

Weathering Inflation to Make Your Savings Last

After years of low inflation, many retirees are concerned about recent rising prices. For good reason, too. Prices have increased for many consumer goods and services. And everyone is feeling the pinch at the gas pump and grocery store. Retirement planning doesn't end on the day you retire. Sometimes you might need to adjust your plan. Here's a two-pronged strategy to consider.

Position Your Savings to Keep Pace With Inflation

Although you have the peace of mind knowing that your KPERS benefit is guaranteed for the rest of your life, increases in everyday living costs can erode your purchasing power over time. Since you don't receive automatic cost-of-living adjustments (COLAs) from KPERS, this additional purchasing power will likely need to come from your savings and investments.

Many financial advisors say that investing too conservatively during retirement is a common pitfall. It might feel safer, but it may not have the staying power you need when inflation rears its head. Review your strategy with a trusted financial planner to see what is right for you.

Most financial planners suggest a diversified, well-balanced portfolio that includes stable investments as well as stocks. This approach generally provides inflation protection with a goal of managing risk.

Reduce Expenses and Stick to a Budget

Although many factors can affect your cash flow, there is only one that you have significant control over: spending. You can control spending by finding ways to reduce expenses and sticking to a budget.

A budget is a great tool for managing money, whatever your age. You can use traditional pencil and paper, a spreadsheet, or even one of the many web-based or phone apps available.

Making ends meet during retirement can be a challenge. Here are a few ideas to reduce expenses.

- Shop for lower-cost home and auto insurance.
- Look for cheaper options on cable, phone and internet services.
- Ask for senior discounts.

Vested **INTEREST**

KPERS Newsletter for our Retired Members

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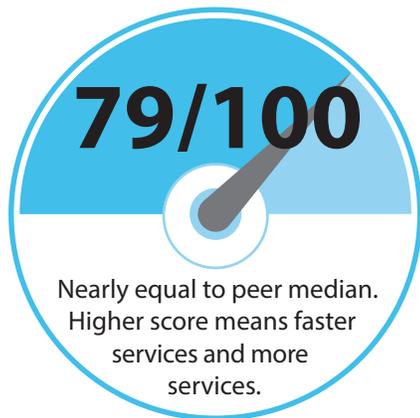
Federal tax withholding tables change from year to year. As required, KPERS implements the new tables each year. As a result, the amount withheld from your benefit can also change.

If your withholding amount changes, KPERS will send you a letter in February. If you don't receive a letter, your withholding is not changing.

What Gets Measured Gets Managed

Each year, CEM Benchmarking, Inc. evaluates KPERS' costs and services. This year's results show our continuing commitment to providing good customer service while controlling costs. See how KPERS measured up.

Points for Service



Cost Per Member



Call Center Response



Protect Yourself From Scams and Schemes

The U.S. Senate Special Committee on Aging reports that older Americans lose \$2.9 billion per year due to schemes and scams.

The types and methods are ever-changing so it is important to be informed and vigilant. Today's retirees are more comfortable using the internet and electronic devices than ever before, which opens up new avenues for crooks to use.

The best way to protect yourself is to know what to look for. Here are the top 10 scams that target older Americans, as published in the U.S. Senate Committee on Aging's latest book, "Protecting Older Americans Against Fraud."

Why Are Scammers Targeting Seniors?

No one is immune to fraud. But the FBI says retirees should use extra caution. Why? Retirees are attractive targets because they are more likely to have good credit, own their home and have a "nest egg" saved up.

Older Americans are historically less likely to report fraud. They might be embarrassed or concerned their relatives will think they're not able to handle their own affairs.

Tips for Recognizing Scammers

- Scammers coerce you into fast decisions or threaten you.
- Scammers disguise their real number, using fake caller ID.
- Scammers sometimes pretend to be with the government, such as the IRS or Social Security Administration.
- Scammers try to get personal information like your Social Security number or account numbers.
- Scammers try to persuade you to give them your credit card number or money, even gift cards.

Top 10 Scams To Watch Out For

1. Social Security Impersonation
2. Robocalls/Unsolicited Phone Calls
3. Sweepstakes/Lottery Scams
4. Romance Scams
5. Computer Tech Support Schemes
6. Grandparent Scams
7. IRS Impersonation Scams
8. Identity Theft
9. Debt Scams
10. Elder Financial Abuse

Reporting Scams and Fraud

If you receive a suspicious call, hang up and report it to the U.S. Senate Special Committee on Aging's Fraud Hotline at 1-855-303-9470. If you've been the victim of a scam, contact your state's attorney general's office.

What Happens If A Joint-Survivor Dies First?

If you chose a joint-survivor option when you retired, KPERS provides a continuing monthly benefit for that person after your death. This benefit will last for the rest of his or her life. Until then, your regular monthly benefits are reduced to provide this future benefit. The higher your survivor's benefit is, the lower yours is during retirement. But sometimes life changes the plans you put in place.

