Approved: March 3, 1999
Date

MINUTES OF THE HOUSE KANSAS 2000 SELECT COMMITTEE.

The meeting was called to order by Chairperson Kenny Wilk at 1:30 p.m. on February 9, 1999 in Room 526-S of the Capitol.

All members were present except: Representative Larry Campbell - excused

Committee staff present: Gordon Self, Revisor of Statutes
Janet Mosser, Committee Secretary

Conferees appearing before the committee: Meredith Williams, Executive Director, Kansas Public Employees Retirement System (KPERS)

Others attending: See attached list

Meredith Williams, Executive Director, Kansas Public Employees Retirement System gave a briefing on the actuarial evaluations and actuarial liabilities of KPERS (**Attachment 1**). He provided Committee members with a copy of the KPERS Comprehensive Annual Financial Report Fiscal Year Ended June 30, 1998. The report is on file in the Legislative Research Department and is available from the KPERS office.

Chairperson Wilk brought to the Committee's attention **HB 2034** concerning state officers and employees, rates and procedures for overtime compensation for discussion. Rep. Sloan moved to pass favorably. The motion was seconded by Rep. Sharp. The motion carried.

Chairperson Wilk adjourned the meeting at 2:35 p.m.

The next meeting is scheduled for February 10, 1999.

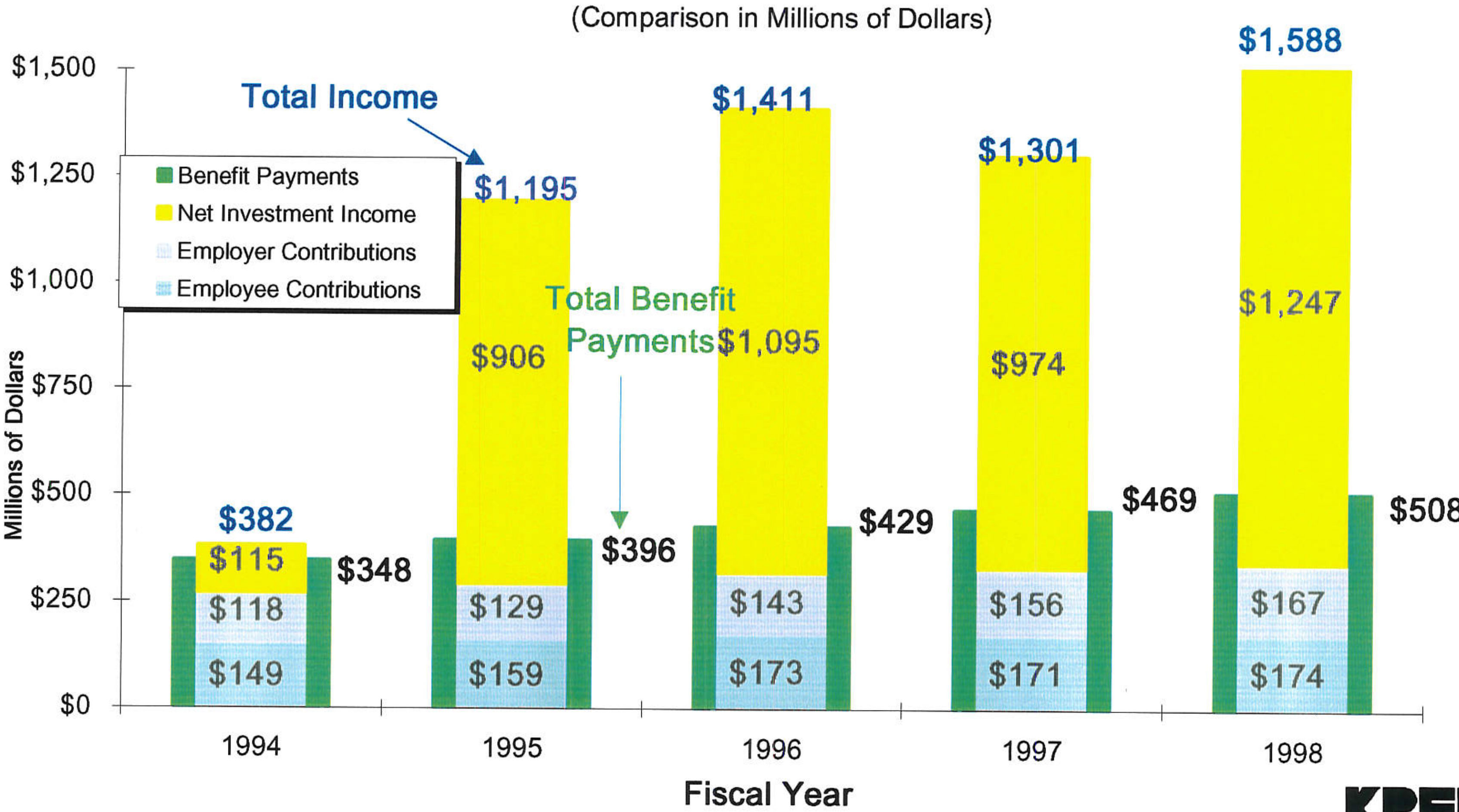
KANSAS 2000 SELECT COMMITTEE GUEST LIST

DATE: 2-9-99

NAME	TITLE	REPRESENTING
Meredith Williams	KPERS	
Jack Hawn	"	
Paul Wilson	Exec. Dir	KAPE
Keith Haxton		SEAK
Denis Stanley	Supt. of Sch.	USD 340
JERRY MARLATT	Lobbyist	KSCFF
Don Rye	Lobbyist	SEAK
Dr. Celso L. Ramirez	DEAN	University of KS Schl of Medicine

