

Retirement - KPERS 3

The [Retirement Info Center](#) is **the** resource for members within 5 years of retirement. Find answers to the when, how-much and how-to questions, and a lot more.

Retirement Eligibility

Full Retirement - Unreduced Benefit		Early Retirement - Reduced Benefit	
Age	Years of Service	Age	Years of Service
65	5	55	At least 10 years, but less than 30 years
60	At least 30		

*Two quarters round up to one year; 18 quarters round up to 5 years.

Calculating Retirement Estimates

Requesting an estimate from KPERS

- If you are requesting the estimate, the designated agent will need to sign the estimate request form.
- If the member is requesting the estimate, the member will need to sign the estimate request form.
- In the event of a discrepancy between an estimate and the actual monthly benefit, the benefit received will be paid in accordance with applicable laws and regulations.
- To calculate the actual retirement benefit we will use information reported on the retirement certification. KPERS 3 retirement benefit is based on the balance of the member's contribution account and added to the value of the member's retirement credits.

KPERS 3 online calculator

Remind employees they can estimate their benefits at any time using their online account.

How to Retire

Completing retirement application

When a member retires, he or she must do the following:

- Submit a retirement application 30 to 60 days before the member's retirement date.
- From the [KPERS forms page](#), click on the Application for Retirement Benefits KPERS 3 ([K3-15 Booklet](#)). You can order a supply of printed retirement applications [here](#).

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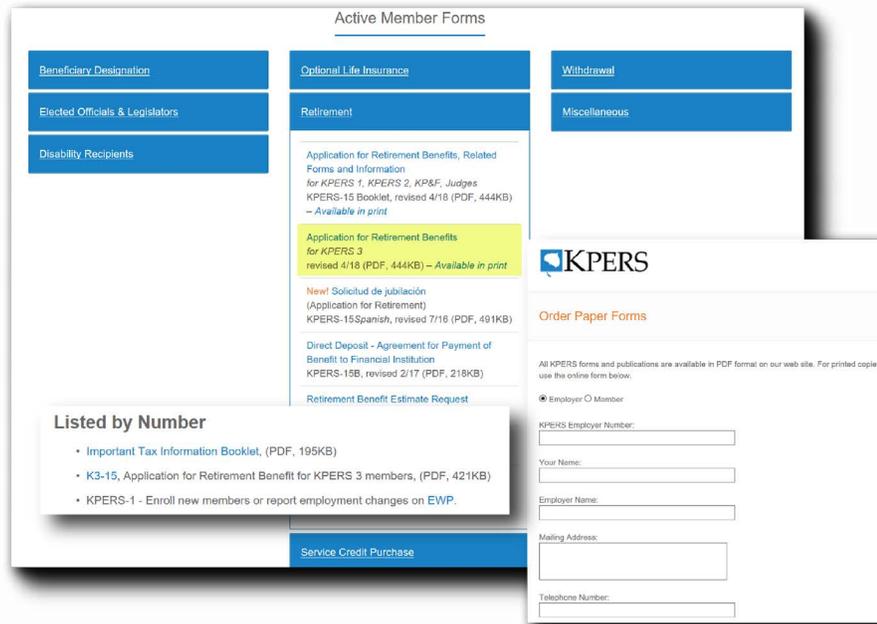
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Documents needed for retirement

Use [Secure Upload](#) on the EWP to send documents to KPERs.

Member

- A photocopy of the member's birth document
- A photocopy of member's name change document if name is different than name on birth document

Joint annuitant

- A photocopy of the joint annuitant's birth document
- A photocopy of the joint annuitant's name change document if name is different than name on birth document

[Acceptable proof of birth](#)

[Acceptable proof of name change](#)

Retirement Date and End Date: Non-School

Non-school retirement date

Non-school members may retire the first of any month after their last day on payroll. KPERs must receive the member's retirement application at least 30 days before his or her retirement date. Ideally, encourage members to submit their application 60 to 90 days ahead of time. This gives KPERs' staff time to process the applications with the required documents and time for you to certify member pay.

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Example: Kim submits her retirement application in early April. Her last day on the payroll is May 25. The retirement date she selects is the first of the following month, June 1. Kim could also retire the first of any month June 1 or after.

Non-school end date

Using the employer web portal, enter the employee's last day on payroll as the end date. Choose retirement as the reason code. [Quick Vid: End Dates](#)

Retirement Date and End Date: School

School non-licensed employees

Non-licensed employees may retire the first of any month after their last day on payroll. KPERs must receive the member's retirement application at least 30 days before his or her retirement date. Ideally, encourage members to submit their application 60 to 90 days ahead of time. This gives KPERs' staff time to process the applications with the required documents and time for you to certify member pay.

