



Retirement Facts Book

2018

Fiduciary Stewardship • Accountability • Transparency • Member Focused

Serving the Kansas City Community Since 1944

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I. KCPSRS OFFICE INFORMATION

KCPSRS

3100 Broadway, Suite 1211

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

II. MISSION AND CORE VALUES

MISSION

The Kansas City Public School Retirement System works to fulfill the expectation of a secure retirement for employees of Kansas City's School District, charter schools and Public Library.

CORE VALUES

In pursuit of our mission, our work is guided and informed by four core values.

- **Fiduciary Stewardship:** We are legally and ethically responsible to our members to safeguard the assets that provide for their future financial security.
- **Accountability:** Our principle obligation and concern is the security of member assets through efficient operations and prudent investment decisions.
- **Transparency:** We ensure openness in all aspects of governance and operations for our members and community.
- **Member Focused:** We strive to make all decisions in the best interest of our members. All of our work begins with the question, "Is it good for our members?"

III. GENERAL SUMMARY

- The Kansas City Public School Retirement System (KCPSRS or the System) is designed for the employees of the School District of Kansas City, Missouri, the Kansas City Public Library, and the charter schools within boundaries of the Kansas City, Missouri School District and KCPSRS.
- The System is financed by employee contributions, contributions from the employers (School District, Public Library, charter schools and KCPSRS) and earnings from investments.
- The System provides service or 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.
- Recognition 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 retirement 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 active members participate in Social Security as well as the System. Changes in Social Security and Medicare tax rates or Social Security benefits do not cause any changes in the required active member contributions or the retiree benefits of the System.
- Questions regarding Social Security benefits should be directed to the Social Security Administration, 800-SSA-1213, www.ssa.gov.

IV. ADMINISTRATION INFORMATION

BOARD OF TRUSTEES

The Board establishes governance policies and is responsible for the operation of the 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 Kansas City School Board appoints four members. The Public 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. All members must reside in the boundaries of the Kansas City School District.

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 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.

ASSET 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(S)

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.

BOARD OF TRUSTEES

Horace Coleman, Jr.	Chairperson	appointed by School Board	term expires 2018
Mark Bedell	Ed.D. Superintendent		ex-officio
Joanne M. Collins		appointed by School Board	term expires 2021
Carl Evans		appointed by School Board	term expires 2019
Brian Welch		appointed by School Board	term expires 2020
Debbie Siragusa		appointed by Library District	term expires 2018
Bakari Ukuu		elected by active members	term expires 2018
Roger Offield*		elected by active members	term expires 2020
Lazona Stovall		active member appointed by the Trustees to fulfill vacancy	term expires 2019
Boni Tolson		elected by active members	term expires 2021
Beverly Pratt		elected by retired members	term expires 2020
Curtis L. Rogers		elected by retired members	term expires 2018

**Mr. Offield is a charter school employee*

ADMINISTRATIVE STAFF

Christine Gierer	Executive Director
Jill Chaloupka	Administrative Assistant
Shannon McClain	Retiree Service Coordinator
Erica Hill	Retirement Education Specialist
Jim Lewallen	Administrative Manager
Laura J. Oswald	Fiscal Accountant
Joe Schaefer	Information Technology Manager

V. MEMBERSHIP INFORMATION

MEMBERSHIP

All regular full-time employees who receive compensation provided by the Kansas City Missouri School District, the Kansas City Public Library, a charter school within the boundaries of the Kansas City, Missouri School District, and KCPSRS are active members of the System as a condition of employment.

A regular full-time employee is a person employed in a position requiring service of not less than twenty-five hours per week, and not less than nine months per year.

CONTRIBUTIONS

All active members contribute a percentage of their salary to the System. Effective January 1, 2016, the percentage of income withheld for your retirement is 9.0%.

Your contributions are withheld from your gross pay (before taxes) and credited to your KCPSRS account. These contributions can be withdrawn only if you cease covered employment and forfeit the service credit accrued by your contributions. You cannot borrow against your account, nor can you take a hardship withdrawal.