Kansas Public Employees Retirement System
Benefit Payments
Compared to Contributions and Investment Income

Kansas 2000 Select Committee
Meeting Date 2-9-99
Attachment 1



KPERS

February 9, 1999

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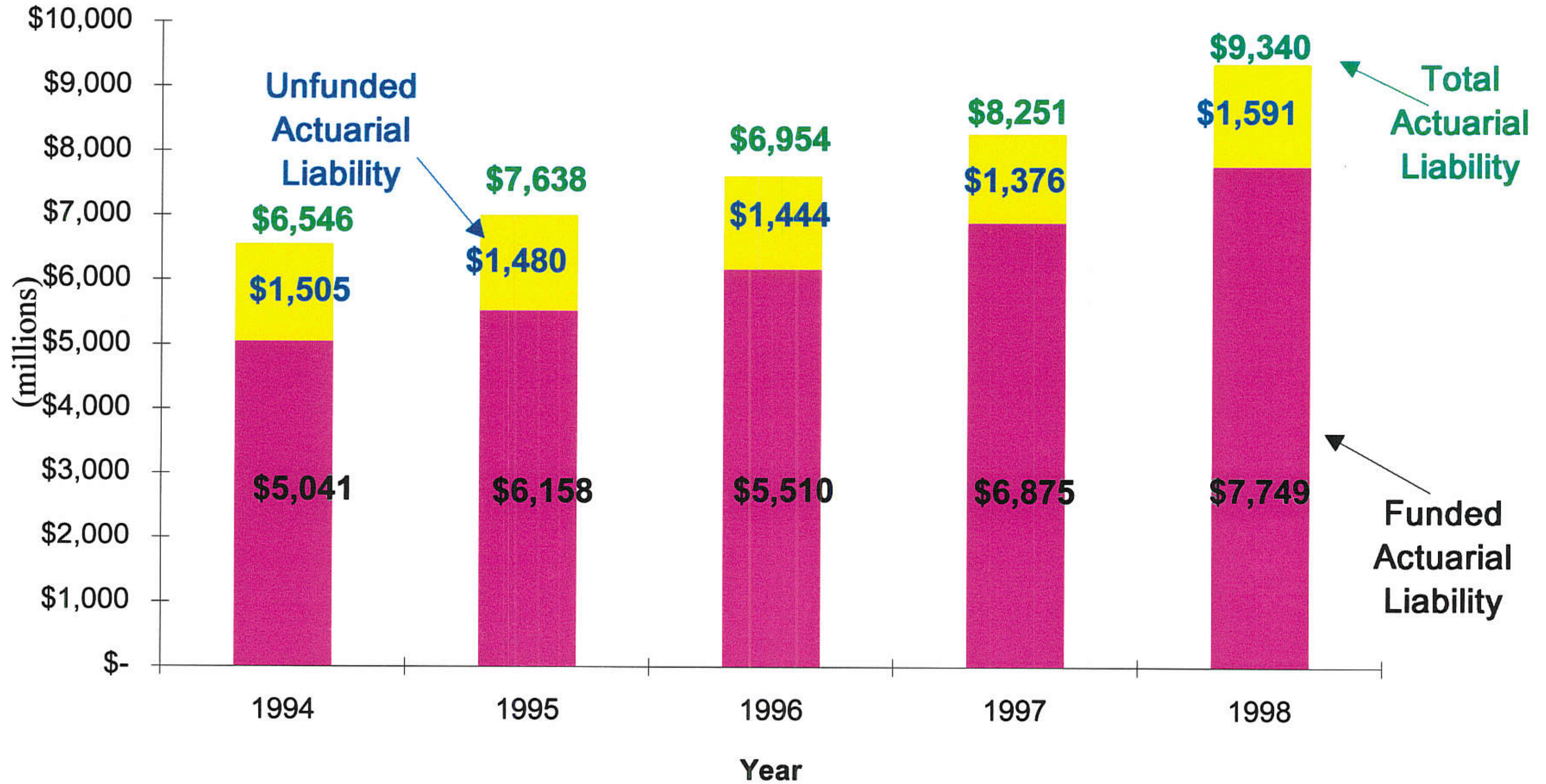
Kansas Public Employees Retirement System
Historical Analysis: Assets/Liabilities



Funded Ratio	77%	79%	81%	83%	83%

KPERS

February 9, 1999

Kansas Public Employees Retirement System
Change in Unfunded Actuarial Liabilities

(Unfunded) Actuarial Liability 6/30/97	($1,376)
• Effect of contribution cap and time lag	($54)
• Expected increase due to amortization method	($32)
• Investment gain	$413
• Change in assumptions	($350)
• 1998 Ad-hoc COLA	($88)
• Liability loss from actual experience	($104)
(Unfunded) Actuarial Liability 6/30/98	($1,591)

KPERS
January 21, 1999

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Kansas Public Employees Retirement System
Status of Unfunded Liability
As of June 30, 1998

