



For KPERS 1 & KPERS 2
members 2-5 years
from retirement

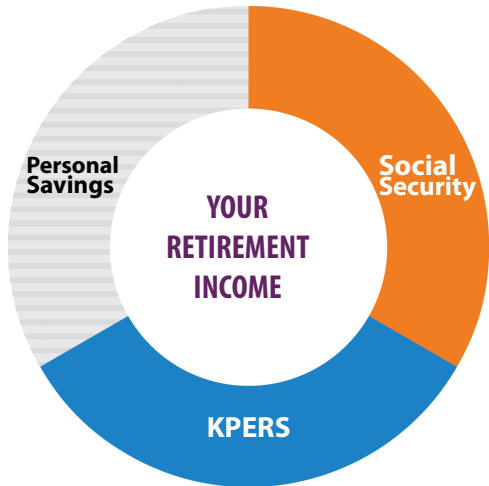


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3 SOURCES OF RETIREMENT INCOME

- Experts recommend replacing **at least 80%** of retirement income
- KPERS and Social Security alone **won't be enough**
- **Personal savings** is vital income source for sound retirement
- Amount could be affected by **individual expenses** (e.g. health care)



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PERSONAL SAVINGS

- Different forms like a 403b, KPERS 457 or individual retirement account (IRA)
- Starting late is better than not saving at all
- Catch-up contributions – over age 50

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STAYING IN KPERS 457 AFTER RETIREMENT

- Stay in KPERS 457 after retirement
- Retirement Specialist to help
- Great for retirement lump sums
 - Sick/vacation payouts
 - Retirement incentive

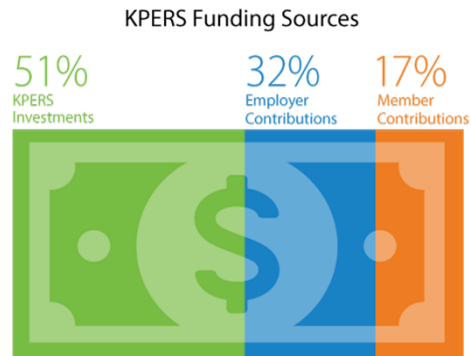


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HOW ARE BENEFITS PAID?



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BENEFITS WILL BE HERE

- KPERS prefunded during your career
- About \$20 billion in assets with about \$1.3 billion in contributions each year
- Over \$1.2 billion in investment income in FY 2019
- About \$1.7 billion in benefits each year
- As your fiduciary, we're keeping long-term funding needs in front of the Legislature

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Retirement Eligibility



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KPERS MEMBERSHIP

KPERS 1

Hired before July 1, 2009, and **active** on July 1, 2009

KPERS 2

Hired between July 1, 2009 - December 31, 2014

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WHEN CAN YOU RETIRE – KPERS 1

One of these criteria:

- Age 65 with 1 year
- Age 62 with 10 years
- Any age when your age and years of service equal 85

Current age		52
Current years of service	+	29
Total points		81
Subtract total from 85	$85 - 81 =$	4
Divide by 2	$4 \div 2 =$	2
Add to current age	$52 + 2 =$	54

← Age for 85 points

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WHEN CAN YOU RETIRE – KPERS 2

- Age 65 with 5 years
- Age 60 with 30 years

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EARLY RETIREMENT – KPERS 1

- Age 55 with 10 years

The earlier you retire, the more your benefit is reduced

Age	Example	Reduction
62	Full benefit = \$1,500/month	0%
60	Reduced benefit = \$1,425/month	5%
58	Reduced benefit = \$1,215/month	19%
55	Reduced benefit = \$885/month	41%

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EARLY RETIREMENT – KPERS 2

- Age 55 with 10 years

The earlier you retire, the more your benefit is reduced
Smaller reduction if you retire with at least 30 years of service

