTPS site bi-weekly.
 - The IT Department at KPERS manually imports processes brings in the file
 - The System takes the single FTP file (which contains all State Agency biweekly data) and creates separate reports for each organization/agency within the file
 - If no errors or warnings, the file is auto submitted
 - If there are errors – KPERS Agent contacts the Designated agent alerting them if they have errors and/or warnings that they need to correct through the Employer Web Portal.
 - After the errors are corrected the Agent will be able to submit the report.
 - Payment is a separate process for the State. Agents do not make payment.
 - KPERS Special – Pay Reports received via FTP must post in date order. If any agency has a report that goes into a review status, files obtained with later dates need cannot post but the data will need to be in a holding status until the report in review is edited and submitted by the agency.
- **Pay Period Report Creation (Manual Entry – step by step wizard in EWP):**
 - Step 1 – Employer selects the pay date (prepopulated based on predefined schedule) and indicates manual entry. The user then manual enters the correct data

- User can download a prepopulated excel file and key the data if they prefer and re-upload.
 - Agencies can also use the Autofill option that will copy the wages and contributions from the previously reported PPR for the current payroll
 - They indicate total contributions for the report (a step to reconcile with the detail they enter and what they will pay – a variance of \$1 will be considered valid)
 - They can indicate a new hire / return which triggers the enrollment process
 - **Step 2** – Fix errors – The user is presented with all rows with validation messages.
 - They can fix them all online, or cancel the process and repeat from step 1
 - If a new member is identified, the user can trigger the enrollment wizard
 - All errors must be fixed before proceeding
 - *See Summer Pay Condition below*
 - **Step 3**– Review and Submit. All calculated values are shown to the user, and they must indicate that they agree and submit. (See additional details below “Calculating Employer Amounts Due”)
 - Employee (ee) contributions
 - Service Purchase Contributions
 - Employer Contributions (er)
 - Death and Disability Insurance
 - **Step 4**- Make Payment.
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- **Conditional Step if Summer Pay (Process for Teachers)** when warning is encountered in May, June, or July where wages exceed 100% of prior pay the user can spread the wages / contributions over multiple pay periods (a thru-date based on pre-defined pay schedule is provided)
 - This activity is done in bulk for the entire report, where a record receives the above warning.
 - If the 100% threshold is not met but a record is for summer pay, the employer must contact KPERS to make the distribution
 - If a record hits the 100% warning, but it is not due to summer pay, the user can put a note in the record, but it does not clear the warning. KPERS staff must override.
 - When summer pay is included, the invoice generation is generally slower as it may also cross over into a new fiscal year with a new employer rate. The employer will have to sit, wait, and refresh, or return to the EWP.
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- **Pay Period Report Posting – nightly batch**
 - Batch runs nightly to post all reports that have completed the ‘submit’ stage
 - The data is validated once again
 - Any “warnings” validations that occur must be suppressed by KPERS staff before processing
 - Service Credit is granted for the quarter, once the first pay period in that quarter is posted
 - **Service Purchase**

- Service Purchase is a process in which the member purchases service quarters to become vested or improve their retirement benefit
- Collection of Service Purchase funds can be done by pay date. Service purchase by paycheck funds are reported and collected on the same report as the PPR.
- Service Credit is granted when the final payment in the quarter is posted.
 - The members record will reflect a combined total of service accumulated from regular pay reported and the service obtained by paying for service quarters.
 - › The record also allows for a system user to see which reporting element is being counted in the members total service value – so a system user can tell if a service purchase payment has been applied to the overall members service credit balance.
 - Service Purchase Service Credit
 - › A ‘Double After’ or ‘Triple After’ entry will appear on the IMR Record when the pay report is submitted and processed. The record will not add the “purchased service” into the overall service balance until all payments for the quarter have been submitted/collected. If a member has no pay for part of a quarter – the member does not receive service credit for the service purchase quarter but does receive credit for the regular quarter.
- Service Credit
 - KPERS grants service by quarter (max 4 quarters in 1 year, with exception if a member is purchasing service)
 - The First Pay report in each quarter with reporting information for a member will add 1 quarter of service to the members existing balance
 - If a member works for more than KPERS agency – the first report regardless of which agency submits it is what will add service to a member’s record.
- **Off-Cycle Pay Report**
 - Employers enter off cycle pay date through the EWP
 - These are not single employee adjustment records; they are ALL employees or a large majority of employees, receiving pay outside of the regular pay cycle – like a bonus
 - A KPERS Agent reviews each off cycle submitted and verifies them to ensure the pay date follows the Pay reporting rules (pay dates must be completed in order, so no requests for off cycle pay dates that are “before” pay report dates that have already been submitted and processed) and reason for the off cycle from the Organization>POS Verify screen
 - The off cycle becomes valid for the agency to see in their pay dates (and will reflect a pay report due for) after the KPERS agent verifies the off-cycle requests.
- **Employer Amounts Due (Interest and Penalties)**
 - As noted in step 3 of the PPR wizard, amounts due, based on the pay period report data are calculated. This includes any other postings that may have occurred since the prior pay period report was posted as well as any assessment of interest / penalties for late payment or reporting.
 - Penalty Assessment Rules:
 - If KPERS has not received the assigned payment for the pay report within 3 days, a penalty is computed and charged to the Employer.

- Penalties of less than \$5.00 the system will not generate an invoice.
 - Calculation: $((\text{Total Remittance} * \text{Number of Days Late}) / 360) * \text{Judgement Rate}$
 - Judgement Rate is posted on the Kansas Secretary of State website. When it changes, Corporate Accounting will submit a Problem Incident Report (PIR) so that Information Technology (IT) can change it in the system.
 - Interest is also charged on the arrearage contribution amount if an employee has been omitted from KPERS being withheld from their payroll by the Employer for more than 6 months – an amount that the Employer must pay for both the Employer and Employee contributions.
- If the Employer is paying late, they have the opportunity to NOT pay the Late Fee invoice – their payment for the invoices they are submitting payment for will be processed on the KPERS system at noon and after that, the Late Fee invoice will show up on the Employer's To-Do List on the EWP.
- **Penalty Waiver Rules:**
- KPERS asks for the request to waive the Late Fee in writing – the Employer submits an email that goes to the Manager of Contribution Reporting
 - Emails and Call Logs will be reviewed and if those prove that the Employer was waiting on KPERS, the Late Fee is waived.
 - Fiscal Services Waive Process:
 - Before waiving the Late Fee, Fiscal Services (FS) will review the history of Delinquency Invoices for the Agency to figure out if they are habitually asking for fees to be waived – that will have an impact of whether the Late Fee is waived.
 - FS will use the Invoice Lookup screen to identify the outstanding delinquency invoices for the agency. The Late Fee will be waived, and the Late Fee will be removed from the Employer's To-Do List on their EWP

3. As-Is Business Process Flow



4. Operational Metrics (Monthly/Annual)

Metric Category	Relevant Number for Metric
No standard metrics are collected	
Straight Through Processing	(~70 – 80% no warning and post straight through)
Employer Interest / Penalties Charged per month	195 for December 2022 1,305 for CY 2022
Employer Interest / Penalties Waived per month	4 for December 2022 94 for CY 2022

Retirement Application: Current State and Business Process Overview

Key Acronyms:

Acronym	Elaboration
BMS	Benefits & Member Services
BPM	Business Process Management
C&I	Contributions and Interest
DA	Designated Agent
DISCOLA	Disability Cost of Living Adjustment
EWP	Employer Web Portal
FAE	Final Average Earnings
FAS	Final Average Salary
FS	Fiscal Services
PLSO	Partial Lump Sum Option
QDRO	Qualified Domestic Relation Order
RMD	Required Minimum Distribution
WAR	Working After Retirement

1. Key Business/Operational Rules

- A benefit estimate is not required prior to processing a retirement application. The Member Annual Statement includes an estimate for the member's reference.
- Application is due before the retirement date (by statute) in order to guarantee the member will not miss a payment between employment and retirement.
- Proof of age and name (if different) are required at retirement. Working after retirement certification is also required at the time of retirement.
- Direct deposit information is required at the time of retirement.
- A member can rescind their retirement application (in writing) up to the date of retirement.
- Benefit applications for deferred future retirement dates are not approved until the month of retirement

- A member can also delay their retirement (after they submitted their application) if they change their mind and continue to work. A new working after retirement certification is required if the retirement date is changed (especially if the date is changed to a later date than what was initially submitted).
- Except for judges, members can retire only on the first day of the month. Judges can retire on any day (after employment end date).
- Payment options include Maximum Benefit, Partial Lump Sum, Joint Survivor, & Life Certain options. KPERS 3 also has cost-of-living adjustment options.
- Retirement option election can be changed up until the date of retirement.
- Joint annuitants cannot be changed after retirement. Retirees cannot rename a new joint annuitant.
- KPERS does not withhold state income tax on pension benefits because retirement benefits are not taxable income in Kansas. It does not withhold state income tax for out of state residents either.
- Employer certification is only required if the employment end date is not reported by the employer and/or if there are missing payrolls between last contribution date and employment end date. All missing payrolls are required to be certified before processing the retirement application.
- Employers are allowed to certify future pay periods. If the employer provides all required information, BMS can go ahead and approve a retirement benefit for such a member, however, the member is not actually paid until after the date of retirement is reached.
- If the member has worked for a school, school questions are always required for certification (regardless of whether an employment end date is already reported).
- Portability may apply when a member works for KPERS and either KP&F or Judges. For portability, services from both the plans are combined to determine retirement eligibility and salaries from both the plans are used to determine the highest FAS.
- When a member transitions to normal retirement, if they have been receiving disability benefits for over 4.5 years, a DISCOLA factor is applied to their FAS to determine a FAE. This FAE is used to determine the retiree's monthly benefits after the transition.
- If a member's job classification did not change, a cap is applied to salary increases when calculating the FAS. The cap percentage is dependent on plan and tier.
- Spike Conditions: If add-on payments (that are included in the FAS such as sick, vacation, and PTO payouts increase a member's monthly benefits by more than 15% (compared with the benefit without the payments), the member's employer pays a fee to fund these benefits. Spike conditions could be split between multiple agencies. When such a scenario is encountered, BMS sends FS the spike form. This form then goes to the actuary for cost calculation. Once the cost is calculated, FS bills the agency for the required amount.
- Interest is granted annually (at the end of the fiscal year on June 30, based on balances at end of previous calendar year). KPERS 3 credits interest quarterly.

2. As-Is Process Description

- The Retirement Application is processed in KITS, utilizing the Business Process Management (BPM) functionality. If required, applications can be processed outside of BPM too. This is rare and is done only in exception cases.
- BMS staff makes detailed notes and scans all documents to ensure all relevant information is associated with the application.
- **Process Input/Triggers:**
 - Submitted Retirement Application (application form varies by plan) and supporting documents such as proof of age, name change, direct deposit, working after retirement certification, etc.
 - Application can come in via mail, walk-in, fax, email, or EWP.
 - Email applications are discouraged as they may contain personal identifiable information or confidential information.
- **Application Receipt:**
 - Once an application is received, it is assigned to an analyst for review.
 - Each analyst has a set of assigned applications based on alphabetical distribution and select school district employers assigned to them. The new application is assigned to an analyst based on the first letter of the member's last name or the school for which the member worked.
 - Once the analyst receives an application, they verify the following:
 - Was the application assigned to the right analyst?
 - Is the member eligible to retire on the requested date?
 - Analysts identify key information from the supporting documents and hand write it on the document prior to scanning. This is to ensure that information is retained after the document is scanned.
 - Analysts maintain an application log where they log the receipt of the application and supporting documents. They also maintain key information from the supporting documents in the log.
 - For all deferred applications (where date of retirement is not immediately after the employment end date), analysts calculate first eligible retirement date (based on employment end date and application received date) and calculate benefits.
 - Once the preliminary checks and data logging is complete, the application is sent for scanning.
- **Application Scanning:**
 - All applications are scanned in the system.
 - Even if the application was submitted electronically (uploaded online via the Employer Web Portal), the application is manually printed, barcoded, and then sent to the scanner. Barcoding is at a document type level and not a member document level (all documents of that type using the same scan sheet).
 - Applications that are faxed, mailed, walked in, or emailed are sent to the scanner.

- A barcode sheet is placed on top of the application. This barcode when scanned creates a retirement application in BPM.
- **Application Triage:**
 - Once an application is scanned, a BPM Case Instance is created in the system.
 - During triage, analysts verify service history, service credit, salary and contribution history, retirement age, and recent benefit estimates. Analysts would look for any anomalies or capping issues.
 - Analysts also confirm the status of supporting documents and any outstanding adjustments. They work with FS staff to post adjustments to members' records.
 - If the member has an incomplete service purchase, the member is notified of options.
- **Data Entry:**
 - This step has a designated role that is assigned to a primary designee with data entry assigned to that staff member (not Retirement Analyst). Other users may be given an alternate role.
 - Once the staff member locates the application to be worked, they launch the application. This opens up the scanned application document and the Application Details screen in BPM.
 - Staff enters/verifies all required and relevant information from the application into the system.
 - Once Save is clicked for the first time, the last day on payroll is populated on the screen if the employer has reported an employment end date. If the member has worked for multiple employers at the same time, last day on payroll will populate with the latest employment end date only if all employers have reported an employment end date.
 - Clicking Save also disables the Plan field and it can no longer be edited.
 - Staff fills out all applicable tabs for the application: Joint Annuitant tab, PLSO tab, Withholding tab, and Direct Deposit tab.
 - Data entry tabs have basic validations to prevent incorrect data entry, e.g., retirement date must be the first day of the month (except for judges), retirement date must be after the last day on payroll.
 - Once all data has been filled out, the system populates a document checklist, which is a list of required documents that have to be included as a part of the application.
 - Staff reviews the received documents and checks the boxes for the ones that have been received.
 - Once the application data has been entered, staff clicks on 'BPM Submit' to push the application to App 1.
- **App 1:**
 - Application is assigned to the analyst based on the first letter of the member's last name or the school for which the member worked.
 - Once the analyst locates the application to be worked, they launch the application.

