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# EMPLOYER MANUAL

## CONTACTING KPERS

Working together, let's remember that communication between employers and KPERS staff is a key component to helping employees get the most from their benefits.

### Calling

Our InfoLine is open from 8:00 a.m. until 4:00 p.m. (Central Time). Please feel free to contact our office if you have any questions. Our toll-free number is 1-888-275-5737. If you are in the Topeka area, please call 296-6166.

### Faxing

Our fax number is 785-296-6638. We cannot accept faxed copies of death certificates. We can accept faxed copies of most forms and document originals required for death certificates.

### Visiting

611 S. Kansas Ave., Suite 100

### Emailing

[employers@kpers.org](mailto:employers@kpers.org)

Do not e-mail SSN or attached forms with SSN. You will receive a response within 24 hours. Members can send e-mail to [kpers@kpers.org](mailto:kpers@kpers.org).

### KPERS website

View our forms, publications and get a wealth of information at [kpers.org](http://kpers.org).

This publication explains the benefits and other provisions of the Kansas Police & Firemen's Retirement System (KP&F). In the interest of simplicity, certain generalizations have been made. The text of the law and the rules adopted by the Board of Trustees will control specific situations.



# EMPLOYER MANUAL

## MEMBERSHIP

Membership in KP&F is mandatory for all employees in a covered position (at least 1,000 hours and not temporary or seasonal).

There is an **exception** to the mandatory membership rule for **retirees**.

Employee retires from	Employee returns to	Status/Contribution
KP&F-covered position	KP&F-covered position	Retired KP&F member/No contribution
KP&F-covered position	KPERS-covered position	Retired KP&F and Active KPERS member/ Make KPERS employee contribution

An employee may not make contributions to the system from which they retired.

An employee must meet the following definition of a “policeman” or “fireman” to be enrolled in the Kansas Police & Fireman’s Retirement System.

### Policeman

A “policeman” is an employee assigned to the police department whose principal duties are engagement in the enforcement of law and maintenance of order within the state and its political subdivisions, including sheriffs and sheriffs’ deputies; who have successfully completed the required course of instruction for law enforcement officers approved by the Kansas law enforcement training center.

### Fireman

A “fireman” is an employee assigned to the fire department whose principal duties are engagement in the fighting and extinguishment of fires and the protection of life and property therefrom and who is specifically designated, appointed, commissioned or styled as such by the governing body or city manager of the participating employer and certified to the retirement system as such. For the purposes of any affiliation under subsection (c), whenever the word “fireman” is used in article 49 of chapter 74 and amendments thereto, it shall be construed to include “emergency medical service technician” as defined by subsection (a).

## CLASSIFICATIONS OF KP&F MEMBERSHIP

### Tier I Member

- Employed before July 1, 1989, and **did not elect** Tier II coverage

### Tier II Member

- Employed on or after July 1, 1989
- Employed before July 1, 1989, and **did elect** Tier II coverage

### Transfer Member

- Former members of a local plan who elected to participate in KP&F when their employer affiliated for KP&F coverage, including members of:
  - Kansas Highway Patrol
  - Kansas Bureau of Investigation
  - Countywide law enforcement agencies

### Brazelton Member

- Members who participated in a class action lawsuit, whose contribution is lower and whose benefits are offset by Social Security

### Special Member

- Member who chose to stay under provisions of his or her local plan when employer affiliated with the Kansas Police and Firemen's Retirement System (special member cannot be a Tier I or Tier II member)

## PORTABILITY

K.S.A. 74-4988 is known as the "portability" section of the Kansas Retirement Act. Portability allows employees, under certain conditions, to combine their service and salary from three retirement systems KPERS administers (KPERS, KP&F and Judges). This is done to meet eligibility requirements for retirement and vesting. Normally, portability does **not** apply to any employee who has retired under one system and then began working under another system.

Portability does **not** apply to any employee who **retired** from one system and became a member in a second system after July 1, 1995.

Effective as of July 1, 1996, employees who established membership under two systems after July 1, 1995, and who are eligible to retire under their active system but not their **inactive** system, due to age requirements, may freeze their inactive account and retire under their active account.

Effective as of July 1, 1998, employees who established membership under two systems before July 1, 1995, and who need service credit from both systems to retire under one system may combine the service and retire under one system while remaining active under the other system.

Employees who purchase service after July 1, 1995, to establish a second account are not covered under the 1998 statute allowing portability. They must either retire under both systems or freeze their inactive account if service credit is needed from both systems to meet eligibility requirements.



# EMPLOYER MANUAL

## DUAL EMPLOYMENT (working for two or more KP&F employers)

An employee in a KP&F-covered position who also works in a KP&F-covered position with another employer contributes to KP&F with both employers.

An employee in a KP&F-covered position who also works in a KPERS-covered position **will not** make contributions to the Kansas Public Employees Retirement System. An employee **cannot** receive service credit from two KPERS administered retirement systems at the same time.

## TOTALITY OF EMPLOYMENT (working extra jobs at same employer)

Contributions must be taken from all compensation earned with the same employer **if the additional work is considered KP&F duty.**

## CONTRIBUTIONS

All employees in KP&F-covered positions contribute a percentage of their salaries to help fund their future retirement benefits. Contribution and interest rates vary according to the classification of KP&F membership to which the employee belongs.

- Tier I and Tier II members contribute 7.15% of their gross wages
- Brazelton members contribute 0.8% with a Social Security offset
- Special members contribute 3% of their gross wages

Find certified and projected KP&F employer contribution rates on the [Employer Contributions page](#). Year-to-year changes are based on actuarial calculations

Employer contributions are remitted with each pay period and help fund employee retirement benefits. Employer contributions are not credited to the individual employee’s account but remain with the Retirement System. If an employee terminates employment and withdraws membership in KP&F, he or she will only receive his or her own employee contributions plus interest.

## INTEREST

Employee Membership Date	Interest Earned Annually on Accumulated Contributions
Before July 1, 1993	<b>7.75%</b>
On or After July 1, 1993	<b>4%</b>

If an employee has an additional membership with a different Retirement System before July 1, 1993, and has not withdrawn his or her contributions from the previous membership, that member will continue to accrue 7.75% interest on both Retirement System memberships.

### DESIGNATION OF BENEFICIARY

On an employee's membership date, have him or her complete and submit the Designation of Beneficiary form ([KPERS-7/99](#)).

An new employee **is not** required to complete a new beneficiary form if he or she meets these criteria:

- Transferring from one KP&F employer to another
- Has beneficiary form on file with KP&F
- Does not want to change beneficiary

Legislation allows employees to designate separate beneficiaries for retirement benefits and group life insurance benefits. The beneficiary designation applies to all systems in which the employee is a member.

The Retirement Act provides a line of descendency in the event a beneficiary has not been named or is not living at the time of the member's death.

### SERVICE CREDIT

An employee's retirement benefit is based on a formula.

Final Average Salary		Multiplier Rate		Years of Service		Annual Benefit		Monthly Benefit
<b>\$40,000</b>	<b>X</b>	<b>2.5%</b>	<b>X</b>	<b>30</b>	<b>=</b>	<b>\$30,000 /12</b>	<b>=</b>	<b>\$2,500</b>
		(for KP&F)						

#### Types of Service Credit

**Participating Service Credit** Employees receive participating service credit for any reporting quarter in which they make contributions after their membership date.

- Participating service is credited according to the agency's period of service dates and payroll periods (e.g., pay for service in the last week of December in some cases could result in service credit in the first quarter of the next year).
- As of July 1, 2017 (and retroactive to July 1, 2014), KP&F members who return to work from being on paid leave will receive service credit for that leave. Types of paid leave that qualify are: administrative, vacation, sick, personal, workers' compensation, light/temporary assignments.
  - If the employee does not return to work in the same or similar position at the end of leave (except for death or disability), he or she will lose the service credit earned during leave.
  - If the employee voluntarily quits his or her job during leave, he or she can receive service credit for the first 365 days of leave.
- When an employee retires, the participating service quarters are converted to years to determine the employee's participating service credit basis. At retirement, two quarters round up to the next full year of credit. For example, 24 years and 2 quarters of service round up to 25 years.

**Prior Service** If an employee worked for your employer on the employer's KP&F affiliation date, and the employer affiliated for prior service, the employee will have all eligible prior years of service credit calculated at 2.5% at time of retirement.

**Future Service Only** If an employee works for a participating employer that affiliated for future service only, the employee's service before the affiliation date won't be counted as KP&F service. If the employee was a KPERS member before the affiliation date, KPERS service will remain in the KPERS system and the employee will be entitled to receive a monthly retirement benefit from each system.

### Purchasing Service Credit

There are various service purchase plans available to employees in KP&F-covered positions. Some of these purchases may be made by a lump-sum payment, while other purchases may be made by making additional contributions to KP&F each pay period. The purchase of service credit affects the employee's retirement benefit by increasing the number of years of credited service. Purchasing service credit has no effect on final average salary for retirement purposes.

**Military Service** - An employee may purchase up to six years of military service in a lump sum or by the modified double- or triple- payroll deduction method. The purchase of military service affects retirement benefits by increasing the number of years of credited service only. **Military service credit cannot be used to meet age and service requirements for retirement with KP&F.** Military service is computed at 2.5% at time of retirement.

**Forfeited KP&F Service** - An employee may purchase forfeited KP&F service credit at an actuarially determined amount, either as a lump sum or over time through payroll deductions. He or she must purchase all forfeited KP&F service. Forfeited KP&F service is computed at 2.5% at time of retirement.

**Forfeited KPERS Service** - An employee may purchase forfeited KPERS service at an actuarially determined amount by the lump-sum method only. This service will re-establish a KPERS record and will not be added to the employee's KP&F record. Forfeited KPERS service is computed at 1.75% at time of retirement.

