

Are You A Tech-Savvy Retiree?

About two-thirds of Americans 65 or older use the internet, according to the Pew Research Center. Among those, about one-third don't feel confident doing tasks online. Here are a few ways technology can enhance your life. If you need help getting up to speed, there are resources that can help you.

Ways Technology Can Benefit You

Family and Friends

We hear often at KPERS that new retirees are most looking forward to spending time with family. Especially grandchildren! If your loved ones live some distance away, social media, email and video chat can bring them closer. Many are even able to reconnect with former classmates and distant relatives, or even people they served with in the military.

Secure Bill Pay and Money Management

Many retirees are finding it easier than ever to manage their finances online. Along with convenience and security, you can pay bills, check balances or transfer money anywhere and anytime. KPERS even has online account access where you can conduct some KPERS business, like changing your tax withholding or designating a beneficiary.

Entertainment and Shopping

A whole world of entertainment is available on the internet, from movies and music to local events. Shopping is easier than ever with services like Amazon. You can even order your groceries online for pickup or delivery.

Photo Sharing and Archiving

Memories are important. And nothing captures memories like photos. Many online services can help you organize, store and print your photos. You can also archive aging photo albums for sharing.

Places to Learn

You can probably find a local workshop or class right in your own community. Here are a few places to check.

- Local public library
- Lifelong learning programs at your local community college, technical college or university
- Community and senior centers

Vested INTEREST

KPERS Newsletter for our Retired Members

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Why KPERS Doesn't Have Automatic COLAs

Retirees often ask why they don't get cost-of-living adjustments (COLAs) on a regular basis. A COLA is an increase in benefits to help keep pace with inflation. The barriers to a COLA come down to KPERS' design and funding.

Plan Design

When the Legislature created KPERS in 1962, the plan design did not include a COLA. Because of that, a way to fund COLAs was not included.

In the past, the Legislature has granted COLAs, but only on an ad hoc basis. The last permanent increase was granted in 1998, with several one-time payments in the 2000s.

Funding

By law, the Legislature must fund benefit changes, like a COLA, in addition to regular funding. This means either an up-front payment or a plan for employers to make extra payments over time.

COLA bills are introduced during most legislative sessions. This year was no different. Since COLAs are not prefunded, legislators must weigh the cost against other budget priorities.

HB 2100 was introduced this year, proposing a COLA for about 80,000 retirees. KPERS' actuary determined the COLA would cost about \$185.7 million. Part of that overall cost would've been the responsibility of state government, while the remainder would have to be absorbed by local governments. The COLA bill did not pass, although it could be considered by the 2020 Legislature.

Choosing A Financial Planner

There are a lot of financial professionals willing to give you advice. Many have titles like financial planner, financial advisor, wealth manager, etc. In fact, there are more than 100 professional designations in the financial industry. But only a few of those truly indicate a person's ability to do real, broad-based financial planning.

Besides having suitable qualifications, you would also expect that a financial planner would have your best interests as his or her top priority, but that's not always the case.

Before hiring someone, take the time to meet with prospective planners. Learn about their experience, qualifications and investment approach to see if their services are a good fit for you.

Find out how you'll pay for their services. Ultimately, fees impact your bottom line. And the advice you receive might depend on how a financial planner receives compensation.

Some common compensation methods include:

Fee-Only: Hourly rate or flat fee for services provided.

Fee-Based: A mixture of regular fees and commission.

Commission-Only: Compensation based on services or products sold.

You should also ask about their professional credentials. Some planners hold the certified financial planner designation, which requires professionals to meet standards for education, experience, examinations and ethics. Certified financial planners are held to the fiduciary standard, meaning they are required to put your best interests first.

Only you can decide if you need a financial planner. Weigh the costs and benefits. If you're confident in your abilities, you may not need one. But if you need help with your long-term finances, you may want to visit with a financial planner.

If you want to search for a certified financial planner in your area, visit the Certified Financial Planner Board of Standards' website, letsmakeaplan.org.



Did You KNOW?

You can check or change your beneficiaries anytime. Login to your kpers.org account.

Keys to Protecting Your Health in Retirement

Staying physically, mentally and socially healthy is important to living well throughout retirement. Making a few proactive decisions can help maintain your health. Keep these simple tips in mind. And remember, it's never too late to make positive changes in your life.

Stay Social

Research shows that seniors who are socially active are some of the happiest and healthiest in their age group. They also live longer than those who are socially isolated.

Scheduled social pursuits give you something to look forward to on a regular basis. Here are some ideas to help keep you in the social loop.

- Engage in a regular hobby, whether it's a regular tee time at the golf course, a book club or even a bowling team. Whatever your interest may be.
- Schedule regular get-togethers with friends or family. Even if it's just a quick lunch date.
- Look for volunteer or mentoring opportunities locally or visit volunteerkansas.org or volunteer.gov.