- They verify all the information entered during data entry and if everything is accurately entered, they click on ‘Verify.’ This creates an employer certification request (if applicable).
 - They then use the Correspondence tab to create an acknowledgement letter for the member and employer DA (if member is actively working).
 - The letter includes data from the application such as: date of retirement and the list of missing required documents (based on the checklist populated during data entry). The letter can be altered (as needed) and is then manually printed and mailed out to the member and employer. If the letter was altered by staff, the system retains the modified copy.
 - Once certification is complete, the status of the application is updated to Advance Certified. BMS has to review and verify the certification details (to ensure that supplemental payments are posted to the right year) and work with FS to post (and annualize) the certification records.
 - If there are unposted adjustments in the member’s account, the system displays a warning for the same. BMS works with FS to either void or post these unposted records and only then continues with the calculation.
 - Once done, staff clicks on ‘BPM Submit’ to push the application to CALC 1 (an application can only be sent to CALC 1 if it is Valid and Verified).
- **CALC 1:**
 - Staff clicks on ‘Recalculate and Save’ to pull up the member’s service, salary, FAS, joint and survivor, and benefit information (the system performs all the calculations and populates the data in the relevant tabs in this step).
 - Analysts verify the FAS and ensure it matches their manually calculated FAS. If not, they research the discrepancy and override the FAS or send the data for correction to FS, whichever is applicable.
 - Analysts can either override the final FAS value or alter the FAS workbook (accessed by clicking on the FAS ID) to achieve the desired number. Overriding the FAS recalculates the benefit too. If the FAS is overridden, supporting documents are sent to the scanner using the ‘BPM Retirement Additional Documents’ barcode sheet.
 - Analysts verify if the final monthly benefit matches their manually calculated value. If not, they research the discrepancy (they use the Calculation Sheet to verify the step by step for the calculation) and take corrective action as needed.
 - If an estimate was recently provided, analysts review the estimate to verify that the final benefit is equal to or greater than the estimated amount. If not, a letter is sent to the member informing them of the change in anticipated benefits (a threshold of \$5 applies, i.e., a letter will be sent only if the difference is more than \$5).
 - The Recalculate and Save button is used to load the application with the latest information.
 - Once done, staff clicks on ‘BPM Submit’ to push the application to Audit App/App 2 (as applicable).
 - **Audit App or App 2:**
 - All applications until the 12th of the month are routed to Audit App. After 12th, applications are routed to App 2 instead of Audit App.

- All QDRO and portability applications are routed to Audit App (regardless of the day of the month).
- Applications that are routed to Audit App are assigned to the analyst's supervisor for secondary review.
- Supervisors frequently select the applications they want to audit and release the remaining to be verified with peer audit/quality control. Only current month's files are released.
- Once released, applications are routed to App 2.
- Applications routed for App 2 (peer audit/quality control) are assigned to the corresponding analyst based on the total number of files assigned to them (total number of files worked and files audited for the month). BPM is designed to effectively manage each analyst's workload, therefore, if an analyst has worked a high number of files, they do not receive as many for audit/quality control and vice versa.
- In Audit App or App 2, supervisors/analysts review the application for each data field entry and also verify the completeness of all supporting documents (all fields filled out, consistent signatures, notarized, etc.).
- Review all generated letters, call logs, and scanned documentation pertinent information.
- Once done, staff clicks 'BPM Submit' to push the application to Audit CALC/CALC 2.
- **Audit CALC or CALC 2:**
 - In this step, supervisors/analysts are confirming the calculations for service, FAS, and benefits and verifying if the application was worked accurately, and overrides/corrections were made wherever needed.
 - If they agree with the calculation, they click 'BPM Approve' to finalize the retirement application. This also ends the process flow for the BPM application lifecycle.
- **Post Application Approval:**
 - Once the application is approved, a payee account is set up.
 - A nightly batch will send out a congratulatory letter to the member. This is only sent if the member's retirement month is the current month or older. Future retirees do not receive this letter until the month of retirement.
 - PLSO will be paid in the subsequent weekly voucher and monthly benefit will be paid in the current month's monthly voucher (if processed before cut-off). If processed post cut-off, the monthly payment could be sent in the next weekly voucher (after the monthly voucher is processed) or the next monthly voucher. Once paid, the payment status of the record changes from Pending to Processed.
 - If a future date retirement is approved, the member will not be paid until the date of retirement is reached (voucher processing controls this).
 - Member status is updated to retired after the first payment has been processed through the monthly voucher. Until then, member remains in active (Retirement Pending or Advance Certified) status.
- **BPM Feature – Reassign Work:**
 - This feature is used to reassign work from one user to the other.

- There are two additional features of BPM –
 - Case instance: track the history/audit trail in BPM. Allows to suspend and terminate workflow.
 - Supervisor availability: Allows Supervisors to track the history/audit trail of a file.
- **Miscellaneous Notes:**
 - Notes used to track notes/comments for the application. As a business process notes are required when Overriding or Returning an application (not enforced by KITS).
 - Once a note is entered, the Terminate button appears – from this point on the application can be closed (precursor was that a note is entered, however, there is no correlation b/w what was added in the note and the closing of the application).
 - Generated letters appear under the Recent Letters section. Staff can click on a letter to open it and hover over it to see the timestamp for when it was generated.
- **Alternate Flow – Exceptions and Override:**
 - For applications that require manual calculations, during App 1, analysts can click the ‘Calculate’ button to continue the application processing outside BPM. This is typically used in cases with special handling (such as RMD).
 - The application can be approved outside of BPM and the approval will create the Payee account and perform other actions (same as BPM approval).
 - If validations occur in the application, the analyst can send the application for override using the “Send for Override” button. This assigns the applications to the supervisor who can override the warnings (errors must be resolved and cannot be overridden). Analysts must add notes in the application prior to sending them for override.
 - Supervisors cannot choose the validations that they want to override in the application – it is an all or nothing process. Therefore, if there is an exception that should not be overridden, they get that issue resolved before overriding the other exceptions. Additionally, the document checklist requirement (except the spousal consent document) cannot be overridden.
 - The system checks for the member’s retirement eligibility for the retirement date entered in the system. If ineligible, an error is thrown in the validations tab.
- **Alternate Flow – Suspension of Application:**
 - In an event where KPERS does not have all the supporting documents needed for the application, they can suspend an application for a period of time.
 - Analysts will add suspension reasons and a suspension end date when suspending the application.
 - Suspending an application lowers the priority of the application, therefore, it does not show on the top of search results.
 - Suspended applications resume either when supporting documents are uploaded for the document or when the suspension end date is up.
 - Once resumed, staff can either continue working on the application or re-suspend it if they are still waiting on additional information.
 - Once a suspended application is launched from BPM, it moves it to the In Progress status.

- **Alternate Flow – Reject Calculation:**

- During Audit App/App 2 or Audit CALC/CALC 2, if the file needs to be reworked, analysts/supervisors reject the file using the 'BPM Return' button. This reassigns the application back to the analyst based on alpha/school. Analysts/Supervisors add notes to the application indicating the issues with the file.
- Returning the file always returns the application to App 1. The analyst has to rework the file through App 1 and CALC 1 and then resubmit it for verification. Notes are added when resubmitting the file indicating what/how fixes were made.
- Analysts/Supervisors avoid updating incorrect files in App 2/CALC 2 themselves because that will stamp their user id as the submitted/modified by user id and then they will not be able to approve the file (cannot approve the file if you last modified/updated it).

- **Alternate Flow – Applications with Unclaimed Accounts:**

- When processing an application for a member with an unclaimed account, BMS has to first work with the member and the Withdrawal department to get the member refunded with the unclaimed account monies.
- In this scenario, they scan the retirement application to get a BPM application created. This is only done to generate a correspondence for the member.
- Once done, they terminate the application in BPM (using Terminate Workflow) and also close the application (by adding a note and then using the Close button).
- They then work with the member and withdrawal team to process the refund for the unclaimed account.
- Once done, they rescan the paper application to initiate a new retirement application.

- **Alternate Flow – Portability:**

- In the cases of limited portability, if the member has not submitted applications for both the plans at the same time, before they start processing the retirement application, they have to work with the member to get them to submit the second application as well.
- Once they have both the applications, the remaining steps for processing each of the applications are similar.

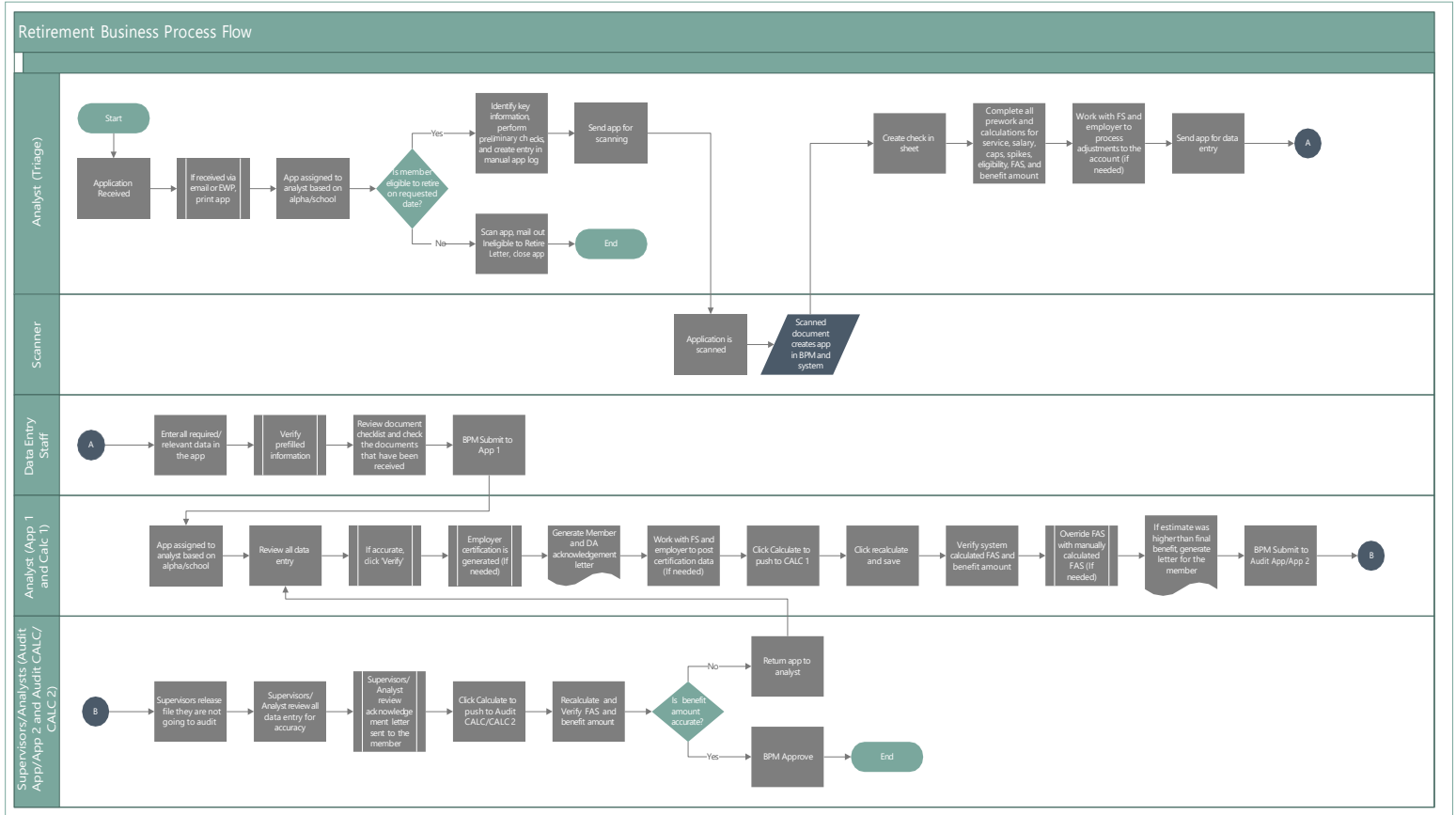
- **Alternate Flow – Transition to Normal Retirement:**

- For KPERS, BMS keeps a track of the disability benefit recipients who need to transition to normal retirement using the 'KPERS Insured Disa Ending' report. BMS uses this report to review the members whose disability is ending in the next 60 days.
- For KP&F, once a disability benefit has been approved, BMS calculates the date on which the member's disability should cease. They record this date as the review date in the payee account.
- BMS also regularly runs a report that retrieves all payee accounts with review dates associated with them.
- 60 days prior to this review date, BMS creates an estimate for a normal retirement for the member. They also reach out to the member letting them know that their disability benefit is going to end, and they will need to apply for regular retirement.

- The disability benefit is manually terminated once the last payment is made (based on the review date).
 - Transition to normal retirement is done in the same way as any other retirement file except for the application of a DISCOLA factor.
 - A DISCOLA factor is applied to the member's FAS to derive an FAE (done manually and outside the system). The system calculated FAS is overridden with this FAE so that this FAE is used to determine the final benefit.
 - The DISCOLA factor is dependent on the member's disability date and date of normal retirement. The factors are updated monthly (a new value is added every month) and maintained outside of the system.
- **Alternate Flow – Post-Retirement Adjustments:**
 - If an employer reports an adjustment for a retired member, either the employer or the FS team needs to notify BMS of the wage/contribution/service change.
 - BMS staff manually trigger a recalculation of the retirement application. This is done by opening the retirement application and using the 'Adjust' button. This creates a new calculation for the application with the most recent salary and service information. Once a new calculation is created, they use the 'Recalculate and Save' button to recalculate the member's benefits using the most recent data.
 - Approval of the calculation creates a new benefit with the updated benefit value in the payee account.
 - They then use the Corrections tab in the payee account to create retro payments or adjustments for over payment.
 - For underpayments, correction type used is 'Recalculation' and on click of the 'Calculate' button, the system calculates the retro adjustment owed to the retiree (New Benefit – Old Benefit) * Number of Payments Issued so far to the Retiree) and this retro payment is paid out in the next monthly/weekly voucher batch. Retro payments for monthly benefit are paid with the monthly or weekly voucher and retro payments for PLSO/withdrawals are paid with the weekly voucher.
 - If there was a PLSO payout, the system also automatically determines the PLSO retro payment.
 - For overpayments, they use the Correction Type 'Recovery' under the Corrections tab. The system automatically calculates the overpayment amount and KPERS can recover it in a one-time payback or monthly reduction. The user specifies the recovery type (monthly in most cases), taxable correction (the full amount to be recovered), and taxable recovery (amount to be recovered each month). The monthly voucher batch will then deduct the recovery amount from the retiree's benefit each month until the full amount has been recovered.
 - **Alternate Flow – COLA:**
 - KPERS 3 has a retirement option for COLA – members can elect any one of the options (0, 1, or 2%). A batch job runs every July to apply COLA for the retirees (start receiving it after one year of retirement). If the retiree is dead, JA continue to receive COLA

- For KPERS 2, a batch job in July applies a 2% COLA for these members every year (very small, closed group). Should the retiree die, the JA will continue to receive COLA.

3. As-Is Business Process Flow



4. Operational Metrics (Monthly/Annual)

Metric	# Of Cases
Number of Applications/Cases Processed per Month	Annual Average: 500 Varies from 200 to 1200
Percentage of Applications Processed Timely per Month	99% - 100%
Average number of days from time the application is workable* (either reached eligibility or employment has ended) until process complete	15-20 days
*Application receipt is not a useful measure as the application could have come in months/years in advance (like in cases of portability)	

Disability Benefits: Current State and Business Process Overview

Key Acronyms:

Acronym	Elaboration
BMS	Benefits and Member Services
TPA	Third Party Administrator
EWP	Employer Web Portal
LDOP	Last Day on the Payroll

1. Key Business / Operational Rules

- KPERS offers three different disability programs:
 - KPERS is the largest and provides 60% of the member’s salary as disability benefits (this is a Disability Income Protection Plan rather than a disability retirement plan). The disability medical review process, benefit payments, and overall processing are administered by a third-party administrator (TPA). The TPA makes a recommendation and KPERS makes the final determination.
 - The KP&F disability plan is administered in-house with the medical review only performed by the TPA – they make a recommendation and KPERS makes the final determination. It provides 50% of the member’s final average salary as disability benefits.
 - The Judges Disability Plan is administered in-house. (Note: Because the volume of claims and payments is extremely low, no additional details are provided below.)
- KPERS is responsible for funding KPERS disability payments and funds are moved from KPERS to the TPA to pay for the benefits. The TPA issues the benefit payments and performs the annual W-2 process.
- For KPERS, the disability benefits begin either on the 181st day after the “Last Day at Work” or the day after the LDOP, whichever occurs later.
- For KPERS, the employer submits an electronic Disability Application when the employee leaves work due to injury or health reasons.
- When KPERS members receiving disability benefits reach retirement age, they may elect to transition to receiving retirement benefits (even if disability benefits have not reached the maximum benefit date).
- KPERS members approved for long term disability benefits receive service credit starting the day after their last day on the employer’s payroll. They continue to earn regular service credit while on the employer’s payroll.

