

Active Member Benefits

By law, employees in KPERS-covered positions become active members on their hire date. Active members contribute part of their salary to the Retirement System until they leave covered employment. At retirement, members will receive a lifetime monthly benefit.

Active members also receive several other important benefits while they are still working.

Basic Life Insurance

What is it?

Basic life insurance provides insurance for active KPERS members paid for by the employer.

Who is covered?

Basic life insurance covers all employees working in KPERS-covered positions and all employees participating in the Retirement System for Judges and the Board of Regents Retirement Plan, as well as legislators and State officers not in KPERS.

Standard Insurance Company (The Standard) administers KPERS life insurance benefit.

Note: Contact The Standard for printed copies of the Certificate of Coverage booklets for new employees.

The Standard Local Office

- Email: kpersadmin@standard.com
- Toll-Free: 1-844-289-2306
- Fax: 971-321-5033

What is the coverage amount?

150% of the higher of:

- A member's current annual rate of compensation, which is the member's hourly wage times the number of hours the position requires, or
- The member's previous 12-month salary.

Military service and other leaves of absence

Basic life insurance continues while an employee is on active duty, at no cost to the employee. See [Leaving KPERS-Covered Employment](#) section of the Employer Manual for processing military and other leaves of absence.

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Optional Life Insurance

Optional life insurance provides **additional** protection for employees beyond the basic life insurance. Employers affiliate for this benefit separately from other KPERS benefits. Not all employers participate. See affiliation and related dates, below. See the [Optional Life Insurance](#) section of the Employer Manual for details.

Dates Employers Can Affiliate	Open Enrollment Period	Coverage Effective Date
January 1	April	July 1 (same year)
July 1	October	January 1 (following year)

How much coverage can an employee apply for?

An employee can apply for as little as \$5,000 and as much as \$400,000 (in \$5,000 increments).

When can members enroll in optional life insurance?

- Within **30 days of their hire date**, employees may choose up to \$250,000 of optional life insurance coverage without answering any health questions. This is called **“guaranteed coverage.”**
- Members wanting guaranteed coverage outside of their first 30 days can also enroll during **annual open enrollment** or with a qualifying **family status change**.
- Members who would like over \$250,000 of coverage (up to \$400,000) will need to provide proof of good health.

An employee can apply anytime with proof of good health. We call this underwritten insurance **“anytime coverage.”**

Who pays the premium?

The entire cost of optional life coverage is paid by the employee through payroll deduction.

When does coverage become effective?

- **\$250,000 or less** (guaranteed coverage): effective the date the member applies.
- **Over \$250,000** (anytime coverage): effective the date the member is approved. KPERS will send a letter.
- If, due to sickness or injury, the member is not actively at work on the effective date, coverage becomes effective the first day following the date the member returns to work.

Good to know: Employees can reduce or cancel their coverage anytime.

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Continuation of Life Insurance

After ending employment, an employee may continue life insurance coverage by:

- **Converting** his or her coverage ([conversion form](#)).
- **Porting** his or her coverage ([portability form](#)).

Kansas law requires that employees be given **at least 15 days notice** before the policy expires, including ending employment, disability, leave of absences and moving to a non-covered position.

See the [Leaving Employment](#) section of the online Employer Manual for details and how this affects life insurance coverage.

Conversion rights

If notice is not given in that time period, employees have until 15 days after given notice, or 60 days after the conversion period in which the policy expires, whichever occurs first, to convert their coverage.

Active Member Death Benefit

What is it?

The Active Member Death Benefit provides payments to an active member's beneficiary after his or her death.

What does the beneficiary receive?

The beneficiary will receive an insurance **lump-sum payment** and the member's **contributions and interest**.

Surviving spouse benefit option

For this option, the member's spouse must be listed as the **only primary beneficiary**. Instead of receiving the member's contributions and interest in a lump sum, the spouse may choose a **lifetime monthly benefit** instead.

- If the member is **eligible to retire** at time of death, the spouse begins receiving a monthly benefit immediately.
- If the member was not eligible to retire at time of death, but had at least 10 years of service credit,¹ the spouse will begin receiving a monthly benefit at the earliest time the member **would have been eligible** (even if the monthly benefit is a reduced benefit for early retirement).²

¹ 5 years for KPERS 3

² KPERS 3 must wait for full/normal retirement age

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On-the-Job Accidental Death Benefits

These benefits are **in addition to** the basic life insurance, any optional life insurance and returned contributions and interest.

