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## Retirement

### S-2 Judicial and Public Safety Retirement Plans

The Kansas Public Employees Retirement System (KPERS) and its Board of Trustees were established by 1961 legislation to provide public employee death and retirement benefits for assisting state and local governmental workers. KPERS is an umbrella organization that often is referred to as the Retirement System since its Board of Trustees administers three different retirement plans: the Kansas Retirement System for Judges, the Kansas Police and Firemen's (KP&F) Retirement System, and the regular KPERS plan. This article focuses on the two plans for judicial and public safety employees.

Prior to the establishment of KPERS in 1961, the Legislature had created four other retirement plans for governmental employees, including two for certain judicial branch state employees and two for public safety (law enforcement) state employees. All four plans eventually merged with KPERS in some manner, either consolidating with KPERS to provide membership for eligible members or transferring the administration of the continuing plans to administration by the KPERS Board of Trustees.

### Early Judicial Branch Retirement Plans

The Kansas Retirement System for Judges was established by 1953 legislation to originally include justices of the State Supreme Court and district court judges. The plan was administered by the Kansas Judges Retirement Board. Membership on the board consisted of the Insurance Commissioner, the State Treasurer, the State Auditor, one justice of the State Supreme Court, and one district court judge.

The Retirement System for Official Court Reporters was established by 1955 legislation and the court reporter's retirement plan was administered by the Kansas Judges Retirement Board. The original source of funding for both of these retirement plans was from court fees paid into separate retirement funds that also were authorized by the Legislature. Both retirement plans were established to provide annuities upon retirement by members of each plan.

The Kansas Judges Retirement Board (formerly established by KSA 20-2604) and the Kansas Official Court Reporters Retirement Board (formerly established by KSA 20-2704) were directed to administer two separate retirement plans: one for district court judges and supreme court justices, and another one for court reporters. The board members of

the Kansas Judges Retirement Board also served as the board members for the Court Reporters retirement plan.

In 1975, both sets of authorizing statutes were repealed and the administration of the two plans was transferred to the KPERS Board of Trustees. When the Retirement System for Judges plan was modified on July 1, 1975, the KPERS Board of Trustees assumed only administrative duties regarding the management of the plan that was continued with substantially the same provisions as prior to the abolition of the old board. Some benefit changes were authorized in the Judges' plan by the 1975 Legislature. New court reporters were authorized to become KPERS members and any court reporter who was a member of the prior plan became a KPERS member on July 1, 1975. Retiring members were to be paid their annuities as previously authorized and the KPERS Board administered the payments for the plan's retired members.

### **Early Public Safety Retirement Plans**

The 1947 Legislature established the State Highway Patrol Pension Board and the State Highway Patrol Pension Fund in order to provide for death benefits as well as disability and regular pensions for sworn members of the highway patrol and their beneficiaries. The 1947 law referred to the state pension board as having control and general management of the pension fund. Members of the board designated by the law included the Governor, the State Treasurer, and a patrol employee to be elected by other qualified members of the highway patrol. Any service subsequent to the organization of the state highway patrol on July 1, 1935, was to be considered as service credit for the board to use in computing benefits.

In 1951, the Legislature created the Kansas Bureau of Investigation Pension Board and the Kansas Bureau of Investigation Pension Fund in order to provide for death benefits as well as disability and regular pensions for sworn agents of the Kansas Bureau of Investigation (KBI) and their beneficiaries. The board was composed of the Attorney General, the State Treasurer, and an agent of the KBI who was to be elected by agents,

and it was authorized to perform administrative duties as trustees of the fund.

The 1965 Legislature established the Kansas Police and Firemen's (KP&F) Retirement System to provide for disability and retirement benefits for public safety officers working for state and local agencies whose governing bodies voted to affiliate with KP&F.

In 1968, the Legislature authorized the Kansas Highway Patrol to become a participating employer on July 1 of that year, and all eligible employees became members of the new KP&F plan. The State Highway Patrol Pension Board was abolished and all assets from the State Highway Patrol Pension Fund were transferred to KPERS for administration. Also in 1968, the KBI became a participating employer on July 1 of that year, and all eligible employees became members of the new KP&F plan. The Kansas Bureau of Investigation Pension Board was abolished and all assets from the Kansas Bureau of Investigation Pension Fund were transferred to KPERS for administration.

### **Current Judicial Retirement Plan**

Kansas law requires that all eligible Judicial Branch employees must become members. Those eligible employees include justices of the State Supreme Court and court of appeals, district court judges, and magistrate judges. Active members contribute 6.0 percent of gross earnings and contributions earn interest annually. If membership occurred before July 1, 1993, contributions earn 8.0 percent interest; or on or after July 1, 1993, contributions earn 4.0 percent interest.

Members automatically earn service credit for the years served in a covered position. Members become "vested" when first elected or appointed. This vesting provides a guaranteed retirement benefit for the rest of the member's life.

The maximum benefit is equal to 70.0 percent of final average salary. Final average salary is an average of the three highest of an individual's last 10 years of service. For members who were appointed or elected on or after July 1, 1987, the statutory multiplier is 3.5 percent for each year of

service, with a maximum of 70.0 percent of final average salary. If a member were appointed or elected before July 1, 1987, the statutory multiplier is 5.0 percent for up to ten years and 3.5 percent for each additional year, with a maximum of 70.0 percent of final average salary.