Employers also make contributions to the plan. Effective January 1, 2016, the employer contribution rate is 9.0%. The employer contributions are not a match, meaning employer contributions are not credited to individual employee accounts. The employer contributions go into a general reserve account to pay retirement benefits.

VESTING

Vesting relates to entitlement of benefits. Once you acquire 5 years of creditable service, you will be vested in the System. 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

Creditable service means the time a regular employee spent working and making contributions to the System via payroll deduction.

PURCHASED SERVICE CREDIT

In some cases, service credit can be purchased by the member for time when the member was not a regular employee.

REINSTATEMENT OF PRIOR SERVICE

If you terminate membership in the 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.)

PURCHASE OF SERVICE - 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:

(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 KCPSRS to find out if making the purchase would be worthwhile for you.)

- 1) The leave must be granted by the member's employer'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.

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 KCPSRS.

PURCHASE OF MISSOURI PUBLIC SCHOOL SERVICE CREDIT

If you come to KCPSRS from another public school, library, college, junior college or university system in the State of Missouri, you may elect to purchase or transfer service credit to KCPSRS. 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 or transfer 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 KCPSRS for more information.

KCPSRS can provide details regarding eligibility and required steps for purchasing or transferring service credit.

MILITARY SERVICE CREDIT

Any active member of KCPSRS 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. 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 KCPSRS 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 KCPSRS 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 benefit.

MISSOURI RECIPROCITY (RECOGNITION OF SERVICE)

Provisions of RSMO 169.569 shall apply only to individuals with an effective retirement date after June 30, 2003.

The rule states, to determine eligibility for regular 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 Public School Employee Retirement System of Missouri (PEERS)
- The Kansas City Public School Retirement System (KCPSRS)

with which the individual has at least five years of creditable service. Service credit from a retirement 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 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.

Recognizing service may allow an individual to retire sooner. However, each retirement benefit is calculated using only the years of service and salary on record with each of the retirement systems.

Examples

Plan B

If you are:

Age	55
Have 15 years w/ KCPSRS	15
Have 5 years w/PSRS	<u>5</u>
	75 credits

Plan C

If you are:

Age	55
Have 20 years w/ KCPSRS	20
Have 5 years w/PEERS	<u>5</u>
	80 credits

VI. BENEFITS

REGULAR RETIREMENT BENEFITS

In order to receive a regular retirement benefit 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 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 charter school 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.)

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 charter school within the KCMSD boundaries).

EARLY RETIREMENT BENEFITS

You can choose to receive a **reduced monthly benefit** 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 benefit 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 System's Medical Board and approved by the Board of Trustees.
- 5) You will be subject to **periodic re-evaluations of** your disability.
- 6) You may be subject to annual **income restrictions**.
- 7) The disability commenced while you were an active member (employed with a covered employer).

(Application for disability 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 KCPSRS's participating employers.)

DEATH BENEFITS

If you die prior to taking a monthly retirement benefit, 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 benefit 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 payment options you may choose when you retire. Death benefits are paid to your surviving spouse or dependent if you die before receiving benefits yourself.)

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

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

WITHDRAWAL OF CONTRIBUTIONS

KCPSRS 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 benefit, or if you choose to take a lump sum payment instead of a monthly benefit, 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 MEMBER WITHDRAWAL

If you stop working for the employer before qualifying for a monthly 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 MEMBER WITHDRAWAL

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 KCPSRS retirement benefits.

DEATH OF MEMBER WITHDRAWAL

If you die before taking a monthly benefit, 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 Death Benefit (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 System. Since membership in KCPSRS 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 KCPSRS you may want to leave your contributions in the System. 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 retirement benefit.)

(A lump sum payment may look very attractive because, in many cases, it represents 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 will want to compare it to amount of monthly benefits you will not receive, if you withdraw funds.)

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

VII. 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.

REGULAR RETIREMENT

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

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.

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

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

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

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.

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

MINIMUM RETIREMENT

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

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 34.25 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

The early retirement benefit calculation reduces the regular retirement benefit based on an actuarial factor for the number of months prior to age sixty (normal retirement age) that a member elects to receive a benefit.

EXAMPLE: Pat is 57 years and 7 months old when he decides to retire. He is a plan B member. His benefit of \$581.25 is reduced to \$467.95 because he is taking an early retirement benefit.

