



Retirement Facts Book

2016

From the Past ...To Our Present ...For Your Future!!!

Serving the Kansas City Community Since 1944

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KCPSRS

(Please use the Paseo Blvd entrance to access our visitor parking)

4600 Paseo Blvd
Kansas City, MO 64110
Telephone: 816.472.5800
Fax: 816.472.5909
Web Site: www.kcpsrs.org

We are moving!
Please note our new address in the spring of 2016:

3100 Broadway, Ste. 1209
Penn Tower
Kansas City, MO 64111

Telephone: 816.472.5800
Fax: 816.472.5909
Web Site: www.kcpsrs.org

OFFICE HOURS

Monday – Friday
8:00am – 4:30pm

STANDING OFFICE CLOSINGS

New Year's Day
Martin Luther King Day
Presidents' Day
Good Friday
Memorial Day
Independence Day
Labor Day
Thanksgiving Day & Friday After Thanksgiving
Christmas Day
The days between Christmas Day and New Year's Day

GENERAL SUMMARY

- This retirement plan is designed for the employees of the School District of Kansas City, Missouri, the Kansas City Public Library, the Public School Retirement System and Charter Schools within boundaries of the Kansas City, Missouri School District.
- The plan is financed through employee contributions, contributions from the School District, the Public Library, the Retirement System, Charter Schools and by earnings from investments.
- The plan provides service and disability retirement benefits, optional benefits for beneficiaries, and the refund of employee contributions for members who do not qualify for benefits or opt to take a lump sum distribution.
- Reciprocity of retirement credit is available for some members who transfer to or from other Public School Retirement Systems in Missouri.
- Credit for service in other Public School Systems outside Missouri or in private schools may be purchased under certain conditions.
- Responsibility for proper operations of the System is vested in the Board of Trustees.
- All employees participate in the Social Security system as well as the Retirement System. Changes in Social Security and Medicare tax rates or Social Security benefits do not cause any changes in the employee contributions or benefits under the Retirement System.
- Questions regarding Social Security benefits should be directed to the Social Security Administration. The phone number for that office is 1-800-SSA-1213. The web site is www.ssa.gov
- Questions regarding Social Security and Medicare tax withholdings should be directed to the Human Resources Department of the member's employer.

ADMINISTRATION

BOARD of TRUSTEES

The Board establishes policy and is responsible for the operation of the Retirement System. The twelve members are selected as follows: The active members of the System elect four active employees to the Board. The retirees of the System elect two retired members. The School Board appoints four members. The Library Board appoints one member. The twelfth member is the Superintendent of Schools. Except for the Superintendent of Schools, all members serve four-year terms. There are no term limits.

EXECUTIVE DIRECTOR

The Executive Director implements the policies set by the Board of Trustees and is responsible for the day-to-day operation of the System.

ACTUARY

An actuary acts as technical advisor to the Board. Based on actuarial assumptions adopted by the Board the actuary makes annual valuations of the assets and liabilities of the Retirement System.

ATTORNEY

An attorney interprets legal matters for the Board and represents the System in any litigation.

AUDITOR

An auditor is a certified public accountant who conducts an annual audit of all the System's financial transactions for the Board.

INVESTMENT CONSULTANT

The investment consultant provides the Board with information regarding the allocation of invested assets, lends guidance when the Board selects investment managers and monitors the performance of the investment managers hired by the Board.

INVESTMENT MANAGER

The investment managers invest the assets of the System within the guidelines established by the Board.

CUSTODIAN BANK

The custodian bank provides records and safekeeping for the System's securities.