- \$50,000 lump-sum payment
- The surviving spouse will receive a lifetime annual benefit equal to the greater of:
 - 50% of the members' final average salary.
 - What the member would have been paid had he or she elected the 100% joint-survivor option.
- The monthly benefit will be offset by any Workers' Compensation. The minimum monthly benefit after offset will be \$100.
- The death benefits are service-connected and will be non-taxable.

Benefits are paid in this order of preference:

- Spouse
- If no spouse, children up to age 18, or 23, if a full-time student
- If no children, dependent parents
- No benefits payable if no children or dependent parents

KP&F Service-Connected Death Benefit

See KP&F changes that started July 1, 2017, and are retroactive to July 1, 2016, in the [KP&F Employers Manual](#) on page 16.

Includes KPERs members serving as police officers and firefighters.

Accelerated Death Benefit (for terminally ill members)

What is it?

Optional and basic life insurance coverage provides payments to employees diagnosed as terminally ill with a life expectancy of **24 months or less**.

- The employee may be able to receive **up to 100%** of his or her life insurance, instead of having the death benefit paid to a beneficiary.
- The employee can choose to accelerate **all or part** of the benefit.
- Any **remaining coverage** stays in effect as long as employee is a Retirement System member and pays the associated premiums with optional life insurance.
- The remaining death benefit will be paid to the employee's beneficiary.

Please have employees contact KPERs if they wish to apply for the accelerated death benefit.

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Reporting a Death

If an active member dies, report it on the **EWP**.

1. Look up employee and open the **employee's record**.
2. Click the **Report Death** link in the employee info area and follow instructions.

KPERS Disability

KPERS' long-term disability plan provides financial protection by replacing part of the member's income if he or she is disabled by injury or sickness for a long time.

Eligible employees

- Active members of KPERS
- Employees of an educational institution under the Kansas Board of Regents (K.S.A. 74-4927(a))
- Eligible employees of the University of Kansas Hospital Authority
- Elected officials of the Legislature and unclassified employees on their staff
- State officers in the state's Deferred Compensation Plan and unclassified employees on their staff

Military service

- No disability coverage during military leave
- Refer to Leaving KPERS-Covered Employment section of Employers Manual

Disability definition

The member is disabled when, on the date of disability, he or she meets the following definition of total disability:

- **Own occupation period** – For the first 24 months for which benefits are paid, the member is unable to perform the material and substantial duties (duties that are normally required to perform the member's regular occupation and cannot be reasonably omitted or modified) of his or her regular occupation due to sickness or injury.
- **Any occupation period** – After benefits have been paid for 24 months, the member is unable to perform the material and substantial duties of any gainful occupation due to sickness or injury.

Reporting disability

If an active member becomes disabled, report it on the **EWP**.

1. Look up employee and open the **employee's record**.
2. Click the **Report Disability** link in the employee info area and follow instructions.

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Social Security

- Members applying for KPERS disability **must apply** for Social Security disability and complete any appeals process.
- If a member is denied by Social Security, this does not automatically mean that the member will be denied KPERS disability.
- If approved for KPERS disability and Social Security disability, KPERS will **offset** the member's KPERS disability benefit by any (disability or normal Social Security) the member receives.
- The member will receive **at least \$100** a month from KPERS.

KPERS claim denial and appeal process

If the member's claim is denied, KPERS will send member written notice with an explanation. The member may request an administrative hearing to appeal the denial.

Waiting period

For approved claims, benefits will begin the later of:

- The date member completes **180** continuous days of total disability
- The date member no longer draws compensation from employer

No benefits are paid during the 180-day waiting period, and the member must be under the care of a physician. If a member attempts to work for up to 30 days during the waiting period and again becomes totally disabled from the same cause, the waiting period will be extended by the number of days worked.

Calculating member's last day for KPERS contributions

As long as the member is receiving **at least 50%** of full pay, based on his or her KPERS-covered position, the member is considered on the payroll for KPERS purposes.

Full pay is based on the following:

- Regular pay
- Accumulated sick leave pay
- Accumulated vacation pay
- Any combination of the above

Once the member is no longer earning at least 50% of full pay based on his or her KPERS position, go to the EWP and enter the employee's **end date**. Use "**leave of absence**" as the reason code. [Quick Vid: End Dates](#)

The member may continue to receive Workers' Compensation pay or small accumulated payments for sick leave and annual leave. However, do not deduct KPERS contributions. The member has essentially moved to a non-covered position.

