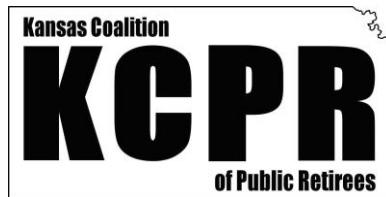


# **Kansas Coalition of Public Retirees**

**A coalition of 39 KPERS retiree groups**

**“Working to improve the KPERS System”**

***Recommendations for the 2017 Kansas Legislative Session***



————— **Prepared by the Kansas Coalition of Public Retirees** —————

**Kansas Coalition of Public Retirees  
1109 W. Wabash Street  
Olathe, Kansas 66061  
(913) 481-6923  
www.ksretirees.org**

January 9, 2017

Greetings,

The Kansas Coalition of Public Retirees (KCPR) was formed in 2004 to call attention to a serious issue. For 26 years the Kansas Legislature granted periodic cost of living adjustments for KPERS recipients. However, in the past 19 years, no such adjustment has been made. During that same period of time, the cost of living (as measured by the Consumer Price Index, CPI) has risen by approximately 45.0 percent. The coalition strongly requests that the Kansas Legislature give serious consideration for a *hardship adjustment* in the form of a permanent annual modification tied to the Consumer Price Index for the 90,907 retired KPERS members and survivors.

The attached report contains information regarding this serious disparity. An Executive Summary highlights information in the report as well as data supporting our request and reference materials. Members of the Coalition will be visiting with all members of the legislature during the upcoming session to answer questions.

On behalf of all KPERS retirees, we appreciate the support of the Legislature in this request.

Sincerely,

Dennis Phillips, Co-Chair  
Kansas Coalition of Public Retirees

Ernie Claudel, Co-Chair  
Kansas Coalition of Public Retirees

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# Kansas Coalition of Public Retirees

## Mission Statement

*“To encourage the Kansas Legislature and Executive Branch to provide regular adjustments to KPERS pensions so that the buying power of those pensions is not diminished.”*

## Coalition Officers for 2017

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Join us on:

Facebook at: “Kansas Coalition of Public Retirees”  
and  
Twitter at: “@eclaudel1”

# Executive Summary

## INTRODUCTION

During recent Kansas Legislative sessions, attempts have been made to pass Cost-Of-Living (COLA) increases for retirees of the Kansas Public Employees Retirement System (KPERS). A group of 18 professional associations representing a broad range of KPERS membership, formed the Kansas Coalition of Public Retirees. While interested in all components of the KPERS retirement system, the Coalition overwhelmingly agreed that securing periodic adjustment in the level of retirement benefits would be the most beneficial to all KPERS retirees. The initial group of 18 associations has now grown to 39 organizations. Coalition membership consists of retirees formerly employed by State, Local and School units of government. This brief report is prepared by members of the Kansas Coalition of Public Retirees.

## INSIDE THIS REPORT

**KPERS Benefits are in need of an increase.** The general KPERS retired population desperately needs an upward adjustment in benefits. Even the most casual observer would agree that the cost of goods and services continues to rise and therefore periodic adjustment in retirement benefits is necessary. The KPERS retirement system needs adequate review to increase benefits when necessary.

**Inflation hits hard at purchasing power.** The level of inflation in the United States is usually measured by change in the Consumer Price Index, (CPI). The level of change in the CPI differs from year-to-year but has increased steadily since 1998, the year of the last KPERS benefit adjustment. In fact the CPI index has grown by more than 45.0 percent since 1998. The significant growth in CPI translates into a dramatic loss of purchasing power by the KPERS retiree. Comprehensive CPI tables and graphs are included in this document as well as a means to calculate loss in purchasing power.

**KPERS retirees represent a powerful economic force in the Kansas economy.** Individuals covered by the KPERS retirement system (working and retired) have a significant impact on the Kansas economy. This paper examines the size of the KPERS workforce and how the KPERS payroll affects the Kansas economy.