ADMINISTRATION

BOARD OF TRUSTEES

Effective as of November 2015

Horace Coleman, Jr.	Chairperson	Appointed by School Board	Term Expires 2018
Joanne M. Collins		Appointed by School Board	Term Expires 2017
Alexander P. Ellison		Appointed by School Board	Term Expires 2016
Carl Evans		Appointed by School Board	Term Expires 2019
Cheptoo Kositany-Buckner		Appointed by Library District	Term Expires 2018
Roger Offield		Representing Charter Schools	Term Expires 2016
Richard Brown		Elected by Active Members	Term Expires 2019
Princeton Grayson		Elected by Active Members	Term Expires 2018
Linda E. Watkins		Elected by Active Members	Term Expires 2017
Open Position		Elected by Retired Members	Term Expires 2016
Curtis L. Rogers		Elected by Retired Members	Term Expires 2018

ADMINISTRATIVE STAFF

Christine Gierer	Executive Director
Lois Henderson	Retiree Service Coordinator
Erica Hill	Retirement Education Specialist
James (Jim) Lewallen	Administrative Manager
Laura J. Oswald	Fiscal Accountant
Shannon McClain	Executive Assistant
Joseph (Joe) Schaefer	Information Technology Manager

MEMBERSHIP

ENROLLMENT

All regular full-time employees whose compensation is provided by the School District of Kansas City, Missouri, the Kansas City Public Library; the Public School Retirement System of the School District of Kansas City, Missouri or Charter Schools within the boundaries of the Kansas City, Missouri School District must become members of the Retirement System as a condition of employment.

A regular full-time employee is a person employed in a position requiring service at least five hours per day, five days per week, and nine months per year.

CONTRIBUTIONS

Participation means that a percentage of your income is withheld from your gross pay (before taxes are taken out). Effective January 1, 2016, the percentage of income withheld for your retirement is 9.0%.

Your contributions are credited to your individual account. They can be withdrawn only if you cease covered employment and forfeit the credit accrued by the contributions. You cannot borrow against your account, nor can you take a hardship withdrawal.

Employers make contributions to the plan. Effective January 1, 2016, the employer contribution rate is 9.0%. Employer contributions are not credited to the individual accounts. Instead, they go into a general reserve account to pay benefits.

VESTING

Vesting relates to entitlement of benefits. Once you acquire 5 years of creditable service, you will be vested in the Retirement Plan. That means that you have a right to a monthly benefit under this plan when all other qualifying requirements are met.

CREDITABLE SERVICE

EARNED SERVICE CREDIT

Benefits are earned by working and contributing to the Plan. Creditable service means service as a regular employee making contributions to the Plan via payroll deduction.

PURCHASED SERVICE CREDIT

In some cases, credit can be received for time when you were not a regular employee.

REINSTATEMENT OF PRIOR SERVICE

If you terminate membership in the Retirement System by withdrawing all accumulated contributions, you may, after reemployment and before retirement, purchase all creditable service withdrawn. The cost of the purchase will be the sum of the accumulated contributions and interest withdrawn plus interest from the date of withdrawal to the date of payment.

(Purchased service generally does not count for vesting purposes, except military service, reinstatement of service and purchased service for approved leave of absence.)

LEAVE OF ABSENCE

Any active member who is granted a qualified leave of absence may purchase creditable service for the period of leave if the following conditions are met:

- 1) The leave must be granted by the Member's board of directors for academic or health/family leave purposes.
- 2) The Member must return to employment within one year of the leave approval date.

(Purchasing service may seem very confusing and expensive, but it may be beneficial when it comes time to retire. If you are eligible to use any of these purchase options, you should contact the Retirement Office to find out if making the purchase would be worthwhile for you.)

You must apply for service credit and pay for the credit before retirement. The cost of the purchase and the method of payment will depend upon several factors. Inquiries should be directed to the Retirement Office.

MO PUBLIC SCHOOL MEMBERSHIP CREDIT

If you come to the Retirement System from another public school, library, college, junior college or university system in the State of Missouri, you may elect to transfer membership to this Retirement System through purchasing service. To do so you must meet certain requirements:

- 1) Your credit toward retirement must be withdrawn from the previous system.
- 2) You must be a regular full-time employee when you make the purchase.
- 3) Application for the purchase must be made before you retire.
- 4) Service purchase must be paid for before retirement.

Other requirements exist, depending on the amount of service you wish to purchase. The cost of this type of purchase varies based on the number of years as well. Contact the Retirement Office for more information.

