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All judges, other than Supreme Court justices, must retire at the end of the term in which they reach age 75. Supreme Court justices must retire at the end of the term in which they reach age 70.

#### **Early Retirement**

A member must be age 55 and have ten years of credited service to take early retirement. The retirement benefit is reduced 0.2 percent per month if the member is from age 60 to age 62, plus 0.6 percent per month if the member is from age 55 to age 60. Normal benefit accrued at termination is payable at age 62 or in a reduced amount at age 55, provided the member has ten years of service credit. Otherwise, benefits are not payable until age 65.

#### **Working After Retirement**

Retired judges may enter into an agreement to work for up to 104 days at 25 percent of the current salary of a judge. The agreement is for two years and may be renewed for up to 12 years. Retirement benefits will be suspended in any case where a retired judge is elected or appointed to a judgeship. The judge in that case resumes active participation and will accrue additional service credit. When the judge retires again, the retirement benefit is recalculated.

#### **Disability Benefits**

These benefits are payable if a member is defined as permanently physically or mentally disabled. The disability benefit, payable until age 65, is 3.5 percent of FAS for each year of service. The minimum benefit is 50 percent of FAS. Benefits are recalculated when the member reaches retirement age. If a judge is disabled for at least five years immediately before retirement, the judge's FAS is adjusted by statute.

#### **Withdrawal Benefit**

If members leave employment they can withdraw their contributions, plus interest, after 30 days. When members withdraw from KPERS they lose any rights and benefits, such as insurance coverage. Members who return to covered employment within five years will not have lost any membership rights or privileges, if they haven't withdrawn contributions. The Retirement Act does not allow members to borrow from contributions. The employer portion of contributions remains with the System when a member ends

employment and withdraws contributions. KPERS will refund contributions only after all contributions have been reported by the member's former employer.

#### **Death Benefit for Active Members**

A lump-sum insured death benefit equal to 150 percent of the active member's annual compensation on the date of the member's death is payable; plus a refund of the member's accumulated contributions. In lieu of receiving the member's accumulated contributions, the surviving spouse of a member who is eligible to retire at death, may elect to receive benefits under any survivor benefit option. The spouse must be the member's sole designated beneficiary to exercise this option. If the member had at least ten years of credited service, but hadn't reached retirement age at the time of death, the spouse may elect a monthly benefit to begin on the date the member first would have been eligible to retire.

#### **Death Benefit for Retirees**

The retiree's beneficiary receives a \$4,000 lump sum. The beneficiary may assign this benefit to a funeral establishment. A retiree may also directly name a funeral establishment as beneficiary. If the member had selected an option with survivor benefits, benefits are paid to the joint annuitant or to the member's designated beneficiary. Under joint and survivor retirement options, if the joint annuitant dies before the retired member, the reduced benefit payment is increased to the amount the retired member would have received if no retirement option had been selected. Benefits payable to a joint annuitant stop when the joint annuitant dies. If the member did not select an option, the designated beneficiary receives the excess, if any, of the member's accumulated contributions, plus interest, over total benefits paid to date of death.

## Short Term Solvency Test

Last ten fiscal years

Valuation Date	Member Contributions (A)	Retirants and Beneficiaries (B)	Active Member Employer Financed Portion (C)	Actuarial Value of Assets	Portions of Accrued Liabilities Covered by Assets		
					(A)	(B)	(C)
12/31/01	\$3,330,859,571	\$4,903,096,418	\$3,509,095,766	\$9,962,917,897	100%	100%	49%
12/31/02	3,353,870,165	5,247,201,306	4,012,527,155	9,784,862,188	100	100	30
12/31/03	3,595,082,177	5,558,543,751	5,285,920,342	10,853,462,178	100	100	32
12/31/04	3,817,174,808	5,994,869,531	5,902,048,137	10,971,426,577	100	100	20
12/31/05	4,006,823,805	6,413,679,842	6,071,258,736	11,339,292,965	100	100	15
12/31/06	4,209,698,437	6,872,703,437	6,470,388,630	12,189,197,444	100	100	17
12/31/07	4,423,194,339	7,417,933,822	7,143,786,763	13,433,115,014	100	100	22
12/31/08	4,642,675,652	7,945,452,582	7,518,658,666	11,827,618,574	100	90	—
12/31/09	5,132,772,778	8,459,191,163	7,546,242,173	13,461,220,705	100	99	—
12/31/10	5,017,361,438	9,090,575,924	7,745,845,940	13,589,658,118	100	96	—

A short-term solvency test, which is one means of determining a system's progress under its funding program, compares the plan's present assets with (A) member contributions on deposit, (B) the liability for future benefits to present retired lives and (C) the actuarial liability for service already rendered by active members. In a system that has been following the level percent of payroll financing discipline, the liability for active member contributions deposit (item A) and the liabilities for future benefits to present retired lives (item B) will be fully covered by present assets. The liability for service already rendered by active members (item C) will be fully or partially covered by the remainder of present assets. If the system has been using level cost financing, the funded portion of item C usually will increase over a period of time. Item C being fully funded is rare.

## Schedule of Active Member Valuation Data<sup>(1)</sup>

Valuation Date	Number of Active Members <sup>(2)</sup>	Percentage Change in Membership	Number of Participating Employers	Percentage Increase in Number of Participating Employers	Total Annual Payroll <sup>(2)</sup> (millions)	Average Payroll	Percentage Increase in Average Payroll
12/31/01	145,666	1.6%	1,435	0.8%	\$4,675	\$32,094	5.5%
12/31/02	147,294	1.1	1,442	0.5	4,866	32,984	2.8
12/31/03	148,145	0.6	1,454	0.8	4,978	32,944	(0.1)
12/31/04	147,751	(0.3)	1,461	0.5	5,102	33,854	2.7
12/31/05	149,073	0.9	1,474	0.9	5,270	34,661	2.4
12/31/06	151,449	1.6	1,474	0.0	5,599	36,246	4.4
12/31/07	153,804	1.5	1,482	0.5	5,949	37,922	4.4
12/31/08	156,073	1.5	1,492	0.6	6,227	39,113	3.1
12/31/09	160,831	3.1	1,499	0.5	6,532	39,821	1.8
12/31/10	157,919	(1.8)	1,511	0.8	6,494	41,123	3.3

1) Data provided to actuary reflects active membership information as of January 1.

2) Excludes TIAA salaries.

## Membership Profile

Last ten years as of December 31

Valuation Date	Active	Inactive	Retirees & Beneficiaries	Total Membership
2001	145,910	38,056	56,115	240,081
2002	147,294	40,404	57,597	245,295
2003	148,145	41,315	59,124	248,584
2004	147,751	41,269	61,125	250,145
2005	149,073	41,232	63,348	253,653
2006	151,449	40,672	65,765	257,886
2007	153,804	41,383	67,102	262,289
2008	156,073	41,749	70,724	268,546
2009	160,831	43,324	73,339	277,494
2010	157,919	44,231	76,744	278,894

## Retirants, Beneficiaries - Changes in Rolls — All Systems

Last ten fiscal years as of June 30

Fiscal Year	Number at Beginning of Year	Additions		Deletions		Number at End of Year	% Change in Number of Retirants	% Change in Additions Allowances	Average Annual Allowance	Year-End Annual Allowances
		Number Added	Annual Allowances	Number Removed	Annual Allowances					
2002	54,302	3,689	\$45,669,820	1,922	\$9,552,087	56,069	3.30%	1.70%	\$10,101	\$ 627,704,056
2003	56,069	3,585	48,718,476	2,116	10,942,002	57,538	2.60	6.70	10,443	645,716,079
2004	57,538	3,612	50,253,218	2,009	11,940,793	59,141	2.60	3.20	10,897	676,918,614
2005	59,141	4,141	59,096,917	2,017	12,333,238	61,265	3.60	17.60	11,126	737,563,276
2006	61,265	4,452	66,239,352	1,759	11,185,646	63,765	4.00	12.00	11,498	805,978,732
2007	63,765	4,423	67,181,677	2,125	15,218,444	66,063	3.60	1.40	13,142	868,179,029
2008	66,063	5,195	73,055,348	2,515	18,681,361	68,743	4.10	8.70	13,758	945,739,016
2009	68,743	5,330	81,815,349	2,467	20,966,802	71,606	4.20	12.00	13,964	999,939,615
2010	71,606	5,593	88,709,733	2,332	20,528,013	74,867	4.60	8.40	14,182	1,060,205,818
2011	74,867	6,245	99,091,348	2,698	23,230,288	78,414	4.70	11.70	14,630	1,147,209,272

## Summary of Membership Data<sup>(1)</sup>

Retiree and Beneficiary Member Valuation Data	12/31/2010	12/31/2009
KPERs		
Number	72,124	68,901
Average Benefit	\$12,290	\$11,953
Average Age	72.46	72.42
Police & Fire		
Number	4,168	4,060
Average Benefit	\$26,837	\$25,866
Average Age	64.80	63.70
Judges		
Number	206	203
Average Benefit	\$36,582	\$36,023
Average Age	74.45	74.00
System Total		
Number	76,498	73,164
Average Benefit	\$13,148	\$12,792
Average Age	72.05	71.94
Active Member Valuation Data		
KPERs		
Number	150,482	153,386
Average Current Age	45.57	45.39
Average Service	11.19	10.71
Average Pay	\$40,024	\$38,749
Police & Fire		
Number	7,173	7,179
Tier I	434	500
Tier II	6,739	6,679
Average Current Age	39.61	39.50
Average Service	11.65	11.43
Average Pay	\$61,743	\$60,287
Judges		
Number	264	266
Average Current Age	57.79	57.06
Average Service	12.31	11.51
Average Pay	\$107,019	\$105,709
System Total		
Number	157,919	160,831
Average Current Age	45.32	45.14
Average Service	11.21	10.75
Average Pay	\$41,123	\$39,821

1) Data provided to actuary reflects membership information as of January 1.



