

## Changes to the Kansas Public Employees Retirement System (KPERS) to be effective July 1, 2009

In April 2007, the Kansas Legislature passed and the Governor signed into law a new plan design for the Kansas Public Employees Retirement System (KPERS). KPERS is the mandatory retirement program for KU's university support staff. The following information is based upon information currently available from KPERS.

### ***When will this new legislation take effect?***

Most of the provisions of this legislation are scheduled to take effect July 1, 2009. Between June 2007 and July 1, 2009, KPERS will have the Internal Review Service review the plan and approve it from a compliance perspective. And, if legislative adjustments are needed, they will be addressed during the 2008 legislative session.

### ***How will this legislation affect current KPERS members or those hired before July 1, 2009?***

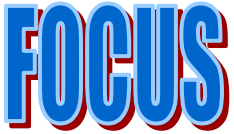
Along with plan design modifications for future employees, this legislation provides two enhancements for **current employees covered by KPERS.**

- A. For those hired into a KPERS covered position between July 1, 2008, and June 30, 2009, membership in KPERS will be immediate, as employees will no longer have to wait one year before KPERS participation.
- B. Under the current KPERS plan, it takes ten years of KPERS service to "vest." Under the new legislation, members will vest their benefit in half the time with only five years of service. Vesting provides the opportunity to receive a guaranteed retirement benefit at a future date.
- C. All other KPERS benefits remain unchanged by this legislation including the "85 point rule" where you can retire with full KPERS benefits when your age and KPERS years of service equal 85; full retirement benefits are also available at age 62 with ten years of KPERS service or age 65 with one year of KPERS service. Early retirement, with a reduced KPERS retirement benefit, at age 55 with 10 years in KPERS.
- D. Information from the KPERS Papers – Active Member Issue 2007 – Volume 1 states that "State law protects your retirement benefits as they are. Your current benefit plan is like a contract between you and your employer. You have already earned it."

### ***How will the changes to vesting affect me?***

On July 1, 2009, if you have at least 5 years of KPERS service, you will be vested as the new KPERS plan vests with only five years. If, on July 1, 2009, you have less than 5 years of KPERS service, you will vest after you have received 5 years of KPERS service credit.

Once you are vested, information from the KPERS website states the following: "You are guaranteed a monthly retirement benefit for the rest of your life if you leave your contributions in your account. In nearly all cases, over time your vested benefit is more valuable than the amount of your actual contributions. Keep your contributions with the Retirement System and apply for retirement benefits when you become eligible. Your contributions will continue to earn interest and you can withdraw them at any time if you change your mind."



## Changes to the Kansas Public Employees Retirement System (KPERS) to be effective July 1, 2009

### *How will this legislation affect new employees?*

For KPERS members **first employed on or after July 1, 2009**, the following new plan design features will apply:

- A. Membership in KPERS will be immediate.
- B. Vesting will occur after five years of KPERS service.
- C. Normal retirement at age 65 with five years of KPERS service, or at age 60 with 30 years of KPERS service. Early retirement, with a reduction to the KPERS retirement benefit, at age 55 with 10 years of KPERS service.
- D. Automatic annual 2 percent cost-of-living adjustments beginning at age 65.
- E. Employee contribution rate of 6 percent.

### *Do these KPERS plan changes apply to members of KP&F?*

No, the new plan design applies to KPERS members only and do not apply to members of KP&F.

### *Where can I read more about KPERS plan changes?*

More details about the future changes are provided on the KPERS website at [http://www.kpers.org/issuebrief\\_plandesign.pdf](http://www.kpers.org/issuebrief_plandesign.pdf) . That information also includes a plan comparison between the current and future KPERS plans.