MISSOURI RECIPROCITY

Provisions of Rule 16 CSR 10-5.080 published for the State of Missouri Public School Retirement System shall apply only to individuals with an effective retirement date after June 30, 2003.

The rule states, to determine eligibility for normal or early retirement with each of the respective systems, an individual may combine service credit from each of the four systems in Missouri

- The Public School Retirement System of Missouri (PSRS)
- The Public School Retirement System of St. Louis (PSRSSTL)
- The Non-Teacher School Employee Retirement System of Missouri (NTRS)
- The Kansas City Public School Retirement System (KCPSRS)

If you are:

Age	55
Have 15 years w/ KCPSRS	15
Have 5 years w/St. Louis	<u>5</u>
	75 credits

You are eligible for normal retirement through KCPSRS

with which the individual has at least five years of creditable service. Service credit from a system with which the individual has less than five years of service may not be combined with any other service credit under this rule. Service credit may not be combined for any other purpose. Only service credit that is certified by the relevant system may be combined pursuant to this rule. An individual may not combine credit with other credit that is based on the same period of employment.

Furthermore, service credit may only be combined pursuant to this rule only for the purpose of service retirement eligibility and shall not be combined to determine eligibility for any other benefit payable by any system, including, but not limited to disability, surviving spouse and / or children benefits or minimum benefits.

MILITARY SERVICE CREDIT – HEART ACT

Any active member of the Retirement System who enters service in the armed forces of the United States, after reemployment and before retirement, may purchase and receive credit for the military service. In order for this service to be eligible for credit the period of leave must not exceed five years, it must have ended in an honorable discharge, and application for reemployment with one of the employers must have been filed within the required time after discharge. The application and the purchase must be made within five years from the date of reemployment.

(Purchased service for periods of military leave will apply toward the minimum service requirement for vesting and for disability retirement.)

Any active member of the Retirement System who leaves their employment to enter service in the armed forces of the United States and dies during that service will have the System count his/her period of qualified military service as creditable service for vesting purposes, but not for benefits. This has no effect on members who already achieved five years of creditable service prior to entering the armed forces. If the period of military service causes him/her to reach five years (vested status), his/her beneficiary will be entitled to the survivor benefit under Section 169.326 if the designated beneficiary is a dependent as defined in that section.

PURCHASE OF OUT-OF-STATE SERVICE

If you were employed in another public school district, library, college, junior college or university outside the state of Missouri, you may be eligible to purchase credit for that service. To do so you must withdraw all credit from the previous retirement system.

PURCHASE OF PRIVATE SERVICE

If you were employed by a private school, library, college, junior college or university prior to becoming an active member of this Retirement System you may be eligible to purchase service credit in this system based on that prior employment. To do so you must withdraw all credit from the previous retirement system.

FIVE-TENTHS OF A YEAR

Any person who is within five years of being eligible to retire may purchase up to five-tenths of a year of creditable service for the purpose of achieving the minimum creditable service time for a retirement allowance.

(Purchase of additional creditable service must be in compliance with applicable provisions of the Internal Revenue Code.)

The Retirement Office can provide details regarding eligibility and required steps for purchasing service credit.

BENEFITS

RETIREMENT BENEFITS

In order to receive a normal retirement pension you must meet the following qualifications:

Plan B (Members retiring on or after June 30, 1999 and hired prior to January 1, 2014)

- 1) You must be **vested** (see page 5).
- 2) You must be **60 years old; or** you must have at least **75 credits (points)**, with each year of creditable service (prorated for fractional years) equal to one credit, and each year of age (prorated for fractional years) equal to one credit.
- 3) You must have terminated employment with any KCPSRS participating employer (KC School District, Public Library, or a Public Charter School within the KCMSD boundaries).

(A point is another term for credits – it is your age plus the years of service you have earned. Every year you work, you earn two points – one for you age and one for the year you work.)

(You may work as a non-regular, substitute, part-time, or temporary employee of the School District, Public Library, or a Public Charter Schools within the KCMSD boundaries for up to 600 hours in any school year (July 1 – June 30) without losing retirement benefits. If you work one hour over the 600-hour limit, your benefits will be suspended as long as you continue your employment. There are no restrictions on volunteer work or work other than for the employers in this Retirement System.)