Age	Example	Reduction < 30 years	Reduction > 30 years
65	Full benefit = \$1,500/month	0%	0%
60	Reduced benefit = \$930/month	38%	0%
58	Reduced benefit = \$780/month	48%	24%
55	Reduced benefit = \$600/month	60%	30%

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THINGS TO CONSIDER BEFORE RETIRING EARLY

- The earlier you retire, the more your benefit is reduced
- Lifetime reduction
- No automatic COLA
- Inflation reduces your buying power over time

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Benefit Calculation



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BENEFIT CALCULATION

KPERS 1

EXAMPLE	Final Avg	x	Statutory	x	Years of	=	Annual	÷	Months	=	Monthly
	Salary		Multiplier		Service		Benefit		in Year		Benefit
	40,000	x	1.75%	x	20	=	\$14,000	÷	12	=	\$1,167
	40,000	x	1.85%	x	10	=	+ \$7,400	÷	12	=	+ \$617
	Combined (Total)						\$21,400	÷	12	=	\$1,784

KPERS 1: Service before January 1, 2014, is calculated at 1.75%. Service January 1, 2014, and after is calculated at 1.85%.

Account balance doesn't determine your benefit. Your balance is important only if you withdraw or die before retirement.

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BENEFIT CALCULATION

KPERS 2

EXAMPLE	Final Avg	x	Statutory	x	Years of	=	Annual	÷	Months	=	Monthly
	Salary		Multiplier		Service		Benefit		in Year		Benefit
	40,000	x	1.85%	x	30	=	\$22,200	÷	12	=	\$1,850

Account balance doesn't determine your benefit. Your balance is important only if you withdraw or die before retirement.

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FINAL AVERAGE SALARY (FAS)

KPERS 1

Hired before July 1, 1993, or in your "Year of Service" on July 1, 1993

- Highest **three year average**, or
- Highest **four year average** including additional compensation

Hired on or after July 1, 1993

- Highest **three year average**

KPERS 2

- Highest **five year average**

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Purchasing Service Credit



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WHY PURCHASE SERVICE CREDIT?

- Increase years of service
- Increase lifetime monthly retirement benefit
- Possibly retire earlier

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TYPES OF SERVICE AVAILABLE TO PURCHASE

- Year of Service
- Forfeited service – KPERS
- Military
- Elected official
- Out-of-state teaching (not private school)
- In-state or out-of-state non-federal public service
- Forfeited service – Board of Regents
- VISTA or Peace Corp service

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SERVICE PURCHASE DETAILS

- Cost based on age and salary
- Must be paid for before last day on payroll
- Call KPERS to get cost estimate
- See kpers.org for form to get process started

Ways to Pay

- Payroll deduction or lump sum

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Benefit Options

- Maximum Monthly
- Joint-Survivor
- Life-Certain
- Partial Lump-Sum



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BENEFIT OPTIONS

- All benefit options provide a lifetime benefit
- Your option can't be changed after retirement
- Maximum Monthly – no survivor benefit
- Joint Survivor – provides lifetime survivor benefit
- Life-Certain – limited time period of guaranteed benefits to beneficiary

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PARTIAL LUMP-SUM OPTION (PLSO)

- Percentage of lifetime benefit in a lump sum
- Also choose a monthly benefit option
- **KPERS 1** 10, 20, 30, 40, or 50%
- **KPERS 2** 10, 20, or 30%
- Reduced monthly benefit

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PARTIAL LUMP SUM CONSIDERATIONS

- PLSO reduces your benefit for life
- Eligible for rollover into a qualified retirement account
- 20% federal withholding if paid directly to you
- Possible 10% IRS penalty if under age 59 ½
- Can you make up the income difference?