**Application Required** - Purchasing service credit requires the employee to submit an Application to Purchase Service Credit ([KPERS-67](#)) form. At the conclusion of the process, when the service to be purchased has been verified by KPERS staff, the employee receives a letter from the retirement system (mailed in care of the DA), quoting the price of the service purchase – either the lump-sum price or the salary-reduction%age. This is called a cost letter.

**Lump-Sum Payment** - An employee may purchase service credit by lump sum. The cost is based on the actuarial value of the service being purchased (refer to the [lump-sum table](#)). The value is established in part by using the employee's **current annual salary** (hourly rate of pay times the number of hours of work the position requires per year, the amount of compensation the member earned in the last twelve months, or the member's final average salary, whichever is higher). This would include overtime, etc. The employee's age at the time of purchase also figures into the calculation. Lump-sum purchases are made with after-tax dollars or eligible rollovers. The member has 45 days from the date of the cost letter to send payment to the Retirement System.

Consistent with the Internal Revenue Code, KP&F accepts rollovers in payment for lump-sum purchases of service credit, provided the money is an "eligible rollover distribution" received from:

- 401(a) tax-qualified plan (including a Keogh plan that meets additional requirements pertaining to owner-employees)
- 401(k) profit sharing plan
- 403(a) qualified annuity plan
- 403(b) tax sheltered annuities (educational employers)
- 457(b) deferred compensation (state and local governmental employers)
- Money from IRAs
- 408(a) individual retirement account
- 408(b) individual retirement annuity

### Trustee-to-Trustee Transfer

Employees can purchase their eligible service credit through a direct trustee-to-trustee transfer or via rollover from their 457(b) governmental or (403(b) plans.

Two requirements for an in-service trustee-to-trustee transfer to purchase service credit:

- 457(b) or 403(b) plan must allow an in-service trustee-to-trustee transfer
- Money transferred can be no more than the service purchase cost

### The Difference Between Rollovers and Transfers

- **A Rollover** involves the distribution of the employee's entire available balance from a former employer plan. The employee's employment under the plan must be over, and the employee's account closed.
- **A Transfer** may involve the distribution of part of the employee's balance from a former employer or current employer plan. The employee's employment and participation in the plan may have come to an end or it may be continuing and the employee's account may remain open.

**Additional Payroll Deductions** Employees may purchase service credit by making additional payroll contributions under a payroll-deduction agreement between the employer and the employee. Purchases by this method are made with pre-tax dollars. This method is called the modified double- or triple- deduction method (refer to the KP&F [payroll deduction tables](#)).

- An age actuarial table is used to determine the percentage that is to be taken from the employee's gross wages during the period of the purchase.
- This period is equal to the number of quarters being purchased.
- The employee has 21 days from the date of the cost letter to send the salary-reduction authorization to the Retirement System.
- You should not commence additional payroll deduction for a service purchase unless the employee has sent the executed salary-reduction authorization to KP&F.

**Salary reduction method, once chosen, cannot be changed or stopped.** The method of purchase cannot be changed once payroll deductions have been authorized. This is a fundamental qualified plan requirement for governmental plans selling service credit on a pre-tax basis and the Retirement System is **not allowed** to authorize any exceptions. However, if the employee is terminating employment or has applied to retire, the remaining service to be purchased may be paid for by making a lump-sum payment to complete the purchase. The employee must apply and pay for the service before his or her last day on payroll.



## EMPLOYER MANUAL

### SERVICE PURCHASE TABLES

**KP&F - Table 1**

Lump-Sum Service Purchase Table - 2.5%

Age	Factor	Age	Factor	Age	Factor	Age	Factor
22*	2.860000	35	4.825328	48	8.141921	61	10.054959
23	2.977170	36	5.023469	49	8.476251	62	9.913535
24	3.099421	37	5.229747	50	8.824310	63	9.782219
25	3.226692	38	5.444495	51	9.186661	64	9.643959
26	3.359189	39	5.668061	52	9.563891	65	9.527567
27	3.497127	40	5.900808	53	9.956611	66	9.360334
28	3.640729	41	6.143111	54	10.365457	67	9.186844
29	3.790227	42	6.395365	55	10.791092	68	9.007069
30	3.945864	43	6.657976	56	10.681983	69	8.820990
31	4.107893	44	6.931371	57	10.567677	70	8.628614
32	4.276574	45	7.215993	58	10.447979	71	8.430034
33	4.452182	46	7.512302	59	10.322707	72	8.225328
34	4.635002	47	7.820778	60	10.191754	73	8.014571

\*Age 22 and under have same factor

**Example is for a KP&F member who is age 50 and purchasing 5 years of forfeited service.**

Member's current salary (or FAS if higher)	\$30,000.00	
Multiply the salary by 2.5%	0.025	
<b>Total</b>	<b>\$750.00</b>	
Multiply by member's age factor	8.824310	(age 50)
<b>Total</b>	<b>\$6,618.23</b>	
Multiply by number of years being bought	5	
<b>Lump-Sum cost is:</b>	<b>\$33,091.15</b>	

# EMPLOYER MANUAL

**Table 2 – All Service Purchases under 4965 A – Double Deduction (2.5%)**

Age	Service years to purchase																									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
18	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.26%	7.40%	7.54%	7.68%	7.82%	7.97%	8.11%	8.26%	8.41%	8.56%	8.71%	8.87%	9.02%	9.18%	9.34%	9.50%	9.66%
19	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.28%	7.42%	7.56%	7.70%	7.85%	8.00%	8.14%	8.29%	8.45%	8.60%	8.76%	8.91%	9.07%	9.23%	9.39%	9.56%	9.72%	9.89%	10.06%	
20	7.15%	7.15%	7.15%	7.15%	7.29%	7.43%	7.58%	7.72%	7.87%	8.02%	8.17%	8.32%	8.48%	8.64%	8.79%	8.95%	9.12%	9.28%	9.44%	9.61%	9.78%	9.95%	10.12%	10.30%	10.47%	
21	7.15%	7.15%	7.30%	7.44%	7.59%	7.74%	7.89%	8.04%	8.19%	8.35%	8.51%	8.67%	8.83%	8.99%	9.15%	9.32%	9.49%	9.66%	9.83%	10.01%	10.18%	10.36%	10.54%	10.72%	10.90%	
22	7.30%	7.45%	7.60%	7.75%	7.90%	8.05%	8.21%	8.37%	8.53%	8.69%	8.86%	9.02%	9.19%	9.36%	9.53%	9.70%	9.88%	10.06%	10.24%	10.42%	10.60%	10.78%	10.97%	11.16%	11.35%	
23	7.60%	7.75%	7.91%	8.06%	8.22%	8.38%	8.55%	8.71%	8.88%	9.05%	9.22%	9.39%	9.57%	9.74%	9.92%	10.10%	10.29%	10.47%	10.66%	10.84%	11.03%	11.23%	11.42%	11.62%	11.81%	
24	7.91%	8.07%	8.23%	8.40%	8.56%	8.73%	8.90%	9.07%	9.24%	9.42%	9.60%	9.78%	9.96%	10.14%	10.33%	10.52%	10.71%	10.90%	11.09%	11.29%	11.49%	11.69%	11.89%	12.09%	12.30%	
25	8.24%	8.40%	8.57%	8.74%	8.91%	9.09%	9.26%	9.44%	9.62%	9.81%	9.99%	10.18%	10.37%	10.56%	10.75%	10.95%	11.15%	11.35%	11.55%	11.75%	11.96%	12.17%	12.38%	12.59%	12.80%	
26	8.58%	8.75%	8.92%	9.10%	9.28%	9.46%	9.64%	9.83%	10.02%	10.21%	10.40%	10.60%	10.79%	10.99%	11.20%	11.40%	11.61%	11.81%	12.02%	12.24%	12.45%	12.67%	12.89%	13.11%	13.33%	
27	8.93%	9.11%	9.29%	9.47%	9.66%	9.85%	10.04%	10.23%	10.43%	10.63%	10.83%	11.03%	11.24%	11.45%	11.66%	11.87%	12.08%	12.30%	12.52%	12.74%	12.96%	13.19%	13.42%	13.65%	13.88%	
28	9.29%	9.48%	9.67%	9.86%	10.06%	10.25%	10.45%	10.65%	10.86%	11.06%	11.27%	11.49%	11.70%	11.92%	12.13%	12.35%	12.58%	12.80%	13.03%	13.26%	13.49%	13.73%	13.97%	14.21%	14.45%	
29	9.68%	9.87%	10.07%	10.27%	10.47%	10.67%	10.88%	11.09%	11.30%	11.52%	11.74%	11.96%	12.18%	12.40%	12.63%	12.86%	13.09%	13.33%	13.57%	13.81%	14.05%	14.29%	14.54%	14.79%	15.04%	
30	10.07%	10.28%	10.48%	10.69%	10.90%	11.11%	11.33%	11.55%	11.77%	11.99%	12.22%	12.45%	12.68%	12.91%	13.15%	13.39%	13.63%	13.88%	14.12%	14.37%	14.63%	14.88%	15.14%	15.40%	15.66%	
31	10.49%	10.70%	10.91%	11.13%	11.35%	11.57%	11.79%	12.02%	12.25%	12.48%	12.72%	12.96%	13.20%	13.44%	13.69%	13.94%	14.19%	14.45%	14.70%	14.96%	15.23%	15.49%	15.76%	16.03%	15.50%	
32	10.92%	11.14%	11.36%	11.58%	11.81%	12.04%	12.28%	12.52%	12.75%	13.00%	13.24%	13.49%	13.74%	14.00%	14.25%	14.51%	14.77%	15.04%	15.31%	15.58%	15.85%	16.13%	16.41%	15.87%	15.33%	
33	11.37%	11.59%	11.83%	12.06%	12.30%	12.54%	12.78%	13.03%	13.28%	13.53%	13.79%	14.05%	14.31%	14.57%	14.84%	15.11%	15.38%	15.66%	15.94%	16.22%	16.50%	16.79%	16.24%	15.70%	15.16%	
34	11.83%	12.07%	12.31%	12.56%	12.80%	13.05%	13.31%	13.56%	13.82%	14.09%	14.35%	14.62%	14.89%	15.17%	15.45%	15.73%	16.01%	16.30%	16.59%	16.88%	17.18%	16.62%	16.07%	15.52%	14.98%	
35	12.32%	12.57%	12.82%	13.07%	13.33%	13.59%	13.85%	14.12%	14.39%	14.67%	14.94%	15.22%	15.51%	15.79%	16.08%	16.37%	16.67%	16.97%	17.27%	17.58%	17.01%	16.44%	15.88%	15.33%	14.79%	
36	12.82%	13.08%	13.34%	13.61%	13.88%	14.15%	14.42%	14.70%	14.98%	15.27%	15.56%	15.85%	16.14%	16.44%	16.74%	17.05%	17.36%	17.67%	17.98%	17.40%	16.82%	16.26%	15.69%	15.14%	14.59%	
37	13.35%	13.62%	13.89%	14.17%	14.45%	14.73%	15.01%	15.30%	15.60%	15.89%	16.19%	16.50%	16.81%	17.12%	17.43%	17.75%	18.07%	18.39%	17.80%	17.21%	16.63%	16.06%	15.49%	14.94%	14.38%	
38	13.90%	14.18%	14.46%	14.75%	15.04%	15.33%	15.63%	15.93%	16.24%	16.55%	16.86%	17.18%	17.50%	17.82%	18.15%	18.48%	18.81%	18.21%	17.61%	17.02%	16.43%	15.86%	15.29%	14.73%	14.19%	
39	14.47%	14.76%	15.06%	15.35%	15.66%	15.96%	16.27%	16.59%	16.90%	17.23%	17.55%	17.88%	18.21%	18.55%	18.89%	19.23%	18.62%	18.01%	17.41%	16.81%	16.23%	15.64%	15.07%	14.53%	13.99%	
40	15.06%	15.37%	15.67%	15.98%	16.30%	16.62%	16.94%	17.27%	17.60%	17.93%	18.27%	18.62%	18.96%	19.31%	19.67%	19.04%	18.42%	17.81%	17.20%	16.60%	16.01%	15.42%	14.87%	14.32%	13.82%	

