

KPERS ROADMAP TO OUR FUTURE

Modernizing Technology and Business Processes to Better Serve Our Members

We Need to Modernize

KPERS provides retirement, disability and death benefits for Kansas' state, school and local government public employees. The Retirement System has nearly 320,000 members and manages over \$20 billion in Trust Fund assets for our members.

Having an efficient, dependable and secure pension administration system is critical to accomplishing our mission.

The current system is still capable of paying member benefits and collecting member and employer contributions and information from our employers. But the current system is over 15 years old and has accommodated many legislative plan design changes over the years.

- Adding KPERS 2 and KPERS 3.
- Changing working-after-retirement rules.
- Moving to pay period reporting (instead of annual) to support the needs of the KPERS 3 cash balance plan.

It is time to modernize. The existing system has become less efficient and more unstable. Maintaining it is becoming more of a struggle with each passing year. We cannot leave our foundational pension administration system frozen in the past.

The risk for some future difficulty with the existing pension administration system is just too great to delay a major upgrade.

Begin With the End in Mind

In 2020, KPERS partnered with Segal to complete a comprehensive pension administration system assessment and review of existing business processes.

Segal provides administration and technology consulting for both private and public sector organizations, with significant experience in the public retirement industry.

Based on the three-month assessment, Segal helped KPERS develop a roadmap to our future – an improved retirement administration system with efficient business processes, tools for increased organization productivity, and the highest quality interactions with our members and employers. Much more than just a software application.

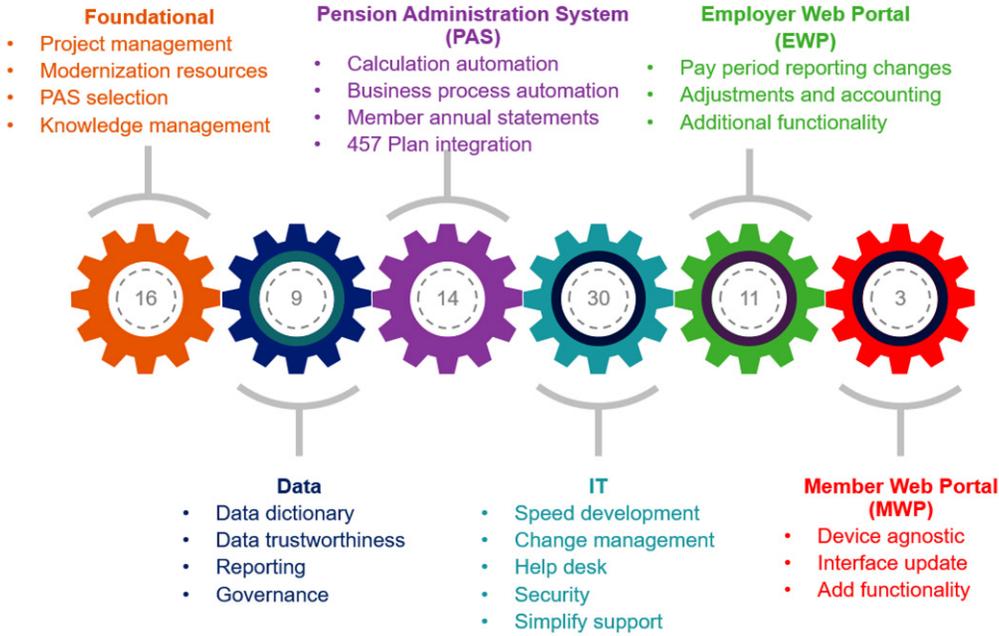
How Do We Get There?

Segal's assessment identified six areas for investment over the next four years. KPERS plans to begin with "foundational" projects and data improvement during the first year, laying the groundwork for the pension administration system modernization and business process improvements to follow.

KPERS will also focus on the business of information technology and how it supports the rest of the organization.

To reflect the importance of our members and employers, during the later phase of the initiative we will also invest in both the member and employer portals. Employers are our partners, equipping us with timely and accurate information to help deliver promised benefits. We also seek to be a valued partner for members, providing the tools and information they need to truly be ready for retirement.

Key Areas for Modernization



How Much Will It Cost?

KPERS expects a total cost of about \$20 million over five years to modernize our current technology and business processes.

The first step in the modernization effort was approved by the Governor and 2020 Legislature, beginning with the comprehensive assessment in 2020. Based on the assessment, the KPERS Board has approved the five- year modernization project. We have built the coming Fiscal Year 2022 budget request to reflect the estimated costs associated with implementing the roadmap initiative.

FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	Total
\$1.5 M	\$6.6 M	\$5.3 M	\$4.6 M	\$2.5 M	\$20.5 M

KPERS' Vision for Modernization