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Your
Online Account



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WHAT YOU CAN DO

Access your secure account for:

- Contributions and interest
- Service Credit
- Membership Date
- Final average salary
- Beneficiary designations
- Annual statements
- Personalized benefit estimates

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ONLINE ACCOUNT ACCESS

The screenshot displays the KPERs website interface. At the top, there is a navigation bar with links for Home, About Us, Forms, Designations, Calculators, and Contact Us. Below this is the KPERs logo and a navigation menu. A green box highlights the 'Member Login' button in the top right corner, with the text 'Click here' next to it. A green arrow points from this box to the 'Member Login' button on the main page, labeled 'Goes to Login'. Another green arrow points from the 'Member Login' button on the main page to the 'Member Login' section of the main content area, labeled 'Portal Home'. The main content area features a large image of a family and a 'Member Login' section with fields for 'User ID' and 'Login'. To the right, there is an 'INBOX' section showing '0 new Messages' and a 'GO TO' section with links to Home, Personal Profile, Beneficiaries, Seminar Registration, KPERs Account, Account Summary, Insurance/Disability, Benefit Calculator, and Annual Statements.

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Calculate an Estimate


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PERSONALIZED BENEFIT ESTIMATE

INBOX

 1 new Messages

GO TO

- ▶ Home
- ▶ Personal Profile
- ▶ Beneficiaries
- ▶ Seminar Registration
- KPERs Account**
- ▶ Account Summary
- ▶ Insurance/Disability
- ▶ Benefit Calculator 
- ▶ Annual Statements

Account Summary (as of 12/16/2017)

Snapshot			
Account Balance	Total Service Credit	Membership Date	Status
\$67,156.61	24.75 years	02/18/1994	Active

Employee Contributions		
Taxed	Untaxed	*Interest
\$0.00	\$45,862.76	\$21,293.85

*Includes interest credited to the account on 6/30/2017

Service Credit			
Type		Multiplier	
Earned	23.75 years	Service @ 1.75%	20.75 years
Purchased	1.00 years	Service @ 1.85%	4.00 years
Total Service Credit	24.75 years	Total Service Credit	24.75 years

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PERSONALIZED BENEFIT ESTIMATE

The earliest date you can receive a full retirement benefit is **02/01/2018**.*

I will retire on 02/01/2018.

I will retire on (mm/dd/yyyy). Must be the first day of a month.

*You may actually become eligible sometime in the previous year before this date due to earning additional service credit. Please check with your employer if you are nearing retirement and would like an exact eligibility date.

Step 3: What is your final average salary?

Your current final average salary (FAS) is **\$61,931.45**. [What is FAS?](#)

Use \$61,931.45 as my FAS.

Use as my FAS.

Use as my FAS with annual salary increase of %

Step 4: What is your total service credit?

Your current total service credit is **25.00** years.

Service @ 1.75% : **20.75**
Service @ 1.85% : **4.00**

Your projected total service credit is **25.00** years, if you continue working until your estimated retirement date shown above.

Use the projected service based on the selected retirement date in **Step 2**

Use 25.00, my total years of service as of 12/16/2017

Use as my total years of service.

Step 5: Do you plan to provide a continuing benefit to a survivor?

I do not plan to provide for a survivor. I want a benefit for my lifetime only.

I plan to provide for a survivor. My survivor's date of birth is (mm/dd/yyyy).

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PERSONALIZED BENEFIT ESTIMATE

[Calculate & Save](#) [Download Estimate](#) [Back](#)

Retirement Date: 07/01/2018
Retirement Age: 68
Final Average Salary: \$61,931.45
Total Service: 25.00 years
Service @ 1.75%: 21.00 years **Service @ 1.85%: 4.00 years**
Annual Benefit = \$27,342.73