- When a member returns to work, the enrollment goes into review (BMS is also notified of the same), and the member is identified as a member receiving disability benefits. The member could be participating in a rehabilitative employment program or could have disability benefits end.
- KP&F Tier I members receive disability benefits for their life unless returning to work for a KP&F employer or no longer disabled.
- If KP&F Tier I member dies while receiving disability benefits, it is handled like a retiree death (since the member is medically retired).
- If KP&F Tier II member dies receiving disability benefits, it is handled like an active member death.
- KP&F Tier II disability benefits end once members reach normal retirement eligibility, at which point they must retire. If KP&F Tier II members are eligible for full retirement based on age and service, they cannot apply for disability benefits.
- Special rules may apply to survivor's benefits when KP&F members die when receiving disability benefits. These benefits vary between Tier I and Tier II.
- Like KPERs, KP&F members may choose to withdraw at any time or retire at any time after meeting eligibility requirements.
- While receiving disability benefits, members may continue their Optional Group Life Insurance (OGLI) payment with a self-pay option since they are no longer working and thus the employer is no longer processing those deductions (paid to The Standard directly by the member).
- Any member appeals of disability denials or terminations are handled by KPERs.

2. As-Is Process Description

Disability Reports & Correspondences

- To report a possible disability claim, the employer submits the Report of Disability on the EWP. This creates and initiates the Disability Application process and populates the information provided by the employer in the Disability Request Confirmation Maintenance screen in KITS (part of the Disability Application). KPERs is notified of a disability report submission via a message that shows on the message board.
- The employer is expected to provide information similar to the certification process: Position Type, Hourly Rate, Annual Hours for the Position, Current Annual Rate of Pay, Last Day on Payroll, and other disability specific information. Questions may differ slightly by plan.
- KPERs occasionally receives a disability claim after the member is no longer on the employer's payroll. These may require submission of a paper application form.
- Letters are mailed to members when a report of disability is submitted by the employer. A copy of the Long-Term Disability Benefits Summary Plan Description is included with the letter.
- The employer also receives a copy of the acknowledgment letter (and several other correspondences during the process).

- A copy of the KPERS Long-Term Disability Summary Plan Description is included in Appendix E-1.

KPERS

- The Disability Annual Rate of Compensation is the higher of (a) the current annual rate of pay, or (b) the amount of compensation the member earned in the last 12 months before the date of disability (e.g., if the Last Day at Work is June 24, 2021, the Previous 12 Months is June 1, 2020, to May 31, 2021).
- If the difference between the current annual rate of pay and the amount of compensation earned in the 12-month period immediately before the month in which the disability occurred is more than \$2,500, BMS contacts the employer to identify and verify the reason for the difference.
- BMS notifies the TPA that the member has applied for disability benefits so that the TPA can begin their process.
- Once notified, the TPA communicates with the member about any forms that need to be completed and to let them know how the application process works.
- Once the TPA has a recommendation for approval or denial of the claim, they notify KPERS. BMS authorizes approval or denial of claim and the TPA notifies the member. The Chief Benefits Officer or Deputy Chief Benefits Officer reviews all termination or denial recommendations and makes the final determination.
- While the member is receiving disability benefits, the TPA notifies KPERS of any changes in the member's information such as an address or name change.
- KPERS receives several monthly reports from the TPA within 10 days after the end of each month.
- When the member applies for a retirement, a notification is sent to the TPA so benefits may be coordinated.
- The Maximum Benefit Date saved in the Disability Application Maintenance is used to keep track of disability benefit end date. KPERS Insured Disability Ending Report lists all the disability benefit ending at age 65, or 5 years term limit if approved after age 60.

KP&F

- When the Employer submits the Report of Disability on the EWP, it initiates the Disability Application process and populates the information on the Disability Request Confirmation Maintenance screen in KITS.
- BMS notifies the TPA that the member has applied for disability benefits so that the TPA can start the medical review process.
- Once the review is complete, the TPA sends a claim recommendation to KPERS. The Chief Benefits Officer or Deputy Chief Benefits Officer reviews the recommendation and makes KPERS final determination.
- The KP&F Disability benefit calculation process is similar to that of retirement.
- Upon approval, a Payee Account is set up for the disability payment, and correspondence is sent to the member. This letter explains the monthly benefit amount, the retroactive payments

due (if any), how the benefits are taxable, how tax withholding may be changed and when the member will transition from disability to retirement benefits.

- The member receives ongoing monthly disability payments issued by KPERS through the monthly voucher process. KPERS issues 1099R forms each January.
- Annually in January, KPERS sends recertification correspondence to KP&F members.
- BMS staff use a KITS list of KP&F members receiving disability benefits to generate the recertification correspondences. The records from the report are exported to Excel and separated into groups by whatever letter version the member should receive. Letters are manually generated using a mail merge process and sent to the members. Follow up letters are sent as needed.

3. Operational Metrics (Monthly/Annual)

Metric	# Of Cases
Est. Number of Disability Recipients Currently "On Payroll"	2,000
Est. Disability Applications/Cases per Year (requested)	575
Est. Disability Applications/Cases per Year (Closed/Not Pursued)	300
Est. Disability Applications/Cases per Year (Open/Pursued)	275
Est. Disability Applications/Cases per Year (Approved)	250-260
Est. Disability Applications/Cases per Year (Denied)	15-25
Although Disability processing outsourced, KPERS has dedicated staff	2 FTE(s)

DROP – Deferred Retirement Option Program: Current State and Business Process Overview

Key Acronyms:

Acronym	Elaboration
BMS	Benefits and Member Services
DA	Designated Agent
DROP	Deferred Retirement Option Program
FAS	Final Average Salary
KBI	Kansas Bureau of Investigation
KHP	Kansas Highway Patrol
QDRO	Qualified Domestic Relations Order

1. Key Business Rules

- The Legislature created a pilot program to offer a Deferred Retirement Option Program (DROP) for eligible KP&F members with the Kansas Highway Patrol (KHP) and the Kansas Bureau of Investigation (KBI). (Eligible members are KHP troopers, examiners, and officers and KBI agents who are eligible for full retirement.)
- Under DROP, instead of retiring, this optional benefit allows eligible members to keep working while their monthly retirement benefit accumulates in a DROP accrual account. They continue to receive their salary AND their DROP accrual account grows each month while they work.
- Members can continue to work another three, four or five years. If the Member initially applies for three years, they can later extend to four or five years. When they retire after their DROP Period, they receive their DROP accrual account balance as a lump-sum payment and begin receiving their monthly retirement benefits. (The Partial Lump-Sum Option is not available for use on the DROP accrual account.)
- If you do not participate for a minimum of three years, all interest is forfeited. You will still receive the balance in your DROP accrual account.
- If members leave employment with the KHP or KBI, participation in DROP is cancelled.
- If members continue working beyond the DROP period, no additional interest is credited to the DROP accruals and KP&F contributions stop. Members do not receive the DROP accrual account balance and monthly retirement benefits until they retire.
- The Member and Employer continue making regular contributions during the Member's DROP period, but the Member does not earn additional service credit.

- DROP amounts are subject to federal taxes when received. Taxes may be deferred by rolling over the balance to another retirement plan.
- Members participating in DROP have the same disability benefits as active KP&F members.
- In the event of death, the designated beneficiary will receive accumulated DROP benefits in a lump-sum. Retirement benefits are payable based on the retirement option selected when applying for DROP participation.
- The same or new beneficiary can be named to receive the DROP accrual account. If no DROP beneficiary is designated, the DROP beneficiary is the same as the retirement beneficiary.
- Employers must agree to DROP participation; DROP participation does not guarantee continued employment.
- Members entering DROP are not eligible to receive payout of unused leave until they fully retire or stop working.
- Members who joined KP&F before July 2, 1993, are eligible to include additional compensation such as unused sick and annual leave in Final Average Salary (FAS) calculations, but not until they fully retire. If the recalculated FAS is higher, DROP payments will be adjusted retroactively (with no interest), with a lump sum credited to the DROP account. The ongoing retirement benefit amount is also recalculated using the higher FAS.
- The DROP program ends (meaning no new applications) January 1, 2025, unless legislation is passed to extend it.
- When KPERS' investment returns meet statutory requirements, DROP accounts earn annual interest. Interest is posted at the end of the first quarter, based upon the balance at the end of the previous calendar year.

2. As-Is Process Description

Application Process

- Member will send in a DROP Application
- Benefits and Member Services (BMS) will add the new DROP Application based upon the paper application that was received.
- The application is entered by navigating to the **Person>Application** screen in KITS and starting a new application. The Drop Begin Date (which is always the first of the next month), Drop Duration, Benefit Option, Last Day Before DROP and Agency ID are entered. The Last Day Before DROP can be found by looking up the Agency's Period of Service (POS) – it will be the last day of the payroll prior to the Drop Begin Date.
- BMS staff populate the checklist and send correspondence to the member. This correspondence will let the member know if anything is missing from their DROP Application and acknowledge receipt. The correspondence will further explain that the member will need to apply for retirement benefits in the future when they complete their DROP period. That correspondence is also sent the Designated Agent (DA) of the agency where they are employed.

- Verifying the DROP Application (by clicking the Verify button) creates a DROP Certification that the Employer MUST complete. For the DROP to flow through KITS correctly and for the IMR to forfeit properly, the DROP Certification is required.
- After the DROP Certification is returned from the Employer, the Calculation of the Retirement Benefit that will be deposited into the DROP Accrual account each month is calculated by clicking the Calculation button.
- Once complete, the application is approved. Approving the DROP Application prepares the payment to flow through the voucher process.
- The member's account is changed to "Transfer to DROP" status, adds the Forfeited Date to the regular Employment History Line, and opens the new DROP Employment History line.

Monthly DROP Accumulation

- Each month, the voucher process runs, crediting each DROP participants account with their monthly benefit.
- **NOTE:** If the Member continues employment after their DROP Period is complete, the batch process stops paying their monthly DROP Accrual amount with no BMS action required. The Member will not receive their DROP Accrual balance until they retire (leave employment).

Annual Interest

- DROP interest batch is run on an annual basis.
- The interest varies.
- The Member's DROP account is credited with interest based on the account balance at year end.

Special Interest

- Credited annually when applicable.

Payout Process

- When the Member applies for Retirement after their DROP Period, BMS staff enter the Termination Date and Termination Reason on the Drop Payout Maintenance screen. The DROP processor completes the information under DROP Payout Details and also completes the checklist. Once the application is valid and ready for approval, the file is passed to the approver.
- At this point, there is no Payee Account – even though the DROP Payout is approved. The Payee Account gets created when we start the Payout Process.
- The Payout Process starts by clicking the Start Payout button. This will bring the screen back but without the Start Payout button and with the Payee Account ID populated.
- Clicking on the Payee Account ID will take you to the Payee Account and the Lump Sum tab will show you the DROP Payout.
- The DROP Payout will be paid with the next Weekly Voucher. BMS will review each recent DROP Payout after the Weekly Voucher is processed to ensure that the payment was issued successfully.

Recalculation of FAS After DROP Period Complete

- When the Member is eligible to receive a Sick or Vacation Pay payout before retirement, the Retirement Benefit is recalculated.
- The recalculation cannot be done with the DROP screens. BMS must go back to the original DROP Application and adjust the calculation.
- Before performing the recalculation, the employer does adjustments and submits, FS processes, then BMS recalculates the benefit and makes any required Withholding, and Direct Deposit information in the DROP Screens, because after adjusting and recalculating the new DROP Benefit, the DROP Screen disappears until the Retirement Adjustment is approved.

DROP With Qualified Domestic Relations Order (QDRO)

- The Alternate Payee does not receive a distribution until the Member completes their DROP Period and begins receiving retirement benefits.
- **QDRO A** – This pays the Alternate Payee their portion of the QDRO as a Lump Sum at the time of the member's retirement. The DROP/QDRO process proceeds like this:
 - Reduced benefits (adjusted actuarially – because the Alternate Payee will be paid a lump sum from the retirement account) are issued to the member each month and accrued in the DROP Accrual Account.
 - At the time of the member's retirement, the Alternate Payee gets their lump sum payment.
 - Member receives the DROP payout and continues with monthly retirement benefits (which will be smaller than the normal monthly benefit because the Alternate Payee received the lump sum payment).
- **QDRO B** – This pays the Alternate Payee their portion of the QDRO as a monthly benefit at the time of the member's retirement. The DROP/QDRO process proceeds like this:
 - The full monthly benefit amounts are issued to the member each month and accrued in the DROP Accrual Account.
 - At the time of the member retirement, recalculate the benefit (if necessary) and pay the Member and Alternate Payee their monthly benefit.
 - Member gets the full amount in the DROP Accrual Account

DROP Estimates

- The KITS system can provide DROP estimates.
- Two estimates are provided to the Member – one estimating what will go in their DROP Accrual Account, the other estimating what their retirement benefit will be at the end of their DROP Period.
- Estimates are routinely requested and completed for Members who decide not to participate in DROP.

