

Tier I  
Tier II



# Membership Guide

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Kansas Police & Firemen's Retirement System





## Welcome to the Retirement System

Welcome to the Kansas Police and Firemen's Retirement System. We're glad you are here! This membership guide will help you get to know the Retirement System. It outlines your current benefits as an active member and shows you what is in store when you are ready to retire. The guide can be a reference tool when you have KP&F questions. In the interest of simplicity, certain generalizations have been made in this guide. Kansas law and the rules adopted by the Board of Trustees will control specific situations.

### We're Here for You

We're here to answer your questions and help in any way we can. Our offices are open Monday through Friday from 8 a.m. to 5 p.m. We're located in downtown Topeka.

Our "InfoLine" is a toll-free customer service call center dedicated to helping you. The InfoLine is open 8 a.m. to 4 p.m. The easiest time to reach our office is in the afternoon, Tuesday, Wednesday and Thursday.

If you need one-on-one help or just prefer to visit with someone in person, please call to arrange an appointment first so that we can assist you more effectively when you arrive. Our offices are open Monday through Friday from 8 a.m. to 5 p.m. and we are located in downtown Topeka. Visit [kpers.org](http://kpers.org) for driving and parking directions.

**Email:** [kpers@kpers.org](mailto:kpers@kpers.org)

**Toll-free:** 1-888-275-5737

**In Topeka:** 785-296-6166

**Website:** [kpers.org](http://kpers.org)

### Access Your KPERS Account Online

You can keep track of your membership information and plan for retirement with your online account.

- Annual statements
- Benefit estimates
- Beneficiary designations

See [kpers.org](http://kpers.org) to get started.



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## What Are Your Benefits?

Throughout your career, you contribute part of your salary to the Retirement System. Your employer also contributes to help fund the System. The Retirement System then invests these funds and, when you retire, pays you a dependable monthly benefit for the rest of your life. The Retirement System also provides a \$4,000 death benefit for retirees.

As an active member, you have disability and death benefits, and you can purchase optional life insurance if your employer offers it.

## Membership

Kansas law requires that all employees in “covered positions” with participating employers must become members, except elected sheriffs. Your benefit details depend on what type of KP&F member you are.

### Tier II Members

All **new** KP&F members are **Tier II** members. You are a Tier II member if you were employed on or after July 1, 1989, or before July 1, 1989, and chose Tier II coverage.

### Tier I Members

You are a Tier I member if you were employed before July 1, 1989, and did not choose Tier II coverage.

### Transfer and Brazelton Members

Transfer or Brazelton members may be Tier I or Tier II. Transfer members are KP&F members who formerly participated in a local retirement plan and chose to participate in KP&F after their employer joined KP&F.

Brazelton members participated in a class action lawsuit in 1980. Because of this, their contribution rate is lower (0.008%) and their retirement benefits are offset by Social Security. If you are a Brazelton member, please contact the KPERS office if you have questions about your membership.

## Your Contributions and Interest

You contribute 7.15% of your gross earnings each pay period.

Contributions are made on a pretax basis and deferred from federal income taxes until you either withdraw or retire. You do need to add the contributions back into your gross income for Kansas state income tax purposes.

Your contributions are credited with interest annually on June 30, based on the balance in your account on December 31 of the preceding year (i.e., interest credited on June 30, 2023, is based on your account balance as of December 31, 2022).

If you became a member:

- *Before July 1, 1993*, your contributions earn 7% interest.
- *On or after July 1, 1993*, your contributions earn 4% interest.

Kansas law does not allow you to borrow from your contributions.

The amount of your contributions and interest have no bearing on your retirement benefits. These benefits are determined by your final average salary and years of service. Your account balance is important only if you withdraw or die before retirement. Employer contributions are not credited to your account and stay with the Retirement System if you end employment and withdraw.

## Will KP&F Be Enough?

Most financial experts suggest replacing at least 80% of your income for retirement. Increasing healthcare costs and living longer may mean you need to save more.

KP&F may not be enough for a sound retirement. You need to save on your own, too. The easiest way to save is through an eligible employer plan like a 457(b) deferred compensation plan. Check with your employer about options where you work.

The State of Kansas and many local public employers offer KPERS 457, a deferred compensation savings plan. Contributions are automatically deducted from your pay, and you can get started with as little as \$12 per pay period. Visit [kpers457.org](http://kpers457.org) for more info.

However you choose to save, the important thing is to start. The sooner you begin, the more time your money has to grow. Socking away even a sliver of your salary could have a big impact on your retirement.



## Special Considerations for KP&F Members

- KP&F members often retire at a younger age, sometimes before Social Security and Medicare benefits begin. Your personal savings will need to make up any income shortfall and pay for health care costs.
- Some public safety positions are not covered by Social Security. However, you may have coverage from other employment. Without Social Security, personal savings becomes even more important.

## Annual Statements

Each spring, you receive a KP&F annual statement. Your annual statement shows your contributions and earned interest, years of service, current final average salary and beneficiary information. If you are vested, you will also have retirement benefit estimates.

## Someone at Your Employer to Help You

Your employer has appointed a **designated agent** to handle Retirement System transactions. This person is your local connection for Retirement System information. Check with Human Resources if you don't know who your designated agent is.