\*Age 22 and under have same factor

(Table 2 Continued)



# EMPLOYER MANUAL

**Table 2 (cont.) Double Deduction - 2.5%**

Age	Service years to purchase																								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
41	15.68%	16.00%	16.32%	16.64%	16.97%	17.30%	17.64%	17.98%	18.32%	18.67%	19.02%	19.38%	19.74%	20.10%	19.47%	18.84%	18.21%	17.59%	16.98%	16.38%	15.78%	15.22%	14.66%	14.15%	13.58%
42	16.33%	16.65%	16.99%	17.32%	17.67%	18.01%	18.36%	18.72%	19.07%	19.44%	19.80%	20.18%	20.55%	19.90%	19.26%	18.62%	17.99%	17.37%	16.75%	16.15%	15.57%	15.00%	14.48%	13.90%	13.33%
43	17.00%	17.34%	17.68%	18.04%	18.39%	18.75%	19.12%	19.48%	19.86%	20.24%	20.62%	21.00%	20.34%	19.69%	19.04%	18.40%	17.76%	17.14%	16.52%	15.93%	15.35%	14.82%	14.23%	13.65%	13.07%
44	17.69%	18.05%	18.41%	18.78%	19.15%	19.52%	19.90%	20.28%	20.67%	21.07%	21.46%	20.79%	20.13%	19.47%	18.81%	18.17%	17.53%	16.90%	16.30%	15.71%	15.17%	14.56%	13.97%	13.38%	12.80%
45	18.42%	18.79%	19.17%	19.55%	19.93%	20.32%	20.72%	21.12%	21.52%	21.93%	21.25%	20.57%	19.90%	19.23%	18.57%	17.92%	17.28%	16.67%	16.07%	15.52%	14.90%	14.29%	13.69%	13.10%	12.52%
46	19.18%	19.56%	19.95%	20.35%	20.75%	21.16%	21.57%	21.98%	22.41%	21.71%	21.02%	20.34%	19.66%	18.99%	18.32%	17.67%	17.05%	16.44%	15.88%	15.25%	14.63%	14.01%	13.41%	12.82%	12.23%
47	19.96%	20.37%	20.77%	21.19%	21.60%	22.03%	22.45%	22.89%	22.18%	21.48%	20.78%	20.09%	19.41%	18.73%	18.07%	17.44%	16.81%	16.24%	15.60%	14.96%	14.34%	13.72%	13.12%	12.52%	11.94%
48	20.78%	21.20%	21.63%	22.06%	22.49%	22.93%	23.38%	22.66%	21.94%	21.23%	20.53%	19.84%	19.15%	18.47%	17.83%	17.19%	16.61%	15.95%	15.31%	14.67%	14.04%	13.42%	12.82%	12.22%	11.63%
49	21.64%	22.07%	22.51%	22.96%	23.41%	23.87%	23.14%	22.41%	21.69%	20.98%	20.27%	19.57%	18.88%	18.23%	17.58%	16.98%	16.32%	15.66%	15.01%	14.37%	13.74%	13.12%	12.50%	11.90%	11.32%
50	22.53%	22.98%	23.44%	23.90%	24.38%	23.63%	22.89%	22.16%	21.43%	20.71%	20.00%	19.30%	18.63%	17.97%	17.36%	16.68%	16.01%	15.35%	14.70%	14.05%	13.42%	12.80%	12.18%	11.58%	10.99%
51	23.45%	23.92%	24.40%	24.89%	24.13%	23.38%	22.63%	21.89%	21.16%	20.43%	19.72%	19.04%	18.37%	17.75%	17.06%	16.37%	15.70%	15.03%	14.38%	13.73%	13.09%	12.47%	11.86%	11.25%	10.66%
52	24.41%	24.91%	25.40%	24.63%	23.87%	23.11%	22.36%	21.62%	20.88%	20.15%	19.46%	18.77%	18.14%	17.44%	16.74%	16.05%	15.38%	14.71%	14.05%	13.40%	12.76%	12.13%	11.52%	10.92%	10.33%
53	25.42%	25.93%	25.15%	24.37%	23.60%	22.84%	22.08%	21.33%	20.58%	19.88%	19.18%	18.54%	17.83%	17.12%	16.41%	15.72%	15.04%	14.37%	13.71%	13.05%	12.41%	11.79%	11.17%	10.57%	9.99%
54	26.46%	25.67%	24.88%	24.09%	23.32%	22.55%	21.78%	21.03%	20.31%	19.60%	18.95%	18.22%	17.50%	16.78%	16.08%	15.38%	14.69%	14.02%	13.35%	12.70%	12.06%	11.43%	10.82%	10.22%	9.64%
55	26.19%	25.39%	24.60%	23.81%	23.02%	22.24%	21.47%	20.75%	20.02%	19.36%	18.62%	17.88%	17.15%	16.43%	15.73%	15.03%	14.34%	13.66%	12.99%	12.34%	11.70%	11.07%	10.46%	9.87%	9.29%
56	25.91%	25.10%	24.30%	23.50%	22.71%	21.93%	21.19%	20.45%	19.78%	19.02%	18.27%	17.53%	16.80%	16.08%	15.36%	14.66%	13.97%	13.29%	12.62%	11.97%	11.33%	10.71%	10.10%	9.51%	8.95%
57	25.62%	24.80%	23.99%	23.19%	22.39%	21.64%	20.89%	20.21%	19.43%	18.67%	17.92%	17.17%	16.43%	15.71%	14.99%	14.29%	13.59%	12.91%	12.25%	11.59%	10.96%	10.34%	9.74%	9.16%	8.60%
58	25.31%	24.49%	23.67%	22.86%	22.10%	21.33%	20.64%	19.85%	19.07%	18.31%	17.55%	16.79%	16.05%	15.32%	14.61%	13.90%	13.21%	12.53%	11.86%	11.21%	10.58%	9.97%	9.37%	8.80%	8.25%
59	24.99%	24.16%	23.34%	22.56%	21.78%	21.08%	20.28%	19.48%	18.70%	17.93%	17.16%	16.41%	15.66%	14.93%	14.21%	13.50%	12.81%	12.13%	11.47%	10.82%	10.20%	9.59%	9.01%	8.45%	7.91%
60	24.66%	23.82%	23.03%	22.24%	21.52%	20.71%	19.90%	19.10%	18.31%	17.54%	16.77%	16.01%	15.26%	14.53%	13.81%	13.10%	12.41%	11.73%	11.07%	10.43%	9.81%	9.22%	8.65%	8.10%	7.58%
61	24.31%	23.50%	22.70%	21.97%	21.14%	20.32%	19.51%	18.71%	17.92%	17.13%	16.36%	15.60%	14.85%	14.12%	13.39%	12.69%	12.00%	11.32%	10.67%	10.04%	9.43%	8.85%	8.29%	7.76%	7.26%
62	23.99%	23.17%	22.43%	21.59%	20.75%	19.93%	19.11%	18.30%	17.50%	16.72%	15.94%	15.18%	14.43%	13.69%	12.97%	12.27%	11.58%	10.92%	10.27%	9.65%	9.05%	8.48%	7.94%	7.43%	7.15%
63	23.65%	22.89%	22.04%	21.19%	20.35%	19.51%	18.69%	17.88%	17.08%	16.29%	15.51%	14.75%	14.00%	13.26%	12.54%	11.84%	11.16%	10.51%	9.87%	9.26%	8.68%	8.13%	7.61%	7.15%	7.15%

(Table 2 Continued)

