

## General Operations

### Consequences of Not Funding this Program

KPERS administers the collection of employer and employee contributions, oversees the investment management of the KPERS Trust Fund and pays all benefits owed to KPERS members and their beneficiaries. Failure to fund the program would result in an inability for the agency to complete statutory required functions and ultimately be a breach of fiduciary duty to KPERS members.

Statutory Basis	Mandatory vs. Discretionary	MOE/Match Rgt.	Priority Level
K.S.A. 74-4920 eq. seq.	Mandatory	No	1

### Program Goals

- A. Pay all retirement benefits and death and disability benefits earned by KPERS members.  
 B. Prudently manage the investments of the KPERS Trust Fund (pension plan) and group insurance reserve fund (death and disability plan).  
 C. Collect all statutorily required employer and employee contributions to the pension plan and all statutorily required employer contributions to the death and disability plan.

### Program History

The Kansas Public Employees Retirement System (KPERS) was created by an act of the 1961 Kansas Legislature. The Act provides that the purpose of the Retirement System is "...to provide an orderly means whereby employees of participating employers who obtain retirement age may be retired from active service without prejudice and without inflicting a hardship upon the employees retired and to enable such employees to accumulate reserves for themselves and their dependents to provide for old age, death, and termination of employment and for the purpose of effecting economy and efficiency in the administration of governmental affairs."

The 1965 Legislature established the Kansas Police and Firemen's Retirement System (KP&F) and assigned the administration of that System to the Board of Trustees of the Kansas Public Employees Retirement System (KPERS). On January 1, 1971, the Kansas School Retirement System (KSRS) was merged into the Kansas Public Employees Retirement System by act of the Legislature. On July 1, 1975, the Kansas Judges Retirement Board was abolished and all the powers, duties and functions of that board were transferred to the Board of Trustees of the Kansas Public Employees Retirement System. Retirement plan design and administration is contained in K.S.A. 74-4920 et. seq.

In addition to serving as the pension plan for State and local governmental employees, KPERS offers basic group life insurance and long-term disability benefits. The KPERS Death and Disability Benefits Program came into existence on January 1, 1966 under the provision of K.S.A. 74-4927. The cost of the plan is paid from a special reserve called the "group insurance reserve" and the statutory employer rate for this benefit is 1.0 percent of their covered payroll. KPERS contracts with The Standard to underwrite the group life insurance benefits. Disability Management Services, Inc. is the third-party administrator for the disability program.

### Performance Measures

Outcome Measures	Goal	FY 2019	FY 2020	FY 2021	3- yr. Avg.	FY 2022	FY 2023
1. Administrative cost per member and annuitant		\$47	\$44	\$48	\$46	N/A	N/A
2. Administrative expenses as % of Trust Fund assets		0.062%	0.068%	0.063%	0.064%	0.085%	0.088%
3. Administrative expenses as % of benefit payments		0.703%	0.767%	0.786%	0.752%	1.073%	1.149%
4. Total Trust Fund Assets (in billions)		\$20.2	\$20.7	\$24.9	\$21.9	\$26.7	\$28.7
5. KPERS portfolio rate of return	7.75%	6.70%	2.10%	26.30%	11.70%	7.75%	7.75%
6. Investment related expenses as % of Trust Fund assets		0.158%	0.159%	0.133%	0.150%	0.148%	0.144%
7. Benefit Payments, Including Refunds (in billions)		\$1.83	\$1.85	\$2.01	\$1.90	\$2.10	\$2.21
8. Average amount of time to answer phone calls (in seconds)		10	21	21	17	N/A	N/A
9. Percentage of valid retirement applications processed within 30 calendar days	100%	100%	100%	100%	100%	100%	100%
10. Percentage of monthly retirement benefit payments initiated by the last working day of the month	100%	100%	100%	100%	100%	100%	100%
11. Percentage of workable retirement estimates completed within 30 calendar days of receipt	100%	98.7%	98.8%	100%	99.2%	100%	100%

### Funding

Funding Source (in millions)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-SGF State Funds	12,403,691	12,887,171	14,224,610	15,764,888	22,578,549	25,348,171
Federal Funds	-	-	-	-	-	-
<b>Total</b>	<b>\$ 12,403,691</b>	<b>\$ 12,887,171</b>	<b>\$ 14,224,610</b>	<b>\$ 15,764,888</b>	<b>\$ 22,578,549</b>	<b>\$ 25,348,171</b>

## Deferred Compensation

### Consequences of Not Funding this Program

Not funding the deferred compensation plan would result in an inability for the agency to carry out the statutory required duty to administer the deferred compensation plan.

Statutory Basis	Mandatory vs. Discretionary	MOE/Match Rqt.	Priority Level
K.S.A. 74-49b01 et seq	Mandatory	No	1

### Program Goals

A. Ensure that the plan is administered and operated according to its terms and to keep the plan compliant with federal as well as  
 B. Maintain control of fiduciary liability through governance, best practices, investment monitoring and fiduciary training.  
 C. Increase the number of deferring employees

### Program History

The Kansas Deferred Compensation Plan is a voluntary, tax-deferred retirement savings program for state employees. In addition, many local public employers offer the plan to their employees. The Plan was administered by the Kansas Department of Administration and the Deferred Compensation Oversight Committee from 1980 to 2007.

Following a 2006 study of the Plan, the Secretary of Administration and the KPERS Board of Trustees recommended transferring Plan administration to KPERS. During the 2007 legislative session, the Kansas Legislature passed, and the Governor signed HB 2385 to implement this recommendation effective January 1, 2008. KPERS' administration of the Plan provides State and local employees with coordinated retirement education and planning information and facilitates an increased emphasis on personal savings for retirement.

### Performance Measures

<i>Outcome Measures</i>	<i>Goal</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>3- yr. Avg.</i>	<i>FY 2022</i>	<i>FY 2023</i>
1. Total participating members (actively deferring)		13,146	13,280	13,068	13,165	N/A	N/A
2. Percentage of active members from		23%	23%	23%	23%	N/A	N/A
3. Total 457 Plan assets (in billions)		\$1.14	\$1.17	\$1.46	\$1.26	N/A	N/A

### Funding

<i>Funding Source (in X)</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-SGF State Funds	246,959	430,734	410,978	451,773	581,216	584,810
Federal Funds	-	-	-	-	-	-
<b>Total</b>	<b>\$ 246,959</b>	<b>\$ 430,734</b>	<b>\$ 410,978</b>	<b>\$ 451,773</b>	<b>\$ 581,216</b>	<b>\$ 584,810</b>