## Guaranteeing Your Benefit (Vesting)

When you are “vested,” it means you have earned enough service credit to **guarantee** a retirement benefit, even if you leave employment. Tier I members become vested with 20 years of service credit. Tier II members are vested with 15 years of service credit. If you leave employment once vested, simply keep your contributions with the Retirement System and you are guaranteed retirement benefits when you become eligible.

## What Is Service Credit?

Service credit is an important factor used to calculate your retirement benefit. You automatically earn service credit for the years you work in a benefits-eligible position.

If you have participated in any of the other plans the Retirement System administers, you may be able to combine years of service toward your retirement.

### Granted Service Credit

**Participating Service** is any service after your membership date. You will automatically receive this type of service credit while you work in a covered position and make contributions to the Retirement System. Tier II members receive this type of service during any period of approved disability.

**Prior Service** is any time you worked for your employer before your employer joined KP&F. You will automatically receive prior service for all KP&F service with that employer if your employer affiliated for prior service. Your employer pays for the cost of this service.

**Military Service:** In certain circumstances, Kansas law allows the Retirement System to grant service credit for active military service at no cost to you. Service credit may be granted if you are employed immediately before activation and you return to employment within one year of discharge (or two years, if disabled in the line of duty). You must be off your employer's payroll during this time. Granted military service is limited to five years. You can purchase up to six years of military service regardless of how many years are granted. For KP&F, purchased military service does not count toward your eligibility to retire, but will increase the amount of your benefit when you retire.

## Increasing Your Retirement Benefit (Purchasing Service Credit)

You may be able to increase your retirement benefit and possibly retire earlier by purchasing service credit for your past public service. Only active, contributing members may purchase service credit, and all payments must be received on or before your last day on your KP&F employer's payroll.

### Cost

Purchase costs are based on your age and salary. As each of these increase, so does the cost of purchasing service credit. It is usually best to buy service early in your career.

Benefit of Purchasing Service Credit		
Your final average salary	For each additional year of service, your benefit increases by ...	
\$30,000	\$63 per month	\$750 per year
\$50,000	\$104 per month	\$1,250 per year
\$70,000	\$146 per month	\$1,750 per year

### Types of Service You Can Purchase

- Forfeited KP&F service (All available forfeited service must be purchased together.)
- Military service (You can purchase year for year of active military service and one quarter of service credit for each year of military reserve service. Purchased military service does not count toward your eligibility to retire, but does increase your benefit.) See section on "Military Service and Your Benefits."
- Eligible in-state non-federal governmental work that meets the requirements of a KP&F employee. Service cannot be credited in another pension plan.
- Forfeited KPERS service (Previous KPERS service must be purchased in a lump sum and will re-establish or add to your KPERS record.)



## Payment Options

Generally, service can be purchased with:

- Pretax payroll deduction over a period of time.
- Rollover or trustee-to-trustee transfer from another retirement plan. Eligible plans include a governmental 457(b) plan like KPERS 457, a 403(b) annuity, or an individual retirement account (IRA).
- Lump sum (personal check, money order or Discover Card).

## The Purchase Process

1. Contact KPERS to see if your past service is eligible.
2. If your service is eligible, complete an Application to Purchase Service Credit (KPERS-67) form.
3. Your employer completes the employer part of the form and sends it to the Retirement System.
4. The Retirement System calculates your purchase cost and sends a letter to you through your employer. Be sure to weigh the cost and benefit before continuing with the purchase.
5. To complete the purchase, you sign the necessary paperwork, arrange for payment and return both to the Retirement System.
6. The Retirement System receives your payment or payroll deduction commitment. All payments must be completed on or before your last day on your KP&F employer's payroll.
7. The Retirement System adds service to your record after the purchase is completed.

## Disability Benefits

As an active member, you are covered by occupational disability benefits if you cannot perform duties related to your job due to an injury or illness. You are not eligible for benefits if you are disabled while working for any employer other than your KP&F employer. The KP&F disability determination process is administered by a third party, Davies Life & Health, Inc. (DLH). DLH collects information from members, employers, and providers and submits a recommendation to the Retirement System. The Retirement System then makes the final determination.

To apply for disability, please contact your employer. He or she will notify KPERS. The information from your employer is shared with DLH. DLH will keep you informed during the claims process.

## Continuing Disability Requirements

**For the first five years**, you must provide proof of your continuing disability every year to receive KP&F disability benefits.

**After five years**, the Board of Trustees may require additional medical information to determine continuing eligibility for disability benefits. If the Board of Trustees finds that you are no longer disabled for employment, based on your updated medical information, your KP&F disability benefits will stop.