Plan C (Members hired after January 1, 2014)

- 1) You must be **vested** (see page 5).
- 2) You must be **62 years old; or** you must have at least **80 credits (points)**, with each year of creditable service (prorated for fractional years) equal to one credit, and each year of age (prorated for fractional years) equal to one credit.
- 3) You must have terminated employment with any KCPSRS participating employer (School District, Public Library, or a Public Charter School within the KCMSD boundaries).

EARLY RETIREMENT BENEFITS

You can choose to receive a **reduced monthly pension** once you become vested **and** attain the age of 55. The monthly benefit will be reduced based on the number of months you lack meeting the full retirement requirement of being at least age 60 under Plan B and age 62 under Plan C (see Appendix B, page 20).

DISABILITY BENEFITS

You may be eligible to receive a disability retirement allowance if the following requirements are met:

- 1) You are **vested**.
- 2) You are **unable to perform** your employment duties.
- 3) This incapacity is likely to be **permanent**.
- 4) The disability must be **certified** by the Retirement System's Medical Board and approved by the Board of Trustees.
- 5) You will be subject to **periodic re-evaluations of** your disability.

(Application for benefits may be made after you cease to be an active member, provided the disability commenced while you were an active member and provided the application be made no later than six months after you ceased to be an employee of one of the Retirement System's employers covered under this plan.)

DEATH BENEFITS

If you die prior to taking a retirement pension, and your **primary beneficiary** for the plan is a surviving spouse, a dependent child under age 19, or a dependent parent, the primary beneficiary is entitled to receive a monthly retirement allowance if:

- 1) You were an **active Member** of the Plan;

or
- 2) You were an **inactive vested Member** and you met **the age and service requirements** for either a regular or an early retirement benefit.

(Death benefits are not the same as the survivor option you may choose when you take a retirement pension. Death benefits are paid to your surviving spouse or dependent if you die before receiving benefits yourself.)

The beneficiary you designate for your Retirement System account can be someone other than the beneficiary designated on your employer's life insurance program.

(Always notify the Retirement Office when you wish to change the beneficiary on your membership record.)

WITHDRAWAL OF CONTRIBUTIONS

This pension plan is designed to provide monthly benefits to qualified members. The benefits are financed through contributions made by the members and the employers. If you do not qualify for a current or future monthly pension, or if you choose to take a lump sum payment instead of a monthly pension, then you have the right to receive your employee contributions plus any earned interest on those contributions after you have experienced a 60 day “break in service.”

NON-VESTED

If you stop working for the employer before qualifying for a pension benefit then you may terminate membership in the Plan and request a distribution of your contributions plus earned interest. Contributions and all interest earned are subject to taxation at the time of withdrawal unless the money is rolled directly into an IRA or a qualified retirement plan. In addition, if you are under age 59½, the IRS assesses an additional 10% penalty on all withdrawals. Contributions left in the plan by non-vested members will earn interest for up to four years after termination of employment.

VESTED

You have a right to withdraw your contributions and interest in a lump sum if you are no longer employed by any of the employers and you have not applied for a monthly benefit. All pretax contributions and interest earned are subject to taxation when withdrawn unless rolled directly to an IRA or a qualified retirement plan. In addition, if you are under the age 59 ½, the IRS assesses an additional 10% penalty on all withdrawals. Taking the lump sum payment eliminates your entitlement to any future retirement benefits.

DEATH OF MEMBER

If you die before taking a pension, your employee contributions plus accumulated interest will be paid in a lump sum payment to your designated beneficiary or to your estate if:

1. The designated primary beneficiary is someone other than a surviving spouse, a dependent child or a dependent parent; or
2. The designated beneficiary qualifies for a monthly allowance (surviving spouse or dependent child or parent) but chooses to take a lump sum payment.

(You cannot gain access to your contributions via loans or withdrawals while you are member of the Plan. Since membership in the Plan is a condition of employment, a distribution is available only if your employment has ended and you request a refund of contributions and earned interest.)