Members have basic group life insurance equal to 150.0 percent of annual salary. The State of Kansas pays for the cost of this benefit. The Retirement System also returns all of a member's contributions and interest if someone dies before retiring. Members can name different beneficiaries for this benefit. If a member dies before retirement, a spouse may be able to choose a monthly benefit for the rest of his or her life, instead of receiving the member's returned contributions and interest. For this benefit to apply, a spouse must have been designated as the sole primary beneficiary.

### Current KP&F Retirement Plan

Kansas law requires that all eligible public employees of participating employers affiliated with KP&F must become members, except elected sheriffs. Active members contribute 7.15 percent of gross earnings, and employee contributions earn interest annually. If membership occurred before July 1, 1993, contributions earn 8.0 percent; or on or after July 1, 1993, contributions earn 4.0 percent. A number of state agencies have KP&F members, as do a number of local units of government, that elected to affiliate with KP&F. The employee contribution rate drops to 2.0 percent after members have 36 years of service credit. The employer contribution rate is set annually as the actuarially required amount. A maximum benefit of 90.0 percent may be earned.

Members automatically earn service credit for the years worked in a covered position. When enough service credit is earned to become vested, members are guaranteed a monthly retirement benefit for the rest of the member's life. This is called "vesting" the benefit. The KP&F retirement plan includes two tiers of regular members and other special members of local plans that have come under the KPERS Board of Trustees for administration of retirement benefit payments.

- **KP&F Tier 1.** Tier 1 members were employed before July 1, 1989, and did not elect to choose Tier 2 coverage. Tier 1 members vest with 20 years of service credit.
- **KP&F Tier 2.** All new KP&F members must become Tier 2 members. Tier 2 members vest with 15 years of service credit.
- **Transfer and Brazelton Special Members.** Transfer members are KP&F members who formerly participated in a local retirement plan and who chose to participate in KP&F after their participating employer affiliated with KP&F. Brazelton members participated in a class-action lawsuit in 1980. Because of the settlement, their contribution rate is 0.008 percent, and their retirement benefits are offset by Social Security.

**Disability Benefits.** There are KP&F disability benefits for active members. Tier 1 and Tier 2 members are covered by different disability benefits. Members are not eligible for disability benefits if injured while working for any employer other than their KP&F participating employer.

- **Tier 1 Service-Connected Disability Benefits.** Members receive an annual disability benefit, in on-going monthly payments, based on the higher of 50.0 percent of final average salary, or final average salary multiplied times 2.5 percent multiplied times years of service.
- If a member has eligible children, each receives an annual benefit of up to 10.0 percent of the member's final average salary (subject to a maximum) in on-going monthly payments. Children are eligible up to age 18, or age 23, if a full-time student. The maximum family benefit, including children's benefits, is 75.0 percent of the member's final average salary. If a member does not have eligible children, the maximum benefit is 80.0 percent of the member's final average salary.
- For Tier 1 non-service-connected disability, a member will receive an annual

benefit to be paid monthly based on the final average salary multiplied by 2.5 percent for each year of service credit. The minimum benefit is 25.0 percent of final average salary and the maximum benefit is 80.0 percent. A member must wait 180 days from the last day actively worked in order to apply for benefits.

- **Tier 2 Disability Benefits.** Disability benefits are the same, whether the disability is service-connected or non-service-connected. Members receive an annual benefit of 50.0 percent of final average salary in on-going monthly payments. There is no waiting period. Members continue receiving service credit until a person is no longer disabled, or until the member is eligible to retire. If a member becomes disabled and already is eligible to retire, the member cannot apply for disability benefits and must retire.

**Working While Receiving Disability Benefits.** If a disabled member returns to work for any KP&F participating employer, the disability benefits will stop automatically. There is no earnings limit for non-public safety employment if a disabled member goes back to work for a non-participating employer.

**Death Benefits for Active Members.** KP&F death benefits cover regular Tier I and Tier II members,

Brazelton, and Transfer members. Benefits are paid automatically to a spouse or eligible children, or both. Children are eligible up to age 18, or age 23, if a full-time student. If a member is unmarried and has no eligible children, the person's beneficiary receives a one-time lump-sum benefit.

**Service-Connected Death.** A spouse receives an annual benefit of 50.0 percent of final average salary in on-going monthly payments for the rest of his or her life. A member's children, if eligible, also receive an annual benefit of up to 10.0 percent of final average salary. The maximum total benefit is 75.0 percent of final average salary. If a member does not have a surviving spouse or eligible children, a beneficiary receives a lump sum equal to the current annual salary.

**Non-Service-Connected Death.** A spouse receives a lump-sum payment of 100.0 percent of final average salary, plus an annual benefit of final average salary multiplied times 2.5 percent multiplied times the years of service in on-going monthly payments for the rest of his or her life. The maximum annual benefit is 50.0 percent of final average salary. If a member does not have a surviving spouse, any eligible children share the benefit. If a member does not have a surviving spouse or eligible children, a beneficiary receives a lump-sum equal to the current annual salary.

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