Get Regular Exercise

Even a little exercise can benefit your health in many ways.

- Improved strength to help you stay independent
- Improved balance to help prevent falls
- More energy
- Prevent or delay diseases
- Improved mood and cognitive function

Exercise doesn't have to be strenuous. Walking, dancing, swimming or even working in the yard are great ways to add physical activity into your day. And you don't even need a gym membership.

Eat Healthy Foods

Aging can mean changing nutritional needs and challenges. Metabolism can slow, ability to absorb vitamins and minerals becomes less efficient, and even common medications can decrease appetite.

As we age, it becomes more important than ever to eat healthy. Aging means increased vulnerability to common diseases like osteoporosis, heart disease, high blood pressure and diabetes. Eating a balanced diet can help manage these risks and conditions. Be sure to talk to your doctor if you have special nutritional needs.

Money Matters – Investment Snapshot

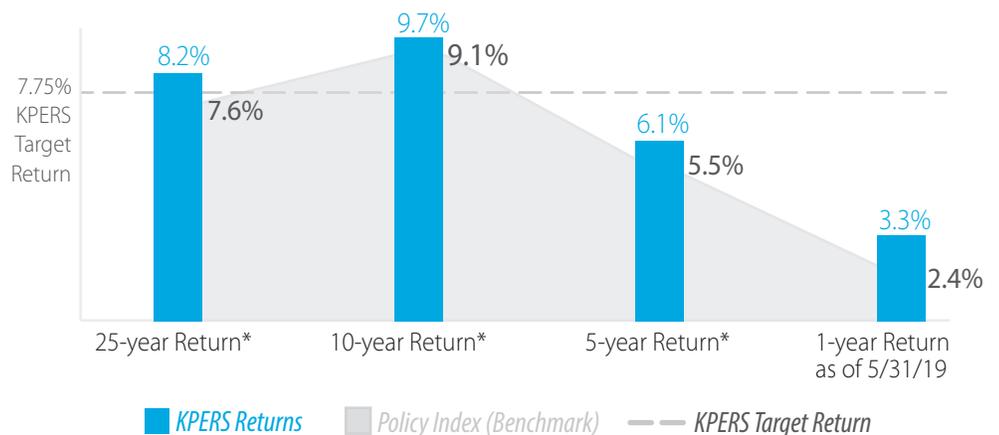
Our actuarial projections currently assume an average, long-term investment return of 7.75%. In some years, returns will be below that rate, and in others, returns will exceed it. While investment returns each year are important, healthy returns over time are essential for proper funding.

KPERS' 25-year investment return average is 8.2%*, exceeding the 7.75% target.

*average annualized total returns

KPERS Returns Over Time

Total assets = \$19.64B



*average annualized total returns as of May 31, 2019

Questions?



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2019 BENEFIT PAYMENT DATES

January 31	July 31
February 28	August 30
March 29	September 30
April 30	October 31
May 31	November 27
June 28	December 31

Our Mission: In our fiduciary capacity, we exist to deliver retirement, disability and survivor benefits to our members and their beneficiaries.

The fiduciary standard is our driving force. That means we put the interest of our members first. It is the highest standard of care and accountability. A fiduciary relationship is highlighted by good faith, loyalty and trust.

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Letter From the Executive Director



Summer greetings!

If you followed the legislative news this spring, you saw that KPERS funding was a frequent topic, right up to the final gavel.

In the end, the Kansas Legislature approved two additional payments to the KPERS Trust Fund, one for \$115 million and the other for \$51 million. The \$115 million payment was in response to 2016 legislation that reduced KPERS contributions for state budget needs.

This is good news! We have received both of these payments, and they have strengthened the KPERS Trust Fund.

With proper contributions that will continue to improve funding, the Legislature may have a more favorable outlook to consider benefit changes like cost-of-living adjustments in the future. We know this would be welcome news for you.

This July, KPERS received its latest actuarial valuation. This is an annual snapshot of KPERS' financial health and helps us measure funding over time. So how is KPERS' funding? In a word – steady.

Negative investment returns at the end of last year did affect the valuation snapshot. The unfunded liability increased slightly, by \$300 million. But KPERS' funded ratio remained at 68.4% with the help of the additional payments from the Legislature.

We have since recovered from the investment losses. The Trust Fund is at an all-time high of more than \$20 billion.

It is important to remember that it is investment returns over time that are essential for positive funding. Over the last 25 years, KPERS investments have returned an 8.2% average, above our 7.75% target. By fiscal year 2021, we project that all KPERS employers will be contributing at the full actuarially-required rate.

As always, we welcome your comments and questions. Please feel free to contact me anytime at 785-296-1017 or aconroy@kpers.org.

Alan D. Conway