Monthly Benefit

Benefit Option	No Lump Sum	10% Lump Sum	20% Lump Sum	30% Lump Sum	40% Lump Sum	50% Lump Sum
PLSO	\$0.00	\$23,148.05	\$46,296.10	\$69,444.15	\$92,592.20	\$115,740.25
Maximum	\$2,278.56	\$2,050.70	\$1,822.85	\$1,594.99	\$1,367.14	\$1,139.28
50% Joint-Survivor	\$2,119.06	\$1,907.16	\$1,695.25	\$1,483.34	\$1,271.44	\$1,059.53
75% Joint-Survivor	\$2,039.31	\$1,835.38	\$1,631.45	\$1,427.52	\$1,223.59	\$1,019.66
100% Joint-Survivor	\$1,959.56	\$1,763.61	\$1,567.65	\$1,371.69	\$1,175.74	\$979.78
5-Year Life-Certain	\$2,232.99	\$2,009.69	\$1,786.39	\$1,563.09	\$1,339.79	\$1,116.49
10-Year Life-Certain	\$2,164.63	\$1,948.17	\$1,731.71	\$1,515.24	\$1,298.78	\$1,082.32
15-Year Life-Certain	\$2,005.13	\$1,804.62	\$1,604.11	\$1,403.59	\$1,203.08	\$1,002.57

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GENERAL BENEFIT CALCULATORS

[Member Login](#) [Employer Login](#)

Home ▾ About Us ▾ Forms & Publications ▾ Calculators ▾ Contact Us ▾

- Use most-recent annual statement



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The Retirement Process



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GETTING READY

- Find out when you're eligible
- Estimate KPERs benefits
- Estimate Social Security benefits
- Review personal savings
- Estimate retirement income needs

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RETIREE DEATH BENEFIT

- \$4,000 death benefit
- Taxable for federal tax, but not Kansas taxes
- Person, estate, trust or funeral establishment
- Beneficiary responsible for taxes
- No death benefit for joint annuitant

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KEEP BENEFICIARY UP-TO-DATE

- Time to review beneficiaries
 - Marriage
 - Birth/adoption
 - Divorce
 - Death
 - Retirement
- Change beneficiaries any time online

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Life Insurance



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LIFE INSURANCE – WHAT YOU HAVE NOW

- Basic life insurance = 150% of current salary
- Optional group life insurance
- See your current coverage in your account

- Continue coverage within 60 days of last day on payroll

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CONTINUING LIFE INSURANCE

Portability

- **Term** insurance option
- Must port some member coverage to port spouse coverage
- No health questions
- Under age 80 and actively at work
- Coverage begins to reduce at age 65

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CONTINUING LIFE INSURANCE

Conversion

- **Whole-life** option
- No health questions
- Higher premium, builds cash value
- Premiums payable to age 100

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HEALTH INSURANCE

- KPERS does not provide health insurance coverage
- Contact your personnel office

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Working After Retirement



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WORKING AFTER RETIREMENT

- No restrictions for non-KPERS employers

Working for a KPERS employer

- No member contributions, but employers do
- No prearrangements
- Waiting period
- Penalties

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PREARRANGEMENTS

No prearrangements before retirement or during waiting period

- Important for KPERS qualified plan status
- Penalties for retiree and employer

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WAITING PERIOD

- 180-day waiting period if retiring before age 62
- 60-day waiting period if retiring age 62 or older
- Begins with retirement date
- Remember, no prearrangements!

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Retirement Resources



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RETIREMENT INFORMATION CENTER

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Checklist for Retirement

3-5 years before retirement

- Review KPERS Pre-Retirement Guide
- Find out when you're eligible to retire
- Consider service purchase, if eligible

1 year

- Estimate KPERS benefits
- Review benefit payment options

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Checklist for Retirement

6 months

- Estimate Social Security benefits
- Review retirement application, gather documents
- Consider 1-on-1 with KPERS retirement counselor
- Review life insurance, health insurance, Social Security, tax withholding and other retirement plans and savings

3 months

- Pick your retirement date
- Submit retirement application

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CONTACT INFO

KPERS

Email: kpers@kpers.org

Toll-free: 1-888-275-5737

Topeka: 785-296-6166

Social Security

Website: ssa.gov

Toll-free: 1-800-772-1213

Topeka: 1-888-327-1271

KPERS 457

Email: kpers457@kpers.org

Toll-free: 1-800-232-0024

Topeka: 785-414-3600

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Thank You

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