**Historical KPERS increases have been eliminated.** During the long history of the KPERS program, several benefit adjustments have been made by legislation which recognized the effects of inflation and the need to adjust benefits accordingly. Some adjustments have taken the form of a cost-of-living increase while others offered a bonus. A complete history of these adjustments is contained in the report.

## CONCLUSION

The Kansas Coalition of Public Retirees believes an upward adjustment in benefits is long overdue and is desperately needed by the KPERS retiree. The membership believes a compelling case for an increase is contained in this paper. The Coalition also strongly supports continuation of the current Defined Benefit form of benefit calculation.

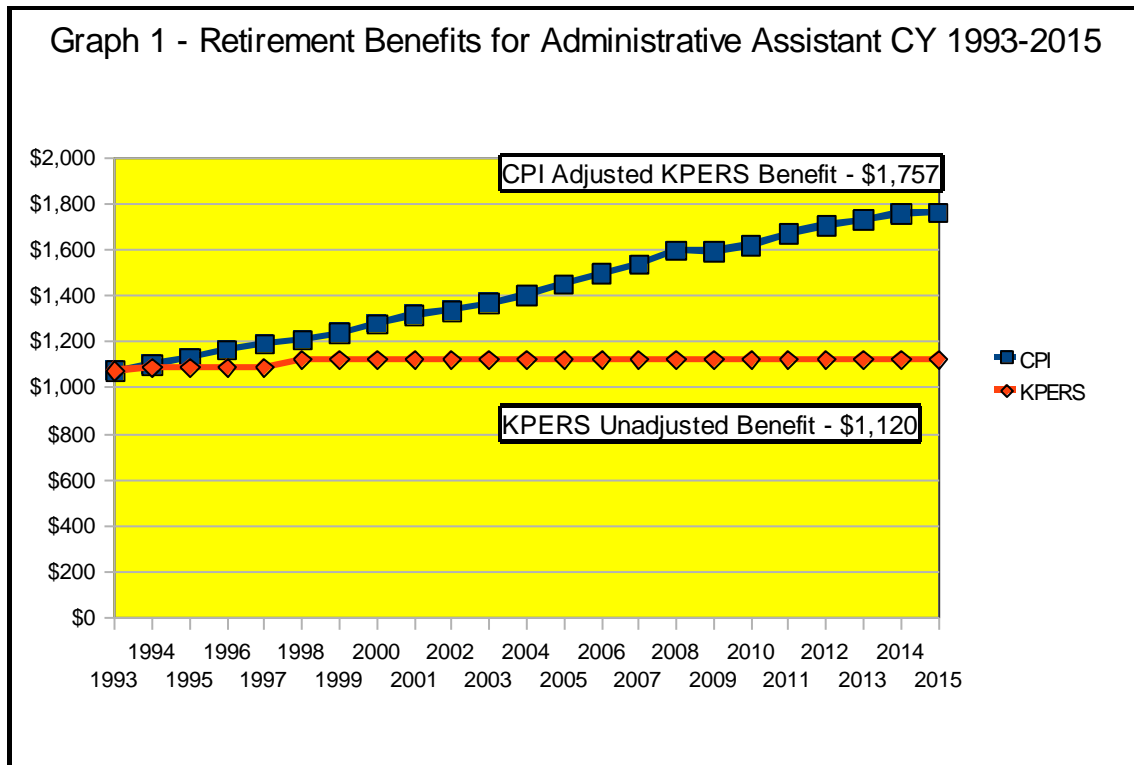
## **Members of the Kansas Coalition of Public Retirees**