Using the employer web portal, enter the employee's last day on payroll as the end date. Choose retirement as the reason code. [Quick Vid: End Dates](#)

School licensed employees (including teachers at community colleges)

Licensed employees have special guidelines for selecting a retirement date. School members under the "Continuing Contract Law" must wait until June 1 or after to retire.

If licensed employees choose to retire June 1, they must complete all work on their contract before June 1. Even if your employer's second quarter does not end until after June 1, you cannot report salary past May 31 if the employee selects a June 1 retirement date. He or she cannot retire June 1 if working any part of June.

Licensed employee

Retirement date	End date
June 1	May 31
July 1	June 30
August 1	July 31
September 1	August 31

Using the employer web portal, enter the employee's last day on payroll as the end date. Choose retirement as the reason code. [Quick Vid: End Dates](#)

Note: Employers must pay all compensation owed to the employees by the first payroll date after their selected retirement date.

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Retirement - KPERs 3

Contributions

Do not deduct KPERs 3 contributions from any lump-sum payouts.

Non-school members and non-licensed school employees

Deduct KPERs contributions through member's last day at work.

Licensed school employees (including teachers at community colleges)

Whether you deduct KPERs contributions from pay depends on the contract end date and the retirement date.

Retirement date	Contact end date	Contributions
June 1	June 30	Deduct KPERs contributions from all pay through May 31. Do not deduct KPERs contributions from employee's June pay.
June 1	July 31	Deduct KPERs contributions from all pay through May 31. Do not deduct KPERs contributions from the employee's June and July pay.
June 1	Aug 31	Deduct KPERs contributions from all pay through May 31. Do not deduct KPERs from the employee's June, July and August pay.
July 1	June 30	Deduct KPERs contributions from all pay through June 30. Deduct KPERs contributions from all pay through June 30.
July 1	July 31	Deduct KPERs contributions from all pay through June 30. Do not deduct KPERs contributions from the employee's July pay.
July 1	Aug 31	Deduct KPERs contributions from all pay through June 30. Do not deduct KPERs contributions from the employee's July and August pay.
Aug 1	July 31	Deduct KPERs contributions from all pay through July 31. Deduct KPERs contributions from all pay through July 31.
Aug 1	Aug 31	Deduct KPERs contributions from all pay through July 31. Do not deduct KPERs contributions from the employee's August pay.
Sept 1	Aug 31	Deduct KPERs contributions from all pay through August 31.

Note: Current statutes provide freedom in how you write contracts for your employees.

However, K.S.A. 74-4940 states that compensation must be paid in 12 equal monthly installments when reporting to KPERs.

[Cheat Sheet: Summer Pay for Retiring School Employees](#)

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Reminder: Do not deduct KPERS contributions from any early retirement incentives or severance payments.

Early retirement incentive: a bonus paid to all retiring employees because of their pending retirement.

School nine- or 10-month employee

- If a nine-month or 10-month employee has previously been paid in 12 monthly checks and does not elect to be paid for the balance earned in May, the employee must wait to retire until all wages have been paid (including all summer pay).
- Please designate on the employer certification if employee was paid over nine, 10, or 12 months in previous years.

Community colleges

All teachers employed at community colleges are covered by the “Continuing Contract Law.” Please refer to the licensed employees section when helping an employee select a retirement date.

Breaking school contracts

If licensed employees retire before the end of the school year, the following applies:

- When reporting compensation, KPERS can only accept a prorated contribution amount based on the number of days of service in the last month.
- Do not report additional pay such as sick leave, vacation leave, etc.
- Do not give daily per diem or daily rates of pay.

For example:

Teacher’s last day is March 10. The teacher’s school contract is \$48,000. Report 1/12 of the contract amount for each month in the calendar year through February $\$48,000/12 = \$4,000$.

	Compensation	Contributions	
January	\$4,000	\$240 (6%)	\$4,000/31 (days in March) = \$129.03 x10 days of service = \$1,290.30
February	\$4,000	\$240 (6%)	
March	\$1,290.30	\$77.42 (6%)	

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Who Is a Licensed School Employee?

Board of Education's list of licensed employees:

- Educator (teacher, administrator)
- Audiologist
- Speech pathologist
- Occupational therapists
- Physical therapist
- Social worker
- Registered nurse
- Dietitian
- Licensed professional counselor
- Licensed clinical professional counselor
- Psychologist
- Orientation and mobility instructor

Retirement Payment Options

Throughout their careers, members contribute and earn retirement credits. It grows over time and earns interest. Retirement benefits are based on the contributions account balance and value of retirement credits.

Partial lump-sum option (PLSO)

The member may choose a partial lump sum equal to any dollar amount up to 30% of the member's account balance. The amount is chosen by the member, subtracted from the account balance and paid to the member in a lump sum. The remaining balance is converted to an annuity.