Current Actuarial Value   Market Smoothing Method

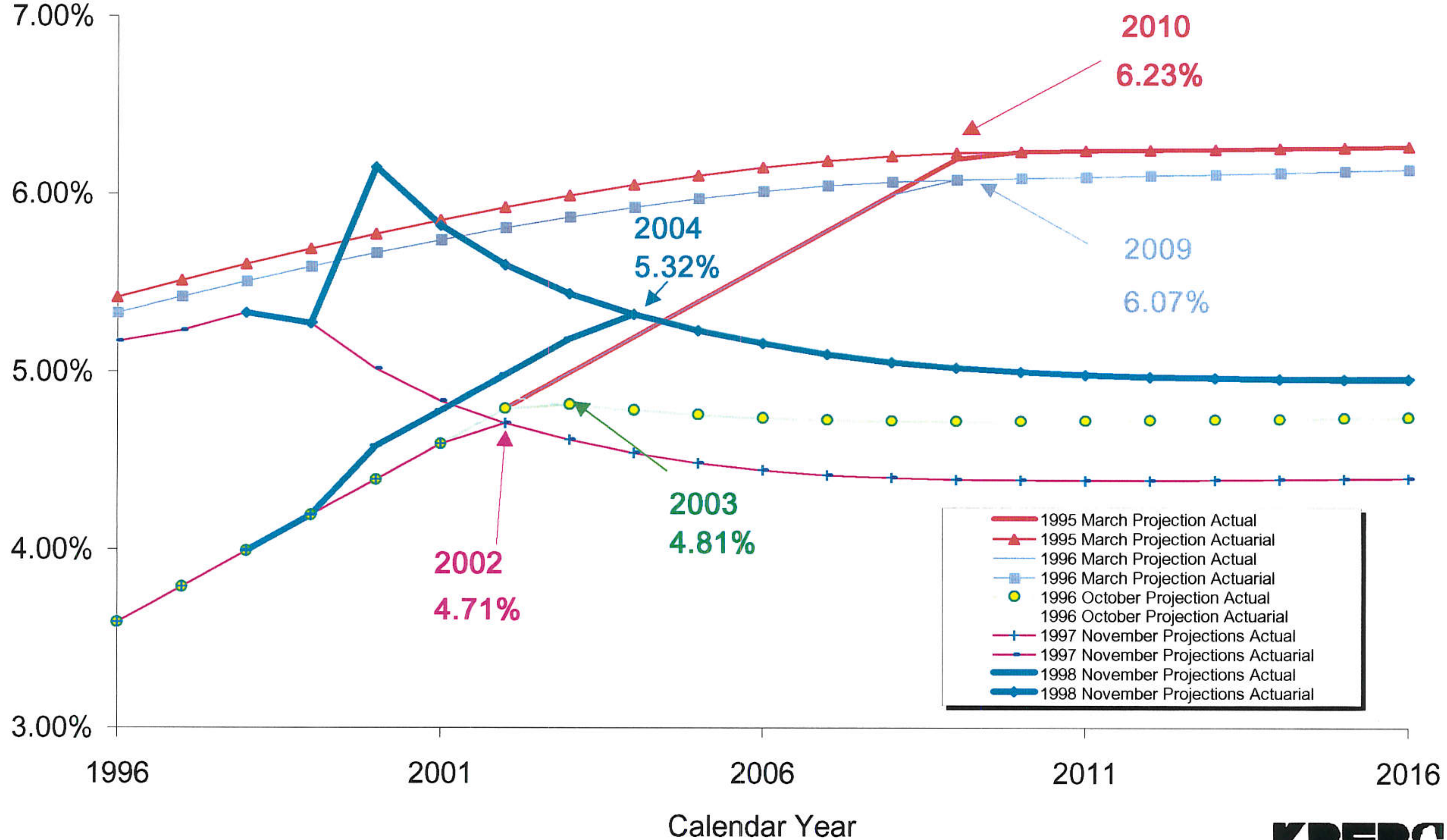
Actuarial Liability - June 30, 1998	$9,340,685,459
Actuarial Valuation of Assets	$7,749,203,022
Unfunded Liability - June 30, 1998	($1,591,482,437)
Funded Ratio	83%

Actual Market Value Basis

Actuarial Liability - June 30, 1998	$9,340,685,459
Market Value of Assets	$8,684,332,514
Unfunded Liability - June 30, 1998	($656,352,945)
Funded Ratio	93%

Difference between Actuarial Value and Market Value at June 30, 1998	$935,129,492

Kansas Public Employees Retirement System
State/School Contribution Rate Comparison
Actual to Actuarial



KPERS

January 19, 1999

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KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL PROJECTIONS
NOVEMBER 1998