(If you think there is a chance you may go back to work for the School District, Library, Charter Schools or Retirement System you may want to leave your contributions in the Plan. Your assets will earn interest for up to four years, and if you go back to work the prior service will be counted toward the calculation of your pension benefit.)

(Lump sum payments look very attractive because, in many cases, they represent one of the largest sums of money you may ever accumulate. However, bear in mind that although the lump sum may seem like a lot of money, you should compare it to the stream of monthly benefits you will not receive.)

(Beneficiaries may defer tax on lump sum distributions by electing rollovers (or direct transfers to IRAS in the case of non-spouse beneficiaries).

BENEFIT CALCULATIONS

DEFINITIONS

Average Final Compensation (AFC) The highest **average** annual compensation on which contributions were made, for any **four consecutive years** of contributable service.
(Prorated for fractional years of continuous service)

Years of Creditable Service (YCS) The number of years (prorated for fractional service) a regular employee is a contributing member of the retirement system.

RETIREMENT BENEFITS

PLAN B (Anyone who retires on or after June 30, 1999 and was hired prior to January 1, 2014)

REGULAR SERVICE BENEFIT

Your retirement benefit is the product of your Average Final Compensation, times your Years of Creditable Service, times 2% subject to the minimum and maximum limits. Dividing the annual retirement benefit by 12 gives you the monthly benefit amount.

$$\frac{\text{AFC} \times 2\% \times \text{YCS}}{12} = \text{MONTHLY PENSION}$$

PLAN C (Anyone hired on or after January 1, 2014)

REGULAR SERVICE BENEFIT

Your retirement benefit is the product of your Average Final Compensation, times your Years of Creditable Service, times 1.75% subject to the minimum and maximum limits. Dividing the annual retirement benefit by 12 gives you the monthly benefit amount.

See Appendix A for an example and a worksheet to help you to calculate your own retirement benefit.

$$\frac{\text{AFC} \times 1.75\% \times \text{YCS}}{12} = \text{MONTHLY PENSION}$$

MINIMUM RETIREMENT ALLOWANCE

Members who retire with at least 10 years of creditable service are entitled to a minimum basic benefit as follows:

10 to 20 Years Creditable Service--\$150 plus an additional \$15 per month for each full year of creditable service over 10.

20 Years Creditable Service--\$300 monthly minimum basic benefit.

MAXIMUM RETIREMENT ALLOWANCE

The maximum retirement benefit is 60% of Average Final Compensation. Therefore, even if you have more than 30 years of contributable service for Plan B or 34.29 years of contributable service for Plan C, your benefit will not exceed 60% of your AFC.

Appendix B is a table containing the factors used to calculate the reduced early retirement benefit.

EARLY RETIREMENT BENEFIT

The early retirement benefit calculation reduces the monthly pension based on the number of months prior to age sixty (normal retirement age) that a member elects to receive a benefit.

BENEFIT OPTIONS

The benefit that you receive is a lifetime pension. The Retirement System has set up optional methods of paying the pension so you can use the benefit to best meet your financial needs.

Basic Benefit consists of the retirement benefit payable based on the simple retirement benefit calculation and, if applicable, the early retirement reduction factor. This benefit is payable for as long as you live. If you should die before you have received retirement payments totaling the amount of your contributions to the plan, then your beneficiary will receive a lump sum payment of the remainder of your contributions and interest.

EXAMPLE: Pat Smith is 57 years and 7 months old when he decides to retire. His pension of \$581.25 is reduced to \$464.77 because he is taking an early retirement benefit.

$$(\$581.25 \times .79961 = \$464.77)$$

EXAMPLE: Pat terminates work and waits until age 60 to retire. He would receive \$581.25 if he decides to take the basic benefit.

Option 1 provides a reduced benefit to you for the rest of your life **plus the same benefit for your beneficiary** for the balance of your beneficiary's life. If your beneficiary dies before you do, then your retirement benefit will be increased, at that time, to the amount payable to you under the Basic Benefit formula. After the death of both you and your beneficiary, no further benefits are payable.