Base Benefit

The base benefit is the 10-year life certain option. With a life certain option, the member will receive a monthly benefit for life. But, if the member dies within 10 years of retirement, his or her beneficiary will receive the same benefit for the rest of the 10-year period. Benefits are guaranteed for at least 10 years, no matter who receives them. And the member will receive a benefit for life, no matter what. The member can also choose a 5-year or 15-year life certain option. They work the same way.

Joint-survivor option

Members who want to provide a lifetime benefit for someone after they die can choose a joint-survivor option like the ones available to KPERS 1 and KPERS 2. The options are 50%, 75% or 100%. Should the joint-survivor pass away, the member's benefit will "pop-up" to the maximum amount before the joint-survivor option reduction.

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Spousal consent

The spouse must complete the spousal consent section of the retirement application. This verifies that the spouse has read, understands and agrees with the retirement option that the member has chosen. The spouse's signature must be notarized.

COLA

KPERS 3 members can opt for an annual cost-of-living-adjustment (COLA). Their benefit is reduced at the beginning to pay for future 1% or 2% increases every year. The increase happens every year on July 1 and begins after one year of retirement.

Note: Retirement estimate requests will be calculated without the COLA option.

Qualified domestic relations order (QDRO)

In the event a Retirement System member divorces, any annuity, benefit, or accumulated contributions from the Retirement System may be subject to claims by a former spouse under the provisions of a qualified domestic relations order (QDRO). A QDRO is a court order providing for:

- Maintenance
- Child support
- Property division

Retirement account assets are considered marital assets to the extent they have accumulated during the marriage. Most QDROs result from an agreement between the parties. A former spouse may not receive payment from the Retirement System under a QDRO unless and until the member:

- **Retires** - If the member becomes eligible to retire with monthly benefits, the former spouse may be awarded either a lump-sum distribution or a percent of each monthly benefit.
- **Withdraws** - If the member ends employment and withdraws his/her contributions, the former spouse may be awarded a portion of the lump-sum distribution.
- **Dies** - If a member dies before retirement, the former spouse's award may be enforceable against the refund of accumulated contributions or the lump-sum death benefit.

Certifications

Notification of certification on EWP message board

When KPERS receives an application for retirement, we will require a last day on payroll and certified year-to-date contributions for that member. A notice will appear on your EWP To-Do List.

[Quick Vid: Certifications](#)

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Retirement Checklist

After an employee has decided to retire, use this quick reference checklist to help you get through the final steps without missing a beat.

- Have the employee get a retirement benefit estimate**
 - Direct employee to the calculator on his or her online KPERS account
- Enter employee's end date on the EWP as soon as you know it, up to 90 days ahead**

[Quick Vid: End Dates](#)

 - End date must be earlier than retirement date
- Give or point employee to the Application for Retirement Benefit for KPERS 3 members (K3-15)**
 - Booklet has application, instructions, tax info, as well as forms for withholding, direct-deposit and designation of beneficiary
 - Employee should submit application at least 30 days (encourage 60 to 90 days) before retirement date
 - KPERS will process application and may send you a request to certify final pay
- Give life insurance conversion and portability forms to employee**

[The Standard Conversion Packet](#)
[The Standard Life Portability Insurance Application](#)

 - Kansas law requires you give employees notice of life insurance conversion rights at least 15 days before end of 60-day conversion period
 - Employers must certify to this on retirement application
- Go over working-after-retirement rules**

[Webpage for employees](#)
[Webpage for employers](#)

 - 60- or 180-day waiting periods
 - Prearrangements to return are not allowed
 - No earnings limit
 - Retirees do not pay contributions
- If employee is in a service purchase, have him or her contact KPERS as soon as possible**
 - If doing lump-sum, purchase has to be complete before last day on payroll
 - If doing payroll deduction, employee only gets credit for complete quarters that were purchased
- Complete retirement certification on the EWP**

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Problem	Prevention
An employee approaching retirement has never estimated his or her retirement benefit and is now worried.	Remind the employee to use the online Benefit Calculator (KPERS 1 KPERS 2 KPERS 3 KP&F Judges) at kpers.org , and read his or her Member Annual Statements by accessing his or her online account .
Your employees often struggle getting through the retirement process.	Encourage employees who are within 5 years of retirement to attend at least one Pre-Retirement Seminar, read the Pre-Retirement Planning Guide (KPERS 1 & 2) or (KP&F), and visit the retirement info center at kpers.org .
You sent the application in, but haven't heard back from KPERS.	Within about one week of receiving the application, KPERS will process it. We'll notify you on your EWP To-Do list when it's ready for certification. If you don't see the notification within 30 days of retirement date, call the infoline.

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