Year	Invest Return	Members	Beg of Yr Payroll	Payouts	Actuarial Liability	Amort Period	Amort Payment	Unfunded Act Liab	Capped Rate	Actuarial Rate	Beg of Yr Market Val	Beg of Yr Expctd Val	Beg of Yr Actuarial Val	Actual Contribs	Actuarial Return
1998	8%	99,397	$ 2,854.76	$ 297.95	$ 6,729.27	35	$ 59.99	$ 1,141.81	3.99%	5.33%	$ 6,276.72		$ 5,587.47	$ 210.97	
1999	8%	99,397	$ 2,968.95	$ 319.02	$ 7,179.41	34	$ 52.61	$ 987.28	4.19%	5.27%	$ 6,688.39	$ 5,944.00	$ 6,192.13	$ 225.34	12.5%
2000	8%	99,397	$ 3,087.70	$ 343.07	$ 7,652.53	33	$ 47.80	$ 883.80	4.58%	6.15%	$ 7,126.04	$ 6,590.08	$ 6,768.73	$ 246.40	10.9%
2001	8%	99,397	$ 3,211.21	$ 369.37	$ 8,147.72	32	$ 44.47	$ 809.40	4.78%	5.82%	$ 7,595.58	$ 7,209.69	$ 7,338.32	$ 262.68	9.9%
2002	8%	99,397	$ 3,339.66	$ 399.26	$ 8,664.79	31	$ 42.32	$ 757.75	4.98%	5.60%	$ 8,092.27	$ 7,814.43	$ 7,907.04	$ 279.86	9.3%
2003	8%	99,397	$ 3,473.25	$ 432.59	$ 9,202.14	30	$ 40.93	$ 720.02	5.18%	5.43%	$ 8,615.48	$ 8,415.43	$ 8,482.11	$ 298.00	8.8%
2004	8%	99,397	$ 3,612.18	$ 470.09	$ 9,758.22	29	$ 39.92	$ 689.49	5.32%	5.32%	$ 9,164.75	$ 9,020.72	$ 9,068.73	$ 314.88	8.6%
2005	8%	99,397	$ 3,756.66	$ 511.05	$ 10,330.60	28	$ 39.16	$ 663.22		5.23%	$ 9,736.51	$ 9,632.81	$ 9,667.38	$ 324.14	8.4%
2006	8%	99,397	$ 3,906.93	$ 555.93	$ 10,917.44	27	$ 38.95	$ 646.17		5.16%	$ 10,321.04	$ 10,246.37	$ 10,271.26	$ 334.24	8.3%
2007	8%	99,397	$ 4,063.21	$ 603.36	$ 11,516.27	26	$ 39.18	$ 635.93		5.09%	$ 10,916.17	$ 10,862.41	$ 10,880.33	$ 345.06	8.2%
2008	8%	99,397	$ 4,225.74	$ 655.42	$ 12,125.85	25	$ 39.79	$ 630.82		5.05%	$ 11,520.83	$ 11,482.13	$ 11,495.03	$ 356.94	8.1%
2009	8%	99,397	$ 4,394.77	$ 711.95	$ 12,742.75	24	$ 40.68	$ 629.24		5.01%	$ 12,132.09	$ 12,104.22	$ 12,113.51	$ 369.79	8.1%
2010	8%	99,397	$ 4,570.56	$ 769.44	$ 13,363.38	23	$ 41.82	$ 629.95		4.99%	$ 12,746.81	$ 12,726.74	$ 12,733.43	$ 383.54	8.1%
2011	8%	99,397	$ 4,753.38	$ 828.48	$ 13,987.60	22	$ 43.16	$ 632.01		4.98%	$ 13,365.22	$ 13,350.77	$ 13,355.59	$ 398.13	8.0%
2012	8%	99,397	$ 4,943.51	$ 888.49	$ 14,614.61	21	$ 44.67	$ 634.67		4.96%	$ 13,986.88	$ 13,976.47	$ 13,979.94	$ 413.52	8.0%
2013	8%	99,397	$ 5,141.25	$ 949.23	$ 15,244.20	20	$ 46.33	$ 637.32		4.96%	$ 14,611.87	$ 14,604.38	$ 14,606.87	$ 429.70	8.0%
2014	8%	99,397	$ 5,346.90	$ 1,007.65	$ 15,876.40	19	$ 48.13	$ 639.49		4.95%	$ 15,240.51	$ 15,235.11	$ 15,236.91	$ 446.66	8.0%
2015	8%	99,397	$ 5,560.78	$ 1,064.57	$ 16,514.44	18	$ 50.06	$ 640.72		4.95%	$ 15,876.31	$ 15,872.43	$ 15,873.72	$ 464.39	8.0%
2016	8%	99,397	$ 5,783.21	$ 1,119.18	$ 17,161.00	17	$ 52.11	$ 640.64		4.95%	$ 16,522.23	$ 16,519.44	$ 16,520.37	$ 482.90	8.0%
2017	8%	99,397	$ 6,014.54	$ 1,171.47	$ 17,819.81	16	$ 54.29	$ 638.87		4.95%	$ 17,182.28	$ 17,180.27	$ 17,180.94	$ 502.22	8.0%
2018	8%	99,397	$ 6,255.12	$ 1,220.81	$ 18,494.94	15	$ 56.59	$ 635.06		4.95%	$ 17,860.84	$ 17,859.40	$ 17,859.88	$ 522.37	8.0%
2019	8%	99,397	$ 6,505.33	$ 1,266.26	$ 19,191.49	14	$ 56.75	$ 628.86		4.95%	$ 18,563.33	$ 18,562.29	$ 18,562.63	$ 543.36	8.0%
2020	8%	99,397	$ 6,765.54	$ 1,308.10	$ 19,915.96	13	$ 59.21	$ 619.88		4.95%	$ 19,296.58	$ 19,295.83	$ 19,296.08	$ 565.24	8.0%
2021	8%	99,397	$ 7,036.16	$ 1,346.81	$ 20,675.10	12	$ 61.80	$ 607.72		4.92%	$ 20,067.73	$ 20,067.19	$ 20,067.37	$ 585.57	8.0%
2022	8%	99,397	$ 7,317.61	$ 1,381.06	$ 21,475.75	11	$ 64.81	$ 594.53		4.93%	$ 20,881.47	$ 20,881.08	$ 20,881.21	$ 609.20	8.0%
2023	8%	99,397	$ 7,610.31	$ 1,421.60	$ 22,326.68	10	$ 68.05	$ 577.61		4.93%	$ 21,749.26	$ 21,748.98	$ 21,749.07	$ 633.81	8.0%
2024	8%	99,397	$ 7,914.72	$ 1,461.58	$ 23,226.28	9	$ 71.57	$ 556.51		4.94%	$ 22,669.90	$ 22,669.70	$ 22,669.77	$ 659.75	8.0%
2025	8%	99,397	$ 8,231.31	$ 1,501.98	$ 24,179.90	8	$ 75.38	$ 530.42		4.94%	$ 23,649.58	$ 23,649.44	$ 23,649.49	$ 686.84	8.0%
2026	8%	99,397	$ 8,560.57	$ 1,544.59	$ 25,192.41	7	$ 79.55	$ 498.67		4.95%	$ 24,693.81	$ 24,693.70	$ 24,693.74	$ 715.17	8.0%
2027	8%	99,397	$ 8,902.99	$ 1,587.91	$ 26,267.17	6	$ 84.17	$ 460.50		4.97%	$ 25,806.71	$ 25,806.64	$ 25,806.66	$ 744.81	8.0%
2028	8%	99,397	$ 9,259.11	$ 1,632.40	$ 27,409.46	5	$ 89.40	$ 415.07		4.98%	$ 26,994.42	$ 26,994.37	$ 26,994.39	$ 775.85	8.0%
2029	8%	99,397	$ 9,629.47	$ 1,678.35	$ 28,624.52	4	$ 95.52	$ 361.39		5.00%	$ 28,263.16	$ 28,263.12	$ 28,263.13	$ 808.43	8.0%
2030	8%	99,397	$ 10,014.65	$ 1,725.46	$ 29,917.78	3	$ 103.21	$ 298.30		5.02%	$ 29,619.50	$ 29,619.47	$ 29,619.48	$ 842.78	8.0%
2031	8%	99,397	$ 10,415.24	$ 1,773.91	$ 31,295.42	2	$ 114.30	$ 224.36		5.04%	$ 31,071.08	$ 31,071.06	$ 31,071.07	$ 879.25	8.0%
2032	8%	99,397	$ 10,831.85	$ 1,823.75	$ 32,764.01	1	$ 137.69	$ 137.69		5.08%	$ 32,626.33	$ 32,626.31	$ 32,626.32	$ 918.60	8.0%
2033	8%	99,397	$ 11,265.12	$ 1,874.96	$ 34,330.60	1	$ 35.52	$ 35.52		5.15%	$ 34,295.08	$ 34,295.07	$ 34,295.08	$ 962.87	8.0%