3. Operational Metrics (Monthly/Annual)

Metric	# Of Cases
Number of active KP&F Members in KHP and KBI	~560
Number of active members who are retirement eligible (full benefits)	~73

Active Death: Current State and Business Process Overview

Key Acronyms:

Acronym	Elaboration
AD	Active Death
BMS	Benefits & Member Services
BPM	Business Process Management
EWP	Employer Web Portal
IRA	Individual Retirement Account
KBOR	Kansas Board of Regents
KDHE	Kansas Department of Health and Environment
OGLI	Optional Group Life Insurance

1. Key Business/Operational Rules

- Accelerated Death: If an employee is diagnosed with a terminal illness with **24** months or fewer to live, they may be eligible to receive up to **100%** of their life insurance while they are still living, instead of it going to their beneficiaries after they die.
- If the named beneficiary is a minor child and the benefit amount is greater than \$10,000, KPERS requires proof of conservatorship before paying the money out to the minor. If the benefit amount is less than \$10,000, KPERS does not require a conservatorship, however, they do have other relevant forms and documents that the legal guardian must sign.
- Benefit amount is divided equally among the beneficiaries. The member cannot elect distribution percentages. If no beneficiary, follow line of descendancy and disburse equally.
- Under KPERS, for the surviving spouse to receive lifetime benefits (K28), they must be named as the sole primary retirement beneficiary. No other relationship type can receive lifetime benefits. If the member is eligible (conditions given below), the spouse gets to decide if they want lifetime benefits or life certain benefit or return of the account balance. The spouse starts drawing benefits on the earliest retirement date (based on member's eligibility).
 - KPERS 1 and KPERS 2 members are eligible once they reach the age of 55 and have at least 10 years of service (reduced benefits) or are eligible for retirement benefits at the time of death.
 - KPERS 3 members are eligible once they reach the age of 65 and have at least 5 years of service or reach the age 60 with at least 30 years of service

- For KPERS 1 and KPERS 2, the spouse can choose from the following options: J&S 100% or one of the three life certain options. They have the option to take a PLSO with a reduction to their monthly benefit.
- For KPERS 3, the spouse gets the J&S 100% option.
- The Basic Life Insurance payout is 150% of the greater of the Current Annual Rate of Pay (as certified by the employer during the Report of Death process) OR the last 12 months' compensation (not including the month of death). Only pensionable wages are to be included when determining the last 12 months' compensation.
- KPERS does not actually pay the insurance amount. They maintain the data and beneficiary designations and then certify benefits payable and beneficiaries to the insurance carrier at the time of the member's death. The carrier then pays the final amount to the named beneficiary (insurance beneficiaries).
- For insurance payout, the insurance company decides if they need a death certificate before issuing the payment (usually decided depending on the insurance amount). KPERS does not wait for the death certificate to send the insurance certifications. They are sent as soon as death notifications are received (exception: disability).
- For any KPERS related payments, KPERS does not pay until death certificate is received.
- For members receiving KPERS long term disability benefits, KPERS does not certify the insurance or make any payments until the death certificate is received and the basic life insurance application is signed and notarized.
- There is no separate "verified date of death" field in the member record. If the date of death on the death certificate is different from the previously reported death date, BMS would simply update the death date field in the system.
- For rollovers, KPERS can specify if the rollover is to a traditional, ROTH, or inherited IRA, however, no taxes are withheld from the payout (even if it is a Roth IRA). It is the member's responsibility to pay the appropriate taxes to IRS. The Taxable/Non-Taxable Rollover field in the Rollover tab is designating the source of the contribution, not the destination of the rollover.
- No state taxes are withheld from the payments. The State of Kansas does not tax these benefits. If the beneficiary is out of state, it is their responsibility to pay the appropriate taxes to their state.
- In case of service-connected death for KPERS, the following rules apply:
 - KPERS makes the final determination of whether the death qualifies as a service-connected death. The agency informs KPERS if they think the death is service connected (part of the Report of Death Notification form) and then KPERS makes the final decision. If KPERS does not agree with the employer's decision, they do not process the death as a service-connected death (which happens rarely).
 - Monthly benefits for the surviving spouse/dependent children start immediately (not based on when they are eligible for retire for normal retirement).
 - The surviving spouse receives a lifetime untaxed benefit (the voucher process knows not to tax this as it is coded as a non-taxable benefit).
 - In case there is no surviving spouse, but there are dependent children, the children are paid until they turn 18 (or 23 if they are enrolled as full-time students) (whichever is later).

- In addition to their monthly benefit, the spouse or dependent children or parents may receive an additional \$50,000 Lump Sum Death Benefit. This benefit is not taxed.
- They also receive the Lump Sum of Accumulated Contributions (total account balance of the member's account). The contribution account balance would be taxable.
- Both above-mentioned benefits are automatically created by the death calculation upon approval.
- KP&F death benefits are paid to spouse and/or children. If no spouse and no eligible children, the beneficiary listed would receive a one-time lump-sum benefit. If the death is not service connected, the spouse receives a lump sum benefit equal to 100% of Final Average Salary (FAS) and an annual benefit of $FAS \times 2.5\% \times \text{years of service}$. If the death is service connected, the spouse and dependent children receive non-taxable monthly benefits (spouse receives lifetime benefits; children receive benefits to age 18 or age 23 if full-time students).

2. As-Is Process Description

- Active Death (AD) payout is processed in KITS, and it is a process that is outside of the Business Process Management (BPM) functionality.

Active Death Notices

- Report of Death Notification through EWP
- Phone call or lobby visit - family/friend/funeral home initiated (these are logged in KITS call log).
- Manual notification of death (K 61 form)
- Kansas Department of Health and Environment (KDHE) Report (Weekly)
- Davies and The Standard will provide notification of the death via email – Notified immediately on a case-by-case basis.
- If an actively working member dies and KPERS finds out from a source other than the employer, they reach out to the member's employer to have them submit the Report of Death electronically via EWP.
- Submitting the Report of Death through the EWP creates a "Message" in KITS as well as an Active Member Death application (Status: *Pending Verification*). One application per beneficiary is created.
- If a manual application is submitted (K61) or inactive member (member currently not on any employer's payroll) dies, BMS creates the death application manually in KITS. One application per beneficiary is created (have the ability to create any active death app manually, but generally do not need to do so unless it is an inactive member).
- Review of the KDHE file is completely manual. The file is uploaded in KITS and that generates a report of matched KPERS members from the system. BMS uses the report to look up the members manually and mark them as deceased (enter date of death in the system). Depending on their membership status (active/inactive), they will take the next steps to get a death application created.

Application Triage:

- Death Notice
 - The Report of Death Notification form submitted by the employer is printed for KPERS' records. The form contains a member ID which is used to look up the member.
 - All forms and relevant documents are tracked in paper form until the application process is complete. Once complete, all relevant documents are scanned into the member's record.
- A checklist (internal use only) is used to track the progress of the process. Checklist fields:
 - SSN, Name, Date of Death for easy access/system lookup (entered by the user)
 - Account Status (entered by the user): Active, Disability (receiving disability benefits), Inactive (off payroll, employment end date in system, have not withdrawn money, are vested), Retiree Death (member passes within 60 days of retiring, AD pays out Basic Life, OGLI), Unclaimed (off payroll, employment end date in system, have not withdrawn money, account has stopped accruing interest, not vested, no insurance on this status), Insurance Only (KBOR members, spousal or dependent payable OGLI)
 - Benefits Payable (determined by the user):
 - Contributions: Out of the statuses listed above, Active Death, Disability, Inactive, and Unclaimed statuses will typically payout accumulated contributions.
 - Basic (STD/Davies): Active Death, Disability, and Insurance Only pay Basic Life Insurance; Insurance Options: STD (The Standard), Davies Life & Health (Davies).
 - K-28 (Date): Surviving Spouse Benefit.
 - OGLI (Amount): If applicable.
- The Active Member Death Application (triggered by the employer form submission) is available under the member's IMR. One application per beneficiary is created.
- The application contains a link to the employer-submitted form. Employer form fields:
 - "If death in the course of the employee performing duties for your employer": Response Yes/No (indicates service-connected death)
 - Employment Type: Contracted/Salaried, Hourly
 - Dollar Amount Paid per Hour
 - Annual Hours for the Position
 - Current Rate of Pay (Annual)
 - Last Day Physically Worked
 - Last Day on Payroll
 - The form also contains other data such as: Submitted by, Employer Name, Submitted Date, and Employer ID.
- Once an application is created, BMS staff would then review and update the member's information:
 - The application shows the IMR information and other prefilled fields such as Death Date and Receive Date (from Employer entry on EWP). If manually created, BMS would enter this data.
 - They select the Account Relationship and Family Relationship (identifying beneficiary information).

- Defined Benefits must be checked for the calculation and correspondence to work properly (for return of contributions or survivor benefits – does not need to be checked for Life Insurance Only – e.g., KBOR Member with Basic Life).
- Finally, they would also select the Payout Option (Return of Contributions, K-28 Survivor Benefits).
- Application “verify” button must be clicked to generate certification in the instances of active members.
- The application contains some validations, e.g., if the K-28 Lifetime Monthly Benefit is selected, the Beneficiary Family Relationship cannot be blank and must be ‘Surviving Spouse’. (Account Relationship = Survivor, Family Relationship = Spouse.)
- Once the member information is reviewed, BMS staff research the beneficiary/survivor contact information (e.g., mailing address). The information in KITS may not be current and they use multiple ways to determine the current information. e.g., a tool called Accurant, internet options like Google, Facebook, etc., obituary research, information from the employer or funeral home, and ‘Clear’ (a Thomson Reuters tool).

Application Processing: Insurance Payout Determination (only when applicable)

- KPERS would first determine the previous 12 months’ compensation.
- The 12-month compensation value is compared to the Current Rate of Pay (provided by the employer in the Report of Death Form). Basic Life is paid at 150% of the greater of the two values.
- Optional Life Insurance checkbox checked when applicable and the Optional Life Insurance carrier is selected from dropdown.
- Disability checkbox is checked when applicable.

Application Processing: Insurance Correspondences and Certification (only when applicable)

- Once the payout amount is determined, the user generates correspondences for the insurance carrier (basic and optional life). Only one certification is generated (with both the amounts) if the carrier for both the insurances is the same.
- The certification contains member information – Name, SSN, Date of Death, Date of Birth, Age at Death, Basic and/or Optional life insurance amount, and Beneficiary information (all insurance beneficiaries are listed). If there is a funeral home assignment, the user manually inputs the funeral home name and the funds being assigned to the funeral home when generating the certification. The system automatically calculates the net amount paid to the beneficiary. This information is pre-populated by the system. The beneficiary relationship is not pre-populated. Staff manually fill this out for each beneficiary.
- If only one certification is being generated (same carrier for Basic and OGLI), the system knows to include both the insurance amounts in the letter.
- Once generated, Chief Benefits Officer or Deputy Chief Benefits Officer reviews and signs the certification, and they are sent to the insurance carrier for payment.
- The ‘Certify’ button under the Insurance Certification tab is clicked once all information has been entered in the system and the Chief Benefits Officer or Deputy Chief Benefits Officer

has signed the certification – this signifies that Insurance Certifications have been generated and sent out.

- KPERS waits for the carriers' response confirming that the beneficiaries have been paid. Once received, they mark the insurance 'Paid.'

Application Processing: Beneficiary Correspondence:

- Once the employer has provided the final payment information (for the member) and the insurance is certified, KPERS contacts the named beneficiaries for their payment. (They typically wait till they have final payment information because that data will be used to calculate the benefit amount which is included in the beneficiary letter).
- Staff generates correspondences for each of the beneficiaries. The letters include information regarding the benefits they will be receiving (KPERS payouts and insurance payouts), and therefore the right letter must be selected depending on the payout – lump sum or monthly benefit.
- The letter also contains document requirements and the packet sent includes the refund of accumulated contributions application and/or K-28 application.
- If the member is eligible for retirement, KPERS sends out the K-28 benefit form and the corresponding letter to the surviving spouse. If the spouse decides to withdraw the lump sum amount, they will change the payout option in the application and process a refund calculation instead.
- For KPERS 3, all correspondences are manually altered to provide plan specific information.
- If the beneficiary does not return the completed application within 60 days, KPERS sends a reminder letter (the packet also includes the original letter and the application). If nothing is received after follow-up, KPERS "closes" the file. The application remains open in KITS; however, all relevant documents are sent for scanning (including documents related to insurance) and the application is not manually tracked anymore (closure reason is noted in the tracking sheet).

Application Processing: Return of Contributions

- Once KPERS receives a completed return of contributions application, they will resume working the corresponding death application in KITS. (Applications are currently manually sorted and hand-delivered based on assignment).
- The first step of the process is to complete the data review and entry for all relevant information such as Beneficiary SSN, Address, Contact Information, and Rollover or Direct Deposit Information.
- W-4R tab has 20% as the default federal tax withholding amount. If the beneficiary submits the IRS Form W-4R to have more withheld, the amount is manually changed in this tab.
- Once the data is entered in the system, the document checklist items are reviewed and validated. If there are any missing documents, a reminder letter is sent to the beneficiary. Payout is not processed until all documents are received.
- As long as there are checklist items missing, the application status remains in the Review/Verified state. Once all items are received, status changes to Valid/Verified. The status must be 'Valid/Verified' to proceed with the calculation.

- Once all the documents have been received, BMS would process the calculation. The system will calculate the payment amount for each of the beneficiaries. On approval of the application, a payee account is created, and the payment is issued in the weekly voucher. (Approver will approve all valid/verified apps - if there are multiple beneficiaries, a separate payee account is created for each beneficiary.)
- If multiple beneficiaries were named, KPERS does not wait for all beneficiaries to turn in applications before processing the calculation. The system can determine payout amounts for all beneficiaries within the same calculation (central calculation across multiple applications). Applications can be paid out individually (at different points in time as completed forms are received).

Application Processing: Monthly Benefits

- For monthly benefits, the system auto-populates the first day of the following month as the benefit begin date; in cases of future dates are manually calculated and enter
- Once KPERS receives a completed K-28 benefits application, they will resume working the corresponding death application in KITS.
- The first step of the process is to complete the data review and entry for all relevant information such as Surviving Spouse's SSN, Address, Contact Information, PLSO information (if opted), Rollover Information (if PLSO is opted), Direct Deposit Information, and Withholding Information.
- Once the data is entered in the system, the document checklist items are reviewed and validated. If there are any missing documents, a reminder letter is sent to the spouse. Payout is not processed until all documents are received.
- As long as there are checklist items missing, the application status remains in the Review/Verified state. Once all items are received, status changes to Valid/Verified. The status must be 'Valid/Verified' to proceed with the calculation.
- Once all the documents have been received, BMS processes the calculation. Clicking the 'Calculation' button opens the 'Active Member Death Benefit Calculation Maintenance' screen. Here, staff would use the 'Recalculate and Save' button so that anything altered in the application is updated in the calculation as well. At this point, the calculation status is updated to 'Valid/Pending Approval' (could change to Review if warnings/errors are triggered based on conditions).
- For KPERS 3, all calculations are done outside the system using spreadsheets and the final benefit amount is added in the system.
- The application is verified (process is the same as regular retirement application process). If staff agrees with the benefit, they click the 'Approve' button. This creates the payee account. Staff reviews the payee account, and the payments are issued in the weekly/monthly voucher (PLSO/monthly benefits).

Alternate Flow: Incorrect Notice of Active Death

- In case a death was incorrectly reported, the date of death is removed from the system, the death application is closed, and the member record is updated (date of death removed) so the employer can continue reporting wage data for the member.
- Because no death certificate was received, the beneficiaries would not have been paid. Any follow up required is handled on a case-by-case basis.

Alternate Flow: QDRO

- The process for QDRO calculation in case of active death is similar to regular QDRO calculations when a member withdraws or retires. A separate application for the alternate payee is created. All calculations are done manually and outside the system. AP benefits are calculated first and beneficiary/surviving spouse benefit amounts are adjusted accordingly. Final payment amounts in the system are overridden with the manually calculated values (for AP and beneficiaries).

Alternate Flow: Service-Connected Death

- For service-connected deaths, the 'Svc Connected Death' checkbox is checked in the application and the payout option selected is 'Service-Connected Death.'
- KPERS requires additional documents in this scenario: e.g., Notarized affidavit from employer for job related death, Proof of Service-Related Death, Worker's Compensation Award Letter, and Worker's Compensation Death Report.
- The system performs the calculations required for a service-connected death (once the checkbox is checked and option is correctly selected), however, BMS does calculate the benefits manually as well to ensure the system has accurately calculated all the values.
- KPERS3 remains a manual calculation which is done outside of the system and the final benefits are overridden in the system.
- Service-connected death benefits start immediately (do not have to wait till normal retirement eligibility).

