



Vested **INTEREST**

KPERS Newsletter for our Retired Members

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Tax Withholding Letters Mailed

Federal tax withholding tables change from year to year. As required, KPERS implements the new tables each year. As a result, the amount withheld from your benefit can also change.

If your withholding amount changed, KPERS sent you a letter in late January. If you didn't receive a letter, your withholding did not change.

You can change your own withholding at any time by completing an IRS W-4P form.

The form is available at kpers.org or irs.gov.

Protect Yourself From Scams Targeting Seniors

The Federal Trade Commission recently reported that adults age 60 and older lost \$1.6 billion in 2022 to scams. Actual losses could be even higher because many scams go unreported.

It's important to be informed and vigilant to avoid being preyed upon by scammers. The types and methods scammers use are ever-changing. Today's retirees are more comfortable using the internet and electronic devices than ever before, which opens up new avenues for crooks.

Scammers increasingly use technology that lets them reach large numbers of people easily and cheaply, as well as payment methods that let them quickly access stolen money and disappear.

The best way to protect yourself is to know what to look for. The U.S. Senate Committee on Aging's 2023 Fraud Book details the top-10 scams that target older Americans, available at aging.senate.gov/scam-resources.

Why Seniors Are Targets

No one is immune to fraud. But the FBI says retirees should use extra caution. Why? Retirees are attractive targets because they are more likely to have good credit, own their homes and have a "nest egg" saved up.

Older Americans are historically less likely to report fraud. They might be embarrassed or concerned their relatives will think they're not able to handle their own affairs.

Tips for Recognizing Scammers

Scammers may:

- Coerce you into fast decisions or threaten you.
- Disguise their real number, using fake caller ID.
- Pretend to be with the government, such as the IRS or Social Security Administration.
- Try to get personal information like your Social Security number or account numbers.
- Try to persuade you to give them your credit card number or money, even gift cards.

Reporting Scams and Fraud

If you receive a suspicious call, hang up and report it to the U.S. Senate Special Committee on Aging's Fraud Hotline at 1-855-303-9470. If you've been the victim of a scam, contact your state's attorney general's office. In Kansas, you can visit ag.ks.gov/in-your-corner-kansas for assistance.

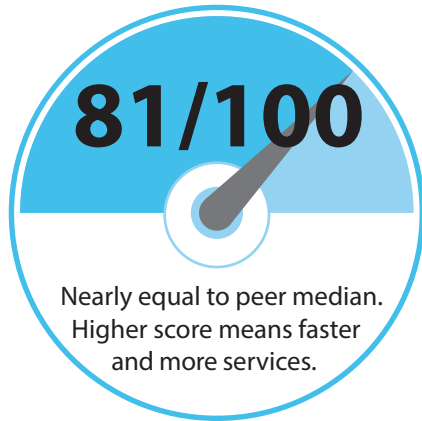
What Gets Measured Gets Managed

Each year, CEM Benchmarking, Inc. evaluates KPERS' costs and services. This year's results show our commitment to raising our own bar on customer service while controlling costs.

CEM uses a custom peer group of 12 similar public pension systems to assess and compare to KPERS. These other systems are similar in size to KPERS.

Here are some highlights of how KPERS measured up.

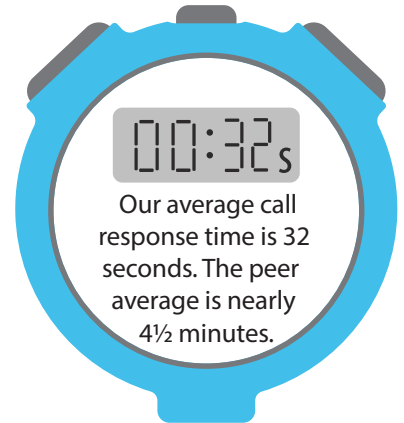
Points for Service



Cost Per Member



Call Center Response



Service and Call Center Response

KPERS' total service score is 81, slightly below the peer median of 82. Higher service means more channels, more availability, more choices, better content and higher quality. But higher service is not always cost-effective. KPERS is committed to providing good service where it matters, while holding the line on costs. Our service score has increased slightly since 2015, primarily due to improvements in our call center.

Call center response is a key measure in our total service score. Keep in mind, a real person answers your call. The average wait time to speak to someone at KPERS is only 32 seconds. The peer group average is 256 seconds, or nearly 4 ½ minutes.

Cost Per Member

KPERS' total cost per member is \$70. This figure is based on our total pension administration cost, which includes expenses like employee salaries, member communications, information technology, actuarial services, our building, and others. Our cost per member is \$22 below the peer average of \$92. Overall, KPERS is one of the lowest cost systems among all 64 participating retirement systems.



KPERS
Legislation
TRACKER

Your Resource for KPERS-Related Bills

kpers.org/about/legislationtracker

Tracking in 2024

- Alternative investment cap
- Cost-of-living adjustment

Two Conversations You Should Have With Your Family

None of us will live forever. It's not something you probably want to think about, and it can be even more difficult to actually start a discussion with your family.

But it's important. Having everything in order will help your survivors make important decisions should anything happen to you. Here are two important conversation starters.

"You Need to Know About My Survivor Benefits and Funeral Arrangements."