KPERS

February 9, 1999

Kansas Public Employees Retirement System
Fiscal Year 1998 Accomplishments

Legislation

- Comprehensive IRS Compliance legislation was enacted. This very significant, multi-year effort has included staff training and has already produced a number of changes in the benefits administration arena.
- KPERS Omnibus bill, including a 3 percent ad hoc COLA, was passed.
- Real Estate restrictions were lifted.

Investment Related

- Assets increased by over $1 billion or 16 percent; exceeding the policy index by approximately 200 basis points, implying $165 million in value added. Returns doubled the actuarial assumed rate, resulting in additions to the health of the System of over a half billion dollars.
- Over 100 manager and investment presentations to KPERS staff in Topeka; over 20 staff visits to manager and other investment-related offices.
- Expanded role and format of meetings of Publicly Traded Securities Committee has increased understanding of the investment process, provided for greater interaction with managers, and better appreciation of investment issues.
- Disposed of RPT holdings at a 20 percent premium to net asset value; KPERS strategy resulted in value added in excess of $8 million. Some other public plans did not achieve the premium.
- Internal REIT management more than doubled to almost a quarter billion dollars, yielding positive investment performance and fee savings of $800,000.
- New alternative investment program undertaken and traditional direct placement fees were substantially reduced as many original investments were moved in-house. New gatekeeper relationship established.
- Significant advances in staff ability to monitor, analyze and communicate portfolio performance and characteristics, including risk profiles, on a more timely basis; consultant fees reduced $60,000 per year.
- Developed plan and substantially completed a "cutting edge" asset - liability analysis.
- Internally managed, dedicated bond portfolio outperformed the benchmark by 30 basis points with a savings of $70,000 in investment fees.

Benefits Administration

- Handled increased transaction workload with fewer resources.
- Successfully launched Retirement Workshops to rave reviews; attracted over 5,500 participants; developed "Cross Roads to Retirement" publication.
- Benefits Committee activities enhanced communication and empowerment within the Member Services function in the consistent, documented processing of member transactions.
- Processed 3,201 retirements (compared to all-time high of 3,576) in record time with fewer staff resources. All initial checks were issued on a timely basis.
- Administrative regulations were redrafted and submitted for review and approval.

Benefits Administration (continued)

- Workflow and Imaging Needs Analysis completed and received legislative approval.
- INFOLINE productivity skyrocketed from 2,771 completed calls in July to as many as 14,513 calls in March; abandoned calls as a percentage of completed calls fell from over 200 percent to under 2 percent.