# EMPLOYER MANUAL

**Table 2 (cont.) - Double Deduction (2.5%)**

Age	Service years to purchase																								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
64	23.36%	22.49%	21.63%	20.77%	19.92%	19.09%	18.26%	17.45%	16.64%	15.85%	15.07%	14.30%	13.56%	12.82%	12.11%	11.42%	10.75%	10.10%	9.48%	8.88%	8.32%	7.78%	7.28%	7.15%	7.15%
65	22.95%	22.07%	21.20%	20.34%	19.49%	18.65%	17.82%	17.00%	16.19%	15.40%	14.62%	13.85%	13.11%	12.38%	11.67%	10.99%	10.33%	9.69%	9.09%	8.51%	7.96%	7.45%	7.15%	7.15%	7.15%
66	22.53%	21.64%	20.77%	19.90%	19.04%	18.20%	17.36%	16.54%	15.73%	14.94%	14.16%	13.40%	12.65%	11.93%	11.23%	10.56%	9.91%	9.29%	8.71%	8.15%	7.63%	7.15%	7.15%	7.15%	7.15%
67	22.09%	21.19%	20.31%	19.44%	18.58%	17.73%	16.89%	16.07%	15.26%	14.47%	13.69%	12.93%	12.20%	11.49%	10.80%	10.14%	9.51%	8.90%	8.34%	7.80%	7.30%	7.15%	7.15%	7.15%	7.15%
68	21.63%	20.73%	19.85%	18.97%	18.10%	17.25%	16.41%	15.59%	14.78%	13.99%	13.22%	12.47%	11.74%	11.04%	10.37%	9.72%	9.11%	8.53%	7.98%	7.47%	7.15%	7.15%	7.15%	7.15%	7.15%
69	21.16%	20.26%	19.36%	18.48%	17.61%	16.76%	15.92%	15.10%	14.29%	13.50%	12.74%	12.00%	11.28%	10.60%	9.94%	9.31%	8.72%	8.16%	7.65%	7.17%	7.15%	7.15%	7.15%	7.15%	7.15%
70	20.67%	19.76%	18.87%	17.98%	17.11%	16.26%	15.42%	14.60%	13.80%	13.02%	12.26%	11.53%	10.83%	10.16%	9.52%	8.92%	8.35%	7.82%	7.33%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
71	20.17%	19.26%	18.36%	17.47%	16.60%	15.75%	14.91%	14.09%	13.30%	12.53%	11.79%	11.07%	10.39%	9.73%	9.12%	8.54%	8.00%	7.50%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
72	19.65%	18.74%	17.83%	16.95%	16.08%	15.23%	14.39%	13.58%	12.80%	12.04%	11.31%	10.61%	9.95%	9.32%	8.73%	8.18%	7.67%	7.20%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
73	19.12%	18.20%	17.30%	16.41%	15.55%	14.70%	13.87%	13.07%	12.30%	11.56%	10.85%	10.17%	9.53%	8.92%	8.36%	7.84%	7.36%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
74	18.58%	17.66%	16.76%	15.87%	15.01%	14.17%	13.35%	12.57%	11.81%	11.08%	10.39%	9.74%	9.12%	8.55%	8.02%	7.53%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
75	18.02%	17.10%	16.20%	15.32%	14.47%	13.64%	12.83%	12.06%	11.32%	10.62%	9.95%	9.32%	8.74%	8.20%	7.70%	7.24%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
76	17.45%	16.54%	15.64%	14.77%	13.92%	13.11%	12.32%	11.57%	10.85%	10.17%	9.53%	8.93%	8.38%	7.87%	7.40%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
77	16.88%	15.97%	15.08%	14.22%	13.38%	12.58%	11.81%	11.08%	10.39%	9.74%	9.13%	8.56%	8.04%	7.57%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
78	16.29%	15.39%	14.51%	13.66%	12.85%	12.06%	11.32%	10.61%	9.95%	9.33%	8.75%	8.22%	7.73%	7.29%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
79	15.71%	14.81%	13.95%	13.12%	12.32%	11.56%	10.84%	10.16%	9.53%	8.94%	8.40%	7.91%	7.45%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%
80	15.12%	14.24%	13.39%	12.58%	11.80%	11.07%	10.38%	9.73%	9.13%	8.58%	8.08%	7.62%	7.19%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%	7.15%

# EMPLOYER MANUAL

**Table 3 Triple Deduction - 2.5%**

Age	Service years to purchase																								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
18	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.39%	14.52%	14.66%	14.80%	14.94%	15.08%	15.22%	15.36%	15.50%
19	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.41%	14.55%	14.69%	14.83%	14.98%	15.12%	15.26%	15.41%	15.55%	15.70%	15.84%	15.99%	16.14%
20	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.30%	14.44%	14.58%	14.72%	14.86%	15.01%	15.15%	15.30%	15.44%	15.59%	15.74%	15.89%	16.04%	16.19%	16.34%	16.49%	16.65%	16.80%
21	14.30%	14.30%	14.30%	14.31%	14.45%	14.59%	14.74%	14.88%	15.03%	15.18%	15.32%	15.47%	15.62%	15.77%	15.92%	16.08%	16.23%	16.39%	16.54%	16.70%	16.85%	17.01%	17.17%	17.33%	17.49%
22	14.46%	14.60%	14.75%	14.89%	15.04%	15.19%	15.34%	15.49%	15.65%	15.80%	15.95%	16.11%	16.26%	16.42%	16.58%	16.74%	16.90%	17.06%	17.22%	17.38%	17.55%	17.71%	17.88%	18.04%	18.21%
23	15.05%	15.20%	15.35%	15.51%	15.66%	15.82%	15.97%	16.13%	16.29%	16.45%	16.61%	16.77%	16.93%	17.10%	17.26%	17.42%	17.59%	17.76%	17.93%	18.10%	18.27%	18.44%	18.61%	18.78%	18.96%
24	15.67%	15.82%	15.98%	16.14%	16.30%	16.47%	16.63%	16.79%	16.96%	17.12%	17.29%	17.46%	17.63%	17.80%	17.97%	18.14%	18.31%	18.49%	18.66%	18.84%	19.02%	19.20%	19.37%	19.56%	19.74%
25	16.31%	16.47%	16.64%	16.81%	16.97%	17.14%	17.31%	17.48%	17.65%	17.83%	18.00%	18.17%	18.35%	18.53%	18.71%	18.89%	19.07%	19.25%	19.43%	19.61%	19.80%	19.98%	20.17%	20.36%	20.55%
26	16.98%	17.15%	17.32%	17.50%	17.67%	17.85%	18.02%	18.20%	18.38%	18.56%	18.74%	18.92%	19.10%	19.29%	19.47%	19.66%	19.85%	20.04%	20.23%	20.42%	20.61%	20.80%	21.00%	21.19%	21.39%
27	17.68%	17.85%	18.03%	18.21%	18.40%	18.58%	18.76%	18.95%	19.13%	19.32%	19.51%	19.70%	19.89%	20.08%	20.27%	20.47%	20.66%	20.86%	21.06%	21.26%	21.46%	21.66%	21.86%	22.06%	22.27%
28	18.40%	18.59%	18.77%	18.96%	19.15%	19.34%	19.53%	19.72%	19.92%	20.11%	20.31%	20.51%	20.71%	20.91%	21.11%	21.31%	21.51%	21.72%	21.92%	22.13%	22.34%	22.55%	22.76%	22.97%	23.18%
29	19.16%	19.35%	19.55%	19.74%	19.94%	20.13%	20.33%	20.53%	20.74%	20.94%	21.14%	21.35%	21.56%	21.76%	21.97%	22.18%	22.40%	22.61%	22.82%	23.04%	23.26%	23.47%	23.69%	23.91%	24.14%
30	19.95%	20.15%	20.35%	20.55%	20.76%	20.96%	21.17%	21.38%	21.59%	21.80%	22.01%	22.23%	22.44%	22.66%	22.88%	23.09%	23.32%	23.54%	23.76%	23.98%	24.21%	24.44%	24.67%	24.90%	25.13%
31	20.76%	20.97%	21.18%	21.40%	21.61%	21.82%	22.04%	22.26%	22.47%	22.69%	22.92%	23.14%	23.36%	23.59%	23.81%	24.04%	24.27%	24.50%	24.74%	24.97%	25.20%	25.44%	25.68%	25.92%	26.16%
32	21.62%	21.83%	22.05%	22.27%	22.50%	22.72%	22.94%	23.17%	23.40%	23.63%	23.86%	24.09%	24.32%	24.56%	24.79%	25.03%	25.27%	25.51%	25.75%	25.99%	26.24%	26.49%	26.73%	26.98%	27.23%
33	22.50%	22.73%	22.96%	23.19%	23.42%	23.65%	23.89%	24.12%	24.36%	24.60%	24.84%	25.08%	25.32%	25.56%	25.81%	26.06%	26.31%	26.56%	26.81%	27.06%	27.32%	27.57%	27.83%	28.09%	28.35%
34	23.43%	23.66%	23.90%	24.14%	24.38%	24.62%	24.87%	25.11%	25.36%	25.61%	25.86%	26.11%	26.36%	26.61%	26.87%	27.13%	27.39%	27.65%	27.91%	28.17%	28.44%	28.71%	28.97%	29.24%	29.52%
35	24.39%	24.64%	24.88%	25.13%	25.38%	25.63%	25.89%	26.14%	26.40%	26.66%	26.92%	27.18%	27.44%	27.71%	27.97%	28.24%	28.51%	28.78%	29.06%	29.33%	29.61%	29.88%	30.16%	30.44%	30.73%
36	25.39%	25.65%	25.90%	26.16%	26.42%	26.69%	26.95%	27.22%	27.48%	27.75%	28.02%	28.30%	28.57%	28.85%	29.12%	29.40%	29.68%	29.96%	30.25%	30.53%	30.82%	31.11%	31.40%	31.69%	31.99%
37	26.43%	26.70%	26.97%	27.24%	27.51%	27.78%	28.06%	28.33%	28.61%	28.89%	29.17%	29.46%	29.74%	30.03%	30.32%	30.61%	30.90%	31.20%	31.49%	31.79%	32.09%	32.39%	32.69%	33.00%	33.30%
38	27.52%	27.80%	28.08%	28.36%	28.64%	28.92%	29.21%	29.50%	29.79%	30.08%	30.37%	30.67%	30.96%	31.26%	31.56%	31.87%	32.17%	32.48%	32.78%	33.09%	33.41%	33.72%	34.03%	34.35%	34.67%
39	28.65%	28.94%	29.23%	29.52%	29.81%	30.11%	30.41%	30.71%	31.01%	31.31%	31.62%	31.93%	32.24%	32.55%	32.86%	33.17%	33.49%	33.81%	34.13%	34.45%	34.78%	35.10%	35.43%	35.76%	36.09%