American Association of Retired Persons (AARP)  
Association of Department of Education Employees  
Association of Retired City of Topeka Employees  
Association of Retired Highway Employees  
Association of Retired Insurance Department Employees  
Association of Retired KPERS Employees  
Fraternal Order of Police (Topeka Chapter)  
Health and Environment Retirees Organization (HERO)  
Johnson County Association of Retired School Personnel (JCARSP)  
Kansas Association of Chiefs of Police  
Kansas Association of Community Colleges  
Kansas Association of Counties  
Kansas Association of District Court Clerks & Administrators  
Kansas Association of Educational Office Professionals (KAEOP)  
Kansas Association of Public Employees (KAPE),  
    dba American Federation of Teachers-Kansas (AFT-Kansas)  
Kansas Association of Retired School Personnel (KARSP)  
Kansas Association of School Boards  
Kansas City, KS Retired Fire & Police  
Kansas Correctional Officers Association  
Kansas Counties and District Attorneys Association  
Kansas Department of Labor Retirees  
Kansas District Judges Association  
Kansas District Magistrate Judges Association  
Kansas National Education Association (KNEA)  
Kansas National Education Association-Retired (KNEA-Retired)  
Kansas Organization of State Employees (KOSE)  
Kansas Peace Officers Association  
Kansas Retirees/Kansas Retired  
Kansas Sheriff's Association  
Kansas State Fraternal Order of Police  
Kansas State High School Activities Association  
Kansas State Troopers Association  
Kansas State Council of Fire Fighters (KSCFF)  
Leavenworth Area Retired School Personnel  
Olathe District Schools Retired Employees Association  
State Employees Association of Kansas (SEAK)  
United Teachers of Wichita (UTW)  
United School Administrators of Kansas (USA)  
Working Kansas Alliance (WKA)

## Changes in the Cost-of-Living and a fixed KPERS Benefit

Increases in the daily cost of living have a dramatic effect on KPERS retirees when no corresponding adjustment in benefits is granted. When an individual first retires, the increasing cost of goods and services can usually be met by using personal savings to limit the effects of inflation. However, as time goes on, the long-term retiree finds it increasingly difficult to meet the continued rise in the cost of everyday living and this is usually at a time in their life when they are least able to have other opportunities to augment their income.

Consider the example of an Administrative Assistant who retired in 1993. In this example, the retiree benefit represents perhaps 50 percent of final salary (\$1,120). As the graph illustrates however, as time passes, the effects of inflation dramatically reduces the “effective benefit” of the retiree. For this reason, a KPERS “hardship benefit” is needed.



# The Impact of KPERS Retirees on the Kansas Economy (2015)

## KPERS and the Kansas Economy

“One in every 6 working Kansans is employed by State or Local Government”

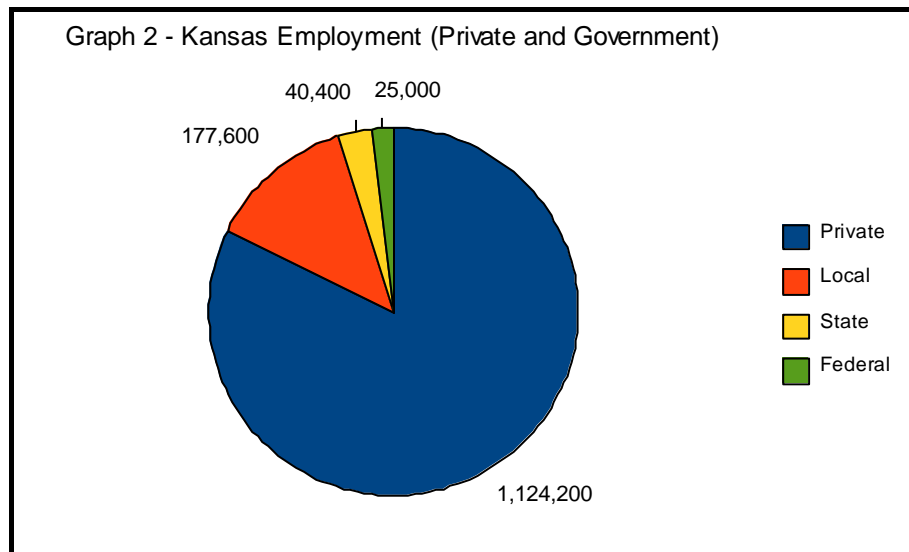
KPERS Public Employment represents a significant economic force in the Kansas Economy. State and Local Government employment (CY 2015) represents 16 percent of statewide total employment (public and private). Law enforcement personnel, firefighters, judges, school teachers, state workers, and most county and municipal workers are employed to insure the safety of our citizens and administer a wide variety of programs. Most of these workers are covered by the KPERS retirement program. The table and graph below illustrates the size of federal, state and local public employment compared to the total Kansas employment.