Relocation

- Acquisition, renovation, and relocation were successfully completed.
- Relocation was accomplished with a minimum of disruption of services to members.
- Significant network technology and telephone improvements included.

Other

- Home page services saw continued expansion of monthly performance information and the addition of the first public funds online benefit calculator.
- Timely completion of annual report and clean audit opinion.
- Successful implementation of EFT system for the collection of local employers' remittances produced additional investment earnings of $193,223.
- Comprehensive review of disaster recovery issues.
- Streamlined organizational structure.
- Improved criteria and processing of new affiliations.
- Established more efficient and cost effective internet connections.
- Successfully concluded comprehensive review of Y2K issues.
- Numerous improvements implemented for more efficient processing of transactions.

Kansas Public Employees Retirement System
Fiscal Year 1999 Initiatives

Legislation

- Continue effort to remove bank restrictions.
- Review and consider provisions in Uniform Management of Public Employee Retirement Systems Act.
- Recodification of Retirement Act.

Investment Related

- Complete asset - liability study and develop implementation strategy.
- Complete acquisition of parking structure.
- Consider additional internal management opportunities, including expanded dedicated cash portfolio, synthetic cash securitization, dynamic completeness funds, targeted bond funds, and expanded distributed securities management.
- Expand electronic reporting format for external managers; develop electronic transmission to Board members.
- Implement new real estate strategy; continue implementation of alternative investment strategy.
- Maximize opportunities in CORE Group Trust investment.
- Develop and communicate measurement of changes in the financial health of the System through surplus analysis.

Benefits Administration

- Implement voice-response phone routing system capabilities.
- Provide increased emphasis and opportunity for individual counseling sessions during expanded program of employer and member workshops.
- Develop and track performance measures to include processing times and error rates.
- Participate in DB/DC discussions.
- Review possibilities for a deferred compensation option for participating employers.
- Implement compliance legislation

Employer Remittances

- Continue to expand the use of electronic reporting.
- Negotiate for more timely payments by the State and earnings on funds held by the State.

Home Page

- Add member data base to server and allow member access to service, "final average salary," beneficiary, and insurance information; review need for PIN access procedures.
- Continue to expand communication through the website.

Imaging

- Complete RFP process in first quarter.
- Implementation underway by January 1.

Internal Auditor

- Complete Phase II task force review of administrative regulations and submit revised package for statutory review.
- Implement random sample member/customer satisfaction survey.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

home page: *www.kpers.com* ***e-mail address:*** *kpers@kpers.com*

Regular KPERS System *- Summary of Benefit Provisions*

Effective July 1, 1998

MISSION STATEMENT: The Kansas Public Employees Retirement System is a plan of retirement, disability and survivor benefits provided by law for Kansas public servants and their beneficiaries.

The Board of Trustees and the Staff of the Retirement System strive at all times to safeguard the System's assets by adhering to the highest standards of fiduciary and professional care, complying strictly and fairly with the law, and conducting business in a courteous, timely and effective manner.

MEMBERSHIP AND CONTRIBUTIONS

Mandatory for State agencies and school districts but optional for other public entities which are covered by Social Security. The member contributes four percent of gross earnings. The employer rate fluctuates:

FY 99	3.99% — State Agencies and School Districts
	2.78% — Local Employers (Calendar Year 1998)
	2.93% — Local Employers (Calendar Year 1999)

RETIREMENT BENEFIT CALCULATION

Annual Benefit at Normal Retirement Age = Final Average Salary x Percentage x Years of Service

1.75% for participating service

.75% and 1% for prior service

For those who are hired on or after July 1, 1993, Final Average Salary = average of three highest years, excluding additional compensation, such as sick and annual leave

For those who were hired prior to July 1, 1993, Final Average Salary = the **greater of either:**

a four-year Final Average Salary including additional compensation, such as sick and annual leave

or

a three-year Final Average Salary excluding additional compensation, such as sick and annual leave

RETIREMENT AGES

Age 65; age 62 with 10 years of service; any age when combined age and years of service equal 85. **Reduced benefits** are available at age 55 with 10 years of service if member does not have the 85 points. Reduction is 0.6% for each month between ages 55 and 60 and 0.2% for each month between ages 60 and 62.

LONG-TERM DISABILITY

This benefit is provided by the employer. Annual benefit equal to two-thirds of member's annual salary less Social Security. Minimum monthly benefit is $100.00. Benefits payable after member is totally disabled 180 consecutive days and no longer receives compensation from employer. Member must apply for Social Security benefits and complete any appeal process. Member receives service credit for period of approved disability. When determining retirement benefits, Final Average Salary is recalculated if the member is disabled at least five years.

DEATH

Any Death: Return of actual contributions and interest and 150 percent of member's salary at the time of death to the named beneficiary. If the member had reached age 55 with 10 years of credited service, and the spouse is the sole beneficiary, then the spouse may select a lifetime benefit under any option. If a member with 15 or more years of service dies and was not of retirement age and the spouse is the sole beneficiary, then the spouse can elect one of the survivor options at the time the member would have been of retirement age; or

Job Related: Spouse receives monthly benefit based on 50 percent of member's Final Average Salary less Worker's Compensation and receives a $50,000 lump sum payment.