(Table 3 Continued)

# EMPLOYER MANUAL

**Table 3 (cont.) Triple Deduction - 2.5%**

Age	Service years to purchase																								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
	29.83%	30.13%	30.43%	30.73%	31.04%	31.35%	31.66%	31.97%	32.28%	32.60%	32.92%	33.24%	33.56%	33.88%	34.21%	34.54%	34.87%	35.20%	35.53%	35.87%	36.21%	36.55%	36.89%	37.23%	37.58%
41	31.05%	31.36%	31.68%	32.00%	32.31%	32.63%	32.96%	33.28%	33.61%	33.94%	34.27%	34.60%	34.94%	35.27%	35.61%	35.95%	36.30%	36.64%	36.99%	37.34%	37.69%	38.05%	38.40%	38.76%	39.12%
42	32.33%	32.65%	32.98%	33.31%	33.64%	33.97%	34.31%	34.65%	34.99%	35.33%	35.68%	36.02%	36.37%	36.72%	37.08%	37.43%	37.79%	38.15%	38.51%	38.87%	39.24%	39.61%	39.98%	40.35%	40.72%
43	33.65%	33.99%	34.33%	34.68%	35.02%	35.37%	35.72%	36.07%	36.43%	36.78%	37.14%	37.50%	37.87%	38.23%	38.60%	38.97%	39.34%	39.71%	40.09%	40.47%	40.85%	41.23%	41.62%	42.01%	41.55%
44	35.04%	35.39%	35.74%	36.10%	36.46%	36.82%	37.19%	37.55%	37.92%	38.29%	38.67%	39.04%	39.42%	39.80%	40.18%	40.57%	40.96%	41.35%	41.74%	42.13%	42.53%	42.93%	42.47%	41.58%	41.13%
45	36.47%	36.84%	37.21%	37.58%	37.96%	38.33%	38.71%	39.09%	39.48%	39.86%	40.25%	40.64%	41.04%	41.43%	41.83%	42.23%	42.64%	43.04%	43.45%	43.86%	43.39%	42.49%	42.04%	41.14%	40.69%
46	37.97%	38.35%	38.74%	39.13%	39.52%	39.91%	40.30%	40.70%	41.10%	41.50%	41.91%	42.31%	42.72%	43.14%	43.55%	43.97%	44.39%	44.81%	44.33%	43.42%	42.95%	42.04%	41.59%	40.67%	40.23%
47	39.53%	39.93%	40.33%	40.73%	41.14%	41.55%	41.96%	42.37%	42.79%	43.21%	43.63%	44.05%	44.48%	44.91%	45.34%	45.77%	45.29%	44.36%	43.89%	42.95%	42.49%	41.56%	41.12%	40.18%	39.75%
48	41.16%	41.57%	41.99%	42.41%	42.83%	43.25%	43.68%	44.11%	44.54%	44.98%	45.42%	45.86%	46.30%	46.75%	46.26%	45.31%	44.83%	43.88%	43.42%	42.47%	42.01%	41.06%	40.62%	39.67%	39.24%
49	42.84%	43.28%	43.71%	44.15%	44.59%	45.03%	45.47%	45.92%	46.37%	46.83%	47.28%	47.74%	47.25%	46.28%	45.79%	44.83%	44.35%	43.39%	42.92%	41.96%	41.51%	40.54%	40.11%	39.14%	38.72%
	44.60%	45.05%	45.50%	45.96%	46.42%	46.88%	47.34%	47.81%	48.28%	48.75%	48.24%	47.26%	46.77%	45.78%	45.30%	44.32%	43.85%	42.87%	42.41%	41.43%	40.98%	40.00%	39.57%	38.59%	38.17%
51	46.44%	46.90%	47.37%	47.85%	48.32%	48.80%	49.29%	49.77%	49.26%	48.26%	47.76%	46.76%	46.27%	45.26%	44.79%	43.79%	43.32%	42.32%	41.87%	40.87%	40.43%	39.44%	39.01%	38.08%	37.67%
52	48.34%	48.83%	49.32%	49.81%	50.31%	50.81%	50.29%	49.27%	48.76%	47.74%	47.25%	46.23%	45.74%	44.72%	44.25%	43.23%	42.78%	41.75%	41.31%	40.30%	39.86%	38.91%	38.50%	37.54%	37.14%
53	50.33%	50.83%	51.34%	51.86%	51.33%	50.29%	49.78%	48.74%	48.24%	47.20%	46.71%	45.67%	45.19%	44.15%	43.69%	42.65%	42.20%	41.17%	40.73%	39.76%	39.34%	38.36%	37.95%	37.09%	36.69%
54	52.39%	52.92%	52.39%	51.33%	50.81%	49.75%	49.25%	48.19%	47.69%	46.63%	46.15%	45.09%	44.62%	43.56%	43.11%	42.05%	41.61%	40.62%	40.19%	39.20%	38.78%	37.90%	37.49%	36.44%	36.04%
55	53.46%	52.39%	51.86%	50.78%	50.27%	49.19%	48.69%	47.61%	47.12%	46.04%	45.57%	44.49%	44.02%	42.95%	42.50%	41.49%	41.06%	40.05%	39.62%	38.73%	38.31%	37.24%	36.84%	35.76%	35.38%
56	52.92%	51.83%	51.30%	50.21%	49.70%	48.60%	48.10%	47.01%	46.52%	45.42%	44.95%	43.86%	43.40%	42.38%	41.94%	40.91%	40.48%	39.56%	39.14%	38.05%	37.64%	36.55%	36.15%	35.06%	34.68%
57	52.35%	51.24%	50.72%	49.61%	49.10%	47.98%	47.49%	46.38%	45.90%	44.79%	44.32%	43.28%	42.83%	41.78%	41.34%	40.41%	39.99%	38.87%	38.46%	37.34%	36.94%	35.83%	35.45%	34.34%	33.97%
58	51.76%	50.62%	50.11%	48.98%	48.48%	47.34%	46.86%	45.72%	45.25%	44.19%	43.73%	42.67%	42.22%	41.28%	40.84%	39.70%	39.29%	38.15%	37.74%	36.61%	36.22%	35.09%	34.71%	33.59%	33.23%
59	51.14%	49.98%	49.48%	48.32%	47.83%	46.67%	46.20%	45.12%	44.65%	43.57%	43.12%	42.15%	41.71%	40.55%	40.13%	38.97%	38.56%	37.40%	37.01%	35.85%	35.47%	34.33%	33.96%	32.82%	32.46%
	50.49%	49.31%	48.81%	47.64%	47.16%	46.06%	45.59%	44.48%	44.02%	43.04%	42.60%	41.41%	40.98%	39.80%	39.38%	38.21%	37.80%	36.63%	36.24%	35.07%	34.70%	33.54%	33.17%	32.02%	31.67%
61	49.81%	48.62%	48.13%	47.01%	46.53%	45.41%	44.94%	43.94%	43.49%	42.29%	41.85%	40.65%	40.22%	39.02%	38.61%	37.42%	37.02%	35.83%	35.45%	34.27%	33.90%	32.72%	32.37%	31.20%	30.86%

(Table 3 Continued)