## Schedule of Employer Contribution Rates, Including Death and Disability Contributions

Last ten fiscal years<sup>(1)</sup>

KPERs State/School			KPERs Local		
Fiscal Year	Actuarial Rate	Actual Rate	Fiscal Year	Actuarial Rate	Actual Rate
2002	6.00	4.78%	2002	4.07%	3.52%
2003	6.17	4.98 <sup>(3)</sup>	2003	4.73	3.67 <sup>(3)</sup>
2004	7.05	4.58 <sup>(3)</sup>	2004	4.64	3.22 <sup>(3)</sup>
2005	8.29	5.47	2005	6.04	4.01
2006	9.94	6.07	2006	7.04	4.61
2007	9.75	6.77	2007	8.69	5.31
2008	11.37	7.37	2008	8.92	5.93
2009	11.86	7.97 <sup>(5)</sup>	2009	9.12	6.54 <sup>(5)</sup>
2010	11.98	8.57 <sup>(6)</sup>	2010	9.52	7.14 <sup>(6)</sup>
2011	12.30	9.17 <sup>(6)</sup>	2011	11.42	7.74 <sup>(6)</sup>

TIAA			KP&F Uniform Rate		
Fiscal Year	Actuarial Rate	Actual Rate	Fiscal Year	Actuarial Rate	Actual Rate
1997	1.89%	1.89%	2002	6.79%	6.79%
1998	1.66	1.66	2003	6.86	6.86
1999	1.93	1.93	2004	9.47	9.47
2000	1.82	1.82	2005	11.69	11.69
2001	1.21	1.21 <sup>(2)</sup>	2006	12.39	12.39
2002	2.03	2.03	2007	13.32	13.32
2003	2.27	2.27 <sup>(3)(4)</sup>	2008	13.88	13.88
			2009	13.51	13.51
			2010	12.86	12.86
			2011	17.88	14.57

Judges		
Fiscal Year	Actuarial Rate	Actual Rate
2002	12.88%	12.88%
2003	12.66	12.66 <sup>(3)</sup>
2004	16.67	16.67 <sup>(3)</sup>
2005	19.22	19.22
2006	22.37	22.37
2007	19.51	19.51
2008	22.78	22.78
2009	22.48	22.48 <sup>(5)</sup>
2010	20.90	20.90 <sup>(6)</sup>
2011	19.89	19.89 <sup>(6)</sup>

- 1) Rates shown for KPERs State/School, TIAA and Judges represent the rates for the fiscal years ending June 30. KPERs Local and KP&F rates are reported for the calendar years. Rates include Group Life and Disability insurance when applicable.
- 2) Per 2000 and 2001 legislation, employers were not required to remit the Group Life and Disability portion of the Actual Rate from April 1, 2000 through December 31, 2001.
- 3) Per 2002 and 2003 legislation, employers were not required to remit the Group Life and Disability portion of the Actual Rate from July 1, 2002 through December 31, 2002, or from April 1, 2003, through June 30, 2004.
- 4) Per 2003 legislation, members of the TIAA group were made special members of KPERs and no longer have a separate valuation or contribution rate.
- 5) Per 2009 legislation, employers were not required to remit the Group Life and Disability portion of the Actual Rate from March 1, 2009 through November 30, 2009.
- 6) Per 2010 legislation, employers were not required to remit the Group Life and Disability portion of the Actual Rate from April 1, 2010 through June 30, 2010 and April 1, 2011 through June 30, 2011.

## ACTUARY'S CERTIFICATION LETTER — DEATH AND DISABILITY PLAN



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March 1, 2011

Board of Trustees  
Kansas Public Employees Retirement System  
611 S. Kansas Ave., Suite 100  
Topeka, KS 66603

Dear Members of the Board:

In accordance with your request, we have performed an actuarial valuation of KPERs Death and Disability Program as of June 30, 2010 for determining contributions beginning July 1, 2010. The major findings of the valuation are contained in this report. This report reflects the benefit provisions and contribution rates in effect as of June 30, 2010.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the System's staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Actuarial Standards of Practice promulgated by the Actuarial Standards Board and the applicable Guides to Professional Conduct, ampli-

fyng Opinions, and supporting Recommendations of the American Academy of Actuaries.

We further certify that all costs, liabilities, rates of interest, and other factors used or provided in this report have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer our best estimate of anticipated experience affecting the System.

Nevertheless, the emerging costs will vary from those presented in this report to the extent actual experience differs from that projected by the actuarial assumptions. The Board of Trustees has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in the valuation report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded sta-





million from June 30, 2008 to June 30, 2009, due primarily to a reduction in the number of open LTD claims. When the June 30, 2009, liabilities were recomputed using the new valuation basis, the total disabled life liability was further reduced to \$179.8 million. From June 30, 2009 to June 30, 2010, the total disabled life liability reduced from \$179.8 million to \$171.6 million, with both calculations performed on the new basis.

Liability runoff tests performed on the illustrative liability balances for LTD and Waiver claims indicate that the June 30, 2009, balances were sufficient to fund the actual and projected future costs that emerged during the 2009-2010 fiscal year with respect to members disabled as of June 30, 2009.

### Projected Cashflows

The following table contains the projected cashflows for the KPERS Death and Disability Fund for the next five years:

#### Five-Year Cashflow Projection – Expected Benefits and Expenses vs. Expected Contributions (millions)

Excludes Group Life Insurance for Active Members

Plan Year	Projected Benefits and Expenses	Projected Contributions
2010-2011	\$34.1	\$51.2
2011-2012	\$34.7	\$52.7
2012-2013	\$35.3	\$54.3
2013-2014	\$36.3	\$55.9
2014-2015	\$37.4	\$57.6

The previous table indicates that the projected contributions are expected to exceed the projected benefits and expenses for each of the next five years, according to the assumptions used for the actuarial valuation, and assuming that the current contribution rate of 1.0 percent (which includes approximately 0.25 percent of payroll for group life insurance) remains unchanged. This pattern would result in an increase in plan assets over the five-year time horizon. Any future periodic contribution moratoriums implemented by the Legislature will have the impact of spending down any increase in the plan's assets.

The cashflow projections include self-insured benefits only. They do not include the cost of insurance premiums for the fully-insured group life benefit or the projected contributions intended to cover those premiums. Also, the projections are on a "best-estimate" basis consistent with the liability calculations, which means they do not include an explicit margin. To the extent that KPERS requires a more

conservative benefit projection for the purpose of determining funding contributions, it may wish to consider adding a margin of 5 to 10 percent to the benefits and expenses projected.

### ACTUARIAL VALUATION UNDER GASB 43

The Governmental Accounting Standards Board (GASB) issued Statement No. 43, Financial Reporting For Postemployment Benefit Plans Other Than Pension Plans, in order to establish uniform standards of financial reporting by state and local governmental entities for other postemployment benefit plans (OPEB plans). The term "other postemployment benefits (OPEB) refers to postemployment benefits other than pension benefits and includes (a) postemployment healthcare benefits and (b) other types of postemployment benefits like life insurance, disability, and long term care, if provided separately from a pension plan.

The basis for GASB 43 is to attribute the cost of postemployment benefits to the time during which the employee is actively working for the employer. OPEB arises from an exchange of salaries and benefits for employee services and it is part of the compensation that employers offer for services received.

GASB Statement No. 43 establishes standards for measurement, recognition, and display of the assets, liabilities and where applicable, net assets and changes in net assets of such funds. In addition, the statement requires two schedules and accompanying notes disclosing information relative to the funded status of the Plan and employer contributions to the Plan.

The Schedule of Funding Progress provides historical information about the funded status of the plan and the progress being made in accumulating sufficient assets to pay benefits when due.

The Schedule of Employer Contributions provides historical information about actual contributions made to the plan by participating employers in comparison to annual required contributions (ARC).

GASB 43 was first effective for KPERS Death and Disability Program for the fiscal year ending June 30, 2007. This valuation addresses the ARC for the fiscal year ending June 30, 2011. Only the disability benefits and waiver of premium

life insurance benefits provided by KPERS Death and Disability Program are subject to GASB 43. The group and optional life insurance programs for active members are not OPEBs under GASB 43.

A number of assumptions have been made in developing the liabilities reported in this report. These assumptions, as well as the actuarial methodology, are described in this report. The projections in this report are estimates, and as such, KPERS' actual liability will vary from these estimates. The projections and assumptions should be updated as actual costs under this program develop.

#### Actuarial Present Value of Total Projected Benefits

The actuarial present value of total projected benefits reflects all expected payments in the future discounted to the date of the valuation. The present value is an amount of money that, if it were set aside now and all assumptions met, would be exhausted with the ultimate payment to the last plan member's final expense.

#### Actuarial Present Value of Total Projected Benefits at 6/30/2010 <sup>(1)</sup>

	Actives	Disabled	Total
Disability Income	\$242,973,432	153,297,912	\$396,271,344
Waiver of Premium	66,367,737	26,493,175	92,860,912
Administrative Expenses	<u>14,384,364</u>	<u>8,360,286</u>	<u>22,744,650</u>
Total	<u>\$323,725,532</u>	<u>\$188,151,374</u>	<u>\$511,876,906</u>

2) Totals may not match due to rounding.

The Entry Age Normal Actuarial Cost Method was used to allocate the cost of benefits to years of active service. The objective under this method is to expense each participant's benefit as a level percent of pay over their active working lifetime. At the time the funding method is introduced, there will be a liability which represents the contributions which would have been accumulated if this method of funding had always been used (called the "Actuarial Liability"). The difference between this actuarial liability and the assets (if any) is the unfunded actuarial liability, which is typically amortized over a period of years. The maximum permissible years under GASB 43 is 30. KPERS has chosen to amortize the unfunded actuarial liability over 15 years, as a level percent of pay.

#### Actuarial Liability at 6/30/2010<sup>(1)</sup>

	Actives	Disabled	Total
Present Value of Total Projected Benefits	\$323,725,532	\$188,151,374	\$511,876,906
Present Value of Future Normal Cost	<u>228,119,361</u>	<u>—</u>	<u>228,119,361</u>
Actuarial Liability	<u>\$95,606,171</u>	<u>\$188,151,374</u>	<u>\$283,757,545</u>

1) Totals may not match due to rounding.

#### Actuarial Balance Sheet

The actuarial balance sheet is a demonstration of the basic actuarial equation that the actuarial present value of future benefits to be paid to the active and retired members must equal the current assets plus the actuarial present value of future contributions to be received. Accordingly, the status of the plan in balance sheet form as of June 30, 2010 is shown in the following table:

#### Actuarial Present Value of Total Projected Benefits<sup>(1)</sup>

Active Members	\$323,725,532
Disabled Members	<u>188,151,374</u>
Total Actuarial Present Value of Total Projected Benefits	\$511,876,906

#### Assets and Future Employer Contributions

Assets <sup>(2)</sup>	\$12,750,759
Unfunded Actuarial Liability	271,006,786
Present Value of Future Normal Costs	<u>228,119,361</u>
Total Assets and Future Employer Contributions	\$511,876,906

1) Totals may not match due to rounding.