DISABILITY RETIREMENT

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

$(\$581.25 \times .80507 = \$467.95)$

The minimum disability benefit is either, 25% of your average final compensation, or a benefit calculated assuming you worked to age 60---whichever is smaller.

Your disability benefit will be subject to adjustment if you resume any kind of work. Call KCPSRS if you return to any type of employment.

Contact KCPSRS to find out how disability provisions might apply to your situation.

DEATH BENEFIT FACTORS

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

- 1) The death benefit will be calculated 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 Benefit Payment Options).
- 4) If your beneficiary is a dependent child, the benefit will terminate when the child attains age nineteen.

VIII. BENEFIT PAYMENT OPTIONS

BENEFIT PAYMENT OPTIONS

Retirement benefits are paid monthly for life. The member may select the payment option that best suits his or her financial needs. Once the first payment is received the member may not change their payment option.

Basic Benefit consists of the retirement benefit payable based on the regular 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 receiving retirement payments totaling the amount of your contributions plus interest to the plan, then your beneficiary will receive a lump sum payment of the remainder of your contributions plus interest.

Option 1 (100% Survivor) provides a reduced benefit to you for the rest of your life and, upon your death, the same benefit for your designated survivor for the balance of his / her life. If your survivor dies before you, your retirement benefit will be increased to the Basic Benefit amount. After the death of both you and your survivor, no further benefits will be paid.

Option 2 (50% Survivor) provides a reduced benefit to you for the rest of your life and, upon your death, a benefit for your designated survivor that is 50% of your monthly benefit. If your survivor dies before you, your monthly benefit is increased at that time to the Basic Benefit amount. After the death of you and your survivor no further benefits will be paid.

Option 3 (Life Only) pays a slightly higher benefit than the Basic Benefit. However, should you die before receiving retirement payments totaling the amount of your contributions plus interest, there is no payment to your beneficiary.

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

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.

VIII. INFORMATION FOR RETIREES

RETIREE STATEMENTS

On December 31st of each year, a retirement benefit statement is mailed to you, which reflects all the retirement payment made to you in the year. In addition, a statement is mailed to you when you make changes to your account. At any time, you may securely access your membership information from any device with internet access. Log-in to *My Account* on the KCPSRS website at www.kcpsrs.org.

RETIREMENT PAYMENTS

DIRECT DEPOSIT

KCPSRS strongly encourages you to receive your monthly retirement 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. The Direct Deposit form may be found on our website www.kcpsrs.org under the Retirees menu by selecting the Important Forms for Retirees page.

Retirees with direct deposit have their check deposited securely and consistently in their bank on the last working day of the month.

Social Security has made direct deposit mandatory.

Direct deposit is secure and dependable.

PAPER CHECKS

If you do not have a bank account, KCPSRS can mail your retirement payment on the business day before the last business day of the month.

Retirement checks sent through the U.S. Mail are not considered late until the tenth of the following month.

If this occurs, contact KCPSRS (816-472-5800) to request a replacement check. 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.

KCPSRS can provide the forms necessary to initiate direct deposit of your benefits.

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

KCPSRS must receive changes of address, tax withholdings and/or direct deposit account changes by the 15th of the month in order for the changes to take effect for that month's payment. That month's address changes may be requested over the phone by calling 816.472.5800. All other account changes must be submitted via written request including your signature. The necessary forms to make these changes can be found on our website www.kcpsrs.org.

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, we are required to assess a standard withholding allowance against your benefit.

KCPSRS 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. You may securely access your membership information from any device with internet access. Log-in to *My Account* on the KCPSRS website at www.kcpsrs.org.

(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 from your retirement benefits. 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 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. **You must notify KCPSRS prior to the month reemployment begins so the monthly retirement benefit is stopped in a timely manner, to avoid the retiree owing payment(s) back to KCPSRS.**

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 without losing retirement benefits. If you work over the 600-hour limit, you must contact KCPSRS and your benefits must be suspended as long as you continue your employment with a participating employer. **It is your responsibility to track your hours and notify KCPSRS if you will be exceeding the limit.**

HEALTH INSURANCE

Retirees from the School District may purchase group health and dental insurance through the School District at the time of retirement.