Alternate Flow: Accelerated Death

- These are very low in volume (possibly 1 - 3 a month), however, when they are received, they are processed as high priority transactions.
- They are indicated by Special Handling flag in KITS (entered manually). All calculations are done manually.
- OGLI payment and Basic Group Life Insurance is paid to the member (member selects the % of insurance amount they want accelerated). Correspondences are sent to the insurance carrier, and they manage the payout.

Alternate Flow: No Beneficiaries in the System

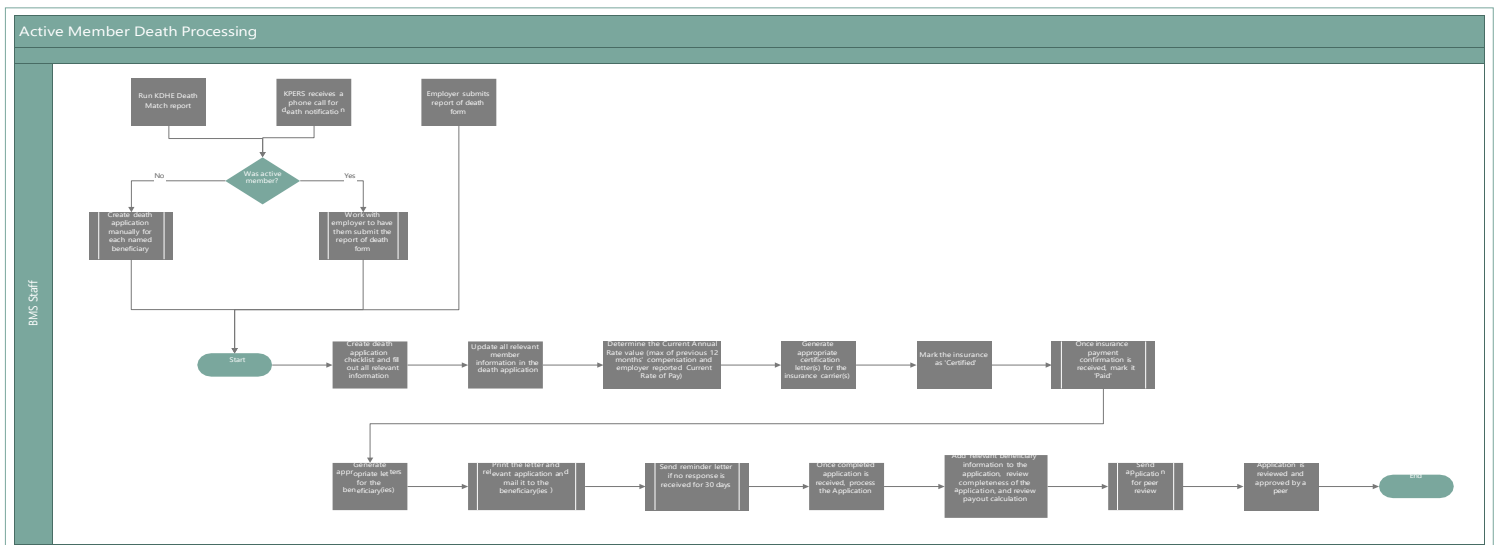
- In case there are no named beneficiaries for the member in the system, BMS gathers data from the employer / funeral home / obituary / internet / social media. (To find a contact and send out affidavit of heirship.)
- Once found, they send a No Named Beneficiary letter. The letter includes condolences, next steps, and requirements for documents.
- If the death was reported by the employer, the system launches a blank application, and the user has to manually enter all relevant beneficiary information once they have found the descendant or enter the known contact person's information that BMS is sending the affidavit of heirship to. They also have to manually create an IMR record for the beneficiary (if one does not already exist) before they can process the application.
- Application closeout conditions are same as any other active death application.

- If the line of descendency does not identify anybody, applications are reviewed on a case-by-case basis. If no contact information is found, the death application is closed until someone contacts KPERS (rare occurrence).

Alternate Flow: Spouse and Minor Insurance Claims

- This functionality was not part of KITS design. No indication on member's IMR about death; but it is recorded in the OGLI record within KITS.
- Correspondence is generated to member (member is beneficiary).
- Certification included in correspondence to indicate payment request to insurance company.
- Manual spreadsheet sent to FS for confirmation of OGLI coverage.
- Once Payment letter is received from The Standard, certification, OGLI spreadsheet, and payment letter are scanned into member's record.

3. As Is Business Process Flow



4. Operational Metrics (Monthly/Annual)

Metric	# Of Cases
Number of Applications/Cases Processed per Month	~40
Average number of days from time of receipt until Process Complete	Varies and depends on responses from Beneficiary
Actual processing time, once an application is started and it is finished (the difference between measurement 2 and 3 would be the 'backlog')	Once all information is received, application is approved prior to the next voucher. No backlog.

Optional Group Life Insurance (OGLI): Current State and Business Process Overview

Key Acronyms:

Acronym	Elaboration
Agency	When Agency is noted in this document, it means the Employer
SHARP	State of Kansas Payroll System
SMART	State of Kansas Accounting System
BMS	Benefits and Member Services
DA	Designated Agent
EWP	Employer Web Portal
FS	Fiscal Services
KBOR	Kansas Board of Regents
MWP	Member Web Portal
OGLI	Optional Group Life Insurance
SSN	Social Security Number

1. Key Business Rules

- Optional Group Life Insurance (OGLI) is currently underwritten by The Standard Insurance Company.
- Employers must affiliate for OGLI coverage to offer this coverage to their employees. Employees have the option of applying for this additional life insurance coverage and the premiums are paid by the employees via payroll deductions. In addition, if employers were originally affiliated for 'member only' OGLI, they have the option to affiliate for spouse and child coverage. New affiliations (since 2016) are automatically affiliated for all three coverages.
- The insurance carrier handles new enrollments, family status changes, or increased coverage amounts. The Standard enters these enrollments into KITS. KPERS processes transfers, reductions, and cancellations of OGLI coverage.
- Employers may affiliate for optional group life insurance one of two times in a year. Benefits and Member Services send out information packets and collect the necessary documents to affiliate agencies for OGLI. Below is a table explaining the timelines.

Dates Employers Can Affiliate	Open Enrollment Period	Coverage Effective Date
January 1	April	July 1 (same year)
July 1	October	January 1 (following year)

- KPERS members working in covered positions may enroll in OGLI at the time hired / employment start date (within their first 31 days of employment, unless they are transferring from another KPERS affiliated agency), or during open enrollment, or at various life events (i.e., marriage, divorce, birth of a new child, etc.). For OGLI – a new hire is someone who has never worked for a KPERS affiliated agency or an agency that was affiliated for OGLI. If they worked for an agency that was affiliated with OGLI but declined coverage during the new hire process, then, even if they quit their job and join another agency (within 31 days), they are not offered the new hire option – they must go through the Open Enrollment process, or the member can apply for “increase of coverage” subject to underwriting approval from The Standard. If they quit their job and join an OGLI affiliated agency after more than 31 days (since their termination), they are treated as a new hire.
- Any changes to coverage are effective the 1st of the next month or the 1st of the month after next (if changes were received after 15th of the current month). New enrollments, life event changes, underwriting approval, coverage increases, cancelations and termination, all follow this rule. Open enrollment changes are effective 1/1 of the next calendar year.
- Guaranteed amount coverage for members at the time of new hire is \$250,000. Guaranteed amount coverage at the time of open enrollment / life event is \$50,000. Each year, at open enrollment, they can add \$50,000 to their coverage (up to the max amount of \$250,000). Spousal coverage has a \$25,000 guaranteed amount. Any coverage amount over the guaranteed amount is subject to review and underwriting by The Standard. The Standard will send out a Health Question Statement to the member and/or spouse, to see if anything is medically preventing them from getting the coverage.
- Members can complete the Open Enrollment Application on their Member Web Portal (MWP) during Open Enrollment:
 - School and Local Agencies Open Enrollment occurs in September
 - State Agencies and KBOR Open Enrollment occurs in October
- The monthly premiums come to KPERS when the Employer makes their invoice payment, KPERS keeps their administration fee, and sends the remaining money to The Standard (monthly process). This is sent through the SMART system (State of Kansas accounting system, outside of KITS).
- Members can cancel or reduce coverage at any time.
- Dependent child coverage may only be applied for if the member is a new hire, has family status change, or during open enrollment.
- Underwriting Amount and Guaranteed Coverage: If the person has been denied previously by The Standard, there is no guaranteed coverage. They must go through the approval process. Each open enrollment, a member can add up to \$50,000 in guaranteed coverage for themselves until they reach \$250,000. Any amount over \$250,000 always must go through

underwriting. **Maximum amount of member coverage is \$400,000.** For spouse coverage, the maximum guaranteed coverage amount is \$25,000. Any coverage above that must go through underwriting. **Maximum amount of spouse coverage is \$100,000.**

- Premium amounts are provided by The Standard – the tables have amounts for per \$1000 of coverage by age group (25 – 30, 30 – 35, etc.) and coverage type (self or spouse). Child coverage is a flat dollar amount for coverage amount (\$1 for \$10,000 and \$2 for \$20,000). Therefore, once the member has made an election, the system uses these tables and rules to calculate the final premium amount. On top of the premium amounts, the system adds an admin fee (\$0.20) to the final premium amount for each coverage type (self, spouse, and child). Note: Premiums are locked in for the calendar year based on the age of the covered person on January 1 of that given year.
- OGLI premiums are automatically system calculated on monthly reports. Employee and spouse premiums are determined by age as of January 1 of that year and increase each January **IF** they enter an older age bracket. Age bracket changes are listed on the EWP each November/December to inform employers of upcoming changes for the following year.
- There is a one-time open enrollment for agencies that affiliated starting on January 1, 2023, and after, to allow members who moved from Class 1 Plan (KPERS) to Class 2 Plan (KP&F) to elect additional life insurance up to the guaranteed issue amount within 31 days.
- Provide an ongoing enrollment for new transfer/affiliations for members that move from Class 1 Plan (KPERS) to Class 2 Plan (KP&F) and are currently not enrolled for Optional Group Life Insurance, to enroll within the first 31 days of their transfer date up to the guaranteed issue amount without underwriting approval from The Standard.
- Allow members who are currently enrolled with less than the guaranteed issue amount to increase coverage up to the guaranteed issue amount without underwriting approval from The Standard if the request is completed with 31 days from the date their transfer/affiliation.
- For members who are currently enrolled for Optional Group Life Insurance and are over the guaranteed issue amount, coverage will continue without needing to resubmit Medical Health Statement when they transfer from Class 1 Plan (KPERS) to Class 2 Plan (KP&F).

2. As-Is Process Description

- New OGLI Enrollment Applications (ALL PLANS):
 - Correspondence generates for both the Employer and the Employee (mailed to the Employer) indicating the new coverage, effective date, and the premium amounts for the upcoming month. Correspondence would include Transfers, Family Status Change, Increase of Coverage, New Enrollment, and Open Enrollment.
- Reductions and Cancellations:
 - Correspondence is manually generated and mailed to both the Employer and the Employee indicating the new coverage, effective date of change, and premium amounts.
- Disability Claims:

- Correspondence is manually generated and mailed to both the Employer and Employee explaining the process for the Employee to continue the OGLI coverage while off the Employer's payroll.

Enrollment Process for Enrollment Types

- A paper Optional Life Insurance enrollment application starts the process. The paper enrollment application is sent to KPERS through secure upload on the EWP. KPERS staff check for uploaded documents numerous times a day. Agencies or members can also fax or mail the OGLI enrollment application to KPERS or to The Standard directly. If KPERS receives the enrollment application, the document is sent to The Standard via email, and they enter the required data into KITS on the day they received the upload.
- The Standard will enter the enrollment into KITS.
- The indicators at the top of the screen will populate the Activity Description values on the OGLI Maintenance Screen
 - Initial/Open Enrollment = Open Enrollment
 - New Hire = New Enrollment
 - Family Status Change = Family Status Change
 - Increase = Increase Requested
- The employer must enroll the member in KPERS, KP&F, or Judges plan (and the enrollment must post in the system) before The Standard can enter the OGLI enrollment application in KITS. This is so that when they enter the member's SSN and click the Retrieve button, it pulls in the member's information. Note: Sometimes The Standard must hold onto an OGLI enrollment until the employer enrolls the member in KPERS and/or the enrollment posts in the system. Currently, KBOR employees who are not enrolled in KPERS have a slightly different process where a box can be checked to indicate that they are KBOR members. Once the OGLI enrollment processes overnight, a person record (IMR) and OGLI record are created.
- The Standard enters the employee information and coverage (Spouse information and spouse coverage (if they choose to enroll their spouse), child coverage (if they choose to enroll their children), application signature date) and submits the enrollment.
- The screen also shows the user basic employment-related information (e.g., enrollment begin date, agency id, etc.).
- Once The Standard has submitted the enrollment, the enrollment will appear in KITS immediately (under the OGLI New Enrollment screens). The enrollment then goes through a nightly batch process which switches the status to "Approved." Coverage information (for the guaranteed coverage amount) will be seen only after this overnight process is complete (so call center staff cannot see coverage details until it has been approved, however, FS staff can see the enrollment). A separate coverage record is created for each person with insurance (so if there was member and spouse, the user would see two different coverage records).
- If an amount of Employee Coverage over \$250,000.00 is chosen, or the employee already has \$250,000 of coverage and is requesting more, or the employee is going through a Family Status Change / Open Enrollment and is requesting a change of more than \$50,000 for the member or \$25,000.00 for the spouse, the request will need to go through underwriting –

meaning that The Standard will send out a Health Question Statement to the member to see if anything is medically preventing them from getting the coverage.

- If there is an underwriting amount associated with the account, that amount will show as covered amount only after The Standard has approved it. Anything which is awaiting decision shows under “Pending Coverage” (so if the member had requested \$300,000 worth of coverage, that would show as \$250,000 of approved coverage and \$50,000 as Pending coverage). Once the underwriting is approved, the full approved amount shows as coverage amount. The new amount (with higher coverage) is always effective the 1st of the next month (as premium billing for current month could have already been done).
- The OUTBOUND EOI (Evidence of Insurability) file is sent to The Standard weekly. This file contains all enrollment coverages that have a greater applied amount than the guaranteed amount that must be approved from Standard’s underwriting team. Enrollments show on the file until the coverage amount is finalized (approved, denied, or closed). The coverage amount and status will be updated in KITS based on the weekly decision file that The Standard sends to KPERS.
- The decision from The Standard’s underwriting unit will be provided in an incoming weekly decision file received from The Standard. This decision file contains decisions for pending coverages that are included on the EOI outbound file. The guaranteed amount is system approved and it remains active until the higher amount is approved. Note: This inbound file essentially contains status updates for all undecided coverage amounts – based on the data in the file, the coverage status is then updated in KITS (e.g., in review, denied, approved, closed, etc.). Once a decision has been transmitted to KPERS (approved, denied, or closed), that record will fall off the next file run.
- If the request has been denied or closed, then the coverage amount remains at the guaranteed amount. The system maintains a history of denied and closed requests (cases are closed if the member does not respond within the 60-day time frame decided by The Standard).
- Note: The OGLI enrollment itself is either approved or canceled (OGLI status), there is no other status for it (this is based on member election or employment record – open or canceled) – the coverage amounts are what could be Pending, In Review, Denied, or Closed (OGLI Coverage Status).
- The Standard can re-open a closed or denied previous decision once they receive the required documents from the member. This does not automatically update KITS as the system does not update records that have already been decided. For decisions coming on the weekly decision file after a closed/denial decision has posted, the approved decisions are rejected for a manual process to be done through the OGLI Data Lookup screen in the KPERS system. A manual correction to current coverage is made for Approval Decisions, and paper correspondence is generated for the agency and member. (Effective date of new Approved Coverage will post the 1st of the month after new approval decision comes through on the weekly file.) Notes are also manually entered on the OGLI record.
- After The Standard’s weekly decision file is processed in KPERS system, any decisions that come in that have discrepancies with amounts of coverage, name mismatch, active employment activity, etc., will be (rejected) generated on the OGLI menu under EOI Data

Lookup screen. Search for decisions in “review” are selected and worked manually on an individual basis.