# EMPLOYER MANUAL

**Table 3 (cont.) Triple Deduction - 2.5%**

Age	Service years to purchase																								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
62	49.11%	47.97%	47.49%	46.34%	45.87%	44.86%	44.40%	43.17%	42.73%	41.50%	41.07%	39.85%	39.43%	38.22%	37.82%	36.60%	36.21%	35.01%	34.63%	33.43%	33.08%	31.88%	31.54%	30.36%	30.03%
63	48.46%	47.30%	46.82%	45.78%	45.32%	44.07%	43.62%	42.37%	41.94%	40.69%	40.27%	39.03%	38.62%	37.38%	36.99%	35.76%	35.38%	34.16%	33.79%	32.58%	32.23%	31.02%	30.69%	29.49%	29.17%
64	47.78%	46.72%	46.25%	44.98%	44.52%	43.25%	42.81%	41.54%	41.12%	39.85%	39.44%	38.18%	37.78%	36.52%	36.14%	34.89%	34.52%	33.28%	32.93%	31.70%	31.36%	30.14%	29.81%	28.61%	28.30%
65	47.20%	45.90%	45.44%	44.15%	43.70%	42.41%	41.97%	40.68%	40.27%	38.98%	38.58%	37.30%	36.91%	35.64%	35.26%	34.00%	33.64%	32.38%	32.04%	30.79%	30.46%	29.24%	28.92%	27.71%	27.41%
66	46.37%	45.05%	44.60%	43.28%	42.84%	41.53%	41.11%	39.80%	39.39%	38.08%	37.69%	36.39%	36.01%	34.72%	34.36%	33.08%	32.73%	31.46%	31.13%	29.87%	29.55%	28.31%	28.01%	26.79%	26.50%
67	45.51%	44.17%	43.73%	42.39%	41.96%	40.63%	40.21%	38.88%	38.48%	37.16%	36.77%	35.46%	35.09%	33.78%	33.43%	32.14%	31.80%	30.52%	30.19%	28.93%	28.62%	27.38%	27.08%	25.87%	25.59%
68	44.62%	43.26%	42.82%	41.46%	41.04%	39.69%	39.28%	37.94%	37.55%	36.21%	35.83%	34.50%	34.14%	32.82%	32.48%	31.17%	30.84%	29.56%	29.24%	27.98%	27.68%	26.43%	26.15%	24.93%	24.66%
69	43.70%	42.32%	41.89%	40.51%	40.10%	38.73%	38.33%	36.97%	36.58%	35.23%	34.86%	33.52%	33.17%	31.84%	31.51%	30.19%	29.87%	28.58%	28.28%	27.01%	26.72%	25.48%	25.21%	24.00%	23.74%
70	42.75%	41.34%	40.93%	39.53%	39.13%	37.73%	37.35%	35.97%	35.60%	34.23%	33.87%	32.51%	32.18%	30.84%	30.51%	29.19%	28.89%	27.59%	27.30%	26.03%	25.76%	24.52%	24.26%	23.07%	22.82%
71	41.76%	40.34%	39.93%	38.51%	38.12%	36.71%	36.34%	34.94%	34.58%	33.20%	32.86%	31.49%	31.16%	29.82%	29.51%	28.19%	27.89%	26.60%	26.31%	25.06%	24.79%	23.57%	23.32%	22.14%	21.90%
72	40.75%	39.30%	38.91%	37.47%	37.09%	35.67%	35.30%	33.90%	33.55%	32.16%	31.82%	30.45%	30.13%	28.79%	28.49%	27.17%	26.88%	25.60%	25.33%	24.08%	23.83%	22.63%	22.38%	21.23%	21.00%
73	39.70%	38.24%	37.86%	36.41%	36.04%	34.60%	34.25%	32.83%	32.49%	31.09%	30.77%	29.40%	29.09%	27.75%	27.46%	26.15%	25.87%	24.60%	24.34%	23.12%	22.87%	21.69%	21.46%	20.34%	20.12%
74	38.63%	37.15%	36.78%	35.32%	34.96%	33.51%	33.17%	31.74%	31.42%	30.02%	29.71%	28.34%	28.04%	26.71%	26.43%	25.13%	24.87%	23.62%	23.37%	22.17%	21.93%	20.78%	20.56%	19.48%	19.26%
75	37.53%	36.04%	35.68%	34.20%	33.86%	32.40%	32.07%	30.65%	30.33%	28.94%	28.64%	27.27%	26.99%	25.67%	25.40%	24.13%	23.87%	22.65%	22.41%	21.24%	21.01%	19.90%	19.69%	18.65%	18.45%
76	36.41%	34.91%	34.55%	33.07%	32.74%	31.28%	30.96%	29.54%	29.24%	27.85%	27.56%	26.21%	25.94%	24.64%	24.38%	23.13%	22.89%	21.70%	21.47%	20.34%	20.12%	19.06%	18.85%	17.86%	17.67%
77	35.26%	33.75%	33.41%	31.93%	31.61%	30.16%	29.85%	28.43%	28.14%	26.77%	26.49%	25.16%	24.90%	23.63%	23.38%	22.16%	21.93%	20.78%	20.55%	19.47%	19.26%	18.25%	18.06%	17.12%	16.94%
78	34.10%	32.59%	32.26%	30.78%	30.47%	29.02%	28.73%	27.33%	27.05%	25.69%	25.43%	24.13%	23.88%	22.64%	22.40%	21.22%	21.00%	19.89%	19.68%	18.65%	18.45%	17.50%	17.31%	16.44%	16.26%
79	32.92%	31.41%	31.09%	29.62%	29.32%	27.90%	27.61%	26.23%	25.96%	24.64%	24.38%	23.12%	22.88%	21.68%	21.45%	20.32%	20.11%	19.05%	18.85%	17.88%	17.69%	16.80%	16.62%	15.81%	15.64%
80	31.73%	30.23%	29.93%	28.47%	28.18%	26.78%	26.50%	25.15%	24.89%	23.60%	23.36%	22.14%	21.90%	20.75%	20.54%	19.46%	19.26%	18.27%	18.07%	17.17%	16.98%	16.16%	15.98%	15.23%	15.07%

## VESTING

To qualify for a retirement benefit, an employee must be "vested." A vested member has earned enough service credit to eventually be eligible to receive retirement benefits. Employees earn service credit working in a covered position. Kansas law governs other types of service that can be purchased or granted. See [Service Credit](#).

KP&F members are vested with the following:

**Tier I Members** are vested with 20 years of service credit

**Tier II Members** are vested with 15 years of service credit

### Benefits of vesting

- Receive a lifetime retirement benefit, even if employee leaves employment
- Earn interest on account balance after leaving employment

Vested members need to keep their contributions with KP&F after leaving employment to be eligible for account interest and retirement. Vested employees who withdraw their contributions forfeit all vested rights and other rights and privileges under KP&F.

Non-vested members who leave employment must withdraw their money **after** five years unless they:

- work in a non-covered position
- return to work in a KP&F-covered position within the five-year period (will immediately resume making contributions and earning service credit)
- have membership in more than one KPERS-administered Retirement System and service credit with both systems vests them with one System and not other(s)

Please remind members who become inactive (leave covered employment) to keep KP&F apprised of their current address so that they can continue to receive annual statements.

## WITHDRAWALS

Employees are eligible to withdraw their KP&F contributions, plus interest, 31 days after their last day on their employer's payroll provided they have not returned to any employment with any participating employer. In withdrawing contributions, employees forfeit any rights or benefits, such as insurance coverage, that were accrued before withdrawal.

KP&F is a 401(a) qualified plan under the Internal Revenue Code (IRC). The IRC requires that there must be a "distributable event" before a qualified plan may make a distribution to a member. These distributable events include retirement, death, or separation from service. Specific rules apply to the situations involving a employee's separation from service.



In the following situations, employees are **not** allowed to withdraw their contributions and interest:

- Member transfers to a position with the same employer that is not covered by KP&F because of reduced hours
- Member transfers from a KP&F position to a KPERS or Judges' Retirement System position (or vice versa) with the same employer
- Member's position is re-classified by the employer to a position that is covered by another plan
- Member terminated employment with a participating KP&F employer less than 31 days ago

The IRC does allow members to withdraw contributions and interest when they change employers and change retirement systems. For example, an employee worked for the city and was a police officer with KP&F. He or she left the police officer position and went to work in a school district as a teacher with KPERS. He or she would be allowed to withdraw employee contributions and interest because he or she changed employers and changed retirement systems.

### Withdrawal Procedures

Members who want to withdraw from KP&F should complete and submit a Withdrawal of Contributions form ([KPERS-13](#)). An application for withdrawal cannot be filed until a full 31 days after the member's termination from employment. Members who want to withdraw should use the following timeline:

- The last day on payroll with a participating employer is the end date;
- The first day after the end date becomes day 1, the second day becomes day 2, etc.;
- On day 32, the member may apply to withdraw as long as:
  - the member is not now in covered employment under the same plan
  - the member is not in any position with the same employer

Once the Retirement System receives the application for withdrawal in our office, **please allow four weeks for processing**. In addition, if the withdrawing member is vested, spousal consent is required before withdrawal or the withdrawal will not be paid for 90 days.

### Tax Rules for Withdrawals

The Economic Growth and Tax Relief Reconciliation Act of 2001 expanded choices relating to the distribution of the "eligible rollover" portion of a withdrawal payment.

**Before January 1, 2002**, eligible rollover distributions could be made to the following:

- An Individual Retirement Account under a 408(a)
- An Individual Retirement Annuity under a 408(b)
- A qualified trust under 401(a)
- A qualified trust under 403(a)

**After January 1, 2002**, eligible rollover distributions could also be made to section 457 governmental deferred compensation plans and to section 403(b) tax sheltered annuities.

Another change contained in the Tax Act pertains to payment of the nontaxable portion of the refund. The nontaxable portion, if any, of the refund, relates to contributions you made to KP&F before July 1, 1984, or in connection with any cash lump-sum purchase of service credit. Previously, this portion could only be paid directly to the employee. Effective January 1, 2002, the nontaxable portion of the refund, if any, may be rolled over to a traditional IRA or a qualified trust that is part of a defined contribution plan (401(k) plan), but only if the IRA or qualified trust agrees to provide separate accounting for the nontaxable portion of the rollover.

- When an employee has the contributions and interest paid directly to himself or herself, KP&F is required to withhold 20% of the taxable contributions and interest. This amount will be credited against the employee's income tax liability for the year.
- When an employee rolls the taxable contributions and interest over directly to another tax-deferred account, KP&F is not required to withhold the 20%.
- If the employee is under age 59 ½ and does not rollover the total amount of contributions and interest within 60 days of receiving the payment, the IRS may assess an additional 10% penalty plus taxes for current year.

## DEATH BENEFITS

KP&F administers several types of benefits that may become payable in the event of the death of a employee before retirement. (Please submit upon the death of an active KP&F member an Employer's Report of a Disability or On-The-Job Accident form ([KP&F-560](#))).

### Active Tier I or Tier II Regular Member

#### Service-Connected Death Benefits

- The surviving spouse will receive a lifetime annual benefit equal to the greater of:
  - 50% of the member's final average salary.
  - What the member would have been paid had he or she elected the 100% joint-survivor option.
- Eligible children (age 18 or 23 if a full-time student) will receive an annual benefit of 10% of employee's final average salary paid in a monthly benefit. All benefits payable on behalf of minor children must be paid to a legally appointed conservator.
- There is a family maximum annual benefit of 90% of employee's final average salary.
- The benefits are paid in monthly payments.
- Benefits are exempt from federal income taxes.
- If you do not have a surviving spouse or eligible children, your beneficiary receives a lump-sum payment equal to 100% of your current annual salary, less any refundable contributions and interest.