2) Market value.

#### Annual Required Contribution (ARC)

GASB 43 defines the Annual Required Contribution (ARC) as the employer's normal cost plus amortization of any unfunded actuarial liability over a period not to exceed 30 years. KPERS has chosen to amortize the unfunded actuarial liability over 15 years as a level percentage of payroll. The amortization of the Unfunded Actuarial Liability is calculated assuming amortization as a level percent of payroll over 15 years. Payroll is assumed to increase 4 percent per year.

Annual Required Contribution for Fiscal Year Ending June 30, 2011

A. Employer Normal Costs

(1) Normal Cost as of June 30, 2010	\$23,471,864
(2) Assumed interest (mid-year timing assumed)	522,306
(3) Normal Cost for FY2011 [(1) + (2)]	\$23,994,170

B. Determination of Current Year Amortization Payment

(1) Unfunded Actuarial Liability	\$271,006,786
(2) Amortization Period	15 years
(3) Amortization Factor	14.5079
(4) Amortization Amount as of June 30, 2010 [(1) / (3)]	18,679,946
(5) Assumed interest (mid-year timing assumed)	415,674
(6) Amortization Amount for FY2011 [(4) + (5)]	\$19,095,620

C. Determination of Annual Required Contribution

(1) Normal Cost for benefits attributable to service in the current year (A.3)	\$23,994,170
(2) Amortization of Unfunded Actuarial Liability (B.6)	19,095,620
(3) Annual Required Contribution (ARC) [(1) + (2)]	\$43,089,790

D. Annual Required Contribution

(1) Annual Required Contribution	\$43,089,790
(2) Estimated Annual Compensation for FY11	6,822,726,191
(3) ARC as a Percentage of Payroll	0.63%

## ACTUARIAL ASSUMPTIONS — DEATH AND DISABILITY

Rate of Investment Return GASB 43: 4.5 percent, net of expenses

Implicit Inflation Rate 3.25 percent

Sample Rates	School		State		Local		
	Age	Male	Female	Male	Female	Male	Female
	50	0.513%	0.183%	0.547%	0.218%	0.587%	0.204%
	55	0.549%	0.226%	0.625%	0.328%	0.670%	0.278%
	60	0.662%	0.384%	0.962%	0.577%	1.031%	0.481%
	65	1.051%	0.664%	1.597%	0.964%	1.712%	0.817%
	70	1.747%	1.074%	2.646%	1.557%	2.837%	1.318%
	75	2.917%	1.792%	4.550%	2.614%	4.878%	2.215%
	80	5.278%	3.643%	7.037%	4.567%	7.545%	4.171%
	85	9.331%	6.751%	11.292%	7.977%	12.108%	7.508%
	90	15.661%	11.589%	17.978%	13.563%	19.278%	12.869%
	95	24.301%	18.407%	24.888%	20.034%	26.687%	19.742%
	100	32.791%	24.186%	30.850%	24.459%	33.080%	24.990%

Pre-retirement  
 School Males: 70 % of RP-2000 M Employees -1  
 School Females: 70% of RP-2000 F Employees -2  
 State Males: 70% of RP-2000 M Employees +2  
 State Females: 70% of RP-2000 F Employees +1  
 Local Males: 90% of RP-2000 M Employees +2  
 Local Females: 90% of RP-2000 F Employees +0

Disabled Life Mortality RP-2000 Disabled Life Table with same age adjustments as used for Retiree Mortality.

Rates of Salary Increase	Years of Service	Rate of Increase <sup>(1)</sup>		
		School	State	Local
	1	12.00%	10.50%	10.50%
	5	6.55%	5.60%	6.20%
	10	5.10%	4.90%	5.20%
	15	4.60%	4.40%	4.80%
	20	4.10%	4.10%	4.60%
	25	4.00%	4.00%	4.10%
	30	4.00%	4.00%	4.00%

1) Includes general wage increase assumption of 4.0 percent (composed of 3.25 percent inflation and 0.75 percent productivity).



Rates of Termination

Duration	School		State		Local	
	Male	Female	Male	Female	Male	Female
0	21.00%	23.00%	17.00%	19.00%	20.00%	23.00%
1	18.00%	18.00%	14.50%	15.00%	16.00%	20.00%
2	14.00%	13.00%	12.00%	11.00%	13.20%	17.00%
3	10.00%	11.00%	10.00%	10.00%	11.00%	14.00%
4	8.00%	9.00%	8.00%	9.00%	9.60%	11.50%
5	6.50%	7.25%	7.00%	8.00%	8.30%	9.00%
6	5.50%	6.25%	6.00%	7.00%	7.10%	7.50%
7	5.00%	5.50%	5.20%	6.00%	6.00%	6.50%
8	4.50%	4.90%	4.60%	5.00%	5.00%	5.75%
9	4.00%	4.30%	4.10%	4.60%	4.40%	5.00%
10	3.60%	3.90%	3.90%	4.30%	3.80%	4.25%
11	3.20%	3.50%	3.70%	4.00%	3.50%	3.75%
12	2.90%	3.10%	3.50%	3.70%	3.30%	3.40%
13	2.60%	2.80%	3.30%	3.50%	3.10%	3.20%
14	2.40%	2.50%	3.10%	3.30%	2.90%	3.00%
15	2.20%	2.30%	2.90%	3.10%	2.70%	2.80%
16	2.00%	2.10%	2.70%	2.90%	2.50%	2.60%
17	1.80%	1.90%	2.50%	2.70%	2.30%	2.40%
18	1.60%	1.70%	2.30%	2.50%	2.10%	2.20%
19	1.50%	1.50%	2.10%	2.30%	1.90%	2.00%
20	1.40%	1.30%	1.90%	2.10%	1.80%	1.80%
21	1.30%	1.20%	1.70%	1.90%	1.70%	1.60%
22	1.20%	1.10%	1.50%	1.70%	1.60%	1.40%
23	1.10%	1.00%	1.30%	1.50%	1.50%	1.20%
24	1.00%	0.90%	1.10%	1.40%	1.40%	1.00%
25	0.90%	0.80%	0.90%	1.30%	1.30%	0.90%
26	0.80%	0.70%	0.70%	1.20%	1.20%	0.70%
27	0.70%	0.60%	0.60%	1.10%	1.10%	0.60%
28	0.60%	0.50%	0.50%	1.00%	1.00%	0.50%
29	0.50%	0.50%	0.50%	0.50%	0.90%	0.50%
30	0.50%	0.50%	0.50%	0.50%	0.80%	0.50%
30+	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Retirement Rates

School	1st Year With 85 Points		After 1st Year With 85 Points	
	Age	Rate	Age	Rate
	53	20%	53	18%
	55	20%	55	18%
	57	22%	57	18%
	59	25%	59	23%
	61	30%	61	30%
	Early Retirement		Normal Retirement	
	Age	Rate	Age	Rate
	55	5%	62	30%
	56	5%	63	25%
	57	8%	64	35%
	58	8%	65	35%
	59	12%	66-71	25%
	60	15%	72-74	20%
	61	22%	75	100%
State	1st Year With 85 Points		After 1st Year With 85 Points	
	Age	Rate	Age	Rate
	53	10%	53	15%
	55	15%	55	15%
	57	15%	57	12%
	59	15%	59	12%
	61	30%	61	25%
	Early Retirement		Normal Retirement	
	Age	Rate	Age	Rate
	55	5%	62	30%
	56	5%	63	20%
	57	5%	64	30%
	58	5%	65	35%
	59	8%	66-67	25%
	60	8%	68-74	20%
	61	20%	75	100%
Local	1st Year With 85 Points		After 1st Year With 85 Points	
	Age	Rate	Age	Rate
	53	11%	53	10%
	55	13%	55	10%
	57	13%	57	10%
	59	15%	59	12%
	61	25%	61	25%
	Early Retirement		Normal Retirement	
	Age	Rate	Age	Rate
	55	5%	62	25%
	56	5%	63	20%
	57	5%	64	30%
	58	5%	65	35%
	59	5%	66	25%
	60	5%	67-74	20%
	61	15%	75	100%

Correctional

Normal Retirement at Age 55

Age	Rate
55	10%
58	10%
60	10%
62	45%
65	100%

Correctional employees with an age 60 normal retirement date – Age 62.

Inactive vested members – Age 62.

TIAA employees – Age 66.

LTD Claim Incidence Rates

Age	Male			Female		
	Local	School	State	Local	School	State
25	0.00044	0.00032	0.00078	0.00065	0.00046	0.00115
30	0.00046	0.00032	0.00081	0.00060	0.00043	0.00107
35	0.00059	0.00042	0.00104	0.00098	0.00070	0.00173
40	0.00087	0.00062	0.00153	0.00139	0.00099	0.00246
45	0.00151	0.00107	0.00266	0.00207	0.00148	0.00367
50	0.00244	0.00174	0.00432	0.00289	0.00206	0.00511
55	0.00409	0.00291	0.00723	0.00399	0.00284	0.00704
60	0.00587	0.00418	0.01038	0.00475	0.00338	0.00840
65	0.00625	0.00445	0.01104	0.00416	0.00296	0.00735
70	0.00698	0.00497	0.01234	0.00383	0.00273	0.00678

LTD Claim Termination Rates  
as percent of 1987 Commissioners  
Group Disability Table (Based on Actual  
KPERs Experience)

Age at Disability	Claim Duration (Months)			
	1-12	13-24	25-60	61+
Under 30	55%	75%	95%	145%
30-39	55%	75%	95%	145%
40-49	55%	75%	95%	145%
50-59	95%	135%	180%	350%
60 and Over	350%	350%	350%	350%

All claim termination rates are assumed to be 350 percent of the table for attained ages 60 and older.

Other LTD Assumptions

IBNR Reserve:	60 percent of expected claim cost for year
Overpayment Recovery:	65 percent of overpayment balance
Future Payroll Growth:	4.0 percent long-term growth for actuarial valuation. 3.0 percent near-term growth for cashflow projections
Administrative Expenses:	4.65 percent of claims
Estimated Offsets:	Estimated approval rate of 55 percent to 75 percent for claims in first three years of disability that do not yet have offsets. Estimated offset amount of 60 percent of gross benefit.