- The Standard also sends approved insurance letters to KPERS. Someone manually reviews the letters to help ensure the data in the two systems are in sync (letters may not always be sent/received).
- A report (SSRS report) can be generated daily by the FS OGLI specialist that have discrepancies with future coverage dates so manual corrections to coverage can be made as needed.
 - When a member quits before their new coverage is effective, the system does NOT terminate Future Coverage. This could happen either when they are a new hire and quit before the 1st of the next month or any member who quits before open enrollment changes are effective 1/1 of the next calendar year. Additionally, if the member quits but rejoins another agency within 31 days, they can continue with the same coverage if they want.
- Once the enrollment is established, the OGLI module also displays a history of all premiums paid by the agency via Monthly Premium Report once the payment of the invoice is made. Information displayed: Agency ID, Premium Month, Premium Year, Age, Premium Amount Due, Premium Amount Reported, Status Effective Date.
- History of coverage amounts is available under the OGLI Coverage History tab (all prior coverages listed).
- If the member terminates service and has continued the insurance directly with The Standard, that will show as a record under “OGLI Continuation.” KPERS is not involved in the payments at this time. KPERS only maintains a record that the member has continued coverage even after termination. Dates that premiums are paid through for Continuation, is generated from a Monthly Directly Pay file inbound from The Standard.
- Refund of OGLI premiums is manually generated on agency’s monthly premium reports when there has been an overpayment. The system does NOT allow a credit balance if the OGLI refunds are greater than the total premium owed.

Manually Change Amount of OGLI Coverage

- Members wanting to reduce the amount of OGLI coverage or cancel current coverage may complete a K79 OGLI Reduction/Cancellation paper form. Once this form is received, a manual change to coverage is completed, and paper correspondence is manually generated and mailed or emailed to the agency and member.
- When changing the amount of coverage, the Effective Coverage Date is the 1st of the next month following the request – unless the request is coming to KPERS after the 15th of the month – then it is the first of the NEXT month. This is because the current month premium report could be generated and/or payroll deductions done for the current month.
- When new Coverage Amount is entered, the Activity is chosen from the drop down – Voluntary Reduction/Voluntary Cancellation is chosen.
- A Note would be added on the Notes tab to record why the amount was changed.

- If KPERS needs to update the member's coverage amount due to a discrepancy, The Standard and KPERS (when adding this new coverage amount) would select "Approved" and make a note in the member's record for this change (this would only happen when the coverage amount in The Standard is different from what is in KPERS system, and KPERS only needs to update the coverage amount – member requests would follow the process explained above). In these situations, there would be a "closed" coverage request that was not appropriately updated and then an "approved" coverage that someone manually added.

Member Open Enrollment on MWP

- Local Agencies Open Enrollment occurs in September
- State Agencies Open Enrollment occurs in October
- During these months, a link is shown on the Member's Web Portal (MWP). Members will click on the link to apply for OGLI Coverage and will be walked through the steps to set up coverage for themselves, their spouse, and their children (if they wish).
- If they do not use the MWP, they must request changes via a paper enrollment form.
- KBOR members are NOT able to enroll via MWP (because they are NOT members of KPERS) and are required to complete a paper open enrollment application.
- The MWP wizard shows the member their current coverage amount and how much they can add as guaranteed amount (e.g., if the member is currently covered for \$100,000, the system will show this value and an additional value that they can add as guaranteed amount - \$50,000). The member can then continue to keep their current coverage, or add the new additional guaranteed amount, or add a completely different amount in \$5,000 increments up to a max amount of \$400,000. If the user entered amount is higher than the system calculated guaranteed amount, the request must go through the underwriting process.
- The wizard also offers a "Calculate" button which calculates and displays their new premium amounts based on the new coverage selected (members will often try different coverage amount to determine the amount of premiums required).
- A similar process is followed for Spouse and Child coverage. The spouse's first name, last name, DOB, SSN, and gender is required. This information is not collected for the child, as KPERS does not keep demographic information for children. Current spousal/child coverage will display, and they can add coverage value for each of them up to the maximum coverage amount. Just like the member process, there is a "Calculate" button that can be used to determine the premium amounts for the updated spousal/child coverage. Note: They can choose one of the other, or both coverage types.
- Note: If the member and spouse both work for KPERS, they cannot elect spousal coverage - they must each have their own member coverage. There is a warning for the member advising them that they cannot apply for Spouse coverage. Additionally, only one of them can elect child coverage, members are responsible for ensuring that a child is not double covered.
- Before the member can submit their enrollment, the system lets them review their election and old vs. new coverage and premium details. There is a check box the member is required to check before the enrollment can be submitted.

- Upon submission, the member's most recent contact information is collected – this is sent to The Standard for any communication with the member, however, it is NOT saved to the person's record (it is only kept with the OGLI record).
- Finally, the member will see a confirmation screen for their current coverage, added coverage, new coverage, new premium, and effective dates.
- If the amount of coverage they request needs to go through underwriting with The Standard, they will be prompted to click on The Standard's secure link to answer the health questions. This is separate from the KPERS system. The Medical Health Statement questions will lead the member to The Standard's website.
- Once the member has gone through these Open Enrollment steps, the process is complete, and they cannot do it again. If they change their mind and would like to alter what they completed on the MWP, members must submit a paper K79 Cancellation/Reduction form if they need to cancel or reduce the amounts applied for or fill out a paper enrollment application if they want higher coverage or add coverage.
- Data from Open Enrollment is sent to The Standard every week (same process as other paper enrollments). Note: The Standard can see all approved coverages in KITS. If they need to review auto-approved amounts, they can (this is how they review changes in coverage election due to open enrollment since the file does not contain the changes).
- Open enrollment changes are effective 1/1 of the next calendar year and once the member submits their open enrollment, their new coverage record shows in their OGLI record with an 1/1/XX effective date.
 - Open Enrollment elections are shown on the member's MWP account.
 - Open Enrollment correspondence is system generated in December of every year and also takes into account the member/spouse age as of 1/1/xx. The correspondence is the exact same as the other enrollment types for both the employer and the employee. Correspondence is manually reviewed for any errors duplicate coverage, \$0 coverage amounts, etc.

Agency and Member Confirmation Correspondence

- KPERS generates two letters for any changes in the OGLI coverage amount (open enrollment, new hire, family status change or increase of coverage) – one to the agency and one to the member. They are both sent to the agency, and the agency distributes the member's confirmation letter. If the member applied through the MWP, KPERS generates agency and member correspondence for ALL open enrollment elections.
 - Agency correspondence consists of a coverage letter and a spreadsheet of coverage effective the 1st of the month. Information given to agency on spreadsheet is: Enrollment Type, Coverage Type (member, spouse, child), Member Name, Member SSN (last 4 digits), Spouse Name, Spouse SSN (last 4 digits), New Coverage Amount, Effective Date, New Premium Amount, and Type of Change (Open Enrollment, New Enrollment, Family Status Change, Increase, or Transfer).

- Member confirmation letter includes a statement that “only one parent may have child coverage if both parents are KPERS members.” Includes member name, covered individual(s), date of birth, effective date of coverage, and coverage amount.
- ALL new OGLI enrollments for the agency have paper correspondence generated on the 18th of each month (Open Enrollment, New Enrollment, Family Status Change, Increase, or Transfer).
- Due to the timing of the batch run, any new coverage amounts that are received after the 18th of the month do not get any confirmation letters generated to the agency or member. For example: Standard’s Approval decisions coming in on weekly file after the 17th of the month, but before the 1st of the next month), do NOT get any correspondence generated and the coverage amount will not be correct on the monthly premium report.

State Employees Enrollment - Bi-Weekly File exchange with SHARP

- KPERS electronically sends SHARP (State of Kansas payroll system) a bi-weekly file each Thursday **BEFORE** a pay date. This file contains current coverages and changes to OGLI coverage by member SSN. This file is formatted so SHARP can upload in the payroll system. This allows payroll deductions to be set up for state employees (and helps ensure premiums are withheld accurately from pay (KPERS is still the source of the enrollment data).
- OGLI premium rates are already in the SHARP database to calculate premiums based on the coverage amount and coverage type sent on file exchange.
- KPERS sends all records that are approved in the KITS system in the file – i.e., if the member has elected to receive \$300,000.00 in coverage, KPERS will send the guaranteed coverage of \$250,000.00 in the file until the additional amount has been underwritten and approved; then the \$300,000.00 amount will be sent.
- KPERS also sends cancellations and terminations in the file. (Essentially all OGLI data for state employees is sent from KITS to SHARP before every pay date.)
- The OGLI specialist generates a monthly SHARP reconciliation report (SSRS report) on the second of every month and emails the reconciliation report to the SHARP representatives to reconcile coverage differences between KITS and SHARP. SHARP emails back a discrepancy spreadsheet for the OGLI specialist to review and make corrections to incorrect termination dates or to notify SHARP of coverage premiums that should be taken for that month, DOB mismatches, etc.
- **NOTE:** The Open Enrollment entries are not shared with SHARP until closer to the January effective date; this is due to an effective date process in SHARP.
- **NOTE:** SHARP sends KPERS a termination file with employee end dates every day (sometimes SHARP receives employee terminations before KPERS). This information is used to initiate the employee termination process, including the OGLI termination process.

Employer Premium Reports and Payments

- OGLI Monthly Premium Reports for schools, locals, and KBOR agencies only, are on the EWP list of “Things to Do.” The OGLI Premium Reports are separate from employer payroll reports and payments are not integrated with Employer payroll reporting.
 - State agencies do NOT have a monthly OGLI premium report on the EWP.
- School and local agencies will pay their OGLI Premiums through the EWP, state agencies (including KBOR agencies) will submit their OGLI Premium Payments through SHARP.
- The OGLI report is a 3-step wizard for the employer.
 - Step 1: the system automatically populates all changes to member records and the corresponding new premium amounts for the given month (e.g., termination, new enrollment, change in coverage, etc.). The Total Premium for the change **must** display the breakdown of coverage type (member, spouse, or child), effective date, and the new premium for each.
 - Step 1 also lists all the members on that month’s report along with their corresponding premium amounts – member premium, spouse premium, child premium, total premium, etc. Within the same table, the employer can add an end date to the member’s record. This will terminate the member’s OGLI coverage.
 - Populating an End Date on the detail screen in EWP will terminate the employee as well.
 - Summer months of June, July, and August for Schools ONLY, will have the option to have OGLI premiums reported for 9- and 10-month employees (same option as Payroll Period Reporting).
 - Step 2: the system breaks down the premium due by plan (total member premium, spouse premium, and child premium for each plan).
 - Step 3: the employer submits the report, and it automatically generates an invoice for each plan. The employer then pays the invoice. Invoices must be paid in full (no partial payment of invoice is allowed).
- If the Employer is behind on OGLI premium payments, the EWP shows just the first month that is due. The next month will show after the first month is paid.
- **Note:** There are no penalties or delinquencies applied to late OGLI reports.
- If the Employer has more than one plan, they can choose which plan they want to pay. If they choose to pay one plan only, the unpaid plan will be on the Unpaid Invoice list (will not show as an unpaid report – the next report will load if and when available).
- Most Employers will use the ‘Print/Download PDF’ option in the Confirmation screen to keep a receipt of payment.
- State payments come with the State file (from SHARP) and must post to the member type OGLI Record under Premium History. Data from this file is posted on the OGLI enrollment record under premium history. The deduction is withheld from the second check of each month.

Cancellation or Termination of Coverage

- Member must complete a paper KPERS-79: Optional Group Life Insurance Reduction or Cancellation form – cancellations received **before the 10th of the month** become effective the

first of the following month and cancellations received **after the 10th of the month** become effective the first of the month after that.

- Because the system does not keep track of the member's child's age, the child policy is not automatically canceled once they reach 26, the member must manually cancel the policy once the child ages out (by submitting this form). Note: The member could have 5 children, all covered under the same policy.
- Both the Member and Employer sign the K79; the employer signs to certify they know the change is coming.
- Manual entries for canceled or reduced coverage are entered on the OGLI record with the new coverage amount (\$0 for a cancellation) and coverage reason – Voluntary Reduction or Voluntary Cancellation.
- Correspondences are manually generated (since the coverage was manually created) – one confirmation letter for the Agency Designated Agent (DA), another confirmation letter for the member.
- At the time of termination, the OGLI coverage will be terminated with the agency. If the member comes back to work with another affiliated agency within 31 days, their OGLI coverage is system re-instated with the new agency. If the member does **not** return in 31 days or if the new agency is **not** an OGLI affiliated agency, the termination remains in effect.
- When the Employee termination date for employment is entered either via EWP Member Lookup, or from OGLI Premium Report, the OGLI Termination letters are automatically generated via a nightly batch process (no manual generation required). The confirmation letter to the member lists their options for Converting/Porting their coverage with The Standard independently upon KPERs termination.
- 28 days after a member's Termination Date, a second member termination letter is system generated as a reminder they only have 60 days to Port/Convert their OGLI coverage.

Agency Transfers

- OGLI coverage automatically transfers if the member is transferring from one OGLI-affiliated agency to another **within 31 days** (this is not a member decision). System will generate an effective date for the Transfer of Coverage as of the 1st of the month following their start date with the new agency. **System cannot transfer existing coverage until an End Date is entered from first agency.**
- OGLI premium deductions provide coverage from the first day to the last day of the month. Members who transfer employment and both employers provide OGLI coverage, the OGLI coverage will continue without interruption, provided, the member re-joins the new employer within 31 days of the last premium payment. In the OGLI Coverage History tab, the old coverage entry has an Activity Description of 'Termination' for the original Agency, and there is a new entry with an Activity Description of 'Transfer' for the new Agency.
- The member termination letters (generated by the nightly batch), is manually reviewed to make sure coverage transferred correctly and premiums are added to new agency's monthly

bill. The user verifies if the new enrollment has already posted – if it has, termination letters are not sent. If it has not, termination letter is sent.

