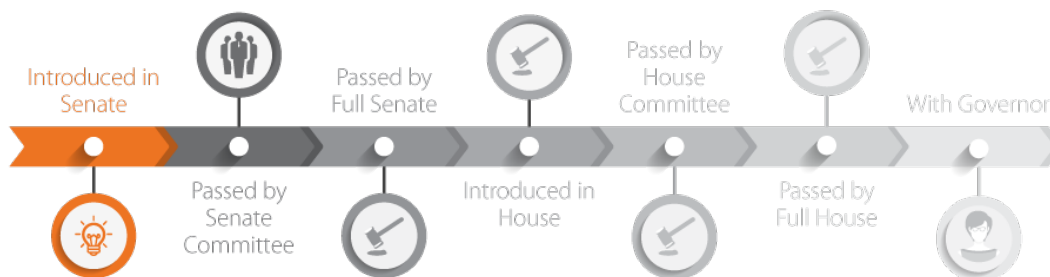


## 2023 Legislative Session | KPERS Bill Recap

### Senate Bill 256: KPERS 3 Dividend Interest Credit

#### Where It's At



#### Quick Look

SB 256 sets the KPERS 3 dividend interest credit at 1% in Calendar Year 2023. The statutory formula remains in place for CY 2024 and future years.

#### Hearings

No hearings scheduled.

#### The Fine Print

KPERS 3 is a cash balance plan. In this plan, members accrue balances in notional accounts for their member contributions and retirement credits earned. Those accounts receive a guaranteed 4% interest credit each year and may receive additional interest depending on a statutory formula tied to KPERS investment returns.

The statutory formula is 75% of the rolling 5-year average net investment return above 6%. Since KPERS 3 launched in 2015, the statutory formula has provided additional interest four times, ranging from 0.825% to 3.525%.

SB 256 sets a 1% dividend interest credit for Calendar Year 2023, regardless of what the statutory formula would provide (which could be no dividend). The existing statutory formula would be used again in CY 2024 to provide dividend interest credits.