Waiver Claim Termination Rates  
as percent of 1987 Commissioners Group Disability  
(Based on Actual KPERS Experience)

Age at Disability	Claim Duration (Months)			
	1-12	13-24	25-60	61+
Under 30	55%	75%	95%	145%
30-39	55%	75%	95%	145%
40-49	55%	75%	95%	145%
50-59	95%	135%	180%	350%
60 and Over	350%	350%	350%	350%

All claim termination rates are assumed to be 350 percent of the table for attained ages 60 and older.

Other Waiver Assumptions

Mortality	80 percent of 2005 Society of Actuaries Group Life Waiver Mortality Table, first 5 years of claim. 100 percent thereafter
Benefit Indexing	Historical indexing is based on actual retirement plan calculations. Indexing for 2006 and later uses a rate of 2.0 percent, which is equivalent to a 3 percent annual assumed increase in the consumer price index, less 1.0 percent as specified by the plan
Projected Future Claim Cost as percent of Payroll (used in cashflow projections)	0.09 percent in 2010-2011, which increases in future due to aging
IBNR	12.5 percent of expected claim cost for year

## EXPERIENCE – DEATH AND DISABILITY

As of June 30, 2010

### Death Claims by Death Benefit Paid

Death Benefit Paid	2008-2009		2009-2010	
	Count	% of Claims	Count	% of Claims
0-9,999	0	0%	0	0%
10,000-19,999	11	9%	8	10%
20,000-29,999	14	11%	3	4%
30,000-39,999	15	12%	25	31%
40,000-49,999	26	20%	12	15%
50,000-59,999	17	13%	11	14%
60,000-69,999	7	5%	10	12%
70,000-79,999	14	11%	7	9%
80,000-89,999	12	9%	1	1%
90,000-99,999	1	1%	2	2%
100,000+	12	9%	2	2%
Total	129	100%	81	100%

### Death Claims by Age at Death

Age at Death	2008-2009		2009-2010	
	Count	% of Claims	Count	% of Claims
20-29	0	0%	0	0%
30-39	1	1%	2	2%
40-49	20	16%	11	14%
50-59	58	45%	40	49%
60-64	39	30%	19	23%
65+	11	9%	9	11%
Total	129	100%	81	100%

### Active LTD Claims by Age at Disability

Age at Disability	2008-2009		2009-2010	
	Count	% of Claims	Count	% of Claims
<20	1	0%	1	0%
20-29	83	3%	86	3%
30-39	476	16%	479	17%
40-49	1117	39%	1101	38%
50-59	1066	37%	1061	37%
60-64	118	4%	131	5%
65+	28	1%	23	1%
Total	2889	100%	2882	100%

### Active LTD Claims by Attained Age

Attained Age	2008-2009		2009-2010	
	Count	% of Claims	Count	% of Claims
<20	0	0%	0	0%
20-29	8	0%	8	0%
30-39	94	3%	86	3%
40-49	548	19%	521	18%
50-59	1423	49%	1408	49%
60-64	739	26%	792	27%
65+	77	3%	67	2%
Total	2889	100%	2882	100%

Active LTD Claims by Net Benefit Amount

Net Monthly Benefit	2008-2009		2009-2010	
	Count	% of Claims	Count	% of Claims
0-499	1184	41%	1211	42%
500-999	940	33%	947	33%
1,000-1,499	456	16%	440	15%
1,500-1,999	181	6%	176	6%
2,000-2,499	76	3%	68	2%
2,500-2,999	30	1%	25	1%
3,000-3,499	11	0%	8	0%
3,500-3,999	6	0%	3	0%
4,000-4,499	2	0%	1	0%
4,500-4,999	1	0%	0	0%
5,000+	2	0%	3	0%
Total	2889	100%	2882	100%

New LTD Claims by Age at Disability

Age at Disability	2008-2009		2009-2010	
	Count	% of Claims	Count	% of Claims
<20	0	0%	0	0%
20-29	3	1%	6	2%
30-39	16	6%	21	7%
40-49	79	29%	70	23%
50-59	136	50%	158	52%
60-64	30	11%	44	14%
65+	8	3%	6	2%
Total	272	100%	305	100%

New LTD Claims by Attained Age

Attained Age	2008-2009		2009-2010	
	Count	% of Claims	Count	% of Claims
<20	0	0%	0	0%
20-29	1	0%	4	1%
30-39	12	4%	22	7%
40-49	73	27%	58	19%
50-59	132	49%	153	50%
60-64	44	16%	62	20%
65+	10	4%	6	2%
Total	272	100%	305	100%

New LTD Claims by Net Benefit Amount

Net Benefit	2008-2009		2009-2010	
	Count	% of Claims	Count	% of Claims
0-499	109	40%	115	38%
500-999	57	21%	72	24%
1,000-1,499	48	18%	63	21%
1,500-1,999	26	10%	32	10%
2,000-2,499	22	8%	15	5%
2,500-2,999	6	2%	6	2%
3,000-3,499	3	1%	0	0%
3,500-3,999	1	0%	1	0%
4,000-4,499	0	0%	0	0%
4,500-4,999	0	0%	0	0%
5,000+	0	0%	1	0%
Total	272	100%	305	100%

Terminated LTD Claims by Term Reason

Term Reason	2008-2009		2009-2010	
	Count	% of Claims	Count	% of Claims
Death	141	30%	101	26%
Recovery	65	14%	37	9%
Retirement	236	49%	215	55%
Expiry	35	7%	38	10%
Total	477	100%	391	100%

## ACTUARIAL METHODS

### Actuarial Cost Method

The actuarial cost method determines, in a systematic way, the incidence of employer contributions required to provide plan benefits. It also determines how actuarial gains and losses are recognized in Plan costs. These gains and losses result from the difference between the actual experience under the plan and the experience predicted by the actuarial assumptions.

The cost of the Plan is derived by making certain specific assumptions as to rates of interest, disability, mortality, turnover, etc. which are assumed to hold for many years into the future. Since actual experience may differ somewhat from the long term assumptions, the costs determined by the valuation must be regarded as estimates of the true costs of the Plan.

Actuarial liabilities and comparative costs shown in this Report were computed using the Entry Age Normal (EAN) Actuarial Cost Method, which consists of the following cost components:

Under the EAN cost method, the actuarial present value of each member's projected benefits is allocated on a level basis over the member's compensation between the entry age of the member and the assumed exit ages. The portion of the actuarial present value allocated to the valuation year is called the normal cost. The actuarial present value of benefits allocated to prior years of service is called the actuarial liability. The unfunded actuarial liability represents the difference between the actuarial liability and the actuarial value of assets as of the valuation date. The unfunded actuarial liability is calculated each year and reflects experience gains/losses.

The Unfunded Actuarial Liability (UAL) is the difference between the Actuarial Liability and the Valuation Assets. KPERS has chosen to amortize the UAL over 15 years as a level percentage of payroll.

It should be noted that GASB 43 allows a variety of cost methods to be used. This method was selected because it is consistent with the KPERS retirement system funding and because it tends to produce stable costs. Other methods used do not change the ultimate liability, but do allocate it differently between what has been earned in the past and

what will be earned in the future. If a different method was used, the normal cost and unfunded actuarial liability would change. Please note that the net effect of the change may result in an increase or decrease in the annual required contribution (ARC). If desired, we can provide more details.

### Asset Valuation Method

Assets are valued at market value.

## PLAN PROVISIONS OVERVIEW

KPERS Death and Disability Plan is a cost-sharing multiple employer plan that provides long term disability (LTD) and life insurance benefits to eligible employees. Eligible employees consist of all individuals who are:

- 1) Currently active members of KPERS.
- 2) Employees of an educational institution under the Kansas Board of Regents as defined in K.S.A. 74-4925.
- 3) Elected officials.

The plan provides a group life insurance benefit for active members through a fully-insured program with Minnesota Life Insurance Company. Because this benefit is fully-insured, it is not included in the scope of this actuarial valuation. The plan also provides a self-funded LTD benefit and a self-funded life insurance benefit for disabled members (referred to as "group life waiver of premium"). These items are considered "Other Post-Employment Benefits" (OPEB) under GASB accounting rules, and they are included in this actuarial valuation.

## KEY PROVISIONS OF THE LTD BENEFIT

### Definition of Disability

For the first 24 months following the end of the benefit waiting period, a member is totally disabled if the member is unable to perform the material and substantial duties of his or her regular occupation due to sickness or injury. Thereafter, the member is totally disabled if the member is unable to perform the material and substantial duties of any gainful occupation due to sickness or injury.

### Benefit Waiting Period

For approved claims, benefits begin on the later of (a) the date the member completes 180 continuous days of total disability; or (b) the date the member ceases to draw compensation from his or her employer.



**Monthly Benefit**

The monthly benefit is 60 percent of the member's monthly rate of compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, worker's compensation benefits, other disability benefits from any other source by reason of employment, and earnings from any form of employment.

**Maximum Benefit Period**

If the disability begins before age 60, benefits are payable while disability continues until the member's 65th birthday or retirement date, whichever first occurs. If the disability occurs at or after age 60, benefits are payable while disability continues, for a period of five years or until the date of the member's retirement, whichever first occurs.

**Limitation for Mental Illnesses and Substance Abuse**

Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically-based mental illnesses are limited to the term of the disability or 24 months per lifetime, whichever is less.

**Cost of Living Increase**

There are no automatic cost-of-living increase provisions. KPERS has the authority to implement an ad hoc cost-of-living increase.

**KEY PROVISIONS OF THE GROUP LIFE WAIVER OF PREMIUM BENEFIT****Benefit Amount:**

Upon the death of a member who is receiving monthly disability benefits, the plan will pay a lump-sum benefit to eligible beneficiaries. The benefit amount will be 150 percent of the greater of (a) the member's annual rate of compensation at the time of disability, or (b) the member's previous 12 months of compensation at the time of the last date on payroll. If the member had been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed before the life insurance benefit is computed. The indexing is based on the consumer price index, less one percentage point.

**Accelerated Death Benefit**

If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, he or she may be eligible to

receive up to 100 percent of the death benefit rather than having the benefit paid to the beneficiary.

**Conversion Right**

If a member retires or disability benefits end, he or she may convert the group life insurance coverage to an individual life insurance policy.



2011 Comprehensive Annual Financial Report

# Statistical

Kansas Public Employees Retirement System

The Statistical Section presents several schedules that provide financial trends analysis of the Retirement System's overall financial health and additional analytical information on employers' membership data, retirement benefits and other post employment benefits (OPEB). The schedules beginning on this page through page 128 provide revenues, expenses and funding status information for the past ten fiscal years for KPERS and Death and Disability (OPEB) plans. On page 129 a schedule is presented that allocates

the total benefits and type of refunds that were paid. On pages 132 through 134 various schedules are presented to depict the level of monthly benefits by number of retirees, retirement type and options, and years of service. On page 135, information is provided showing the top ten participating employers determined by number of covered active employees. The source of the information in these schedules is derived from the comprehensive annual financial reports, unless otherwise noted.