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 may pay 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:

$\begin{array}{c} \text{AVERAGE FINAL COMPENSATION (see page 12)} \\ \times \\ 2\% \text{ multiplier} \\ \times \\ \text{THE NUMBER OF YEARS OF CREDITABLE SERVICE (maximum of 30)} \end{array}$
--

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 on 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	_____ _____ _____ _____ _____
STEP 2: Divide by 4 to get your Average Final Compensation	63,625	_____
STEP 3: Multiply the total from STEP 2 by 2%.	1,275.50	_____
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 15 complete years of contributable service)	19,087.50	_____
STEP 5: Divide the annual retirement allowance by 12 to arrive at the monthly benefit.	1,590.63	_____

PLAN C ELIGIBLE MEMBERS

The formula for calculating service retirement benefits is as follows:

$$\begin{array}{c}
 \text{AVERAGE FINAL COMPENSATION (see page 12)} \\
 \times \\
 1.75\% \\
 \times \\
 \text{THE NUMBER OF YEARS OF CREDITABLE SERVICE (maximum of 34.25)}
 \end{array}$$

Anyone hired on or after January 1, 2014 will receive a benefit calculated with the 1.75% multiplier.

	Example	Try on 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	_____ _____ _____ _____ _____
STEP 2: Divide by 4 to get your Average Final Compensation	63,625	_____
STEP 3: Multiply the total from STEP 2 by 1.75%.	1,113.44	_____
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 15 complete years of contributable service)	16,701.56	_____
STEP 5: Divide the annual retirement allowance by 12 to arrive at the monthly benefit.	1,391.80	_____

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 benefit is determined by multiplying your regular retirement benefit 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 regular retirement benefit times an early retirement actuarial reduction factor based on current age.

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

Months	55	56	57	58	59
0	0.64082	0.69926	0.76364	0.83467	0.91315
1	0.64569	0.70462	0.76956	0.84121	0.92038
2	0.65056	0.70999	0.77547	0.84775	0.92762
3	0.65543	0.71535	0.78139	0.85429	0.93486
4	0.66030	0.72072	0.78731	0.86083	0.94210
5	0.66517	0.72608	0.79323	0.86737	0.94934
6	0.67004	0.73145	0.79915	0.87391	0.95657
7	0.67491	0.73681	0.80507	0.88045	0.96381
8	0.67978	0.74218	0.81099	0.88699	0.97105
9	0.68465	0.74754	0.81691	0.89353	0.97829
10	0.68952	0.75291	0.82283	0.90007	0.98552
11	0.69439	0.75827	0.82875	0.90661	0.99276

Factors are based on 7.75% and the RP 2014 Mortality Table projected to 2035 with a 25% male / 75% female blend.

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 regular retirement benefit times the early retirement actuarial reduction factor based on current age.

**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	0.53259	0.58116	0.63466	0.69370	0.75893	0.83111	0.91113
1	0.53664	0.58562	0.63958	0.69913	0.76494	0.83778	0.91854
2	0.54069	0.59008	0.64450	0.70457	0.77096	0.84445	0.92594
3	0.54473	0.59453	0.64942	0.71001	0.77697	0.85111	0.93335
4	0.54878	0.59899	0.65434	0.71544	0.78299	0.85778	0.94075
5	0.55283	0.60345	0.65926	0.72088	0.78900	0.86445	0.94816
6	0.55687	0.60791	0.66418	0.72631	0.79502	0.87112	0.95556
7	0.56092	0.61237	0.66910	0.73175	0.80103	0.87779	0.96297
8	0.56497	0.61683	0.67402	0.73718	0.80705	0.88446	0.97038
9	0.56902	0.62129	0.67894	0.74262	0.81306	0.89112	0.97778
10	0.57306	0.62575	0.68386	0.74805	0.81908	0.89779	0.98519
11	0.57711	0.63021	0.68878	0.75349	0.82509	0.90446	0.99259

Factors are based on 7.75% and the RP 2014 Mortality Table projected to 2035 with a 25% male / 75% female blend.