The Pop-Up Contingency Plan

If the person you chose as your joint-survivor dies first, the option is cancelled. You cannot name someone else. Your monthly benefit will "pop up" to what you would have received if you hadn't chosen the joint-survivor option. But it doesn't happen automatically.

1099-R Tax Forms Are Mailed

KPERS mails 1099-R tax forms by January 31. Contact KPERS if you did not receive one. You can also download a copy instantly by logging in to your KPERS account.

For additional information about taxes and 1099-R forms, visit kpers.org/taxes.html.

What to Do If Your Survivor Dies

It's important to call KPERS if your joint-survivor dies. Your monthly benefit will likely increase, but it doesn't happen automatically. Notifying us gets the process started. We'll send you the necessary paperwork. You'll return it with a certified copy of the death certificate. We can return the certificate if you'd like.

Although your joint-survivor option will be cancelled, KPERS still provides a \$4,000 death benefit to all eligible retirees. Be sure to keep your beneficiary current for this benefit.



Money Matters – Investment Snapshot

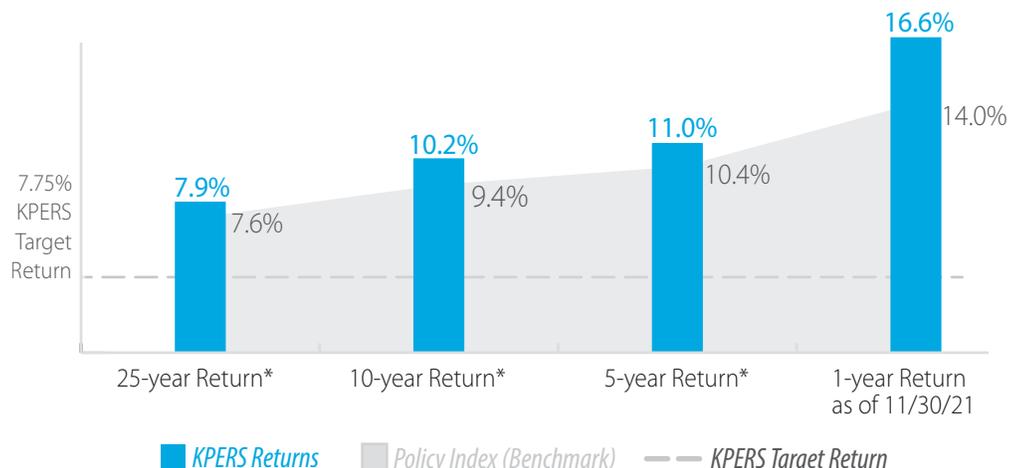
Our actuarial projections currently assume an average, long-term investment return of 7.75%. In some years, returns will be below that rate, and in others, returns will exceed it. While investment returns each year are important, healthy returns over time are essential for proper funding.

KPERS' 25-year investment return average is 7.9%*, exceeding the 7.75% target.

*average annualized total returns

KPERS Returns Over Time

Total assets = \$26.0B



*average annualized total returns as of November 30, 2021

Questions?



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2022 BENEFIT PAYMENT DATES

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

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.

Board of Trustees:

James Zakoura, <i>Chairperson</i>	Emily Hill	Ryan Trader
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Letter From Alan Conroy, Executive Director



This year's legislative session is in full swing. There are a number of items that could affect KPERs. Here are two that I believe will interest you.

The Governor has proposed in her budget recommendation an extra payment of \$254 million to KPERs. This is to pay for missed employer contributions in the past. Instead of paying for them over time, she has recommended the State pay a lump sum now. This would save the State about \$172 million over time, and the Trust Fund would have additional assets to invest this year. Legislators

are also discussing other additional funding for KPERs to help pay down the unfunded liability. No consensus so far, but talks continue.

On another topic, probably of even more interest to you, is a cost-of-living adjustment (COLA). The Legislature's Joint Committee on Pensions, Investments and Benefits asked for KPERs' Board to make a recommendation on a cost-of-living adjustment.

As a result, the Board noted in a letter to the Legislature in January that about 88% of current retirees have never received a COLA. Trustees recommended that the Legislature provide a meaningful COLA, especially to those who have been most affected by inflation. As a fiduciary, sound

funding remains a top priority for trustees. For this reason, they also recommended that any COLA should be fully funded (paid in advance) to avoid increasing KPERs' unfunded liability.

Ultimately the Legislature will decide on the State's budget priorities. As we move through the session, you can find the most current information on COLAs and other KPERs-related legislation on kpers.org.

In the meantime, please know that your benefits are safe. Funding status does not affect the security of your promised benefit.

For questions, please feel free to contact me at 785-296-1017 or aconroy@kpers.org.