## Revenues by Source

Last ten fiscal years

Fiscal Year	Contributions			Misc	Net Investment Income (KPERS)	Net Investment Income (OPEB)	Total
	Member	Employer	Employer Insurance (OPEB)				
2002	\$209,624,015	\$207,611,045	\$13,862,682	\$137,633	\$(458,395,669)	\$(5,351,290)	\$(32,511,584)
2003	224,746,447	222,882,765	8,581,558	82,257	324,824,742	1,231,901	782,349,670
2004	230,349,955	714,353,221 <sup>(2)</sup>	— <sup>(1)</sup>	182,113	1,335,895,581	330,336	2,281,111,203
2005	233,226,034	261,961,687	31,990,734	178,105	1,222,707,749	388,372	1,750,452,681
2006	246,203,381	298,711,909	53,319,639	175,539	1,354,021,324	386,439	1,952,818,231
2007	256,995,275	339,509,022	59,308,991	228,986	2,161,413,409	668,063	2,818,123,746
2008	269,603,155	395,752,214	62,400,369	225,736	(650,071,204)	968,222	78,878,492
2009	278,619,872	449,235,653	36,334,585 <sup>(3)</sup>	154,113	(2,592,555,321)	345,732	(1,827,865,366)
2010	289,616,027	492,005,566	29,549,494 <sup>(4)</sup>	101,899	1,485,935,124	32,381	2,297,240,491
2011	294,314,002	525,726,734	48,911,197 <sup>(4)</sup>	190,770	2,499,472,278	18,333	3,368,633,314

1) Per 2000 and 2003 legislation, employers were not required to remit the Group Life and Disability Insurance portion of required employer contributions.

2) Pension obligation bonds for \$440 million were issued in 2004.

3) Per 2009 legislation, employers were not required to remit the Group Life and Disability Insurance portion of required employer contributions.

4) Per 2010 legislation, employers were not required to remit the Group Life and Disability Insurance portion of required employer contributions from April 1, 2010, through June 30, 2010, and April 1, 2011, through June 30, 2011.

## Schedule of Benefits by Type

Last ten fiscal years

Fiscal Year	Monthly Retirement Benefits	Retirement Dividend	Death Benefits	Refunds of Contributions Separations	Refunds of Contributions Deaths	Insurance Premiums (KPERs)	Disability, Insurance Premiums (OPEB)
2002	\$619,959,068	\$7,744,988	\$8,694,809	\$33,550,967	\$5,515,970	\$7,844,273	\$39,781,491
2003	638,498,630	7,217,449	7,826,064	34,462,966	5,145,980	8,267,916	45,561,319
2004	670,246,402	6,672,212	8,685,182	35,903,879	5,275,591	6,362,986	44,033,406
2005	731,389,840	6,173,436	7,849,884	40,395,640	6,378,293	5,997,113	47,705,996
2006	800,256,846	5,721,885	8,810,923	40,628,580	6,197,596	5,973,688	48,984,269
2007	862,894,416	5,284,613	9,153,582	40,632,701	5,496,510	6,383,962	49,201,924
2008	940,870,530	4,834,127	8,388,935	43,197,593	5,275,097	6,824,361	49,893,770
2009	995,530,221	4,409,393	9,237,740	38,156,001	5,773,422	6,946,461	47,356,797
2010	1,056,190,915	4,014,903	8,959,388	37,214,954	6,147,736	7,035,185	43,746,954
2011	1,143,594,256	3,615,016	9,614,688	43,579,892	5,984,123	6,752,185	46,753,126

## Expenses by Type

Last ten fiscal years

Fiscal Year	Benefits	Refund of Contributions		Insurance	Administration (Retirement)	Insurance (OPEB)	Administration (OPEB) <sup>(1)</sup>	Total
		Separations	Death					
2002	\$636,398,865	\$33,550,967	\$5,515,970	\$7,844,273	\$6,776,044	\$39,781,491	\$ —	\$729,867,610
2003	653,542,143	34,462,966	5,145,980	8,267,916	7,215,024	45,561,319	—	754,195,348
2004	685,603,796	35,903,879	5,275,591	6,362,986	7,231,295	44,033,406	—	784,410,953
2005	745,413,160	40,395,640	6,378,293	5,997,113	7,340,147	47,705,996	—	853,230,349
2006	814,789,655	40,628,580	6,197,596	5,973,688	7,718,879	48,984,269	—	924,292,667
2007	877,332,611	40,632,701	5,496,510	6,383,962	8,552,925	49,201,924	340,619	987,941,252
2008	954,093,592	43,197,593	5,275,097	6,824,361	9,253,050	49,893,770	350,076	1,068,887,539
2009	1,009,177,354	38,156,001	5,773,422	6,946,461	11,085,498	47,356,797	361,887	1,118,857,420
2010	1,069,165,206	37,214,954	6,147,736	7,035,185	10,158,398	43,746,954	375,792	1,173,844,225
2011	1,156,823,960	43,579,892	5,984,123	6,752,185	9,261,2610	46,753,126	363,357	1,269,517,903

1) Administration expenses for the Group Death and Disability Plan prior to fiscal year 2007 are included in the administrative expenses of the Retirement System.

## Changes in Net Assets

Last ten fiscal years

	2011	2010	2009	2008
<b>Additions</b>				
Contributions				
Member Contributions	\$294,314,002	\$289,616,027	\$278,619,872	\$269,603,155
Employer Contributions <sup>(1)</sup>	<u>574,637,931</u>	<u>521,555,060</u>	<u>485,570,238</u>	<u>458,152,583</u>
<b>Total Contributions</b>	<u>868,951,933</u>	<u>811,171,087</u>	<u>764,190,110</u>	<u>727,755,738</u>
<b>Investments</b>				
Net Appreciation in Fair Value of Investments	2,211,302,374	1,221,425,633	(2,824,249,931)	(1,012,601,549)
Interest	158,139,067	160,086,441	153,248,716	212,695,996
Dividends	123,098,602	105,808,081	91,464,527	137,983,566
Real Estate Income, Net of Operating Expenses	48,997,734	37,551,411	31,062,438	40,288,418
Other Investment Income	<u>388,174</u>	<u>216,499</u>	<u>264,000</u>	<u>264,000</u>
	<u>2,541,925,951</u>	<u>1,525,088,065</u>	<u>(2,548,210,250)</u>	<u>(621,369,569)</u>
Less Investment Expense	<u>(47,586,288)</u>	<u>(43,752,021)</u>	<u>(23,381,972)</u>	<u>(31,036,451)</u>
<b>Net Investment Income</b>	<u>2,494,339,663</u>	<u>1,481,336,044</u>	<u>(2,571,592,222)</u>	<u>(652,406,020)</u>
From Securities Lending Activities				
Securities Lending Income	<u>5,431,118</u>	<u>5,372,538</u>	<u>(8,838,220)</u>	<u>95,645,344</u>
Securities Lending Expenses				
Borrower Rebates	<u>739,912</u>	<u>(48,804)</u>	<u>(10,469,638)</u>	<u>(89,471,546)</u>
Management Fees	<u>(1,020,082)</u>	<u>(692,273)</u>	<u>(1,309,509)</u>	<u>(2,870,760)</u>
Total Securities Lending Activities Expense	<u>(280,170)</u>	<u>(741,077)</u>	<u>(11,779,147)</u>	<u>(92,342,306)</u>
<b>Net Income from Security Lending Activities</b>	<u>5,150,948</u>	<u>4,631,461</u>	<u>(20,617,367)</u>	<u>3,303,038</u>
<b>Total Net Investment Income</b>	<u>2,499,490,611</u>	<u>1,485,967,505</u>	<u>(2,592,209,589)</u>	<u>(649,102,982)</u>
<b>Other Miscellaneous Income</b>	<u>190,770</u>	<u>101,899</u>	<u>154,113</u>	<u>225,736</u>
<b>Total Additions (Net Reductions) to Plan Net Assets</b>	<u>3,368,633,314</u>	<u>2,297,240,491</u>	<u>(1,827,865,366)</u>	<u>78,878,492</u>
<b>Deductions</b>				
Monthly Retirement Benefits Paid	(1,147,209,272)	(1,060,205,818)	(999,939,614)	(945,704,657)
Refunds of Contributions	(49,564,015)	(43,362,690)	(43,929,423)	(48,472,690)
Death Benefits	(9,614,688)	(8,959,388)	(9,237,740)	(8,388,935)
Insurance Premiums and Disability Benefits (OPEB)	(53,505,311)	(50,782,139)	(54,303,258)	(56,718,131)
Administrative Expenses	<u>(9,624,617)</u>	<u>(10,534,190)</u>	<u>(11,447,385)</u>	<u>(9,603,126)</u>
<b>Total Deductions to Plan Net Assets</b>	<u>(1,269,517,903)</u>	<u>(1,173,844,225)</u>	<u>(1,118,857,420)</u>	<u>(1,068,887,539)</u>
<b>Change in Net Assets</b>	<u>\$2,099,115,411</u>	<u>\$1,123,396,266</u>	<u>\$(2,946,722,786)</u>	<u>\$(990,009,047)</u>

1) Pension obligation bonds for \$440 million were issued in 2004.