EXAMPLE: Pat knows that his wife Chris would require nearly his entire pension to live on if he dies first. In order to guarantee Chris's lifetime income Pat chooses Option 1.

Option 2 provides a reduced benefit to you for the rest of your life plus a benefit for your beneficiary that is **50% of your monthly allowance**. If your beneficiary dies before you, your monthly allowance is increased at that time to the amount payable under the Basic Benefit formula. After the death of you and your beneficiary no further benefits will be paid.

EXAMPLE: Pat would like to guarantee Chris a portion of his retirement income, but it is more important that they maximize their household income while both are alive. Option 2 might be the best choice.

Option 3 pays a slightly higher benefit than the Basic Benefit but it eliminates the payment of the remaining account balance to your estate or to your beneficiary that is offered with the Basic Benefit.

DISABILITY BENEFITS

REGULAR SERVICE BENEFIT

Your disability benefit is calculated in the same way that your regular retirement benefit is determined; however, you are deemed to have reached retirement age at the time you qualify for disability benefits.

MINIMUM DISABILITY ALLOWANCE

The minimum disability allowance is 25% of your average final compensation, or a benefit calculated assuming you worked to age 60---whichever is smaller. Contact the Retirement Office to find out how these provisions might apply to your situation.

BENEFIT OPTIONS

The Retirement System has set up optional methods of paying the pension so you can use the benefit to best meet your financial needs.

Basic Benefit is based on the simple retirement benefit calculation. If you should die before you have received payments totaling the amount of your contributions to the plan, then your beneficiary will receive a lump sum payment of the remainder.

Option 1 provides a reduced benefit to you for the rest of your life **plus the same benefit for your beneficiary** for the balance of your beneficiary's life

Option 2 provides a reduced benefit to you for the rest of your life plus a benefit for your beneficiary that is **50% of your monthly allowance**.

Option 3 pays a slightly higher Basic Benefit but it eliminates the payment of any remainder benefit to your estate or to your beneficiary.

Pat Smith becomes disabled at age 38 after working at the Library for 15 years. His average annual compensation is \$22,500. Even though he is several years less than normal retirement age, Pat is deemed to be eligible for full retirement.
The calculation of Pat's benefit would be:

Under Plan B

$$\frac{22,500 \times 15 \times .02}{12} = 562.50$$

Under Plan C

$$\frac{22,500 \times 15 \times .0175}{12} = 492.19$$

(Your Disability benefit will be subject to adjustment if you resume any kind of work. You should call the Retirement Office if that situation arises.)

(With both Option 1 and Option 2, **if your beneficiary dies before you do**, your monthly allowance will be increased at that time to the amount payable under the basic benefit formula.)

DEATH BENEFIT FACTORS

If your beneficiary is entitled to receive a monthly pension under the death benefit provisions, that benefit will be computed based on the following:

- 1) The death benefit will be computed using the retirement benefit formula, and using your date of death as the date of retirement.
- 2) If you die as an active member, the years of service will be the greater of ten or your actual years of service.
- 3) Your beneficiary will receive the 100% survivor benefit known as "Option 1" (see Retirement Benefit Calculation).
- 4) If your beneficiary is a dependent child, the benefit will terminate when the child attains age nineteen.

MISCELLANEOUS

STATEMENTS

RETIREE STATEMENTS

A payroll statement is mailed when changes to the account have occurred, and/or at the end of the year.

RETIREMENT CHECKS

Monthly retirement checks are due and payable the last business day of the month. The Retirement System mails the retirement checks on the business day before the last business day of the month. If you do not receive a check by the tenth of the following month, you should contact the Retirement Office to request a replacement check.

CHANGE OF ADDRESS, TAX WITHHOLDING, AND/OR BANK ACCOUNT

The Retirement Office must receive changes of address, tax withholding changes or direct deposit account changes by the **fifteenth of the month** in order for the changes to take effect for the next monthly pension payment. To make these changes you must make a **written request**. The necessary forms to make these changes can be found on our web site at www.kcpsrs.org.

(For your protection, the Retirement Office will not change your records based on telephone calls or conversations. You must request changes in writing.)