- When a member transfers employers in a covered position within a NEW PLAN (KPERs, KP&F, or Judges Plan), the system handles the transfer of current coverage from one plan to another automatically between ALL Plans. The effective date of the transfer will be the 1st of the month following when they started in the new plan. The transfer of coverage will auto generate the coverage type and premiums to generate on the new agency's Monthly Premium Report.
 - NOTE: If the member transfers to the KP&F Plan from KPERs plan, the member must apply and qualify for member coverage, in order to be eligible to apply for spouse and child coverage.
- If the member belongs to the KPERs or Judges group, the member does not have to apply for coverage for themselves since they are participating in the basic group life insurance plan (employer paid).
- Monthly agency and member correspondence will generate on the 18th of every month. (Same process as discussed earlier.)
- If a member transfers employers after the 17th of the month, correspondence to the agency and member is NOT generating separately from the monthly correspondence.
- Transfer of coverage is shown on the agency's EWP OGLI monthly premium report under "changes since last report." However, the breakdown of member type and individual premiums do not display.

Continuation Process (Leave of Absence)

- OGLI is **not** automatically terminated when the member enters the KPERs "Leave of Absence" status as there may be enough wages (vacation or sick time) to keep paying the monthly premium.
- OGLI can be terminated when the employer enters an End Date in the Monthly OGLI Premium Report by selecting Leave of Absence as the termination reason. This will take the employee off the premium report at the right time. Agency and member termination letters generate through nightly batch run.
- OGLI is manually terminated when the Agency indicates by phone or email to KPERs OGLI Specialist, when a member is on a Leave of Absence **without pay** (wages no longer being paid, and the monthly premium is no longer being paid). Agency and member termination letters are manually generated to agency and member.
- OGLI coverage is terminated in the system when a Leave of Absence End Date is entered by the agency. If the member is returning to payroll within 90 days, the system automatically reinstates coverage amount the 1st of the month following the end of the leave of absence. Agency and member termination letters do **not** generate through nightly batch run if the member was Returned to Payroll. Reinstated coverage generates on the monthly correspondence batch run on 18th of month.

- **For the member to continue with their OGLI Coverage** – when the Leave of Absence is without pay – the member must submit a KPERS-79C: Optional Group Life Insurance Continuation form within 60 days of the last day on payroll. This form explains what coverage will be continued – and details why the continuation is being requested
- The OGLI Continuation tab shows the continuation information – Paid to Date is supplied from a file transfer from The Standard (Continuation information is exchanged monthly). The OGLI Coverage History tab shows the KPERS OGLI Coverage is Terminated.
- The continuation process ends once the member (a) returns to work in a KPERS-covered position for a KPERS affiliated employer, (b) retires, (c) disability ends, or (d) non-payment of premiums which cancels coverage.
- For members who return to payroll from a Leave of Absence (within 90 days), the employer completes and submits a K79R Return to Payroll form. The OGLI specialist reinstates OGLI coverage the 1st of the month following the Return to Payroll and manually generates agency correspondence.
- KPERS notifies The Standard to cancel direct billing to the member. The Standard refunds unused premiums. Members who choose not to continue coverage while on a leave of absence will need to provide proof of good health to reinstate coverage if on a leave of absence longer than 90 days.

Member Death

- Agency reports member's death in the EWP to Benefits and Member Services (BMS) staff.
- BMS sends a notice to Fiscal Services (FS) regarding the date of death. That date of death is used as Effective Coverage Date of termination that is manually entered by the OGLI Specialist for the OGLI Death Termination Entry. The Activity will be 'Deceased' with the amount of current coverage (1st of the following month is not used in this case).
- If the member was living at least one day into the month in which death occurred, that month's premium is still due. It will still show on that month's billing report, then it will drop off the next month.
- If the member were on a LOA at the time of death, and had continued their coverage, "paid through" date information is used at the time of death (they would notify The Standard of the member's death, and to terminate Direct Pay premiums).
- **NOTE:** The Active Death application must be processed first so that the correct OGLI payout is captured within the Active Death Application. If the OGLI Coverage is terminated first, the OGLI Payout will reflect a \$0.00 amount on the Active Death application.

Member Disability

- Agency reports member's disability in their EWP account or with a KPERS-60: Employer's Report of Disability (for members who have left employment due to a medical reason). The notification goes to BMS.
- Copy of the notification is sent from BMS to FS OGLI specialist notifying them that Disability has been reported or disability has been approved if the member had OGLI coverage.

- If member is reported as being on a Leave of Absence when the disability report is received, FS OGLI specialist manually creates a new entry “Disability Under/Over Age 65” for the same coverage amount.
- Correspondence is then manually generated and mailed to the employer and employee explaining the process for the employee to continue the OGLI coverage while off the employer’s payroll. The OGLI specialist prints off a Continuation form, and mails with the correspondence.
- Disability Under/Over Age 65 does not automatically terminate the OGLI coverage. It is just tracking that there is a disability claim, and the member remains on the Monthly Billing Report. The OGLI coverage is terminated when the employer notifies KPERS that the member is no longer receiving monthly wages (and therefore no longer making monthly premium payments).
- When disability is approved, canceled, or terminated, the BMS disability staff email a spreadsheet to the OGLI Specialist with the Approval, Closed, or Terminated date. The OGLI coverage is terminated (manually) because there are no wages paid to the member and no OGLI premium being deducted/paid.
- When the Member is Approved for Disability, an agency and member termination letter is manually generated, and a Continuation form is printed to mail with the termination letter.

Cancel Spouse OGLI Coverage when no longer eligible

- There are cases when a member’s spouse has OGLI coverage, but that spouse is no longer eligible for spousal coverage. This occurs when the spouse accepts employment at a KPERS (or KP&F or KBOR or Judges) employer.
- When the Employer is enrolling that spouse as a new member, there is a validation warning in the KPERS system on the enrollment that must be suppressed by BMS staff before the enrollment can be processed.
- BMS enrollment staff email the FS OGLI Specialist, who cancels the spousal coverage the 1st of the following month and notifies the original member’s employer to stop the premium deductions by sending manually generated confirmation letters for the coverage termination. This is usually done by email.

Unlinking batch: A nightly batch runs and checks for any approved covered spouse who is also an active member. If found, coverage is canceled.

Monthly Continuation File

- The Standard supplies a monthly file listing all member who are making payments to continue their OGLI Insurance (outside of KPERS). This data updates the member’s OGLI Continuation tab on the OGLI Maintenance screen.

State End Dates and Premium Payments

- State termination dates in KPERS system and on OGLI record can be different at times. This is due to two ways that KPERS received STATE termination dates. The agency can enter a Termination date through the Member Lookup in EWP, and then KPERS receives a Daily Inbound OGLI Term File from SMART that populates OGLI end dates.
- OGLI terminations are then transferred on the bi-weekly outbound file to SHARP. There are instances when SHARP will terminate OGLI premiums in SHARP for payroll deductions too soon but are mostly caught during the reconciliation between SHARP and KPERS OGLI Specialist. A manual change is made by the OGLI specialist and the SHARP representative to the OGLI Termination date in each system. (Change termination date to the 1st of the month following the members actual Last Day on Payroll), so another notification is generated on the next bi-weekly file to SHARP.
- For State Premium Billing, the reconciliation process occurs with KPERS Corporate Accounting Department and is time consuming.

3. Operational Metrics (Monthly/Annual)

Metric	# Of Cases
Employers participating (plus state) in OGLI	1100 agencies as of February 2023
KPERS Members participating in OGLI	~ 25%
Number of members with OGLI 2/8/2023	Approx 27,306 members (Including State agencies)
Total of 113,189 Active members who work for OGLI affiliated employers.	
Open Enrollment 2022: Number of members with an enrollment (multiple coverage types only count as one member).	3,712
Open Enrollment 2022: Total enrollments	7,495
Open Enrollment 2022: Total ERs with enrollments	474

Unclaimed Accounts and Interest Cease: Current State and Business Process Overview

Key Acronyms:

Acronym	Elaboration
FS	Fiscal Services
IT	Information Technology

1. Key Business Rules

Interest Cease

- Applies to KPERS 3 non-vested members only.

Unclaimed Accounts

- Applies to all Plans (except Working After Retirement).
- Unclaimed means that the account has been inactive for five years and the member is not vested

2. As-Is Process Description

Interest Cease

- Per Kansas statute, KPERS 3 members receive interest for two plan years following their employment end date.
- The determination of 2 Plan Years is based on the plan year ending June 30. This means that if the member's end date is 5/21/2021, then Plan Year 1 Interest is posted on 06/30/2021 and Plan Year 2 Interest is posted on 06/30/2022.
- The Interest Cease process runs **after** annual interest is posted and KPERS 3 Quarter 2 interest is posted (6/30). This is because if any qualifying for interest record that is for a non-KPERS 3 member who transfers to a KPERS 3 position, they will get annual interest credited and then get Quarter 2 interest credited if eligible.
- IT runs a process to change the Member Status to "Interest Credit Ceased" for all accounts that match the criteria to be interest cease.

- Fiscal Services (FS) will first generate the Interest Cease Generate Correspondence Report from KITS to identify any members with missing addresses. Addresses for those members are found using LexisNexis Accurint and the member record is updated with the most recent address.
- Then FS generates the Interest Cease Generate Correspondence Report from KITS to find all members who were just updated to the “Interest Credit Ceased” status.
- FS exports the results of the report to an Excel spreadsheet. They add a tab to the spreadsheet called ‘Less Than 5.00’ and move any records from the first tab that have an account balance less than \$5.00. Those entries do not generate a Correspondence. They add another tab to the spreadsheet called ‘Remove Interest’ and move any records from the first tab that had interest credited incorrectly – these are usually members who did not have an employment End Date reported in a timely fashion.
- IT runs the Interest Cease Letter Generation process. This process is usually run on a bi-weekly basis and generates 1,000 letters at a time.

Unclaimed Accounts

- At the beginning of every month, a system batch job runs to identify accounts that could be marked as “Possible Unclaimed.” This process identifies accounts that have been inactive for 4½ years. (The Account will be marked as “Unclaimed” 5 years from their employment End Date.)
- The accounts marked as “Possible Unclaimed” can be found by navigating to the Person Account Summary Lookup screen and searching for those with a “Possible Unclaimed” value in the “Unclaimed & 70½ Status” field.
- Those Members who are approaching their fifth year of being inactive will be displayed.
- FS will look for any notes or images scanned to the member’s record that indicate this member should NOT have their account marked as Unclaimed, and double check that they have NOT had any erroneous interest credited to their account.
 - During the review, KPERS staff member will review to determine if the member has multiple plans qualifying the individual for portability.
- If everything is verified, and the account looks like it is truly unclaimed, FS changes the Account Status to “Mark Unclaimed.”
- Unclaimed account letters are generated for accounts that have a total balance (all contributions and interest accumulation) of \$5 or more. KPERS 3 members receive a different version of the Unclaimed Account Letter.
- Six months after the record is designated “mark unclaimed,” when the account reaches the 5-year mark of being inactive, a batch process will run on the 20th of the month and will update the status to “Unclaimed.” (This 6-month waiting period gives the Member time to set up a withdrawal of their account balance.)
 - An account in unclaimed status will be considered forfeit and will no longer earn interest.

- After the Account is marked as “Unclaimed,” FS Corporate Accounting makes a monthly journal entry for the balances of the accounts that go unclaimed. This moves the amount of the employer/employee contributions to the reserve account.

Third Party Data and Interface Exchange: Current State and Business Process Overview

Key Acronyms:

Acronym	Elaboration
BMS	Benefits and Member Services
COLA	Cost of Living Adjustment
FS	Fiscal Services
GASB68	Financial Accounting Standards Board Accounting and Financial Reporting for Pensions
IT	Information Technology
KDOL	Kansas Department of Labor
KDOR	Kansas Department of Revenue

1. Key Business Rules

Key Business Rules are included with each process description below.

2. As-Is Process Description

Kansas Department of Labor (KDOL) File Exchange

- Benefits and Member Services (BMS) collects Person IDs for KPERS disability benefit recipients. The Person IDs are sent to Information Technology (IT) to retrieve the members SSNs. The file with SSN information is transmitted to KDOL. KDOL matches the SSNs to data from quarterly wage reports from Kansas employers.
- The file is created here at KPERS. A staff member of Information Technology (IT) will transmit the file to the KDOL “Incoming” folder. They will then notify KDOL that the file has been transmitted. When KDOL has the return file ready, they will notify KPERS IT that the file is ready to retrieve. An IT staff member retrieve the file from the KDOL “Outgoing” folder.

KPERS 2 COLAs Issued

- Annual batch job (each July) to apply a 2% Cost of Living Adjustment (COLA) to 5 KPERS 2 Members.

13th Check Payments

- Members who retired before July 2, 1987, are paid a “13th check”, as a type of COLA. This is a permanent benefit for all retirees who had a retirement date prior to July 2, 1987.
- The “13th check” amount is the normal Monthly Benefit amount, so no calculation is necessary. The payment is made every September, along with the regular September monthly benefit payment.
- This group is a closed, aging group so no new additions (750 recipients in 2022).

External Financial Audit Requests for BMS

- Reports requested from Fiscal Services (FS) or BMS to work with the external financial auditor.
- IT will run queries to list requested information about benefits, contributions, and new retirees (if needed).
- Results uploaded to a secure site as specified by the external auditors.

Table Maintenance – EWP Messages/Uploads Distribution List

- Updated on the Employer Web Portal (EWP) File Upload and Messages assignment list due to staffing changes. Those employees who have left need to be removed from the notifications. New employees or employees who may have changed positions need to be added to notifications.
- NOTE: This may not be necessary with the new PAS as file uploads from the EWP may become a Business Process Management (BPM) process.
- There are screens in KITS to add and delete the notification assignments.

Member Contributions to KDOR – Annual

Member Contributions to KDOR – Weekly

- Generate and send a file of member contributions to the Kansas Department of Revenue (KDOR).
- The Weekly file is prepared starting the 2nd or 3rd week in January and continues through May if necessary and includes all member contribution amounts for the previous calendar year.
- The Annual file is prepared at the end of the year (in December) and includes the members’ contribution amounts for the year preceding the prior calendar year.
 - Example: The file for 2023 contains data for 2021.
- KDOR will use this information to check Kansas State Tax returns. Ensuring that KPERs members are reporting KPERs contributions as an “add-back” to adjusted gross income.

GASB 68 Audit Letters

- During the GASB 68 Audits, KPERs external auditing firm (currently CLA) will choose about 70 employers to audit each year. These Employers are identified with a checkbox in KITS.
- Two letters will be generated during this process. The first letter is usually sent in mid- to late-February and explains that their agency has been chosen for audit. It also explains how to submit their total payroll for the proceeding calendar year. The second letter is usually sent April – June and explains (1) that CLA has chosen about 25 of their employees and (2) the procedure for submitting additional information on those employees.

- The external auditor will supply an email with template changes (if any). An IT staff member will update the templates.
- An IT staff member will perform a test run for the first letter, and after receiving approval of the test run, run the production run for the first letter.
- The external auditor will provide KPERS with the list of employees selected for detailed review, and business staff members will share that list with IT. IT will divide those employees by agency for the generation of the second letter.
- An IT staff member will perform a test run for the second letter, and, after receiving approval of the test run, run the production run for the second letter.