## Disability Benefits Quick Reference Chart

	Tier I	Tier II
<b>Regular &amp; Transfer Member</b>		
<i>service-connected with no eligible children</i>	<ul style="list-style-type: none"> <li>Higher of: 50% FAS <b>or</b> FAS x 2.5% x years of service credit in ongoing monthly payments for life</li> <li>Maximum benefit = 90% FAS</li> </ul>	<ul style="list-style-type: none"> <li>50% FAS in ongoing monthly payments until eligible for retirement</li> <li>Continue earning service credit for retirement</li> </ul>
<i>service connected with eligible children</i>	<ul style="list-style-type: none"> <li>Higher of: 50% FAS <b>or</b> FAS x 2.5% x years of service credit in ongoing monthly payments for life</li> <li>10% FAS for each child in ongoing monthly payments until they become ineligible</li> <li>Maximum benefit = 75% FAS (all combined)</li> </ul>	<ul style="list-style-type: none"> <li>50% FAS in ongoing monthly payments until eligible for retirement</li> <li>Continue earning service credit for retirement</li> </ul>
<i>non service-connected</i>	<ul style="list-style-type: none"> <li>FAS x 2.5% x years of service credit in ongoing payments for life</li> <li>180-day waiting period</li> <li>Minimum benefit = 25% FAS</li> <li>Maximum benefit = 90% FAS</li> </ul>	<ul style="list-style-type: none"> <li>50% FAS in ongoing monthly payments until eligible for retirement</li> <li>Continue earning service credit for retirement</li> </ul>
<b>Brazelton Member</b>		
<i>service-connected</i>	<ul style="list-style-type: none"> <li>Same as regular Tier I</li> <li>Reduced by 1/2 of Social Security benefit</li> </ul>	<ul style="list-style-type: none"> <li>Same as regular Tier II</li> <li>Reduced by 1/2 of Social Security benefit</li> </ul>
<i>non service-connected</i>	<ul style="list-style-type: none"> <li>Same as regular Tier I</li> <li>Reduced by 1/2 of Social Security benefit</li> </ul>	<ul style="list-style-type: none"> <li>Same as regular Tier I</li> <li>Reduced by 1/2 of Social Security benefit</li> </ul>
<b>Special Members Are Not Tier I or Tier II</b>		

Special members have statutory spousal benefits. Please contact the Retirement System for details.

### Tier I Disability Benefits

As a Tier I member, you must distinguish whether your disability is service-connected or non service-connected. You will remain on disability for the rest of your life unless you return to work for a KP&F employer or you are no longer disabled.

A **service-connected disability** is caused by an act of duty. Kansas law presumes your disability is service-connected if, after five years of credited service, you develop one of the following:

- Heart, lung or respiratory disease
- A type of cancer that results from exposure to heat, radiation or a known carcinogen

This does not apply if there is evidence that your condition is not service-connected.

### Eligible Children

In some cases, members with **eligible children** have additional benefits. Children are considered eligible up to age 18, or 23, if a full-time student. After age 18, proof of full-time school attendance must be provided annually. Benefits for minor children must be paid to a legally-appointed conservator. For any member disabled on or after July 1, 2001, only children who were born, conceived or adopted before the beginning of the disability are eligible.

## If You Have a Service-Connected Disability – Tier I

Monthly Benefit	You receive an annual benefit, in ongoing monthly payments, based on the <b>higher</b> of: <ul style="list-style-type: none"><li>• 50% of final average salary, or</li><li>• Final average salary x 2.5% x years of service.</li></ul>
Children's Benefit	If you have <b>eligible children</b> , each receives an annual benefit of up to 10% of your final average salary (subject to maximum), in ongoing monthly payments.
Maximum	If you have eligible children, the maximum family benefit, including children's benefits, is 75% of your final average salary. If you do not have eligible children, the maximum benefit is 90% of your final average salary.
Waiting Period	No waiting period.
Taxes	Benefits are <b>not</b> included in gross income for federal income tax purposes, for up to 50% of your final average salary. Children's benefits are exempt from federal income tax.

## If You Have a Disability Not Connected to Service – Tier I

Monthly Benefit	You receive an annual benefit of your final average salary x 2.5% x years of service, in ongoing monthly payments. There is no children's benefit.
Minimum	The minimum annual benefit is 25% of your final average salary.
Maximum	The maximum annual benefit is 90% of your final average salary.
Waiting Period	You must wait 180 days from the last day you were actively at work to apply for benefits.
Taxes	Benefits are <b>included</b> in gross income for federal income tax purposes.

## Working While Receiving Disability Benefits – Tier I

If you return to work with any KP&F employer, your disability benefits will automatically stop. If you return to work in a KPERS-covered position, you do not have an earnings limit, and you will immediately become a contributing member of KPERS. You do not have an earnings limit if you work for any employer not affiliated with the Retirement System.

## Tier II Disability Benefits

Your benefits are the same, whether your disability is service-connected or not. If you are eligible for full retirement benefits based on your age and service, you cannot apply for disability benefits.

Monthly Benefit	You receive an annual benefit of 50% of your final average salary, in ongoing monthly payments. There is no children's benefit.
Waiting Period	No waiting period.
Service Credit	You will continue to earn service credit until you are no longer disabled, or until you meet the age and service requirements for full retirement benefits. If you have service in more than one of the retirement plans administered by the Retirement System, you can remain on disability until you are eligible for full retirement benefits from each plan.
Taxes	Benefits are <b>included</b> in gross income for federal income tax purposes.

## Working While Receiving Disability Benefits – Tier II

If you return to work with any KP&F participating employer, your disability benefits will automatically stop. If you return to work in a KPERS-covered position, you cannot contribute to KPERS. This is because you will continue to receive KP&F service credit while receiving disability benefits. There is no earnings limit for non-public safety employment.