2007	2006	2005	2004	2003	2002
\$256,995,275	\$246,203,381	\$233,226,034	\$230,349,955	\$224,746,447	\$209,624,015
<u>398,818,013</u>	<u>352,031,548</u>	<u>293,952,421</u>	<u>714,353,221</u>	<u>231,464,323</u>	<u>221,473,727</u>
<u>655,813,288</u>	<u>598,234,929</u>	<u>527,178,455</u>	<u>944,703,176</u>	<u>456,210,770</u>	<u>431,097,742</u>
1,816,702,680	1,046,279,084	932,881,712	1,087,128,878	85,233,479	(676,384,745)
195,760,216	165,466,523	132,806,082	132,004,016	145,411,285	159,209,184
136,434,906	113,162,346	130,167,483	91,477,150	76,508,361	24,416,401
39,114,763	51,835,809	43,821,311	39,514,695	31,217,255	44,792,323
<u>261,734</u>	<u>303,028</u>	<u>412,211</u>	<u>565,492</u>	<u>557,611</u>	<u>667,029</u>
<u>2,188,274,299</u>	<u>1,377,046,790</u>	<u>1,240,088,799</u>	<u>1,350,690,231</u>	<u>338,927,991</u>	<u>(447,299,808)</u>
<u>(30,249,368)</u>	<u>(27,204,510)</u>	<u>(22,070,013)</u>	<u>(18,718,601)</u>	<u>(16,675,173)</u>	<u>(19,758,136)</u>
<u>2,158,024,931</u>	<u>1,349,842,280</u>	<u>1,218,018,786</u>	<u>1,331,971,630</u>	<u>322,252,818</u>	<u>(467,057,944)</u>
<u>125,998,402</u>	<u>87,911,153</u>	<u>53,059,141</u>	<u>23,020,103</u>	<u>25,878,944</u>	<u>33,310,814</u>
<u>(120,938,041)</u>	<u>(82,182,198)</u>	<u>(46,714,331)</u>	<u>(17,697,447)</u>	<u>(20,861,098)</u>	<u>(28,577,302)</u>
<u>(1,003,820)</u>	<u>(1,163,472)</u>	<u>(1,267,475)</u>	<u>(1,068,372)</u>	<u>(1,214,021)</u>	<u>(1,422,527)</u>
<u>(121,941,861)</u>	<u>(83,345,670)</u>	<u>(47,981,806)</u>	<u>(18,765,819)</u>	<u>(22,075,119)</u>	<u>(29,999,829)</u>
<u>4,056,541</u>	<u>4,565,483</u>	<u>5,077,335</u>	<u>4,254,284</u>	<u>3,803,825</u>	<u>3,310,985</u>
<u>2,162,081,472</u>	<u>1,354,407,763</u>	<u>1,223,096,121</u>	<u>1,336,225,914</u>	<u>326,056,643</u>	<u>(463,746,959)</u>
<u>228,986</u>	<u>175,539</u>	<u>178,105</u>	<u>182,113</u>	<u>82,257</u>	<u>137,633</u>
<u>2,818,123,746</u>	<u>1,952,818,231</u>	<u>1,750,452,681</u>	<u>2,281,111,203</u>	<u>782,349,670</u>	<u>(32,511,584)</u>
(868,179,029)	(805,978,732)	(737,563,276)	(676,918,614)	(645,716,079)	(627,704,056)
(46,129,211)	(46,826,176)	(46,773,933)	(41,179,470)	(39,608,946)	(39,066,937)
(9,153,582)	(8,810,923)	(7,849,884)	(8,685,182)	(7,826,064)	(8,694,809)
(55,585,886)	(54,957,957)	(53,703,109)	(50,396,392)	(53,829,235)	(47,625,764)
<u>(8,893,544)</u>	<u>(7,718,879)</u>	<u>(7,340,147)</u>	<u>(7,231,295)</u>	<u>(7,215,024)</u>	<u>(6,776,044)</u>
<u>(987,941,252)</u>	<u>(924,292,667)</u>	<u>(853,230,349)</u>	<u>(784,410,953)</u>	<u>(754,195,348)</u>	<u>(729,867,610)</u>
<u>\$1,830,182,494</u>	<u>\$1,028,525,564</u>	<u>\$897,222,332</u>	<u>\$1,496,700,250</u>	<u>\$28,154,322</u>	<u>\$(762,379,194)</u>

## Changes in Net Assets-Death and Disability Plan

Last five fiscal years<sup>(1)</sup>

<b>Additions</b>	2011	2010	2009	2008	2007
Contributions					
Employer Contributions	<u>\$48,911,197</u>	<u>\$29,549,494</u>	<u>\$36,334,585</u>	<u>\$62,400,370</u>	<u>\$59,308,991</u>
<b>Total Contributions</b>	<u>48,911,197</u>	<u>29,549,494</u>	<u>36,334,585</u>	<u>62,400,370</u>	<u>59,308,991</u>
<b>Investments</b>					
Interest	18,333	36,229	351,362	968,222	668,063
Less Investment Expense	(114)	(3,848)	(5,630)	(6,550)	(6,239)
Net Investment Income	<u>18,219</u>	<u>32,381</u>	<u>345,732</u>	<u>961,672</u>	<u>(6,239)</u>
<b>Total Net Investment Income</b>	<u>18,219</u>	<u>32,381</u>	<u>345,732</u>	<u>961,672</u>	<u>(6,239)</u>
Other Miscellaneous Income	<u>16,340</u>	<u>27,811</u>	<u>43,935</u>	<u>88,781</u>	<u>96,112</u>
<b>Total Additions (Net Reductions) to Plan Net Assets</b>	<u>48,945,756</u>	<u>29,609,686</u>	<u>36,724,252</u>	<u>63,450,823</u>	<u>59,398,864</u>
<b>Deductions</b>					
Insurance Premiums and Disability Benefits (OPEB)	(46,753,126)	(43,746,954)	(47,356,797)	(49,893,770)	(49,202,924)
Administrative Expenses	<u>(363,243)</u>	<u>(375,792)</u>	<u>(361,887)</u>	<u>(350,076)</u>	<u>(334,380)</u>
<b>Total Deductions to Plan Net Assets</b>	<u>(47,116,369)</u>	<u>(44,122,746)</u>	<u>(47,718,684)</u>	<u>(50,243,846)</u>	<u>(49,537,304)</u>
<b>Change in Net Assets</b>	<u>\$1,829,387</u>	<u>\$(14,513,060)</u>	<u>\$(10,994,432)</u>	<u>\$13,206,977</u>	<u>\$9,861,560</u>

1) Information available for current and prior four fiscal years.



## Benefit and Refund Deductions from Net Assets by Type

For the fiscal year ended June 30, 2011, with comparative figures for 2010, 2009, 2008, 2007 and 2006<sup>(1)</sup>

Type of Benefit	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007	June 30, 2006
Age and service benefits:						
Retirees	\$1,092,518,456	\$1,008,271,726	\$950,746,107	\$898,910,097	\$823,994,836	\$763,960,585
Survivors	54,690,816	51,934,092	49,193,507	46,794,560	44,184,193	42,018,147
Death in service benefits	9,614,688	8,959,388	9,237,740	8,388,935	9,153,582	8,810,923
Insurance Premiums	6,752,185	7,035,185	6,946,461	6,824,361	6,383,962	5,973,688
Insurance Premiums and Disability benefits (OPEB)	<u>46,753,126</u>	<u>43,746,954</u>	<u>47,356,797</u>	<u>49,893,770</u>	<u>49,202,924</u>	<u>48,984,269</u>
<b>Total Benefits</b>	<b><u>\$1,210,329,271</u></b>	<b><u>\$1,119,947,345</u></b>	<b><u>\$1,063,480,612</u></b>	<b><u>\$1,010,811,723</u></b>	<b><u>\$932,919,497</u></b>	<b><u>\$869,747,612</u></b>
Type of Refund						
Death	\$5,984,123	\$6,147,736	\$5,773,422	\$5,275,097	\$5,496,510	\$6,197,596
Separation	<u>43,579,892</u>	<u>37,214,954</u>	<u>38,156,001</u>	<u>43,197,593</u>	<u>40,632,701</u>	<u>40,628,580</u>
<b>Total Refunds</b>	<b><u>\$49,564,015</u></b>	<b><u>\$43,362,690</u></b>	<b><u>\$43,929,423</u></b>	<b><u>\$48,472,690</u></b>	<b><u>\$46,129,211</u></b>	<b><u>\$46,826,176</u></b>

1) Information only available for current year and prior five years.

## Highlight of Operations — 10-Year Summary

	2011	2010	2009	2008	2007
<b>Membership Composition</b>					
Number of Retirants <sup>(1)</sup>	70,349	67,219	64,803	61,489	60,166
Number of Survivors <sup>(2)</sup>	6,149	5,945	5,764	5,613	5,599
New Retirants During the Fiscal Year	6,245	5,188	4,893	4,780	4,423
Active and Inactive Members <sup>(1)</sup>	202,150	204,155	197,822	195,187	192,307
Participating Employers	1,511	1,499	1,492	1,482	1,474
<b>Financial Results (in millions)</b>					
Member Contributions	\$294	\$290	\$279	\$270	\$257
Employer Contributions <sup>(3)</sup>	575	522	486	458	399
Retirement / Death Benefits	1,157	1,069	1,009	954	877
Investment Income <sup>(4)</sup>	2,499	1,486	(2,592)	(649)	2,162
<b>Employer Contribution Rate<sup>(5)</sup></b>					
KPERS--State / School	9.7%	8.57%	7.97%	7.37%	6.77%
KPERS--Local <sup>(6)</sup>	7.74	7.14	6.54	5.93	5.31
KP&F (Uniform Participating) <sup>(6)</sup>	14.57	12.86	13.51	13.88	13.32
Judges	19.89	20.90	22.08	22.38	19.11
TIAA	—	—	—	—	—
<b>Unfunded Actuarial Liability (in millions)</b>					
KPERS--State / School	\$6,244	\$5,805	\$6,240	\$4,312	\$4,135
KPERS--Local	1,395	1,315	1,385	941	893
KP&F	598	530	619	284	322
Judges	27	26	36	15	15
TIAA <sup>(7)</sup>	—	—	—	—	—
<b>Funding Ratios<sup>(8)</sup></b>					
KPERS--State / School	59.90%	61.60%	56.90%	68.60%	67.50%
KPERS--Local	63.20	63.70	59.00	70.10	68.80
KP&F	74.20	76.20	70.50	85.50	82.40
Judges	82.50	82.30	74.60	88.70	87.40
TIAA	—	—	—	—	—

1) Membership information taken from System's actuarial valuation.

2) This is the number of joint annuants as of December 31, per the System's records, starting December 31, 2005.

3) Pension obligation bonds for \$440 million were issued in 2004.

4) Investment income for prior years has been adjusted to reflect changes in unrealized appreciation.

5) Rates include Group Life and Disability contributions where applicable. Per 2000 and 2001 legislation, employers were not required to remit the Group Life and Disability portion of the Actual Rate from April 1, 2000 through December 31, 2001. Per 2002 and 2003 legislation, employers were not required to remit the Group Life and Disability portion of the Actual Rate from July 1, 2002 through December 31, 2002 or from April 1, 2003 through June 30, 2004. Per 2009 legislation, employers were not required to remit the Group Life and Disability portion of the Actual Rate from March 1, 2009 through November 30, 2009. Per 2010 legislation, employers were not required to remit the Group Life and Disability portion of the Actual Rate from April 1, 2010 through June 30, 2010.