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Example 1:

An employee is injured and begins using sick/annual leave to pay 66% of his salary.

- > Report contributions from the salary and keep the employee on your pay report.

Example 2:

An employee is injured and begins receiving Workers' Compensation, which pays 66% of the employee's salary. The employee uses sick/annual leave to pay 34% of his salary. The employee is off more than ten consecutive days.

- > Stop KPERS contributions and place the employee on a leave of absence.

Example 3:

An employee is injured and begins receiving Workers' Compensation, which pays 66% of the employee's salary. The employee has no accumulated sick/annual leave.

- > If the employee is off more than ten consecutive days, stop KPERS contributions and place the employee on a leave of absence even if the employee continues to earn leave.

Example 4:

An employee becomes ill and has no accumulated sick/annual leave. The employee begins receiving 70% of full pay from the employer's sick-leave program.

- > Deduct contributions from the salary and leave the employee on your pay report for KPERS purposes.

Example 5:

An employee becomes ill and is not at work. Employee has no accumulated sick/annual leave and there is no employer sick-leave program. The employer pays employee 70% of full pay.

- > If the employee is off more than ten consecutive days, stop KPERS contributions and place the employee on a leave of absence.

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Disability benefit amount

Once a member completes the waiting period, our long-term disability administrator, DMS (Disability Management Services, Inc.), will pay a monthly benefit as long as the member continues to be approved for disability benefits. The benefit amount will be:

- **60%** of the member’s current annual rate of compensation on the date the disability began.
- Paid in equal **monthly payments**.
- Reduced by any deductible income the member receives:
 - Social Security primary disability or retirement benefits.
 - Workers’ compensation benefits.
 - Railroad Retirement Board disability or retirement benefits.
 - Other disability benefits from any other sources by reason of employment.
 - Earnings from any source of employment.
 - Earnings from eligible rehabilitative employment
- Minimum benefit amount is \$100.
- Maximum benefit amount is \$5,000.

Other features of the disability program

If approved for disability, the following applies:

- The member will continue to receive **service credit**.
- If the member has been disabled more than five years, final average salary is adjusted with a cost-of-living formula to calculate retirement benefits.
- The member will continue to have basic life insurance coverage at no cost to the member.

Member **may continue optional life** insurance coverage by continuing to make premium payments at the same rates paid during active employment. Member must complete and submit the Optional Life Insurance Continuation form ([KPERs 79-C](#)). The member will make premium **payments directly** to Standard Insurance Company.

Maximum benefit period

Disability payments are paid monthly for as long as the member qualifies for benefits, but not to exceed the maximum benefit period.

Disability Begins	Member s Maximum Benefit Period
Before age 60	Until 65th birthday or until retirement, whichever is first
At age 60 or after	For five years or until retirement, whichever is shorter

In no event will benefits be paid:

- During the 180-day waiting period.
- While the member is on the employer’s payroll.
- If the member withdraws contributions from KPERs.

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When disability benefits end

Benefit payments end if the member:

- Is no longer disabled as defined in this plan.
- Reaches the end of the maximum benefit period.
- Fails to provide proof of continuing disability.
- Withdraws contributions from KPERS.
- Refuses to complete his or her responsibilities under a company-approved rehabilitation plan without good cause.
- Is not working to his or her capacity if participating in rehabilitative employment.
- Retires.

Rehabilitative employment

Following a period of total disability, a member may continue to qualify for disability benefits while engaging in rehabilitative employment.

DMS will:

- Review the member's records to determine if vocational or rehabilitative services might help the member return to gainful employment.
- Work with the member to develop a plan that best meets the member's needs.
- Work with the member's physicians and other medical practitioners and vocational experts.

Once it's determined that the member is a suitable candidate for rehabilitative services, participation is mandatory.

DMS reserves the right to make the final decision regarding the member's eligibility to take part in a rehabilitative plan. If the member does not participate in a rehabilitative plan without good cause, disability benefits will end.

Rehabilitative employment benefits

During a period of approved rehabilitative employment, the member's monthly benefit will be reduced by employment earnings as follows:

Period of Rehabilitation	Reduction of Member's Disability Earnings
Months 1-12	↓ 50%
Months 13-24	↓ 75%

The maximum benefit period for rehabilitative employment is 24 months.

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