## Death Benefits

KP&F death benefits cover regular Tier I and Tier II members, Brazelton, and Transfer members. Benefits are automatically paid to your spouse and/or children. Children are eligible up to age 18, or 23, if a full-time student. Benefits for minor children must be paid to a legally-appointed conservator. If you are unmarried and have no eligible children, your beneficiary receives a one-time, lump-sum benefit.

### KP&F Active Death Benefits Quick Reference Chart

	Tier I	Tier II
<b>Regular, Transfer and Brazelton Member</b>		
<i>service-connected with surviving spouse</i>	<ul style="list-style-type: none"> <li>Higher of: 50% FAS <b>or</b> 100% joint-survivor equivalent in ongoing monthly payments for life</li> </ul>	<ul style="list-style-type: none"> <li>Higher of: 50% FAS <b>or</b> 100% joint-survivor equivalent in ongoing monthly payments for life</li> </ul>
<i>service connected with surviving spouse and eligible children</i>	<ul style="list-style-type: none"> <li>Higher of: 50% FAS <b>or</b> 100% joint-survivor equivalent in ongoing monthly payments for life to spouse</li> <li>10% FAS for each child in ongoing monthly payments until they become ineligible</li> <li>Maximum benefit = 90% FAS (all combined)</li> </ul>	<ul style="list-style-type: none"> <li>Higher of: 50% FAS <b>or</b> 100% joint-survivor equivalent in ongoing monthly payments for life to spouse</li> <li>10% FAS for each child in ongoing monthly payments until they become ineligible</li> <li>Maximum benefit = 90% FAS (all combined)</li> </ul>
<i>non service-connected with surviving spouse or eligible children</i>	<ul style="list-style-type: none"> <li>100% FAS, one-time lump sum</li> <li>FAS x 2.5% x years of service credit in ongoing monthly payments for life to spouse or to children until they become ineligible</li> <li>Maximum = 50% FAS</li> </ul>	<ul style="list-style-type: none"> <li>100% FAS, one-time lump sum</li> <li>FAS x 2.5% x years of service credit in ongoing monthly payments for life to spouse or to children until they become ineligible</li> <li>Maximum = 50% FAS</li> </ul>

**Note:** If you have no spouse or eligible children, your beneficiary receives one-time benefit equal to 100% of current annual salary, less any refundable contributions and interest.

#### Special Members Are Not Tier I or Tier II

Special members have statutory spousal benefits. Please contact the Retirement System for details.

### If You Die From a Cause Connected to Your Job While an Active Member – Tier I and Tier II

Monthly Benefit	Your spouse receives an annual benefit, in ongoing monthly payments, based on the <b>higher</b> of: <ul style="list-style-type: none"> <li>50% of your final average salary, or</li> <li>The benefit amount as if you had elected the 100% joint-survivor retirement option.</li> </ul>
Children's Benefit	In addition to your spouse's monthly benefit, each eligible child receives an annual benefit of 10% of your final average salary, in ongoing monthly payments. Benefits for minor children must be paid to a legally-appointed conservator.
Maximum	The total annual benefit cannot exceed 90% of your final average salary.
If No Spouse/Child	Your beneficiary receives a lump-sum equal to 100% of your current annual salary, less any refundable contributions and interest.
Taxes	Benefits are <b>not</b> included in gross income for federal income tax purposes.

### If You Die From a Cause Not Connected to Your Job While an Active Member – Tier I and Tier II

Lump-Sum Benefit	Your spouse receives a one-time payment of 100% of your final average salary.
Monthly Benefit	Your spouse receives an annual benefit of your final average salary x 2.5% x years of service in ongoing monthly payments for the rest of his or her life.
Children's Benefit	If you do not have a surviving spouse, the benefits will be paid in equal shares to eligible children. Benefits for minor children must be paid to a legally-appointed conservator.
Maximum	The total annual benefit cannot exceed 50% of your final average salary.

If No Spouse/Child	Your beneficiary receives a lump sum equal to 100% of your current annual salary, less any refundable contributions and interest.
Taxes	Monthly benefits are <b>included</b> in gross income for federal income tax purposes.

### **If You Die as a Disability Recipient – Tier I Non Service-Connected and All Tier II**

Lump-Sum Benefit	Your spouse receives a one-time payment of 50% of your final average salary.
Monthly Benefit	Your spouse receives a lifetime annual benefit of 50% of your disability benefit in ongoing monthly payments for the rest of his or her life.
Children's Benefit	If you do not have a surviving spouse, the benefits will be paid in equal shares to eligible children. Benefits for minor children must be paid to a legally-appointed conservator.
If No Spouse/Child	Your beneficiary receives a lump sum equal to your remaining contributions.
Taxes	Monthly benefits are <b>included</b> in gross income for federal income tax purposes.
Death Benefit	For Tier I members, your beneficiary receives a \$4,000 death benefit.

### **If You Are a Tier I Service-Connected Disability Recipient and Die From:**

- Any cause within two years following your disability incident.
- Your disability at any time.

