

KPERS *at a glance*

Service, Integrity, Respect, Accountability, Innovation, Teamwork

Dedicated Fiduciary, First and Always

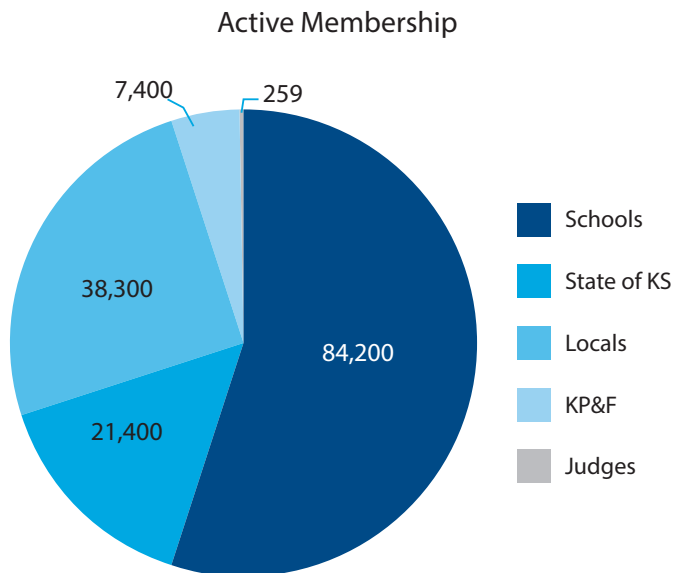
The fiduciary standard is our guiding principle and driving force. That means we put the interest of our members first. It is the highest standard of care and accountability. The Kansas Public Employees Retirement System serves members as a fiduciary, holding assets in trust for them, growing those assets through investments and delivering promised benefits when the time comes.

The Kansas Legislature created KPERS in 1962 to secure a financial foundation for those spending their careers in Kansas public service. KPERS provides disability and death benefits to protect employees while they are still working, and guarantees them a lifetime benefit when they retire.

Who We Are

We have three statewide defined benefit retirement plans overseen by a nine-member board of trustees. A staff of more than 100 employees partners with about 1,500 state and local employers to provide benefits. KPERS also oversees KPERS 457, a voluntary 457(b) savings plan for all State and many local employees. KPERS membership totals over 311,000, including active, inactive and retired members. Our membership includes people from all walks of life in a variety of jobs with one thing in common – serving Kansans.

The State of Kansas is the largest single employer, and more than half of active members are employed by school districts.



Contact Us

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How KPERS Works

1. Legislature defines benefits and funding.
2. Actuary projects how much benefits will cost.
3. Employers and members make contributions to KPERS.
4. KPERS invests the money over time.
5. KPERS pays benefits with contributions and investment earnings.

Myth:

KPERS is like Social Security. Contributions from current employees pay benefits of current retirees.

Fact:

KPERS is not like Social Security. KPERS benefits are "prefunded." Current contributions are invested to pay benefits down the road.

How Benefits Are Funded

Contributions + Investments — Expenses = Benefits

Money In – Employee and Employer Contributions

Contributions for Fiscal Year 2018 totaled about \$1.3 billion.

Employee Contributions

- KPERS = 6% of pay
- KP&F = 7.15% of pay
- Judges = 6% of pay

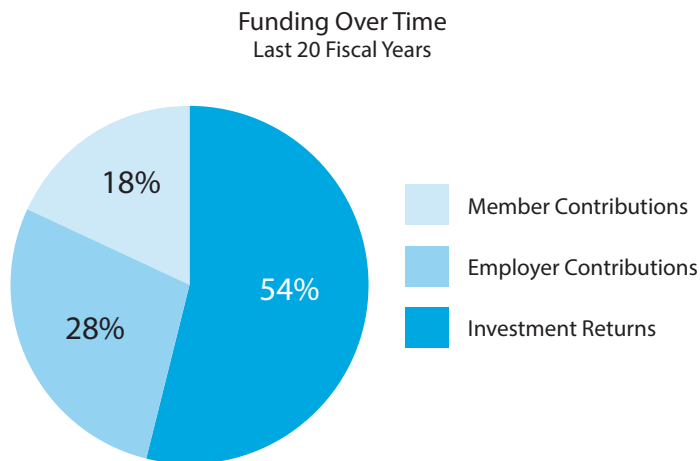
Employer Contributions

- Variable percent of pay set by annual actuarial valuation
- Statutory cap on annual rate increases

Investments

The investment portfolio represents all contributions as well as net earnings on these assets, currently at about \$19 billion. KPERS' portfolio is managed for the long-term in an effort to generate adequate returns to pay promised benefits.

Investment returns make up the largest source of income for paying benefits. They are a vital part of successful funding. Over the years, investments have paid for more than 50% of benefits.



Our actuarial projections currently assume an average, long-term investment return of 7.75%. In some years, returns will be below that rate, and in others, returns will exceed it. While investment returns each year are important, healthy returns over time are essential for proper funding. KPERS' 25-year investment return average is 8.5%, exceeding the 7.75% target.

Money Out – Benefits

KPERS paid about \$1.6 billion in benefits in Fiscal Year 2018 (retirement, death, disability and withdrawal). At retirement, a member's benefit is calculated and the retiree will receive a benefit for life.

The average monthly KPERS retirement benefit is \$1,336. After about three years, most retirees begin receiving more in total benefits than they paid in contributions (if no lump-sum option).

KPERS Board of Trustees

Kelly Arnold, Chairman, Wichita

- County Clerk, Sedgwick County
- Appointed by the Governor

Suresh Ramamurthi, Vice Chairman Topeka

- Chairman, CBW Bank
- Appointed by the President of the Senate

Ernie Claudel, Olathe

- Retired teacher
- Elected member – School

Shawn Creger, Prairie Village

- Financial Advisor, Edward Jones
- Appointed by the Speaker of the House

James C. Cusser, Mission Hills

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- Appointed by the Governor

Jake LaTurner, Pittsburg

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- Statutory member

Ryan Trader, Olathe

- Firefighter/Paramedic, Olathe Fire Department
- Elected member – Non-School

Michael Rogers, Manhattan

- Certified Public Accountant
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James Zakoura, Overland Park

- Partner, Smithyman & Zakoura Law Firm
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