DIRECT DEPOSIT

The Retirement Office encourages you to receive your monthly benefits by electronic transfer – direct deposit into an account. It is the safest and fastest method of receiving your benefit. Benefits paid via electronic transfer are posted to your bank account by noon on the last business day of the month. Pension checks sent through the U. S. Mail can take up to three, four and even five business days to arrive to your home. There is a replacement fee for lost checks or checks replaced six months or longer after initial issuance date if the original check cannot be returned to KCPSRS. The Retirement Office can provide the forms necessary to initiate direct deposit of your benefits.

(Over 94% of the retirees in this system have subscribed to direct deposit of their checks. 100% of retirees with direct deposit have their check deposited in their bank on the last working day of the month. Social Security has made direct deposit mandatory. It makes sense for you to use the direct deposit system.)

TAX WITHHOLDING

All or part of your benefit will be subject to income taxation. You can ask to have federal and Missouri tax withheld from your retirement checks. If you do not complete and submit a federal withholding form to the Retirement Office, we are required to assess a standard withholding allowance against your benefit.

The Retirement Office issues a Form 1099-R to every person who receives a distribution in a year. The form lists the amounts of distributions and tax withholdings for the year, and should be used in filing your income tax return for the year of the distribution.

(This is just like having taxes taken out of your paycheck, except, in this case it's optional. If you are making quarterly estimated tax deposits, you probably can get by without having taxes withheld. Otherwise, you should strongly consider having taxes automatically taken out.)

RETURNING TO WORK

PART-TIME, SUBSTITUTE, OR TEMPORARY

EMPLOYMENT work by a retiree for the Kansas City School District, Library or non-profit Charter Schools within the School District boundaries cannot be more than 600 hours per school year (July 1 – June 30) and retiree cannot earn more than fifty percent of the annual salary or wages paid by the employer.

REEMPLOYMENT with the School District, Public Library, or a Charter School within boundaries of the Kansas City, Missouri School District requires the retiree to discontinue receiving the monthly retirement check. The (former) Retiree must notify the Retirement Office in writing prior to the month reemployment begins so the monthly retirement allowance is stopped in a timely manner, to avoid the Retiree owing payment(s) back to the Retirement System.

You may work as a non-regular, substitute, part-time, or temporary employee of these employers for up to 600 hours in any school year (July 1 – June 30) without losing retirement benefits. If you work one hour over the 600-hour limit, your benefits will be suspended as long as you continue your employment.

INSURANCE

Retirees from the School District may purchase group health and dental insurance through the School District at the time of retirement. The benefits will be the same as those offered by the School District.

Once you leave the insurance plan affiliated with the School District, you will no longer have the opportunity to re-enroll.

(NOTE: After retirement, you will be responsible for the total insurance premium. While employed your employer pays a portion of your insurance premium.)

APPENDIX A

HOW TO ESTIMATE YOUR RETIREMENT BENEFIT

PLAN B ELIGIBLE MEMBERS

The formula for calculating service retirement benefits is as follows:

AVERAGE FINAL COMPENSATION (see page 12)	
X	
2%	
X	
THE NUMBER OF YEARS OF CREDITABLE SERVICE (maximum of 30)	

Anyone who retires on or after June 30, 1999 and was hired prior to January 1, 2014 will receive a benefit calculated with the 2% multiplier.

	Example	Try your own
STEP 1: Add your four highest annual consecutive years of salary (for this example we will use four complete contract years – we prorate your years when we do your calculations)	62,000 63,500 64,000 <u>65,000</u> 254,500	<hr/> <hr/> <hr/> <hr/>
STEP 2: Divide by 4 to get your Average Final Compensation	63,265	<hr/>
STEP 3: Multiply the total from STEP 2 by 2%.	1,275.50	<hr/>
STEP 4: Multiply the result of STEP 3 by the numbers of years and any partial years of creditable service (for this example we'll use 10 complete years of contributable service)	12,725.00	<hr/>
STEP 5: Divide the annual retirement allowance by 12 to arrive at the monthly benefit.	1,060.42	<hr/>

PLAN C ELIGIBLE MEMBERS

The formula for calculating service retirement benefits is as follows:

AVERAGE FINAL COMPENSATION (see page 12) X 1.75% X THE NUMBER OF YEARS OF CREDITABLE SERVICE (maximum of 34.29)
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Anyone hired on or after January 1, 2014 will receive a benefit calculated with the 1.75% multiplier.