Monthly Benefit	Your spouse receives an annual benefit of 50% of your final average salary in ongoing monthly payments for the rest of his or her life.
Children's Benefit	In addition to your spouse's monthly benefit, each eligible child receives an annual benefit of 10% of your final average salary, in ongoing monthly payments. Benefits for minor children must be paid to a legally-appointed conservator.  If you have no surviving spouse, the benefit will be paid in equal shares to eligible children.
Maximum	The total annual benefit cannot exceed 75% of your final average salary.
If No Spouse/Child	Your beneficiary receives a lump sum equal to your remaining contributions.
Taxes	Benefits are <b>not</b> included in gross income for federal income tax purposes.
Death Benefit	Your beneficiary receives a \$4,000 death benefit.

### **If You Are a Tier I Service-Connected Disability Recipient and Die After Two Years From a Cause Other Than Your Disability**

Lump-Sum Benefit	Your spouse receives a one-time payment of 50% of your final average salary.
Monthly Benefit	Your spouse receives an annual benefit of 50% of your monthly benefit, in ongoing monthly payments for the rest of his or her life.
Children's Benefit	If you do not have a surviving spouse, the benefits will be paid in equal shares to eligible children. Benefits for minor children must be paid to a legally-appointed conservator.
If No Spouse/Child	If you do not have a surviving spouse or eligible children, your beneficiary receives a lump sum equal to your remaining contributions.
Taxes	Monthly benefits are <b>included</b> in gross income for federal income tax purposes.
Death Benefit	Your beneficiary receives a \$4,000 death benefit.

### **Special Members**

Special members have statutory spousal benefits. Please contact the Retirement System office.

## Optional Life Insurance

Optional life insurance provides additional coverage beyond your KP&F death benefits. You decide how much coverage you need and pay the premiums through payroll deduction. KP&F members must have member coverage to choose spouse or child coverage. Many employers offer optional life insurance, including the State of Kansas. Check with your employer about participation.

Employee coverage ranges from \$5,000 to \$400,000 in \$5,000 increments. New employees are eligible for up to \$250,000 of guaranteed coverage *without* proof of good health within 31 days of their hire date.

Spouse coverage ranges from \$5,000 to \$100,000 in \$5,000 increments. New employees are eligible for up to \$25,000 of guaranteed spouse coverage within 31 days of their hire date. You must provide proof of good health for any amount over \$25,000. Employee coverage is required to choose spouse coverage. You, the employee, are the beneficiary for spouse coverage.

Child coverage is available in \$10,000 or \$20,000 amounts, and one premium covers all your dependent children. Children are covered to age 26, with no age limit on disabled dependents. You can add child coverage only as a new hire, during open enrollment or with a family status change.

**Annual Open Enrollment:** You can apply for guaranteed member, spouse and child coverage without answering health questions.

**Starting or Increasing Coverage Anytime:** You can start or increase your coverage or your spouse's coverage *at any time* with proof of good health.

**Actively at Work:** If, due to sickness or injury, you are not actively at work on the day before the effective date, your optional life insurance will not become effective *until* the day after you complete one full day of active work.

**Family Status Change:** A family status change is a life event such as marriage, divorce, birth or adoption, or death of a spouse or child. It also includes a change in employment status (by you or your spouse).

Within 31 days of a family status change, you can enroll for or increase coverage *without* proof of good health:

- Employee coverage - up to \$50,000 (health questions required for amounts over \$250,000 to \$400,000)
- Spouse coverage - up to \$25,000 (health questions required for amounts over \$25,000 to \$100,000)
- Child coverage - \$10,000 or \$20,000

**Accelerated Death Benefit:** If you are diagnosed as terminally ill with 24 months or fewer to live, you may be eligible to receive up to 100% of your life insurance *instead* of your beneficiary receiving a death benefit. Spouse and child coverage are also eligible for this benefit.

**Accidental Death & Dismemberment Benefits:** This benefit covers you if you experience an occupational assault, line of duty accident, or accidental death and dismemberment. Some exclusions apply. For full details, see the Optional Life Insurance brochure or the Certificate of Insurance available at [kpers.org](http://kpers.org).

### If You Leave Employment or Retire

If you retire, end employment or move to a position not covered by the Retirement System, your optional life insurance will end. You can continue your coverage within 60 days of ending employment. Download the forms at [kpers.org](http://kpers.org).

Special rules apply if you leave due to a disability or military service. See your employer.



## Naming Your Beneficiary

Active KP&F members have statutory benefits payable to a spouse or eligible children. (See section on “Death Benefits.”) If you do not have a spouse or eligible children at the time of your death, benefits will be paid to your named beneficiary. If you are an inactive member, benefits will be paid to your named beneficiary.

### Who Can You Name as Beneficiary

You can choose:

- A living person.
- A trust.
- Your estate.
- Any combination of these options.

You cannot name a church or other charitable organization as beneficiary.

If you choose more than one beneficiary, each will share your benefits equally. You can name separate beneficiaries for your retirement benefits and life insurance. You can also name a contingent beneficiary to receive your benefits if your primary beneficiary is not living. A contingent beneficiary will receive benefits only if no primary beneficiary survives you. As with the primary beneficiary, you can name more than one and each will receive equal shares of your benefit.

You can add or change beneficiaries any time through your online account at [kpers.org](http://kpers.org) or by completing a Designation of Beneficiary (KPERs-7/99) form. You can download one at [kpers.org](http://kpers.org).



