Why Your Vote Matters: KPERS’ Board Election

Next April, you’ll have the chance to vote in KPERS’ Board of Trustees election. Every four years, “school” and “non-school” members each elect their own board member.

The candidates are your peers and may be retired or active members. They bring a unique perspective to the board room. And they want to represent you and your best interests.

Board Responsibilities
KPERS board members have an important role. They oversee KPERS operations and safeguard the System’s assets.

• Review and adopt actuarial assumptions and review employer contribution rates.
• Determine an appropriate asset allocation mix.
• Establish and follow investment policies and guidelines.
• Hire and monitor the performance of investment managers.
• Hire and monitor the performance of various other service providers, including actuaries, consultants, advisors and custodians.
• Hire and monitor the performance of the executive director (chief executive officer).

Oversight Committee
A three-person oversight committee has been appointed to ensure the election is fair and transparent. The committee oversees the election process and approves the election results. Members are:

• Dr. Kent Hurn, USD 345, Seaman, Superintendent (retired)
• Brock Ingmire, Kansas League of Municipalities, Research Associate
• Jeff Russell, State of Kansas, Legislative Administrative Services, Director (retired)

Cast Your Ballot
The election is April 1-30. Voting is easy in your KPERS account. But if you prefer the tried-and-true methods, we’ll have phone and paper ballots, too. Watch your mailbox in March for candidate bios and voting instructions.

These candidates will be your voice for the next four years. Their leadership matters and so does your vote. Make your voice heard by voting this April!

To learn more about the Board of Trustees and election, visit kpers.org or contact the KPERS InfoLine at 1-888-275-5737.
Many retirees choose to go back to work. If you’re one of them, there are some rules you need to know. Remember, these rules don’t apply if you go back to a non-KPERS employer.

You Have an Earnings Limit
If you go back to work for any KPERS employer, you’ll have a $25,000 earnings limit, based on the calendar year. Keep in mind, you won’t make KPERS contributions on your working-after-retirement wages, earn more service or increase your monthly benefit.

What If You Reach the Limit?
If you reach the limit, you can:
• Stop working for the rest of the calendar year (you’ll still get your monthly benefit).
• Keep working. Your monthly benefit will stop for the rest of the calendar year, starting the month after you reach the limit. Your benefit will automatically start again in January or if you stop working, whichever happens first.

You May Be Grandfathered
Depending on when you retired or when you went back to work, you may be grandfathered under old rules. There are different rules for licensed school professionals, too.

Earlier this year, we redesigned our website. It’s simpler, cleaner and easier to find the information you need. We even have a retiree home page designed to put the most important topics front and center. When you visit kpers.org, simply click “Retired Members.” You’ll go directly to the retiree home page.

What’s Front and Center
• Benefit Payment Date: See the next direct deposit date. Or print a payment calendar.
• Working After Retirement: Overview of all the rules and recent changes.
• Benefit Details: A reference on death benefits, joint survivors, naming a beneficiary, power of attorney details and more.
• Taxes & My Benefit: The how, why and when of Uncle Sam’s share.

Searches Made Easy
We added the most common searches. But if you’re looking for something different, just type it in.

News & Information
From time to time, we’ll highlight timely information that might interest you. It might be KPERS news like our investment returns or funding updates, general retiree articles or news about Medicare or Social Security. Sometimes we’ll highlight important benefits info.

We’re excited to hear from you about your experience on our new and improved site. Remember, if you have any questions, please don’t hesitate to contact us. We’re here to help!

Did You KNOW?

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<tr>
<td>Total Retired Members</td>
<td>86,479</td>
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<tr>
<td>Average Age</td>
<td>72</td>
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<td>Average Years of Service</td>
<td>22</td>
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<td>Average Benefit Payment</td>
<td>$1,282</td>
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Our actuarial projections currently assume an average, long-term investment return of 7.75%. In some years, returns will be below that rate, and in others, returns will exceed it. While investment returns each year are important, healthy returns over time are essential for proper funding.

KPERS’ 25-year investment return average is 8.4%*, exceeding the 7.75% target.

*average annualized total returns

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*average annualized total returns
Recently, KPERS Board of Trustees has made adjustments to some of our actuarial assumptions, including a move from 8% to 7.75% for our assumed investment rate of return. This assumption is a cornerstone for measuring funding needs. The Board reviews all assumptions every three years as part of a study that looks at both our economic and demographic experiences.

Most importantly, I want to assure you that your benefits are not affected by this change.

This assumption is just that – an assumption. It is what we estimate our returns will look like in the future. KPERS’ actual 25-year return average is 8.4%, but that does not predict long-term future returns.

So why the change? This new rate better reflects the current market environment and is in line with our peers in the pension industry. It is also a matter of fairness. An investment assumption that is too high asks future generations to pay more than their fair share.

This change will not even affect most members who are still working, but there will be some.

For example, the annuitization rate for KPERS 3 members at retirement will decrease from 6% to 5.75%. Also, the account interest rate for pre-July 1993 members still working will decrease from 8% to 7.75%. This only affects them if they withdraw.

As for employers and funding, this new assumption will increase employer contributions, starting in 2019. It will also increase KPERS’ unfunded liability by about 6% ($565 million) and decrease the funded ratio from 67% to 66%. But over time, it should provide for a more accurate estimate of future funding needs.

As always, we welcome your questions and comments. Please feel free to contact me any time at 785-296-1019 or aconroy@kpers.org.