		Example	Try your own
STEP 1:	Add your four highest annual consecutive years of salary (for this example we will use four complete contract years – we prorate your years when we do your calculations)	62,000 63,500 64,000 <u>65,000</u> 254,500	<hr/> <hr/> <hr/> <hr/> <hr/>
STEP 2:	Divide by 4 to get your Average Final Compensation	63,265	
STEP 3:	Multiply the total from STEP 2 by 1.75%.	1,107.14	
STEP 4:	Multiply the result of STEP 3 by the numbers of years and any partial years of creditable service (for this example we'll use 10 complete years of contributable service)	11,071.38	
STEP 5:	Divide the annual retirement allowance by 12 to arrive at the monthly benefit.	922.61	

APPENDIX B

EARLY RETIREMENT

Vested members are eligible for early retirement with reduced benefits. Reduced monthly benefits are calculated by using approved actuarial tables based on life expectancy. Your early retirement allowance is determined by multiplying your normal retirement allowance by the appropriate factor.

1. Plan B (Anyone who retires on or after June 30, 1999 and was hired prior to January 1, 2014)

- a. **Eligibility:** Member must be at least age 55 and have at least 5 consecutive years of creditable service (not purchased).
- b. **Application:** Member must sign application at least 60 days before effective date of retirement.
- c. **Benefit:** The retirement allowance is the basic benefit times the early retirement actuarial reduction factor based on current age. (Table 3)

**Early Retirement Reduction Factors for
Employees Retiring Before Age 60 or
Minimum Normal Retirement Age (75 points)**

Months	55	56	57	58	59
0	.63251	.69175	.75727	.82985	.91042
1	.63745	.69721	.76332	.83656	.91789
2	.64238	.70267	.76937	.84328	.92535
3	.64732	.70813	.77541	.84999	.93282
4	.65226	.71359	.78146	.85671	.94028
5	.65720	.71905	.78751	.86342	.94775
6	.66213	.72451	.79356	.87013	.95521
7	.66707	.72997	.79961	.87685	.96268
8	.67201	.73543	.80565	.88356	.97014
9	.67694	.74089	.81170	.89028	.97761
10	.68188	.74635	.81775	.89699	.98507
11	.68682	.75181	.82380	.90370	.99254

2. Plan C (Members hired after January 1, 2014)

- a. **Eligibility:** Member must be at least age 55 and have at least 5 consecutive years of creditable service (not purchased).
- b. **Application:** Member must sign application at least 60 days before effective date of retirement.
- c. **Benefit:** The retirement allowance is the basic benefit times the early retirement actuarial reduction factor based on current age. (Table 4)

**Early Retirement Reduction Factors for
Employees Retiring Before Age 62 or
Minimum Normal Retirement Age (80 points)**

Months	55	56	57	58	59	60	61
0	.52219	.57109	.62518	.68511	.75162	.82558	.90799
1	.52627	.57560	.63017	.69065	.75778	.83245	.91566
2	.53034	.58011	.63517	.69620	.76395	.83932	.92333
3	.53442	.58461	.64016	.70174	.77011	.84618	.93099
4	.53849	.58912	.64516	.70728	.77627	.85305	.93866
5	.54257	.59363	.65015	.71283	.78244	.85992	.94633
6	.54664	.59814	.65514	.71837	.78860	.86679	.95400
7	.55072	.60265	.66014	.72391	.79476	.87366	.96167
8	.55479	.60715	.66513	.72945	.80092	.88052	.96933
9	.55887	.61166	.67013	.73500	.80709	.88739	.97700
10	.56294	.61617	.67512	.74054	.81325	.89426	.98467
11	.56702	.62068	.68011	.74608	.81941	.90113	.99234