### Review Your Beneficiary

It is important to keep your beneficiary designation up-to-date. Review your designation whenever you have a significant life event.

- Marriage
- Divorce
- A birth or adoption in your family
- A death in your family
- Retirement

### Surviving Spouse Benefit Option for Inactive Members

If you die before retirement as an inactive member, your spouse may be able to receive a monthly benefit for the rest of his or her life, instead of receiving your returned contributions and interest. You must have at least 20 years of service and designated your spouse as your sole primary beneficiary. Your spouse can begin receiving a monthly benefit at the earliest time that you would have been eligible for retirement. You can name contingent beneficiaries without affecting this benefit option.

### Especially for Retirees

The Retirement System provides a \$4,000 retiree death benefit to your beneficiary. You can choose a living person, a trust, your estate or a combination of these. You can also name a funeral establishment to directly receive your death benefit for funeral expenses. The benefit is taxable income to a beneficiary.

## Divorce and Your Benefits

Retirement System contributions that you have accumulated during marriage are considered marital assets. If you divorce before or after retiring, a former spouse may be able to receive part of your benefit or contributions. A former spouse can receive payment from the Retirement System under a Qualified Domestic Relations Order (QDRO) when you withdraw, retire or die. Additional information about QDROs is available at [kpers.org](http://kpers.org). Please seek legal counsel if this situation applies to you.

## Military Service and Your Benefits

If you are called to active military service, you need to notify your employer. Your employer will notify the Retirement System. Employers are required to give you the same rights and benefits that they would give to an employee on a non-military leave of absence. You also have a few additional benefits.

### Life Insurance

- Optional life insurance continues for 16 months as long as you continue to pay the premiums. After 16 months, you can continue your coverage through a conversion or portability option.
- Optional coverage is reinstated if you return to covered employment within five years, even if you did not choose to convert to an individual policy. Your premiums will be based on your age when you return.

### Disability Insurance

There is no disability coverage during military service.

### Receiving Service Credit for Military Service

When you return from military service, the Retirement System might be able to grant you service credit for your time away at no cost to you or you can purchase service credit for military service that was not granted. Check with your employer when you return. Also see “Purchasing Service Credit” section. For KP&F, purchased military service does not count toward your eligibility to retire, but will increase the amount of your benefit when you retire.

- If you are in the middle of a service credit purchase when called to active duty, your purchase resumes when you get back and nothing changes.
- Granted military service is limited to five years. You can purchase up to six years of military service regardless of how many years are granted.

### When You Return from Active Military Service

- Notify your employer and return to work. Your employer will notify the Retirement System.
- Notify your employer if you wish to reinstate your optional insurance. Your coverage will begin again at the previous coverage level with no waiting period or approval process.
- Check with your employer about receiving granted service credit or purchasing service for the time you were on active military service.



## Leaving Employment Before Retiring

If you leave employment, you can continue any optional life insurance coverage. You can also choose to withdraw your account balance. If you withdraw, you will give up all Retirement System rights, benefits and service credit. Employer contributions made to fund the System stay with the Retirement System. You can receive your contributions as a direct payment to you or roll over the amount into an eligible retirement plan.

### If You Are Vested (Tier I, 20 years; Tier II, 15 years)

You are **guaranteed** a monthly retirement benefit for the rest of your life if you leave your contributions in your account. In most cases, your vested benefit is more valuable over time than the amount of your actual contributions. Keep your contributions with the Retirement System and apply for retirement benefits when you become eligible. Your contributions will continue to earn interest and you can withdraw them at any time if you change your mind.

If you return to covered employment and did not withdraw your contributions, you will immediately become a contributing active member again and keep the credit for your past public service.

### If You Are Not Vested

You are **not guaranteed** a retirement benefit. You need to withdraw your account balance **within five years** of the date you end employment. After five years, your contributions stop earning interest and you forfeit your service credit.

If you do not withdraw and you return to covered employment within five years, you will immediately become a contributing active member again and keep the credit for your past public service.

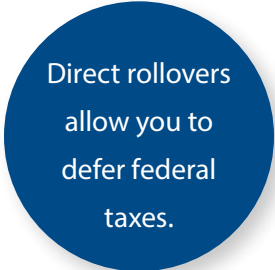
## Options for Withdrawing Your Contributions

You can apply to withdraw your contributions anytime 31 days after you end employment.

- Option #1 ...** Roll your contributions over into an eligible retirement plan like a 457(b) deferred compensation plan, 403(b) annuity, 401(k) plan, individual retirement account (IRA), or a qualified retirement plan. This option allows you to defer paying taxes until later.
- Option #2 ...** Have your contributions paid directly to you. You will owe federal taxes and possibly a 10% federal penalty.

## Reasons to Roll Over Contributions

- Preserve your past efforts toward saving for retirement.
- Keep from paying taxes right away, giving your money more time to compound.
- Avoid paying federal penalties for early distribution.



Direct rollovers allow you to defer federal taxes.

## The Withdrawal Process

1. Download an Application for Withdrawal of Contributions (KPERS-13) at [kpers.org](http://kpers.org).
2. When we receive your completed application, we will send payment within four weeks.
3. KPERS will send you a 1099-R form the following January for your federal income tax return.