### **Non Service-Connected Death Benefits**

- Surviving spouse will receive a lump-sum benefit in the amount of 100% of the employee's final average salary.
- Surviving spouse will receive a lifetime annual benefit of 2.5% times final average salary times years of service credit with a maximum of 50% of employee's final average salary. The benefit is paid monthly.
- If there is no surviving spouse, the benefits will be paid to eligible children (age 18 or 23 if a full-time student). All benefits payable on behalf of minor children must be paid to a legally appointed conservator.
- Benefits are NOT exempt from federal income taxes.
- If you do not have a surviving spouse or eligible children, your beneficiary receives a lump-sum payment equal to 100% of your current annual salary, less any refundable contributions and interest.

**Active** "Transfer Member" and "Brazelton Member" benefits are the same as regular members.

### **"Special Member" Death Benefits**

The Kansas Police & Firemen's Retirement System administers "Special Member" benefits. This class of member chose to stay under provisions of their local plan when their employer affiliated with the Kansas Police & Firemen's Retirement System.

Special members retain all rights and privileges of their local plan as it existed on the day before affiliation, except that benefits will be payable to a surviving spouse if the member and spouse had been married at least 3 years at time of death. Please check employer's local plan for additional information.

### **Inactive Members**

If an inactive member dies before retirement age, the surviving spouse can receive a monthly benefit at the earliest date the member would have become eligible for retirement, if:

- spouse leaves contributions on deposit with System until retirement eligibility date
- member had 20 years of credited service
- surviving spouse is sole primary beneficiary

## DISABILITY BENEFITS

KP&F disability is defined as occupational rather than total disability as required for KPERS disability.

### To apply for KP&F disability, we must have the following documents:

**Application for Disability** form ([KP&F-523](#)) completed by employee applying for KP&F disability

**Employer's Report of a Death, Disability or On-The-Job Accident** form ([KP&F-560](#)) completed by employer

**Physician's Report of Member's Condition** form ([KP&F-538](#)) completed by the doctor of the employee applying for KP&F disability (additional forms may be needed if employee has more than one doctor for the disability)

**Medical records** in support of information provided by employee's physician (e.g. hospital discharge summaries, x-ray reports, progress notes, test results, therapy reports, or any information addressing employee's condition)

**Workers Compensation paperwork** if disability was related to on-the-job accident

### Job description

**Written notice** from employee that he or she has submitted all documentation he or she wishes to have considered when reviewing the claim for disability

When we receive these documents, the Retirement System staff will begin processing the employee's disability claim. It may take up to eight weeks to make a decision on the employee's disability claim. If needed, we may request additional information from the employee.

Once a decision is made, we will send a decision letter to the employee and a copy of the letter to the employer.

If the employee's claim is approved, we will send a letter along with a direct deposit form. We will send to the employer a Verification of Income form for the current year. If, at this time, the employee is still on the payroll, you will need to make a determination when the last day on the payroll will be.

When KPERS receives all the necessary documentation, the disability benefit will be calculated. Benefits are always paid at the end of the month.

Proof of continuing disability is required annually for the first five years of disability. This form will be sent from the KPERS office to be completed and returned.

**No disability coverage is provided if the disability arises from employment other than with the participating employer.**

**Tier I Disability**

Tier I members must distinguish whether their disability is service-connected or non service-connected.

Under the Retirement Act, a "service-connected" disability includes any disability resulting from heart disease or a disease of the lung or respiratory tract, as well as cancer resulting from exposure to heat, radiation, or a known carcinogen, if the member has at least five years of credited service.

**Tier I Service-Connected (with children)**

The following benefits are payable to member:

- Annual benefit of 50% of employee's final average salary
- Annual benefit of 10% of final average salary for each eligible child (up to age 18 or 23 if a full-time student). Children's benefits are payable to a court appointed conservator. Total annual benefit cannot exceed 75% of employee's final average salary
- All benefits accrue from employee's last day on payroll
- Employee will remain on disability for his or her lifetime or until no longer disabled
- Employee's annual benefit of 50% of final average salary is not included in gross income for federal income tax purposes. The children's benefit is not included in gross income for federal income tax purposes

**Tier I Service-Connected (without children)**

The following benefits are payable to the employee:

- Employee will receive an annual benefit of 50% of final average salary or 2.5% times final average salary times years of service credit, up to a maximum annual benefit of 80% of employee's final average salary for employee's lifetime
- All benefits accrue from employee's last day on payroll
- Employee will remain on disability for lifetime or until he or she is no longer disabled
- All disability benefits are included in gross income for federal income tax purposes, with the exception of 50% of the employee's final average salary

**Tier I Non Service-Connected Disability (with or without children)**

The following benefits are payable to the employee:

- There is a 180-day waiting period from employee's last day at work before he or she may apply for disability
- Annual benefit of 2.5% times final average salary times years of service credit
- Minimum annual benefit of 25% of final average salary
- Maximum annual benefit of 80% of final average salary
- Employee will remain on disability for his or her lifetime or until he or she is no longer disabled
- All benefits accrue from employee's last day on payroll
- Benefits are included in gross income for federal income tax purposes

### Tier I Disability Death Benefits

If the employee is a Tier I service-connected disability recipient and dies from any cause within two years following the disability or if the employee dies after two years following the disability of the same cause as the disability, the following benefits are payable:

- Surviving spouse receives a lifetime annual benefit of 50% of employee's final average salary paid in a monthly benefit
- Eligible children (age 18 or 23 if a full-time student) receive an annual benefit of 10% of employee's final average salary (all benefits payable on behalf of minor children must be paid to a legally appointed conservator)
- Family maximum annual benefit of 75% of employee's final average salary.
- Benefits not taxable for federal income tax purposes

If the employee is a Tier I service-connected disability recipient and dies after two years, from a cause different than the employee's disability, the following benefits are payable:

- Surviving spouse receives a lump-sum payment of 50% of the employee's final average salary
- Surviving spouse receives a lifetime annual benefit of 50% of the employee's monthly benefit
- If no surviving spouse, monthly benefit is payable in equal shares to eligible children (all benefits payable on behalf of minor children must be paid to a legally appointed conservator)
- Benefits are taxable for federal income tax purposes

### Tier II Disability

- If employee meets requirements for normal retirement, he or she may not apply for disability
- No distinction between service-connected and non service-connected disability benefits
- No waiting period from employee's last day actively at work to apply
- No children's benefits with Tier II disability
- Employee receives annual benefit of 50% of final average salary
- Service credit continues to accrue until employee is no longer disabled, or until the earliest time he or she would be eligible for full age and service retirement
- Final average salary used for calculation of retirement benefits will be adjusted if employee has been on disability for more than 5 years
- Benefits are taxable for federal income tax purposes

### Tier II Disability Death Benefits

If the employee is a Tier II disability recipient and dies, the following is payable:

- Surviving spouse will receive a lump-sum benefit of 50% of employee's final average salary
- Surviving spouse will receive an annual benefit of 50% of the employee's benefit
- If no surviving spouse, the monthly benefit will be payable in equal shares to eligible children (all benefits payable on behalf of minor children must be paid to a legally appointed conservator)
- Benefits are taxable for federal income tax purposes

### Working While on Disability

#### Tier I Disability

- If employee returns to work with any KP&F participating employer, disability benefits will automatically stop
- If employee returns to work in a KPERS-covered position, he or she will become a contributing member immediately
- The employee will not have an earnings limitation

#### Tier II Disability

- If employee returns to work with any KP&F participating employer, disability benefits will automatically stop
- If employee returns to work in a KPERS-covered position, he or she can not become a contributing member of KPERS since he or she is continuing to accrue service credit while on disability with KP&F
- If employee returns to work in a KPERS-covered position and then stops drawing KP&F benefits (e.g. retires, disability stops, etc.), he or she will become a contributing member of KPERS.

Please note: Withdrawing contributions from KP&F forfeits all the employee's rights to all benefits—including disability benefits under the KP&F disability program.

## ANNUAL STATEMENTS

Each year KP&F will provide each employee with a Member Annual Statement, advising the employee of the following information:

**Personal Information** Employee will find his or her **employer, retirement** (e.g. KP&F Tier 1), **membership date, vesting status** and estimated **final average salary**.

- Account Balance**
- **December (prior year)** ending balance for last year
  - **Current Year Contributions** employee's total contributions credited to account for current year
  - **Current Year Interest** applied to balance of prior year
    - employees with membership dates **before** July 1, 1993, earn 8-percent
    - employees with membership dates **on or after** July 1, 1993, earn 4-percent
  - **December (current year)** ending balance for current year

**Service Credit** Total service credit through statement year, including purchased service

**Beneficiaries** List of **primary and contingent** beneficiaries of **retirement and life insurance** benefits

- Retirement Benefit** Estimates for **vested** employees
- retirement-eligible employees receive one estimate
  - employees not eligible for retirement receive two estimates
    - First is a projected benefit if employee earned no more service credit
    - Second is a projected benefit as of employee's first birthday eligible

Annual statements are distributed by the Retirement System to employers or available for employees to download through their online account access. If distributing, do so in a confidential manner. Tell each member to carefully review the information on their annual statement and bring any discrepancies to your attention.

## RETIREMENT ELIGIBILITY AND PROCEDURES

No employee is permitted to retire for age and service and receive retirement benefits before having contributed to the Kansas Police & Firemen's Retirement System for 12 months.

Age and service retirement benefits cannot exceed 90% (36 years of KP&F service) of the final average salary.

One quarter of service credit is granted for any time worked in a quarter. When total years of service credit are added up, a remainder of two quarters will be rounded up to one year.

### Age and Service Retirement

#### Tier I

Normal: 55 years old with 20 years of service credit

**Senate Bill 520** passed by the 2004 Session of the Legislature provides unreduced retirement benefits for Tier I members at any age with the completion of 32 years of service credit. A total of 31 years and two quarters of service credit will round to 32 years for eligibility and benefit calculation purposes.