When you retired, you chose a benefit payment option. If that option included ongoing monthly benefits after your death, your loved ones will need to contact KPERS to apply for them. If you have other benefits payable on your death, such as life insurance you continued at retirement, make sure the recipient has the information they need.

Remember, all KPERS retirees also have a \$4,000 death benefit. If you choose, you can designate a funeral establishment to receive the benefit directly for funeral expenses. The funeral establishment will be responsible for the taxes instead of your beneficiary.

Talking to your family about your wishes can give you a sense of control over your destiny. It can also relieve them of some tough decisions later. Give them peace of mind knowing they are carrying out your wishes. If you have a plan now, be sure to tell them.

"I Want to Tell You About My Will and Other Key Documents."

Write out a will so your wishes are clearly defined. You may want to work with an attorney to make sure your will complies with state and federal law. The executor you name in your will should have a copy or know where you keep it.

Your survivors may need to find your will and other important legal and financial papers to settle your affairs. Consider using a document locator, a tool that lets you record the locations of all your important documents. KPERS has a document locator at kpers.org/publications.html, but you can find others by searching online.

1099-R Tax Forms Mailed in January

KPERS mailed 1099-R tax forms on January 24. Please contact KPERS if you did not receive one. You can also download a copy instantly by logging in to your KPERS account.

For additional information about taxes and 1099-R forms, visit kpers.org/taxes.html.

Money Matters – Investment Snapshot

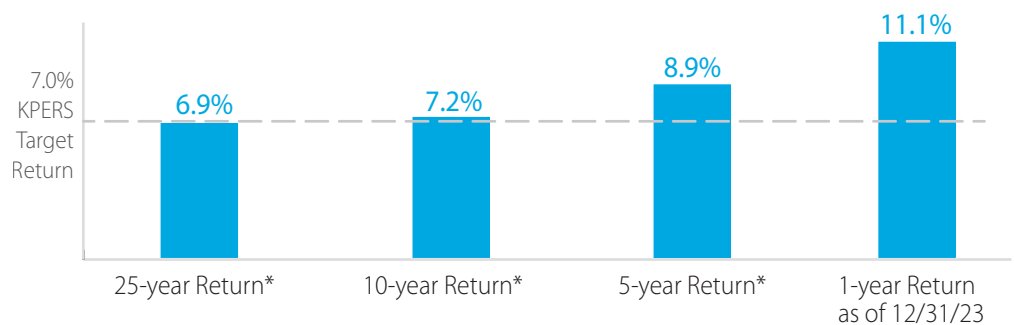
Our actuarial projections currently assume an average long-term investment return of 7.0%. In some years, returns will be below that rate, and in others, returns will exceed it. While investment returns each year are important, healthy returns over time are essential for proper funding.

KPERS' 25-year investment return average is 6.9%*, just under the 7.0% target.

*average annualized total returns

KPERS Returns Over Time

Total assets = \$26.3B



■ KPERS Returns - - - KPERS Target Return

*average annualized total returns as of December 31, 2023

Questions?



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2024 BENEFIT PAYMENT DATES

January 31	July 31
February 29	August 30
March 29	September 30
April 30	October 31
May 31	November 27
June 28	December 31

Our Mission: In our fiduciary capacity, we exist to deliver retirement, disability and survivor benefits to our members and their beneficiaries.

The fiduciary standard is our driving force. That means we put the interest of our members first. It is the highest standard of care and accountability. A fiduciary relationship is highlighted by good faith, loyalty and trust.

Board of Trustees:

James Zakoura, <i>Chairperson</i>	Emily Hill	Ryan Trader
Brad Stratton, <i>Vice-Chairperson</i>	Steven Johnson	Sam Williams
Ernie Claudel	Derek Kreifels	Jo Yun

Letter From Alan Conroy, Executive Director



I wanted to take this opportunity to share some good news with you about the KPERS Trust Fund.

Last February, I reported that 2022 was a challenge for many investors, including the KPERS Trust Fund. Since then, I am pleased to share that the Trust Fund **grew by \$1.9 billion** to \$26.3 billion in assets as of December 31, 2023. For reference, the highest level ever achieved is \$26.5 billion in December 2021.

For Calendar Year 2023, KPERS investments earned an **11.1% return**. Our 25-year return is 6.9%, slightly under the 7.0% investment assumption.

Remember, the Trust Fund is built to withstand fluctuations in the market. In some years, returns will be below our 7.0% target, while in other years, returns will exceed it. Investment returns each year are important. But healthy returns over time are essential to proper funding.

We are your fiduciary. That means investing solely for the benefit of you, our members. Our aim is to achieve the highest return with the lowest risk, using appropriate diversification and no economic or social objectives.

No matter the economy, it is important to know that your benefits are safe. While you were working, you contributed to help fund the benefits you receive each month. You can be

confident knowing that there is a plan in place to help the Trust Fund be as productive as possible to pay future benefits. KPERS is dedicated to investing the Trust Fund solely for your benefit and the benefit of future retirees. You can learn more about our investment approach at kpers.org/about/investments.

Your comments and questions are always welcome. Please feel free to contact me at 785-296-1017 or aconroy@kpers.org.