## When Can You Retire?

Your age and amount of service credit you have determines when you can retire. You must meet both age and service credit requirements.

Your age is as of your last birthday. Additional months do not count.

However, two quarters of service round to the next year.

*For example:* 14.5 years will round to 15 years of service.

### Retiring With Full Benefits

#### Tier I

- Age 55 with 20 years of service
- Any age with 32 years of service

#### Tier II

- Age 50 with 25 years of service
- Age 55 with 20 years of service
- Age 60 with 15 years of service

#### Tier I Transfer Members

- Age 50 with 25 years of service

#### Tier II Transfer Members

- Age 50 with 25 years of service
- Age 55 with 20 years of service
- Age 60 with 15 years of service

#### Brazelton Members

- Same as Tier I and Tier II members, except that monthly benefit is offset by Social Security

#### Special Members

- See your local plan provisions

### Retiring Early

You can receive reduced benefits beginning at age 50 with 20 years of service. The earlier you retire, the more your benefit is reduced. Benefits are reduced by 0.4% for each month you are under age 55 at retirement.

If You Retire Early ...		
Age	Reduction	Example
55	0%	Full benefit = \$1,500/month
53	9.6%	Reduced benefit = \$1,356/month
50	24%	Reduced benefit = \$1,140/month

### If You Also Have Service Credit with KPERS or the Judges Retirement System

You may be able to combine years of service credit in all three retirement plans to become eligible for retirement. If you are an active member in one of the retirement plans and inactive (did not withdraw) in another, this may apply to you.

*For example:* If you have KPERS service credit, it may be used to count toward your KP&F service requirement for retirement eligibility. However, only actual KP&F service will be used to calculate your KP&F retirement benefit. A separate retirement benefit will be calculated for your KPERS service and you will receive two separate benefit payments each month.

Specific guidelines apply. Please contact the Retirement System to make sure you are eligible to retire.

### Your Retirement Date

Your retirement date can be the first day of any month, as long as you are off your employer's payroll. State law requires that your retirement date must be the **first** day of the month.

## Calculating Your Retirement Benefit

KP&F retirement benefits are calculated using the following formula:

$$\text{Final average salary} \times \text{statutory multiplier}^* \times \text{years of service} = \text{annual benefit}$$

**Example:** \$50,000    x    2.5%    x    20    =    \$25,000

You can calculate a personalized benefit estimate through your online account at [kpers.org](http://kpers.org). The benefit calculator uses your own account information. You can name and save estimates with different scenarios for future reference. You can also use the generic calculator on our main website, but it won't show your personal account information. You'll have to enter your own.

The maximum retirement benefit is 90% of your final average salary. This limit is reached when you have earned 36 years of service credit. Working more than 36 years will not increase your benefit unless your final average salary increases.

### Final Average Salary

If your membership date was *on or after July 1, 1993*, your final average salary is an average of the three highest of your last five years of service, **excluding** additional compensation.\*

If your membership date was *before July 1, 1993*, your final average salary is an average of the three highest of your last five years of service, **including** additional compensation.\*

\***Additional Compensation** or "add-on pay" is compensation from your employer for unused sick leave, annual leave, etc. KP&F cannot use an early retirement incentive or severance pay as part of add-on pay when calculating your final average salary.

### Statutory Multiplier

The multiplier is a percentage set by the legislature to calculate benefits. The multiplier for KP&F is 2.5%. This means you receive 2.5% of your final average salary for each year of service credit you have at retirement.

## Retiree Cost-of-Living Adjustments (COLAs)

You do not receive automatic COLAs. For this reason, your personal savings become even more important to provide protection against inflation.

## Retirement Benefit Payment Options

As a retiree, you will receive a monthly retirement benefit for the rest of your life. In addition, we have retirement payment options that add financial flexibility and allow you to provide for loved ones after your death. The decision about which option to take is crucial, because once you make a choice, you cannot change it.

### Maximum Monthly Option

This option is the maximum monthly benefit you can receive. There is no continued monthly benefit after your death.

### Joint-Survivor Options

Survivor benefits are equal to 50%, 75% or 100% of your benefit and are paid for the rest of your survivor's life. To provide this continuing benefit, your monthly benefit is reduced.

### Life-Certain Options

If you die within a guaranteed period of time from retirement, your beneficiary will receive the same monthly benefit for the rest of that guaranteed period. Your monthly payments are reduced based on whether you chose the five-, ten-, or 15-year life-certain option. You can change beneficiaries anytime.

### Partial Lump-Sum Option

You can take part of your retirement benefit in an up-front lump sum at retirement. This lump sum is then combined with one of the other retirement options to provide reduced, regular monthly payments for the rest of your life.

### Special and Transfer Members

These members have their own benefits. Please contact the Retirement System for details.

## Deferred Retirement Option Program (DROP)

DROP is for KP&F members eligible for full retirement, but who want to keep working for a few more years.

Instead of retiring, this optional benefit allows you to keep working while your monthly retirement benefit accumulates in a DROP account. You receive your salary and your DROP account grows each month. You can choose to work another three, four or five years. You don't earn any additional service credit for time worked in the DROP period. Your monthly retirement benefit is calculated when you enter the DROP period. When you end employment, you receive your DROP account balance as a lump sum, and begin receiving your monthly retirement benefits.