6) KPERS Local and KP&F contribution rates are reported on a calendar year basis.

7) Legislation provided for bonds to be issued December 31, 2002 to fully fund the existing unfunded liability for the TIAA group.

8) The funding percentage indicates the actuarial soundness of the System. Generally, the greater the percentage, the stronger the System.

## Highlight of Operations — 10-Year Summary

	2006	2005	2004	2003	2002
<b>Membership Composition</b>					
Number of Retirants <sup>(1)</sup>	57,954	61,125	59,124	57,597	56,115
Number of Survivors <sup>(2)</sup>	5,394	—	—	—	—
New Retirants During the Fiscal Year	4,452	4,141	3,612	3,585	3,689
Active and Inactive Members <sup>(1)</sup>	190,305	189,020	189,460	187,698	183,966
Participating Employers	1,474	1,461	1,454	1,442	1,435
<b>Financial Results (in millions)</b>					
Member Contributions	\$246	\$233	\$230	\$225	\$210
Employer Contributions <sup>(3)</sup>	352	294	714	231	221
Retirement / Death Benefits	815	745	686	654	636
Investment Income <sup>(4)</sup>	1,354	1,223	1,336	326	(464)
<b>Employer Contribution Rate<sup>(5)</sup></b>					
KPERS--State / School	6.07%	5.47%	4.58%	4.98	4.78%
KPERS--Local <sup>(6)</sup>	4.61	4.01	3.22	3.67	3.52
KP&F (Uniform Participating) <sup>(6)</sup>	12.39	11.69	9.47	6.86	6.79
Judges	21.97	19.22	16.67	12.66	12.88
TIAA	—	.06	—	2.27	2.03
<b>Unfunded Actuarial Liability (in millions)</b>					
KPERS--State / School	\$3,926	\$3,584	\$2,734	\$2,239	\$1,506
KPERS--Local	869	824	588	340	185
KP&F	341	313	249	232	59
Judges	17	22	15	17	10
TIAA <sup>(7)</sup>	—	—	—	—	20
<b>Funding Ratios<sup>(8)</sup></b>					
KPERS--State / School	67.21%	68.60%	74.07%	75.64%	82.46%
KPERS--Local	67.38	67.30	73.69	81.71	89.12
KP&F	80.46	81.10	84.04	84.16	95.53
Judges	85.02	80.10	84.92	82.21	88.94
TIAA	—	—	—	—	48.32

1) Membership information taken from System's actuarial valuation.

2) This is the number of joint annuants as of December 31, per the System's records, starting December 31, 2005.

3) Pension obligation bonds for \$440 million were issued in 2004.

4) Investment income for prior years has been adjusted to reflect changes in unrealized appreciation.

5) Rates include Group Life and Disability contributions where applicable. Per 2000 and 2001 legislation, employers were not required to remit the Group Life and Disability portion of the Actual Rate from April 1, 2000 through December 31, 2001. Per 2002 and 2003 legislation, employers were not required to remit the Group Life and Disability portion of the Actual Rate from July 1, 2002 through December 31, 2002 or from April 1, 2003 through June 30, 2004. Per 2009 legislation, employers were not required to remit the Group Life and Disability portion of the Actual Rate from March 1, 2009 through November 30, 2009. Per 2010 legislation, employers were not required to remit the Group Life and Disability portion of the Actual Rate from April 1, 2010 through June 30, 2010.

6) KPERS Local and KP&F contribution rates are reported on a calendar year basis.

7) Legislation provided for bonds to be issued December 31, 2002 to fully fund the existing unfunded liability for the TIAA group.

8) The funding percentage indicates the actuarial soundness of the System. Generally, the greater the percentage, the stronger the System.

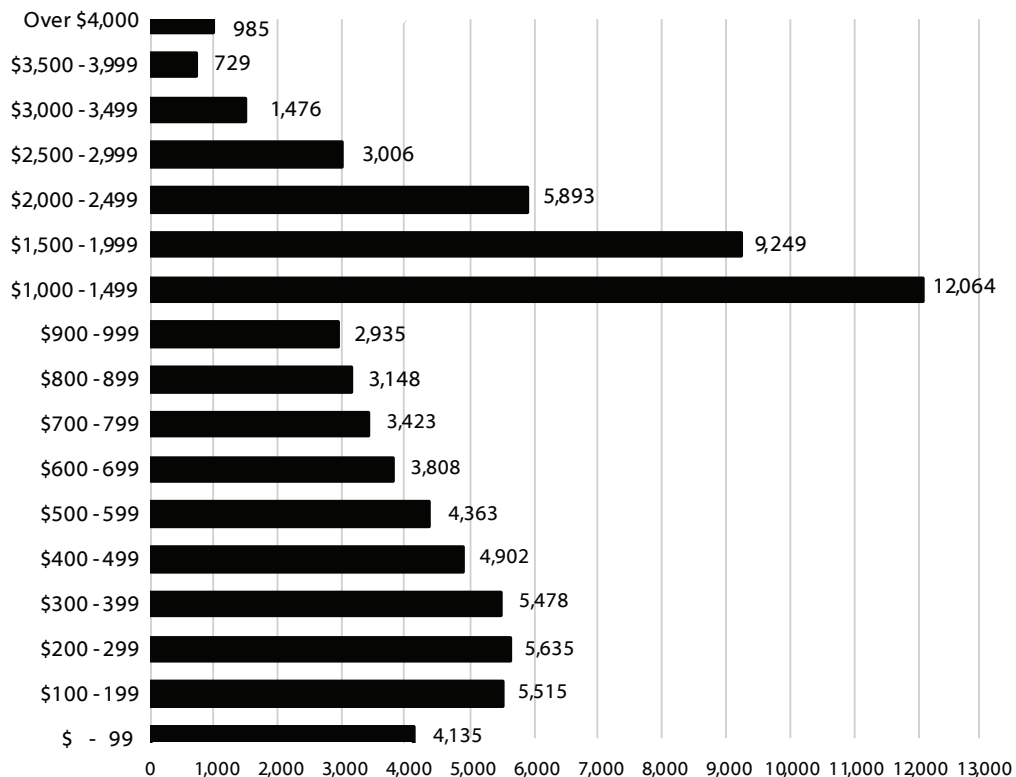
## Number of Retired Members and Survivors by Type of Benefit

As of December 31, 2010

Monthly Benefit	Number of Retirees	Normal Retirement	Early Retirement	Service-Connected Death or Disability	Nonservice-Connected Death or Disability
\$ - 99	4,135	3,779	350	2	4
\$100-199	5,516	3,620	1,842	46	8
\$200-299	5,635	3,244	2,342	45	4
\$300-399	5,481	3,183	2,245	37	16
\$400-499	4,898	2,896	1,949	40	13
\$500-599	4,364	2,734	1,587	30	13
\$600-699	3,806	2,463	1,301	29	13
\$700-799	3,422	2,283	1,096	35	8
\$800-899	3,149	2,196	897	50	6
\$900-999	2,934	2,208	673	39	14
\$1,000-1,499	12,065	10,258	1,520	209	78
\$1,500-1,999	9,250	8,729	304	130	87
\$2,000-2,499	5,893	5,711	83	58	41
\$2,500-2,999	3,006	2,910	45	20	31
\$3,000-3,499	1,476	1,426	26	13	11
\$3,500-3,999	729	711	6	10	2
\$4,000 or More	985	963	18	4	
Totals	76,744	59,314	16,284	797	349

## Number of Retired Members and Survivors by Monthly Benefit Amount

As of December 31, 2010



## Number of Retired Members and Survivors by Type of Payment Option

As of December 31, 2010

Monthly Benefit	Maximum No Survivor	Joint 1/2 to Survivor	Joint Same to Survivor	Life Certain w/10 Yrs	Joint 3/4 to Survivor	Widowed Children Survivor	Life Certain w/5 Yrs	Life Certain w/15 Yrs
\$ - 99	3,328	253	369	45	34	4	34	68
\$100-199	3,986	577	626	86	98	31	25	86
\$200-299	4,033	615	668	95	131	14	27	52
\$300-399	3,826	594	710	73	148	39	25	63
\$400-499	3,424	534	646	77	126	36	13	46
\$500-599	3,013	495	571	49	136	30	16	53
\$600-699	2,604	437	501	60	121	40	12	33
\$700-799	2,329	411	429	43	126	35	16	34
\$800-899	2,056	439	403	42	133	38	11	26
\$900-999	1,890	448	375	36	124	31	11	20
\$1,000-1,499	7,514	1,896	1,562	133	664	180	40	75
\$1,500-1,999	5,826	1,555	1,013	62	612	108	25	48
\$2,000-2,499	3,817	1,022	544	43	378	54	21	14
\$2,500-2,999	1,880	555	276	30	229	19	9	8
\$3,000-3,499	900	284	156	11	107	9	3	6
\$3,500-3,999	429	138	84	4	68	4	0	2
\$4,000 or More	483	247	128	7	117	0	1	2
Totals	51,338	10,500	9,061	896	3,352	672	289	636