#### Tier II

Normal: 50 years old with 25 years of service credit  
 55 years old with 20 years of service credit  
 60 years old with 15 years of service credit



### Early Retirement

Tier I and Tier II members may retire early at age 50 with 20 years of service credit.

Age	Reduce normal benefit by
54	4.8%
53	9.6%
52	14.4%
51	19.2%
50	24%

The actual reduced benefit amount will be computed according to the employee's actual age at time of retirement. The rate factor is 0.4% for each month the employee is under age 55.

### Calculation of Retirement Benefits

Retirement benefits are based on the following:

- Final average salary
- May use a maximum of 36 years (90%) of KP&F service credit in calculation of monthly benefit
- The K&F statutory multiplier is 2.5%

### Calculating Final Average Salary

Retirement benefits for members of KPERS, KP&F and the Retirement System for Judges are calculated using formulas that are set by State Law. At retirement the formulas take into account the employee's final average salary, years of service and a statutory multiplier. Sometimes employees are given additional pay, such as accumulated sick leave, annual leave, etc. State law limits how much these payments can affect retirement benefits and requires that employers pay the actuarial cost of these increases in certain circumstances.

### Guidelines for Calculating the Final Average Salary

If the employee's membership date is before July 1, 1993, the final average salary is the average of the highest three of the last five years of service, **including** additional compensation.

If the employee's membership date was on or after July 1, 1993, the final average salary is the average of the highest three of the last five years of service, **excluding** additional compensation.

Report to our office the total contributions deducted for the reporting year. KPERS annualize the contributions reported to our office.

**Employees working for a KP&F employer on affiliation date will have the same date as their membership date**

### Final Average Salary "Spike" Law

The "Spike" law places the actuarial liability for certain payments on the participating employer. According to K.S.A. 74-49,126, employers are responsible when add-on payments for accumulated sick leave, vacation or annual leave, severance pay, etc., increase the employee's final average salary by more than 15%.

The employer must pay the Retirement System a lump-sum amount equal to the actuarial liability for benefits attributable to and payable on account of the excess payments over the 15%.

### Final Average Salary "Cap" Law

K.S.A. 74-4902(9) states that if a employee's compensation used in calculating his or her final average salary is more than 15% higher than the preceding year, the amount which exceeds the 15% will not be included in compensation. Certain compensation is not subject to this "cap," as follows:

- If membership date is prior to July 1, 1993, any amount of compensation for accumulated sick leave, or annual leave paid to the employee (should not be reporting sick and annual leave if membership date is July 1, 1993 or after).
- Any increase in compensation for any employee due to overtime, reclassification or reallocation to a higher range or level.

Examples of compensation we will "cap" are as follows:

- We will cap part-time employees who stay in the same position and whose salary is over the 15% because they work more hours (not overtime hours).
- We do cap for raises over the 15%.
- We do cap bonuses over the 15%.

Any contributions by an employee on the amount of such increase that exceeds the 15% will be returned to the employee.

### Retirement Options

When the employee reaches the age and service requirements, he or she may choose one of the retirement benefit options detailed below.

#### Maximum Option

- The retired member will receive the maximum monthly benefit for his/her lifetime. If the retired member dies before receiving benefits equal to his or her contributions and interest, any remaining amount not paid out in benefits will be paid to the retired member's beneficiary and the monthly benefit will cease.

In lieu of the maximum benefit, the member may elect to provide a survivor benefit by selecting a retirement benefit with a survivor option. Survivor options are available to all member classes.

### Joint-Survivor Options

**Joint & ½ to Survivor:** The retired member will receive a reduced monthly benefit for his or her lifetime. Upon the death of the member, the joint annuitant will receive ½ of the member's monthly benefit for his or her lifetime. The reduction factor is:

- 94.5% minus (-) 0.2% for each year the member's joint annuitant is younger than the member, or
- 94.5% plus (+) 0.2% for each year the member's joint annuitant is older than the member.

**Joint & ¾ to Survivor:** The retired member will receive a reduced monthly benefit for his or her lifetime. Upon the death of the member, the joint annuitant will receive ¾ of the member's monthly benefit for his or her lifetime. The reduction factor is:

- 91% minus (-) 0.3% for each year the member's joint annuitant is younger than the member, or
- 91% plus (+) 0.3% for each year the member's joint annuitant is older than the member.

**Joint & Same to Survivor:** The retired member will receive a reduced monthly benefit for his or her lifetime. Upon the death of the member, the joint annuitant will receive the same monthly benefit for his or her lifetime. The reduction factor is:

- 88% minus (-) 0.4% for each year the member's joint annuitant is younger than the member, or
- 88% plus (+) 0.4% for each year the member's joint annuitant is older than the member.

**Pop-Up Feature:** If the retired member's joint annuitant precedes the member in death under any of the joint/survivor options, the option the member has chosen is canceled and the member's benefit will be increased to the maximum monthly benefit. The member can not choose someone else to be the joint annuitant.

### Life-Certain Options

These options provide a reduced monthly benefit to the retired member for his or her lifetime. If the retired member should die with 5, 10, or 15 years of the his or her retirement date, the same monthly benefit will be payable to the member's beneficiary for the balance of the 5, 10, or 15 year period. The reduction factors are:

- 99% for 5 years.
- 98% for 10 years.
- 92% for 15 years.

### Partial Lump-Sum Option

The member may elect to receive a Partial Lump Sum Option (PLSO) distribution equal to ten, twenty, thirty, forty, or fifty% of the present actuarial value of the member's monthly benefit. Upon selecting this option, the member's lifetime retirement benefit will be actuarially reduced to reflect the value of the PLSO distribution. The combination of both the PLSO and the reduced benefit are the equivalent of the retired member's maximum monthly benefit. If the member chooses a partial lump-sum option and a joint survivor option, the joint survivor option reduction will be based on the member's actuarially reduced partial lump-sum monthly benefit. (Please refer to example on page 36).

**The member cannot change the retirement option once he or she is retired.**

### Spousal Consent Law

If the member selects a retirement benefit option which the spouse would receive less than one-half of the monthly retirement benefit upon the member's death, the Retirement System must have on file the notarized signature of the spouse.

This will signify the spouse's acknowledgment of the retirement benefit option the member has chosen. If the member chooses the Partial Lump Sum Option, the signature of the spouse will be required.

## AFTER RETIREMENT

### Working After Retirement

#### 30-day Waiting Period

- There is a 30-day waiting period following any employee's KP&F retirement date (not termination date), during which he or she cannot accept any employment with **any** affiliated employer, for example:
- If a employee's retirement date is July 1, he or she cannot begin employment with any affiliated employer under the Kansas Police & Firemen's Retirement System, the Kansas Public Employees Retirement or the Judges Retirement System until August 1.

Retirement Date	Return to Work Date
<b>30 days</b>	
January 1	February 1
February 1	March 4
March 1	April 1
April 1	May 2
May 1	June 1
June 1	July 2
July 1	August 1
August 1	September 1
September 1	October 2
October 1	November 1
November 1	December 2
December 1	January 1

### Earnings Limitation

A member may return to work with any employer. However, if a retired member returns to employment with any KP&F employer for whom the member was a contributing member during the two years before termination, the member will need to make a decision after earning \$25,000. The member will need to stop working or have their retirement benefit suspended for the remaining portion of the calendar year. The earnings limitation is based on a calendar year, for example:

- Member retires July 1
- Member can earn \$25,000 from August 1 through December 31
- Member will start new year with a limit of \$25,000 for the period from January 1 through December 31.
- Member's retirement benefits are suspended for the remainder of the year in which the \$25,000 is reached or until termination of employment before December 31 of the calendar year
- Benefits resume with the January payment for the following year

If a KP&F member returns to work for the same employer, but in a KPERS position, the member does not have an earnings limitation and the member will begin contributing to KPERS immediately. The reason is because the member has switched Retirement Systems.

### Taxability of Benefit

**Kansas Income Tax:** By law, KP&F retirement benefits are not subject to Kansas income tax.

**Federal Income Tax:** Most retirement benefits will be subject to federal taxes. If the member made payroll-withholding contributions to the Retirement System before **July 1, 1984**, or has paid for a buyback with post-tax (lump sum) dollars, part of the member's pension will not be taxable under federal law. Federal law allows the member to "recover" tax-free, those contributions the member made on a post-tax basis, and regulates the rate at which the member makes this recovery.

The Retirement System uses the following IRS guidelines for determining withholding taxes from benefit checks:

When the member's monthly retirement benefit exceeds \$2,010 per month, the following guidelines apply:

- The KPERS office will administer an automatic withholding based on, "married with 3 dependents," unless the member elects otherwise.

When the member's monthly retirement benefit is under \$2,010 per month, the following guidelines apply:

- The KPERS office will not withhold deductions for federal taxes, unless the member requests deductions. The member must submit a W4-P form for deductions to begin.

If a retiree elects not to have taxes withheld or not enough is withheld, the retiree may have to pay estimated taxes during the year. If estimated taxes are due but not paid, the retiree will have penalties to pay at the end of the year. The retiree's decision on withholding is an important one. The Retirement System advises retired members and employees considering retirement to consult a qualified tax consultant.

### Direct Deposit

Direct deposit of a retired member's monthly retirement benefit is mandatory. The direct deposit will be made on the last working day of each month.

### Death Benefit

There is a **\$4,000** death benefit payable to the member's beneficiary regardless of other benefits selected.

Retirees may name a funeral establishment (instead of a person, estate, or trust) as the beneficiary for their \$4,000 KPERS retiree death benefit. A retiree may want to do this because, under federal tax law, the \$4,000 KP&F death benefit is counted as taxable income to the beneficiary. Under this new provision, if the retiree chooses to name a funeral establishment instead of an individual as beneficiary, the \$4,000 will go directly to the establishment and no individual will be taxed.

An **original death certificate** is required. KP&F cannot accept photocopies of death certificates.