

Retirement Options

Retirement is a major milestone. You now have decisions to make that will greatly impact your financial future. Among those is choosing which type of KPERS retirement option is best for you.

Your Retirement Benefits

There are two parts of the KPERS 3 cash balance plan - your contribution account and your retirement credits. While you make contributions, you also earn retirement pay credits quarterly based on your years of service and a percent of your pay. **These retirement pay credits are only available at retirement.**

Your retirement credit value and contribution account balance can be annuitized at retirement to provide a lifetime monthly benefit.



Member Contributions
(6% of each paycheck)

+



Retirement Pay Credits
(Employer funded, only available at retirement)

Retirement Options

All retirement options pay you a **guaranteed monthly benefit for the rest of your life**. You'll need to choose a monthly benefit payment option:

- Base Benefit
- Joint-Survivor Benefit
- Cost-of-Living Adjustment (COLA).

You can also have part of your benefit paid up-front in a partial lump sum.

When Can You Retire?

- Age 65 with five years
- Age 60 with 30 years
- Reduced, early retirement at age 55 with 10 years

Estimate Your Benefit

Login to your personal account at kspers.gov to calculate a benefit estimate.

You may want to check different scenarios to find out which options is best for you. Keep in mind, there's no simple formula to calculate a KPERS 3 benefit. It's based on a number of factors and can be different for everyone. The online calculator can provide a ballpark estimate. And, of course, you can also setup a meeting with one of our retirement specialists to discuss your options.

Partial Lump-Sum Choice

You can take part of your retirement benefit in an up-front lump sum. This option is not available for early retirement. Keep in mind, that taking a lump sum will permanently reduce your monthly benefit.

- Take up to 30% of account balance.
- Remainder is converted to annuity, based on the monthly benefit option you select.

Example:

Dan's account balance is \$200,000. Taking a 30% PLSO would give him a \$60,000 lump sum, leaving the remaining \$140,000 available to annuitize into a monthly benefit.

Monthly Benefit Options

Base Benefit

This is a 10-year life-certain option. With a life-certain option, you will receive a monthly benefit for life. But, if you die within 10 years of retirement, your beneficiary will receive the same benefit for the rest of the 10-year period. You can also choose a 5-year or 15-year life certain option. They work the same way.

Life-Certain Options

- 5-year
- 10-year (Base Benefit)
- 15-year

Cost-of-Living Adjustment (COLA)

At retirement, you can choose an annual COLA. Your benefit is reduced to fund the annual increase. You specify the percentage. Annual increases are effective July 1, and begin one year after retirement.

COLA Options

- 1%
- 2%

Joint-Survivor Benefits

The joint-survivor option is another way to leave a benefit for your loved one. After your death, your survivor will receive a monthly benefit for the rest of his or her life. Your survivor, also called a joint annuitant, cannot be changed after you retire.

Joint-Survivor Options

Your survivor can receive **50%, 75% or 100%** of your benefit amount.

Keep in mind, your monthly benefit will be reduced to provide the continuing benefit. The higher your survivor's benefit, the lower yours will be during retirement.

Important!

Choosing your retirement benefit is an important decision. After your retirement date, **you cannot change it.**

You may want to visit with your financial advisor or one of our retirement specialists before filling out your application. Contact KPERS if you would like to schedule an in-person meeting.

In the interest of simplicity, certain generalizations have been made in this publication. Kansas law and the rules adopted by the KPERS Board of Trustees will control specific situations.

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