Board Election: Current State and Business Process Overview

Key Acronyms:

Acronym	Elaboration
BMS	Benefits and Member Services
BOT	Board of Trustees
MWP	Member Web Portal
PMO	Project Management Office
PIR	Problem Incident Report
SME	Subject Matter Expert
UAT	User Acceptance Testing

1. Key Business Rules

- The KPERS Board of Trustees is comprised of nine members. Four are appointed by the Governor, two are appointed by legislative leaders, two are elected by Retirement System Members, and one is elected State Treasurer. All serve four-year terms.
- Elections are held in the month of April in the Election Year. Audited Election Results are presented to the Board at the May Board Meeting. The Elected Trustees are sworn in at the July Board Meeting and immediately begin their four-year terms.
- An elected member who becomes an Inactive Member is no longer eligible to hold a Board Position. The resulting vacancy is filled as defined by the Board of Trustees, which may or may not include an ad hoc election.
- KPERS school members vote to elect their School Representative and only get a voting ballot for School Candidates.
- KPERS non-school members vote to elect their Non-School Representative and only get a voting ballot for Non-School Candidates. This group includes KPERS Local, KPERS State, KP&F and Judges members.
- The voting ballot is only available to members who are Active, Retired or receiving Disability payments and participating in KPERS.
- KPERS' employees are not eligible to be a candidate but are eligible to vote.
- Inactive Members, Joint Survivors, and Beneficiaries are not eligible to be a candidate and cannot vote.
- If there is only one candidate in any election for a Board position, the Board of Trustees declares that candidate elected and there is no Election for that member group.
- Ballots are not scanned into Member's records, but are kept for one year, per Audit.
- There are three voting methods. Each voting method prevents a member from voting in the other methods once a vote is cast. One member, one vote.

- KPERS sends a mailing to Retirees and Members on Disability, which includes an overview of the election, information about how to vote, and the official candidate listing for the election in which each member is eligible to vote. By statute, the candidate listing must be distributed in March of the election year. The mailing includes the unique personal identification number (PIN) generated by a KITS batch process for voting by phone.
- Active members receive election information through their employer as provided by KPERS, currently by email. By statute, the candidate listing must be distributed in March of the election year. If an active member wishes to vote by paper or by phone, he or she contacts KPERS for the necessary information to complete voting.
- **Paper Ballot**
 - The Election Administrator enters individual paper ballots into the system. This may include voting access after the official election window closes.
 - The Election Administrator can delete an entered vote. The system records the deletion for audit purposes.
 - A second election team member verifies the votes against each paper ballot before the final votes are determined to be valid.
- **Portal Ballot**
 - Eligible member will login to Member Web Portal (MWP) and a link displays to Vote for Board Election. The link/button automatically displays during the election window defined in KITS when the election administrator sets up the election.
 - The link/button no longer displays automatically in the MWP after the defined election window.
 - The link/button only displays for eligible voters and only presents the election candidate listing for which that member is eligible.
 - After voting, the MWP displays a link to that member's voting confirmation information.
 - Voting is one and done. Once a vote is submitted, active election functionality is no longer available on the MWP. Only vote confirmation.
 - MWP displays vote confirmation regardless of voting method that member used, not just MWP voting.
- **Phone Ballot**
 - Phone voting requires PIN. A PIN is generated in KITS for every member eligible to vote (retired, active, disability recipient) in that election and displayed in each member's KITS record only during the election. The PIN is only valid for the current election.
 - Eligible members wanting to vote by phone call the provided phone number hosted by a phone voting service provider, use the PIN to authenticate their identity and cast a vote.
 - The voting system connects with KITS through an API, verifies the member's identity, presents the appropriate candidate ballot, and records his or her vote, then send to KITS for official record keeping.
 - If a member has previously voted by any voting method, the member hears a recorded message reflecting that status.

2. As-Is Process Description

PIN Generation Process

- PINs are generated through a batch process to allow member identity confirmation during the phone voting process. A member must have a valid PIN to vote by phone.
- PIN displays in member record during the associated election until the member votes.
- This batch job can be rerun for new employees who have been hired since the first batch was run. The batch is executed before each election begins. Subsequent batches pick up any new members since the initial run date. A secondary batch only generates PINs for new members. Members who already have a PIN in their member record for the current record maintain their currently assigned PIN.
- KITS generates a data file for retirees and members receiving disability. The file includes member full name, member mailing address, member PIN, election designation (school or non-school election eligibility). The file is sent by secure FTP to service provider to print, prep and mail the election information.

Phone Voting System Process Flow

- When the Member calls the assigned Voting Line to cast his or her vote, service provider will create the Contact ID automatically if member is calling from a valid phone number.
- As soon as the call begins, the HTTP Get Method sends member identity confirmation information to KPERS web service.
- The KPERS Web Service saves this information on the KITS database with the Contact ID and the Status is 'Open.'
- The Member is asked to enter their Member PIN and press '#' to continue the call.
- Once entered, the Contact ID as well as the Member PIN passes in to the KPERS site to authenticate the Member.
- KPERS Web Service validates the Contact ID and checks the Status for 'Open' against the KITS database. If the Contact ID is not valid or 'Open,' a Return Fail Message is generated, the Contact ID Status is updated to 'Close' in the KITS database, and the call ends.
- Then the KPERS Web Service validates the Member PIN against the KITS database. If the PIN is not valid (greater than 3 incorrect attempts), a Return Fail Message is generated, the Contact ID Status is updated to 'Close' in the KITS database, and the call ends.
- Then the KPERS Web Service validates whether the Member has already voted or not. If the Member has voted already, the member hears an "Already Voted" message, the Contact ID Status is updated to 'Close' in the KITS database, and the call ends.
- If the Member has not voted already, they are prompted to vote using the phone keypad. The selected candidate, PIN and Contact ID are passed to the KPERS site to record the successful voting and update the Status to 'Close' in the KITS database and end the call.
- Once a successful phone vote is recorded in KITS, the system closes future voting by any voting method.
- If the vote is not successful, a Return Fail Message is generated, the Contact ID Status is updated to 'Close' in the KITS database, and the call ends.

Board Election Timeline

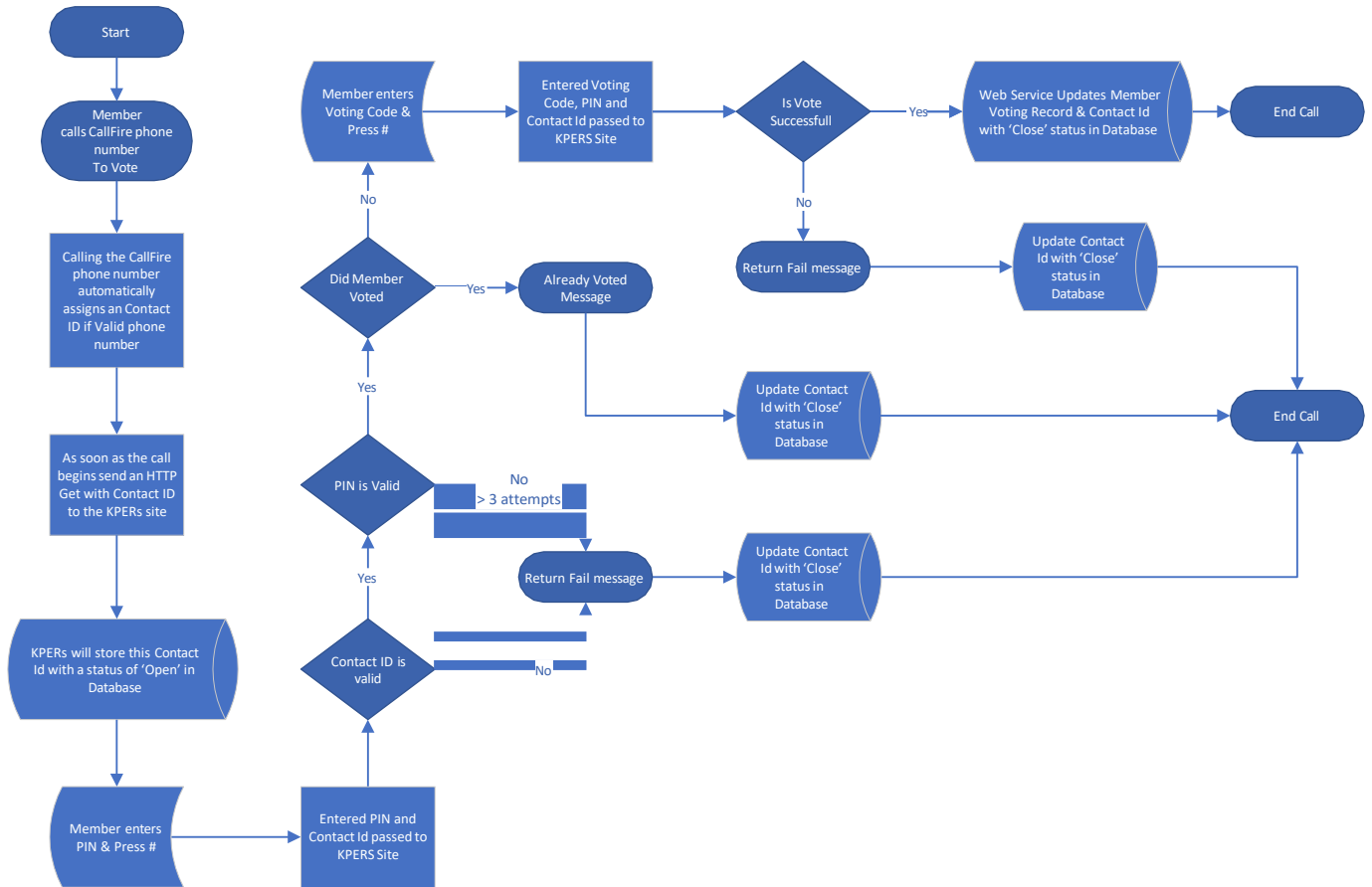
Time	Task
August before Election Year	Call for Candidates; web, email, Retiree Newsletter
November 30	Petitions Due to KPERS
November and December	Petition signatures verified Candidates submit biographies
December	Confirm any technology needs Procure Phone Vote Vendor
January and February	IT Development
February	Election Oversight Committee meets to review petitions, bios, election process
March	Voting packets mailed to Retirees and Disability Recipients Election kickoff email to Active Members (through employers) Execute Election Communications Plan
April 1 – 30	Voting period Various marketing tactics throughout Election Execute Election Communications Plan
Early May	Election Oversight Committee certifies audited Election Results
May Board Meeting	Election Winners announced at KPERS Board Meeting
July Board Meeting	Elected Trustees sworn in and start their four-year term

How to set up Election in KITS

- The Election is set up in KITS by navigating to the **Misc>MWP Election** screen.
- The Election Category, Election Name, Election Year, Start Date, End Date and Result Date are entered.
- The Position Information is assigned on the MWP Election Position Maintenance screen, and the Candidate Information is entered on the MWP Election Candidate Maintenance screen.
- Position history can be viewed from the Position Lookup screen.
- Candidate history can be viewed from the Candidate Lookup screen.
- The Summary Lookup screen will show the Voting Results for a given Election.

3. As-Is Business Process Flow

Board Election Phone Voting System



KBOR (Kansas Board of Regents): Current State and Business Process Overview

Key Acronyms:

Acronym	Elaboration
EWP	Employer Web Portal
KBOR	Kansas Board of Regents
TIAA-CREF	Teacher Insurance and Annuity Association-College Retirement Equities Fund
TIAA	Teacher Insurance and Annuity Association

1. Key Business Rules/Process Flow

Kansas Board of Regents

- The Kansas Board of Regents (office)
- Emporia State University (ESU)
- Fort Hays State University (FHSU)
- Kansas State University (KSU)
- Pittsburg State University (PSU)
- University of Kansas in Lawrence (KU)
- University of Kansas Medical Center in Kansas City (KUMC)
- Wichita State University (WSU)

Brief History of KBOR

The Kansas Legislature formed KPERS in 1962, providing retirement benefits to all state employees, with one significant exception: certain unclassified employees of KBOR institutions. These employers, instead, initially contracted primarily with the Teacher Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF, now known as TIAA). NOTE: The KBOR Plan now has multiple vendors and is not limited to TIAA. The resulting KBOR Mandatory Retirement Plan (KBOR Plan) and Kansas law give KBOR employees special status within KPERS. Some KBOR employees are members of KPERS, and some are members of the KBOR Mandatory Retirement Plan. Further, some KBOR members also have earlier KPERS memberships, and KBOR members are covered by the KPERS death and disability plan.

Transfers & Reclassifications

- If a KPERS member moves to a KBOR-eligible position **or** a KBOR Plan Member moves to a KPERS-eligible position, they stay in the plan that they are currently participating in or choose the plan they want to participate in, depending on individual circumstances.
- The member must complete the Retirement Plan Election for Kansas Board of Regents Employees Form (KPERS-3BOR) and the Employer certifies the form.
- **NOTE:** If a KPERS-3BOR form is not submitted, the employee will default to the plan associated with the new position.

What happens to the KPERS account?

- If a KPERS Member who is working at a KBOR institution transfers to the KBOR Plan with the same Employer or becomes ineligible for KPERS because of reduced hours at the same Employer, the KPERS account will continue to draw interest if the member remains with the same Employer (Regent institutions and The State of Kansas are all considered the same employer).
- If the Member transfers from the KBOR Employer to a KPERS Employer, his KPERS membership and regular vesting period resumes where it left off.

Groups

When enrolling employees, the Employer must enter the group for the employee.

Group A

- This is for KBOR Plan members who are **prior-service only** members of KPERS. They have service as faculty or unclassified employee at a Regents institution **before January 1, 1962**, which counts as KPERS prior service.
 - University **reports** current KBOR salary to KPERS.
 - KPERS benefit is based on **higher** of KBOR salary or KPERS salary.
 - Member **may use** KBOR service to help meet retirement eligibility with KPERS.

Group B

- KBOR Plan members who are **inactive** KPERS members with some participating service in KPERS. KBOR Plan start date is before **July 1, 1998**.
 - University **reports** current KBOR salary to KPERS.
 - KPERS benefit is based on **higher** of KBOR salary or KPERS salary.
 - Member **may use** KBOR service to help meet retirement eligibility with KPERS.

Group C

- KBOR Plan members who are **inactive** KPERS members with some participating service in KPERS. KBOR Plan start date is on or after **July 1, 1998**.
 - University **does not** report current KBOR salary to KPERS.
 - KPERS benefit is calculated using **KPERS salary only**.
 - Member **may not use** KBOR service to help meet retirement eligibility with KPERS.

Group D

- Active KPERS members who are working at a KBOR employer but are **not eligible** for or are **not participating** in the KBOR Plan.
 - University **reports KPERS-covered wages** to KPERS.
 - KPERS benefit is calculated using **KPERS salary only**.
 - Member **may not use** KBOR service to help meet retirement eligibility with KPERS.

Group E

- Employee working at a KBOR employer but is **neither a KPERS member** nor has any **KPERS service**. KPERS does not maintain records of Group E members (unless a Death or Disability report is filed with KPERS).
 - University **does not** report KBOR salary to KPERS.
 - No KPERS benefit can be calculated.