

# BENEFITS

## at a glance



For KPERS 1 Members  
Hired Before July 2009

Throughout your career, you make contributions to KPERS. We invest the money and pay you interest. Your employer also helps fund the System. When you retire, KPERS pays you a guaranteed monthly benefit for life. And while you're still working, you have life insurance and disability benefits.

## RETIREMENT BENEFITS

### Your Contributions

You contribute 6% of your salary from each paycheck. It's automatic and pretax. Your contributions earn 4% interest annually, unless you became a member before July 1993. If you leave employment you can withdraw your account balance, but you can't take a loan from your account while you are still working.

### Vesting

After five years of service you are guaranteed a retirement benefit, even if you leave employment. This is called "vesting" your benefit.

### Retirement Benefits

Your benefits are based on a formula with three parts: final average salary, multiplier and years of service.

- 1 For most members, **final average salary** is an average of your three highest years.
- 2 The **multiplier** is set by statute.
  - Years before 2014 1.75%
  - Years 2014+ 1.85%
- 3 You automatically earn **service credit** for the years you work in a covered position.

### How Your Benefit Is Calculated

**FAS × multiplier × years of service = annual benefit**

Example: \$30,000 × 1.75% × 30 = \$15,750 annual benefit

## KPERS Won't Be Enough

KPERS and Social Security won't be enough for a sound retirement. You need to save on your own, too. The easiest way to save is through a tax-sheltered employer plan like a 457(b) deferred compensation or a 403(b) annuity plan. Check with your employer about options where you work.

The State of Kansas and many local public employers offer KPERS 457, a deferred compensation savings plan. Contributions are automatically deducted from your pay, and you can get started with as little as \$12 per pay period. Visit [kpers457.org](http://kpers457.org) for more info.

However you choose to save, the important thing is to start. The sooner you begin, the more time your money has to grow. Socking away even a sliver of your salary could have a big impact on your retirement.

Most financial experts suggest replacing at least 80% of your income for retirement.



Increasing healthcare costs and living longer may mean you need to save even more.

# TO-DO LIST

- ✓ Set up your online account access at [kpers.org](http://kpers.org).
- ✓ Designate a beneficiary in your online account or with a paper form.
- ✓ Check out [kpers.org](http://kpers.org) for details about your KPERS benefits.
- ✓ Make a plan for extra savings. KPERS may not be enough.

## ADDITIONAL BENEFITS

### Disability Benefits

If you qualify, disability benefits are based on 60% of your annual salary. There is a 180-day waiting period.

### Basic Life Insurance and Death Benefits

Basic life insurance is equal to 150% of your annual salary. Your employer pays for the cost. KPERS also returns your contributions and interest. Your spouse may be eligible for a monthly benefit, instead of receiving your account balance if you designate him or her as your sole primary beneficiary.

### Job-Related Death

If you die from an on-the-job accident, there is an additional death benefit for your spouse.

### Optional Life Insurance

Many employers offer optional group life insurance, including the State of Kansas. Check with your employer. You can get coverage for yourself, your spouse and children. Premiums are deducted from your pay. You can start or increase your coverage or your spouse's coverage anytime by answering a few health questions. New employees are eligible for guaranteed coverage within 31 days.

#### Guaranteed coverage (no health questions)

	Member	Spouse	Child
Guaranteed Coverage Max	\$250,000	\$25,000	\$20,000
Annual open enrollment	up to \$50,000 increase	up to \$25,000	\$10,000 or \$20,000
New hire	up to \$250,000	up to \$25,000	\$10,000 or \$20,000
*Family status change	up to \$50,000 increase	up to \$25,000	\$10,000 or \$20,000

\*Within 31 days of marriage, divorce, birth, adoption or employment status change (member or spouse).

#### Anytime coverage (some health questions)

	Member	Spouse	Child
Choice of \$5,000 increments	\$5,000 min \$400,000 max	\$5,000 min \$100,000 max	only available w/new hire, open enrollment or family status change

## When Can You Retire?

- Age 65 with 1 year
- Age 62 with 10 years
- Any age when your age and years of service added together equal 85 (85 points)
- Reduced benefits at age 55 with 10 years

You'll receive a guaranteed monthly benefit for the rest of your life. You can also choose from different payment options if you want to leave a monthly benefit for someone after your death or get some of your benefit in an up-front lump sum at retirement.

This is important – your benefits don't include an automatic cost-of-living increase. You'll need to save extra on your own to keep pace with inflation.

### Questions?

**Email:** [kpers@kpers.org](mailto:kpers@kpers.org)

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[kpers.org](http://kpers.org)