Current Provisions vs. SB 168: 8.65% for Last Half of FY15, $1.0B Bond Proceeds, No Additional Funding from Expanded Lottery Act Revenue Fund

KPERS State/School Group

FOR ILLUSTRATION PURPOSES ONLY

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		Employer Contribution Rate			Employer Contribution Amount (in millions)						Bond Debt Service (in millions)		Employer
					Current								
Fiscal Year	Total Payroll	Current	Alternate	Effective Rate Alternate + Bond Payment (14)/(2)	Payroll Based (2)*(3)	ELARF	Total (6)+(7)	Alternate (2)*(4)	Difference (9)-(8)	Present Value[2]	Debt Service Payment[3]	Present Value[4]	Alternate Contrit + Bond Paym (9)+(12)
2015	$ 4,440.00	11.27%	11.27%/8.65%	11.27%/8.65%	$ 500.39	$ -	$ 500.39	$ 442.22	$ (58.16)	$ (62.82)	$ -	$ -	$
2016	4,554.81	12.37% [1]	12.37%	13.69%	563.43	39.67	603.09	563.43	(39.67)	(39.67)	60.20	60.20	
2017	4,663.16	13.57% [1]	13.57%	14.86%	632.79	40.56	673.35	632.79	(40.56)	(37.56)	60.20	55.74	
2018	4,784.85	14.77% [1]	14.77%	16.03%	706.72	41.48	748.20	706.72	(41.48)	(35.56)	60.20	51.61	
2019	4,918.20	14.83% [1]	13.10%	14.32%	729.60	42.41	772.01	644.28	(127.73)	(101.40)	60.20	47.79	
2020	5,061.65	14.51% [1]	12.69%	13.88%	734.50	43.37	777.87	642.32	(135.55)	(99.63)	60.20	44.25	
2021	5,215.15	14.19% [1]	12.26%	13.41%	739.97	44.34	784.31	639.38	(144.94)	(98.64)	60.20	40.97	
2022	5,378.89	14.09% [1]	12.11%	13.23%	757.66	45.33	802.99	651.38	(151.61)	(95.54)	60.20	37.94	
2023	5,552.28	13.96% [1]	12.03%	13.11%	775.25	51.59	826.85	667.94	(158.91)	(92.72)	60.20	35.13	
2024	5,734.26	13.85% [1]	11.99%	13.04%	793.98	52.63	846.61	687.54	(159.07)	(85.94)	60.20	32.52	
2025	5,925.05	13.72% [1]	11.95%	12.97%	813.02	53.68	866.70	708.04	(158.66)	(79.37)	60.20	30.11	
2026	6,124.89	13.58%	11.91%	12.89%	831.84	-	831.84	729.47	(102.36)	(47.41)	60.20	27.88	
2027	6,334.01	13.41%	11.89%	12.84%	849.37	-	849.37	753.11	(96.26)	(41.28)	60.20	25.82	
2028	6,553.23	13.21%	11.86%	12.78%	865.54	-	865.54	777.21	(88.33)	(35.08)	60.20	23.91	
2029	6,782.71	12.98%	11.83%	12.72%	880.10	-	880.10	802.40	(77.71)	(28.57)	60.20	22.14	
2030	7,022.28	12.85%	11.78%	12.64%	902.70	-	902.70	827.22	(75.48)	(25.70)	60.20	20.50	
2031	7,271.88	12.74%	11.74%	12.57%	926.12	-	926.12	853.72	(72.41)	(22.83)	60.20	18.98	
2032	7,532.39	12.61%	11.68%	12.48%	949.67	-	949.67	879.78	(69.89)	(20.40)	60.20	17.57	
2033	7,804.13	4.97%	4.67%	5.44%	387.51	-	387.51	364.45	(23.06)	(6.23)	60.20	16.27	
2034	8,087.28	3.67%	3.49%	4.23%	297.12	-	297.12	282.25	(14.87)	(3.72)	60.20	15.06	
2035	8,382.76	2.36%	2.29%	3.01%	197.81	-	197.81	191.97	(5.85)	(1.36)	60.20	13.95	
2036	8,690.60	1.46%	1.46%	2.15%	127.24	-	127.24	126.88	(0.36)	(0.08)	60.20	12.92	
2037	9,010.83	1.08%	1.11%	1.78%	97.34	-	97.34	100.02	2.68	0.53	60.20	11.96	
2038	9,344.71	0.85%	0.90%	1.54%	79.37	-	79.37	84.10	4.74	0.87	60.20	11.07	
2039	9,693.54	0.75%	0.80%	1.42%	72.77	-	72.77	77.55	4.77	0.81	60.20	10.25	
2040	10,057.93	0.72%	0.78%	1.38%	72.66	-	72.66	78.45	5.80	0.91	60.20	9.49	
2041	10,440.12	0.75%	0.81%	1.39%	77.81	-	77.81	84.56	6.75	0.99	60.20	8.79	
2042	10,842.35	0.80%	0.85%	1.41%	86.79	-	86.79	92.16	5.37	0.73	60.20	8.14	
2043	11,264.17	0.86%	0.91%	1.44%	96.46	-	96.46	102.50	6.05	0.76	60.20	7.54	
2044	11,704.70	0.93%	0.97%	1.48%	109.28	-	109.28	113.54	4.25	0.49	60.20	6.98	
2045	12,163.69	1.01%	1.04%	1.53%	123.14	-	123.14	126.50	3.36	0.36	60.20	6.46	
2046	12,640.67	1.08%	1.11%	1.11%	136.75	-	136.75	140.31	3.56	0.35	-	-	
				TOTAL:	$ 15,914.73	$ 455.06	$ 16,369.78	$ 14,574.22	$ (1,795.56)	$ (1,054.68)	$ 1,806.00	$ 731.94	$ 16

[1] Indicates additional contributions from ELARF are added to this contribution rate to get the total contribution amount shown.

[2] Present Value is calculated as of 12/31/15

[3] Debt Service is based on a 30-year level repayment of a $1.0 billion bond sold at 4.42%.

[4] Present Value of the debt service payments is calculated as of 12/31/15 using the 8% investment return assumption, as opposed to the assumed bond rate of 4.42%. The total present value of the difference between the alternate plan and current realized if bonds were sold at 4.42% and all actuarial assumptions are met in the future. This does not reflect savings to the State as the investment earnings are in the KPERS trust fund, but debt service payments are from another source.

NOTE: Current and Alternate employer contribution rates and amounts were taken from an exhibit attached to a cost study letter from Cavanaugh Macdonald dated February 9, 2015.

February 10, 2015