(over)

Regular KPERS System - Summary of Benefit Provisions
Effective July 1, 1998
(continued)

BENEFITS AFTER RETIREMENT

- Six different survivor options available at retirement, with "pop-up option" to the maximum amount allowed when survivor predeceases the retired member.
- If no survivor option was selected at retirement, return of any contributions and interest remaining in the member's account.
- $4,000 lump sum death benefit to member's named beneficiary.
- Employment after retirement: There is a 30-day waiting period following member's effective date of retirement before being able to go to work for any participating employer. If a retired member then returns to work for the same employer for whom the member worked during the last two years of KPERS participation, the retired member may then continue to receive retirement benefits and continue to work until earnings equal $15,000 in a calendar year. At that point, the retired member must:
  - A) Forfeit KPERS retirement benefits for the remainder of the calendar year; or
  - B) Stop working for the remainder of the calendar year.

OPTIONAL GROUP LIFE INSURANCE

Employer must be affiliated for members to have this coverage. Member may elect within 14 days of hire date or coverage may be selected during open enrollment, which for State employees is in the Spring of even-numbered years and for local government employees is in the Spring of odd-numbered years. Minimum $5,000 - Maximum $200,000. Amounts members apply for from $5,000 - $15,000 will be approved, regardless of the member's health. Amounts members apply for over $15,000 must be underwritten by the insurance carrier. **A member must be actively at work on the effective date to have the additional coverage.** Otherwise, the additional coverage is not effective until the first day following the member's return to active employment (the day after the member physically returns to work).

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.

KPERS

July 1, 1998

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KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

home page: *www.kpers.com* ***e-mail address:*** *kpers@kpers.com*

Ks Police & Firemen's Retirement System - Summary of Benefit Provisions
Effective July 1, 1998

MISSION STATEMENT: The Kansas Public Employees Retirement System is a plan of retirement, disability and survivor benefits provided by law for Kansas public servants and their beneficiaries.

The Board of Trustees and the Staff of the Retirement System strive at all times to safeguard the System's assets by adhering to the highest standards of fiduciary and professional care, complying strictly and fairly with the law, and conducting business in a courteous, timely and effective manner.

MEMBERSHIP AND CONTRIBUTIONS

Optional for local public employers. Mandatory for Kansas Bureau of Investigation (KBI) and Kansas Highway Patrol.

Member

REGULAR - 7% BRAZELTON - 7%, less Social Security Rate

Employer

Employer rates fluctuate and are determined separately for each employer:

FY 99	Varies — Local Employers		11.7% — Highway Patrol	
	10.6% — KBI		9.5% — Regents	

VESTING

TIER I	TIER II
20 YEARS	15 YEARS

PURCHASE OF SERVICE / RETIREMENT BENEFIT CALCULATION

Annual Benefit at Normal Retirement Age = Final Average Salary (FAS) x Percentage x Years of Service

2.5% for each year of service, maximum of 80%

For those who were hired before July 1, 1993, Final Average Salary = average of three highest years of last five, including additional compensation such as sick and annual leave.

For those who are hired on or after July 1, 1993, Final Average Salary = average of three highest of last five years, with no additional compensation included.

Members may purchase up to six years of military service by paying the full actuarial cost in a lump sum, or by modified double or triple deduction methods. This purchase cannot be used to determine retirement eligibility.

RETIREMENT AGES

Tier I:
Age 55 with 20 years of service.

Tier II:
Age 50 with 25 years of service
Age 55 with 20 years of service
Age 60 with 15 years of service

Transfer Members - Age 50 with 25 years.
Reduced benefits are available at age 50 with 20 years of service.

DISABILITY

Tier I: Job related: 50 percent of Final Average Salary, plus 10 percent for each eligible dependent, to maximum benefit of 75 percent Final Average Salary. If there are no dependents, higher of 50 percent Final Average Salary or 2.5% for each year service credit, to maximum 80 percent.

Other: 2.5 percent Final Average Salary per year of service. Minimum benefit 25 percent.

Tier II: 50 percent of Final Average Salary. Service credit to normal retirement. Benefit offset $1.00 for every $2.00 of earnings over $10,000.

Both Tiers: Returning to work in any KP&F covered position terminates eligibility for benefits.

(over)

***Ks Police & Firemen's Retirement System** - Summary of Benefit Provisions*
Effective July 1, 1998
(continued)

DEATH

Job related: Spouse receives 50 percent Final Average Salary until death. Each child, up to age 18 or up to age 23 if a full-time student, receives 10 percent Final Average Salary. Total not to exceed 75 percent of Final Average Salary. If there is no surviving spouse or children, the beneficiary receives return of member's contributions and interest.
Other: Spouse receives a lump sum payment of 100% Final Average Salary, plus a monthly benefit of 2.5% per year of service. Maximum 50% of Final Average Salary.

BENEFITS AFTER RETIREMENT

- Possible survivor benefits - Transfer Members
- Six different survivor options available at retirement, with "pop-up option" to the maximum amount allowed when survivor predeceases the retired member.
- If no survivor benefits are payable, return of any contributions and interest remaining in the member's account.
- $4,000 lump sum death benefit to member's named beneficiary.
- Employment after Retirement: There is a 30-day waiting period following member's effective date of retirement before being able to go back to work for any participating employer. If a retired member then returns to work for the same employer for whom the member worked during the last two years of KP&F participation, the retired member may then continue to receive retirement benefits and continue to work until earnings equal $15,000 in a calendar year. At that point, the retired member must:
  A) Forfeit retirement benefits for the remainder of the calendar year; or
  B) Stop working for the remainder of the calendar year.