## Average Benefit by Years of Service — Five-Year Summary<sup>(1)</sup>

New Retirees by Calendar Year

Service Credit		2006	2007	2008	2009	2010
Less Than 5	Retired Members	187	213	203	262	263
	Average FAS <sup>(2)</sup>	\$32,969.26	\$23,028.60	\$24,286.91	\$21,194.51	\$23,919.51
	Average Benefit	\$113.95	\$115.70	\$130.90	\$110.58	\$93.25
	Average Years	2.37	2.75	2.67	2.56	2.65
5-9.99	Retired Members	288	369	341	347	435
	Average FAS	\$20,093.39	\$27,678.21	\$27,224.87	\$27,718.33	\$28,869.68
	Average Benefit	\$205.12	\$262.41	\$277.67	\$300.13	\$292.23
	Average Years	7.00	7.70	7.73	7.66	7.75
10-14.99	Retired Members	635	739	736	713	877
	Average FAS	\$24,492.77	\$30,848.84	\$32,265.54	\$32,669.13	\$33,333.42
	Average Benefit	\$423.98	\$452.70	\$471.14	\$484.31	\$478.88
	Average Years	11.87	12.25	12.19	12.18	12.14
15-19.99	Retired Members	675	670	765	706	822
	Average FAS	\$28,566.71	\$36,089.59	\$37,387.87	\$37,154.28	\$39,884.61
	Average Benefit	\$706.55	\$782.89	\$783.99	\$800.55	\$830.36
	Average Years	16.96	17.43	17.40	17.39	17.30
20-24.99	Retired Members	564	621	730	685	819
	Average FAS	\$33,508.65	\$40,199.79	\$41,860.17	\$43,734.53	\$44,677.45
	Average Benefit	\$1,071.16	\$1,103.23	\$1,154.33	\$1,284.91	\$1,238.44
	Average Years	21.92	22.21	22.34	22.45	22.23
25-29.99	Retired Members	755	806	754	763	852
	Average FAS	\$39,373.33	\$46,579.86	\$49,038.10	\$48,788.05	\$50,662.87
	Average Benefit	\$1,553.77	\$1,661.34	\$1,738.41	\$1,726.15	\$1,775.08
	Average Years	27.06	27.50	27.47	27.42	27.35
30-34.99	Retired Members	884	853	751	771	926
	Average FAS	\$44,267.48	\$52,495.79	\$54,546.48	\$55,828.21	\$57,899.34
	Average Benefit	\$2,053.55	\$2,129.22	\$2,227.64	\$2,337.01	\$2,418.71
	Average Years	31.81	32.03	32.06	31.94	32.03
35-39.99	Retired Members	298	295	270	316	401
	Average FAS	\$43,029.51	\$55,511.76	\$56,508.71	\$60,485.97	\$60,225.79
	Average Benefit	\$2,301.72	\$2,457.18	\$2,541.95	\$2,763.31	\$2,710.63
	Average Years	36.68	36.97	37.03	37.06	36.92
40-44.99	Retired Members	74	65	67	63	143
	Average FAS	\$43,857.36	\$52,419.96	\$53,281.02	\$58,960.07	\$61,221.12
	Average Benefit	\$2,645.33	\$2,670.39	\$2,862.03	\$3,235.13	\$2,964.44
	Average Years	41.36	41.74	41.84	41.63	41.72
45-49.99	Retired Members	7	5	6	7	8
	Average FAS	\$29,042.65	\$48,951.13	\$42,007.13	\$53,159.68	\$59,155.97
	Average Benefit	\$1,966.49	\$2,441.43	\$2,464.83	\$2,647.02	\$2,926.19
	Average Years	46.43	45.90	48.17	45.82	46.31
50 and Over	Retired Members	2	2	2	9	4
	Average FAS	\$40,939.59	\$46,757.32	\$37,202.08	\$47,291.16	\$71,532.67
	Average Benefit	\$3,015.03	\$2,000.50	\$3,535.44	\$2,662.89	\$4,209.75
	Average Years	50.50	51.13	56.50	54.06	56.06
Total Number	Retired Members	4,366	4,638	4,625	4,642	5,550
	Average FAS	\$37,694.15	\$40,858.89	\$41,992.17	\$42,772.08	\$44,667.14
	Average Benefit	\$1,217.05	\$1,236.65	\$1,252.78	\$1,327.48	\$1,364.27
	Average Years	22.14	21.86	21.57	21.62	21.89

1) Data provided by KPERS Information Resources and Member Services divisions.

2) Average Final Average Salary

## Principal Participating Employers<sup>(1)</sup>

Participating Government	2011			2010			2009		
	Covered Employees	Rank	% of Total System	Covered Employees	Rank	% of Total System	Covered Employees	Rank	% of Total System
State of Kansas	27,066	1	17.05%	26,735	1	16.55%	25,775	1	16.41%
USD 259, Wichita	6,749	2	4.25%	6,861	2	4.25%	6,850	2	4.36%
USD 233, Olathe	4,082	3	2.57%	4,339	3	2.69%	4,625	3	2.94%
USD 512, Shawnee Mission	3,837	4	2.42%	4,005	4	2.48%	4,167	4	2.65%
USD 500, Kansas City	3,165	5	1.99%	3,178	5	1.97%	3,324	5	2.12%
USD 229, Blue Valley	2,977	6	1.88%	2,957	6	1.83%	2,983	6	1.90%
Johnson County	2,633	7	1.66%	2,706	7	1.68%	2,476	8	1.58%
USD 501, Topeka Public Schools	2,341	8	1.48%	2,466	8	1.53%	2,529	7	1.61%
Sedgwick County	2,256	9	1.42%	2,298	9	1.42%	1,847	9	1.18%
USD 497, Lawrence	1,595	10	1.01%	1,715	10	1.06%	1,766	10	1.12%
All Other <sup>(2)</sup>	<u>102,004</u>		<u>64.27%</u>	<u>104,291</u>		<u>64.56%</u>	<u>100,723</u>		<u>64.13%</u>
Total (1,499 employers)	<u>158,705</u>		<u>100.00%</u>	<u>161,551</u>		<u>100.00%</u>	<u>157,065</u>		<u>100.00%</u>

Participating Government	2008			2007			2006		
	Covered Employees	Rank	% of Total System	Covered Employees	Rank	% of Total System	Covered Employees	Rank	% of Total System
State of Kansas	25,299	1	16.35%	25,069	1	16.55%	25,134	1	16.86%
USD 259, Wichita	6,748	2	4.36%	6,590	2	4.35%	6,546	2	4.39%
USD 233, Olathe	4,307	3	2.78%	4,277	3	2.82%	4,155	3	2.79%
USD 512, Shawnee Mission	4,128	4	2.67%	4,007	4	2.65%	3,968	4	2.66%
USD 500, Kansas City	3,337	5	2.16%	3,334	5	2.20%	3,436	5	2.30%
USD 229, Blue Valley	2,930	7	1.89%	2,809	7	1.85%	2,770	7	1.86%
Johnson County	3,137	6	2.03%	3,002	6	1.98%	3,229	6	2.17%
USD 501, Topeka Public Schools	2,548	8	1.65%	2,469	8	1.63%	2,544	8	1.71%
Sedgwick County	2,313	9	1.50%	2,309	9	1.52%	2,434	9	1.63%
USD 497, Lawrence	1,712	10	1.11%	1,692	10	1.12%	1,736	10	1.16%
All Other <sup>(2)</sup>	<u>98,231</u>		<u>63.50%</u>	<u>95,891</u>		<u>63.33%</u>	<u>93,121</u>		<u>62.47%</u>
Total (1,499 employers)	<u>154,690</u>		<u>100.00%</u>	<u>151,449</u>		<u>100.00%</u>	<u>149,073</u>		<u>100.00%</u>

1) Information only available for current and prior five years.  
Data provided by KPERs Information Resources and Member Services divisions.

2) In 2011, "All Other" consisted of:

Type	Number	Covered Employees
School districts	282	23,802
Cities and Counties	542	29,300
Post-Secondary Education <sup>(3)</sup>	48	11,204
Other	<u>629</u>	<u>37,698</u>
	<u>1,501</u>	<u>102,004</u>

3) Not including State Board of Regents institutions.

## Principal Participating Employers-Death and Disability Plan<sup>(1)</sup>

Participating Government	2011			2010			2009		
	Covered Employees	Rank	% of Total System	Covered Employees	Rank	% of Total System	Covered Employees	Rank	% of Total System
State of Kansas	37,904	1	22.98%	37,756	1	22.79%	38,230	1	23.38%
USD 259, Wichita	6,749	2	4.09%	6,861	2	4.14%	6,850	2	4.19%
USD 233, Olathe	4,082	3	2.47%	4,339	3	2.62%	4,625	3	2.83%
USD 512, Shawnee Mission	3,837	4	2.33%	4,005	4	2.42%	4,167	4	2.55%
USD 500, Kansas City	3,165	5	1.92%	3,178	5	1.92%	3,324	5	2.03%
USD 229, Blue Valley	2,977	6	1.80%	2,957	6	1.78%	2,983	7	1.82%
Johnson County	2,633	7	1.60%	2,706	7	1.63%	2,476	6	1.51%
USD 501, Topeka Public Schools	2,341	8	1.42%	2,466	8	1.49%	2,529	8	1.55%
Sedgwick County	2,256	9	1.37%	2,298	9	1.39%	1,847	9	1.13%
USD 497, Lawrence	1,595	10	0.97%	1,715	10	1.04%	1,766	10	1.08%
All Other (a)	<u>97,393</u>		<u>59.05%</u>	<u>97,393</u>		<u>58.79%</u>	<u>94,685</u>		<u>57.92%</u>
Total (1,492 employers)	<u>164,932</u>		<u>100.00%</u>	<u>165,674</u>		<u>100.00%</u>	<u>163,482</u>		<u>100.00%</u>

Participating Government	2008			2007		
	Covered Employees	Rank	% of Total System	Covered Employees	Rank	% of Total System
State of Kansas <sup>(2)</sup>	40,431	1	24.67%	37,871	1	23.79%
USD 259, Wichita	6,748	2	4.12%	6,590	2	4.14%
USD 233, Olathe	4,307	3	2.63%	4,277	3	2.69%
USD 512, Shawnee Mission	4,128	4	2.52%	4,007	4	2.52%
USD 500, Kansas City	3,337	5	2.04%	3,334	5	2.09%
USD 229, Blue Valley	2,930	7	1.79%	2,809	7	1.76%
Johnson County	3,137	6	1.91%	3,002	6	1.89%
USD 501, Topeka Public Schools	2,548	8	1.55%	2,469	8	1.55%
Sedgwick County	2,313	9	1.41%	2,309	9	1.45%
USD 497, Lawrence	1,712	10	1.04%	1,692	10	1.06%
All Other <sup>(3)</sup>	<u>92,321</u>		<u>56.32%</u>	<u>90,826</u>		<u>57.06%</u>
Total (1,492 employers)	<u>163,912</u>		<u>100.00%</u>	<u>159,186</u>		<u>100.00%</u>

1) Information available for years 2010 and prior four years. Data provided by KPERS Information Resources and Member Services divisions.

2) State of Kansas includes the Board of Regents.

3) In 2010, "All Other" consisted of:

Type	Number	Covered Employees
School districts	282	23,802
Cities and Counties	449	17,615
Post-Secondary Education	48	11,204
Other	<u>628</u>	<u>37,698</u>
	<u>1,407</u>	<u>90,319</u>









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.

KPERS serves members as a **fiduciary** by holding assets in trust for them,  
growing those assets and delivering promised benefits when the time comes.

## 2011 Comprehensive Annual Financial Report

Kansas Public Employees Retirement System

A component unit of the State of Kansas

Fiscal year ended June 30, 2011