The program is available to all KP&F employers, but it is up to each employer whether to offer it. Your employer must agree to your participation. This program ends January 1, 2031 unless legislation is passed to extend it.

## State and Federal Taxes

### Reporting Retirement System Contributions on Your Kansas Income Tax Return

The amount you contribute each year from your salary to the Retirement System is subject to Kansas income tax. Your contributions are deducted from your pay on a pretax basis for federal income tax purposes. Because of this, you need to make a specific entry on your Kansas income tax return.

You can calculate the amount of your contributions from your W-2 form. Some employers will provide this amount for you in Box 14 (labeled KPER). See the “Schedule S Line-by-Line Instructions” in the Kansas Income Tax Booklet for more information or contact the Kansas Department of Revenue.

### Taxes on Lump-Sum Payments

Lump-sum payments are taxable income under federal law unless directly rolled over into an eligible retirement plan. If you do not roll over your lump sum, KPERs is required to withhold 20% for federal taxes. You may owe additional federal taxes and possibly a 10% federal penalty if you are under age 59 ½.

### Taxes on Retirement Benefits

In general, Retirement System benefits, including the \$4,000 retiree death benefit, are subject to federal tax, but not Kansas state tax. If you move to another state, check if your retirement benefit is taxable in that state. Your monthly benefit is taxable from the time your benefits begin.

### Retiree Death Benefit

KPERs pays a \$4,000 lump-sum death benefit to your beneficiary. All monthly benefit payments are payable through the last day of the month your death occurs.

You can choose a person, your estate, a trust or a funeral establishment to receive your \$4,000 retiree death benefit.

KPERs does not pay the \$4,000 death benefit automatically. Beneficiaries need to contact the Retirement System first to receive confirmation and an application form.

### Returning Your Contributions

If you die before receiving retirement benefits equal to your contributions, and no survivor benefits are payable, the Retirement System will return any remaining contributions and interest to your beneficiary.

### If You Designated Someone Other Than Your Spouse as Beneficiary

Sometimes members designate someone other than their spouse as their beneficiary. Under some circumstances, a surviving spouse has the right to make a claim for a portion of the benefits, called an elective share. We recommend that you ensure your current spouse consents to your beneficiary designation. You should seek legal advice about how this law affects your plans.

## Working After You Retire

Many retirees decide to return to work. KP&F members often begin their careers at a young age and pursue second careers after retiring in their 50s. However, returning to work after retirement may affect your benefits. If you work for a non-Retirement System employer, there are no restrictions. But, if you choose to work for an affiliated employer, some rules apply to you.

### 30-Day Waiting Period

You must wait 30 days after retirement to go back to work for any Retirement System employer. To calculate the 30-day waiting period, count the day after your retirement date as day one.

### Earnings Limit

According to Kansas law, if you return to work, you have a \$25,000-per-year earnings limit if:

- You retired on or after July 1, 1994, and
- You go to work for an employer you worked for during your last two years of KP&F participation.

*For example:* If you retire on July 1, you can earn \$25,000 for the period of August 1 through December 31. You will then start the new calendar year with a limit of \$25,000 for the period of January 1 through December 31. The \$25,000 limit will continue each year as long as you are working for the same employer. Regardless of your earnings, you won't contribute to KP&F with your new employer.

**If you reach the \$25,000 limit before the end of the year, you have two choices.**

**Choice #1 ...** You can end employment for the rest of the calendar year. You will continue to receive your retirement benefits.

**Choice #2 ...** You can keep working and your retirement benefits will stop for the rest of the calendar year. Your benefits will begin again with your January payment for the following year or if you end employment, whichever happens first.

If You Go Back to Work for ...	Waiting Period	Earnings Limit	Retirement System Membership
Same Employer - KP&F	Yes	Yes	No
Same Employer - KPERS	Yes	No	Yes – KPERS
Different Employer - not KP&F or KPERS	No	No	N/A
Different Employer - KP&F	Yes	No	No
Different Employer - KPERS	Yes	No	Yes – KPERS

### Are You Working for the Same Employer?

The **State of Kansas** is not considered all one employer for KP&F, even though state agencies, boards, commissions and Board of Regents institutions are all under the State of Kansas. A KP&F retiree must return to the exact same local department or state agency to be considered returning to the same employer.

If you do return to work for the same employer, but in a KPERS-covered position, you do not have an earnings limit. This is considered a change of employer because you have switched Retirement Systems.

### Retirement System Membership

You can't contribute to KP&F again, even if you change employers. If you return to work in a KPERS-covered position, you will become a KPERS member unless you also retired with a KPERS benefit.



Please note: Certain generalizations may have been made in this publication.  
Kansas law and the rules adopted by the Retirement System Board of Trustees will control specific situations.

Kansas Public Employees Retirement System • [kpers.org](http://kpers.org) • 1-888-275-5737 • 785-296-6166  
[kpers@kpers.org](mailto:kpers@kpers.org) • fax 785-296-6638 • 611 S. Kansas Ave., Suite 100, Topeka, KS 66603-3869