OPTIONAL GROUP LIFE INSURANCE

Employer must be affiliated for members to have this coverage. Member may elect within 14 days of hire date or coverage may be selected during open enrollment, which for State employees is in the Spring of even-numbered years, and for local government employees is in the Spring of odd-numbered years. Minimum $5,000 - Maximum $200,000. Amounts members apply for from $5,000 - $15,000 will be approved, regardless of the member's health. Amounts members apply for over $15,000 must be underwritten by the insurance carrier. **A member must be actively at work on the effective date to have the additional coverage.** Otherwise, the additional coverage is not effective until the first day following the member's return to active employment (the day after the member returns physically to work).

SPECIAL MEMBERS

- Special Members are members who elected to stay under provisions of local plan.
- Contribution rate: Three percent - Four percent.
- Retirement benefit - 55 percent final monthly salary (most plans-see your Designated Agent for details).
- Retirement Age - 50 with 22 years.
- $4,000 lump sum death benefit to member's named beneficiary.
- Possible survivor benefits after retirement.

NOTE: Special Member benefits may vary. See your Designated Agent for details.

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.

KPERS

July 1, 1998

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

home page: *www.kpers.com* ***e-mail address:*** *kpers@kpers.com*

Retirement System for Judges - Summary of Benefit Provisions

Effective July 1, 1998

MISSION STATEMENT: The Kansas Public Employees Retirement System is a plan of retirement, disability and survivor benefits provided by law for Kansas public servants and their beneficiaries.

The Board of Trustees and the Staff of the Retirement System strive at all times to safeguard the System's assets by adhering to the highest standards of fiduciary and professional care, complying strictly and fairly with the law, and conducting business in a courteous, timely and efficient manner.

MEMBERSHIP AND CONTRIBUTIONS

Mandatory for the Kansas Judicial System. Member contributes six percent of gross compensation. Member's contribution rate will drop to two percent (2%) upon reaching the maximum benefit of 70 percent of Final Average Salary. Employer rate is the following for:

FY 99 15.67%

RETIREMENT BENEFIT CALCULATION

Annual Benefit at Normal Retirement Age = Final Average Salary (FAS) x Percentage x Years

Final Average Salary (FAS) = average of three highest years

Member on or after July 1, 1987: 3.5% per year, to maximum of 70% FAS

Member prior to July 1, 1987: 5% per year up to 10 years and 3.5% each additional year, to maximum of 70% FAS

RETIREMENT AGES

Age 65; age 62 with 10 years of service; any age when combined age and years of service equal 85 "points." Mandatory retirement at end of term in which age 70 attained. **Reduced benefits** are available at age 55 with 10 years of service if member does not have the 85 "points."

DISABILITY

Benefit = Final Average Salary (FAS) x 3.5% per year of service

Minimum benefit of 50% FAS

For purposes of determining retirement benefits,

the Final Average Salary is recalculated if the member is disabled for at least five years.

DEATH

Return of actual contributions and interest and 150 percent of member's salary at the time of death to named beneficiary. If age 55, 10 years of credited service, and spouse is sole beneficiary; spouse may select payment under any option in lieu of return of accumulated contributions. If a judge with 15 or more years of service dies and was not of retirement age and spouse is sole beneficiary, the spouse can elect to leave contributions on deposit with the Retirement System and receive a survivor option at the time the member would have been of retirement age.

(over)

***Retirement System for Judges** - Summary of Benefit Provisions*
Effective July 1, 1998
(continued)

BENEFITS AFTER RETIREMENT

- Six different survivor options available at retirement; with "pop-up option" to the maximum amount allowed when "survivor" predeceases the retired member.
- If no survivor option was selected at retirement, return of any contributions and interest remaining in the member's account.
- $4,000 lump sum to member's named beneficiary.
- **Employment after Retirement:** Retired judges may enter into an agreement to work for up to 104 days at 25 percent of the current salary of a judge. The agreement is for two years and may be renewed for up to 12 years. Retirement benefits will be suspended in any case where a retired judge is elected or appointed to a judgeship. The judge in that case resumes active participation and will accrue additional service credit. When the judge retires again, the retirement benefit is recalculated.

OPTIONAL GROUP LIFE INSURANCE

Employer must be affiliated for members to have this coverage. Member may elect within 14 days of hire date or coverage may be selected during an open enrollment period, which for members of the Retirement System for Judges is in the Spring of even-numbered years. Minimum $5,000 - Maximum $200,000. Amounts members apply for from $5,000 - $15,000 will be approved, regardless of the member's health. Amounts members apply for over $15,000 must be underwritten by the insurance carrier. **A member must be actively at work on the effective date to have the additional coverage.** Otherwise, the additional coverage is not effective until the first day following the member's return to active employment (the day after the member physically returns to work).

PURCHASE OF SERVICE CREDIT

Active Judges may purchase the following types of service credit:
1) Forfeited Judicial Service;
2) Forfeited KPERS Service;
3) Forfeited KP&F Service;
4) Military Service;

District Magistrate Judges Only:
5) may convert KPERS service to service with Retirement System for Judges;
6) may raise rate to 5% from 3.5%.

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.

KPERS

July 1, 1998

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