**Table 1**  
**Total Kansas Employment (Private and Government)**  
**Annual Average CY 2015 (Rounded)**

Item	Employment	Per Cent of Total Employment
<b>Total</b>	<b>1,367,200</b>	<b>100.0</b>
<b>Private</b>	<b>1,124,200</b>	<b>82.2</b>
<b>Government</b>	<b>243,000</b>	<b>17.8</b>
State	40,400	3.0
Local	177,600	13.0
Federal	25,000	1.8

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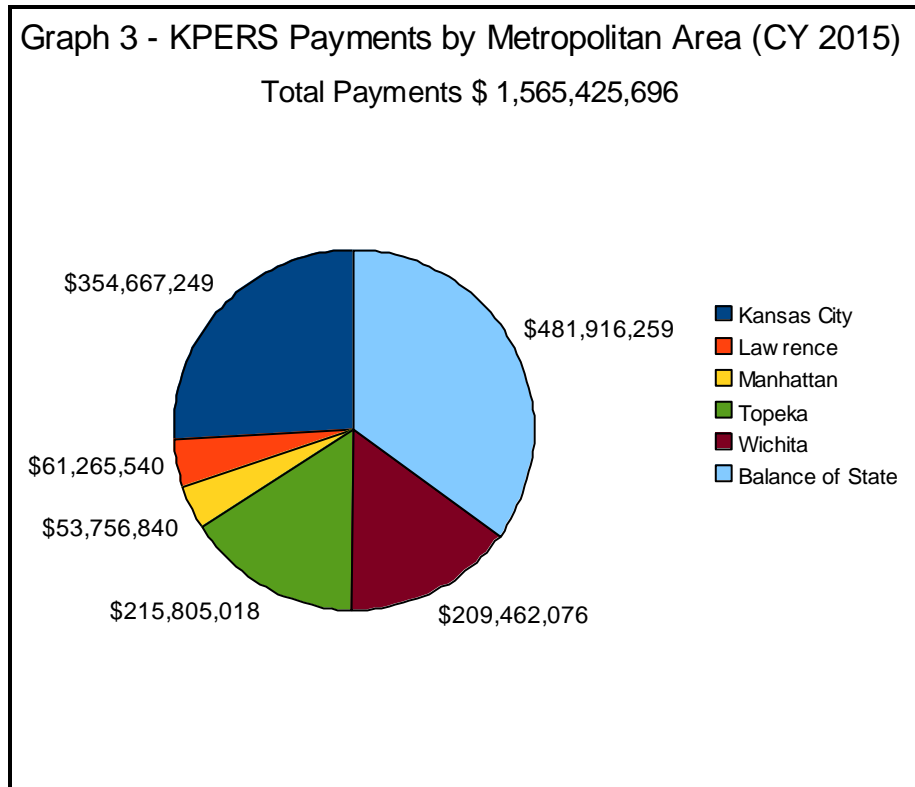
Source: Kansas Department of Labor, Quarterly Census of Employment and Wages (items rounded)





**Table 2 – KPERS Payments by Area CY 2015**

Total (All Payments)	\$1,565,425,696
Kansas Residents	\$1,376,872,982
Non Residents	\$188,552,714
<u>Area by MSA</u>	<u>Amount</u>
Kansas City	<b>\$354,667,249</b>
Law rence	<b>\$61,265,540</b>
Manhattan	<b>\$53,756,840</b>
Topeka	<b>\$215,805,018</b>
Wichita	<b>\$209,462,076</b>
Balance of State	<b>\$481,916,259</b>



## KPERS Retirement Recipient Key Facts

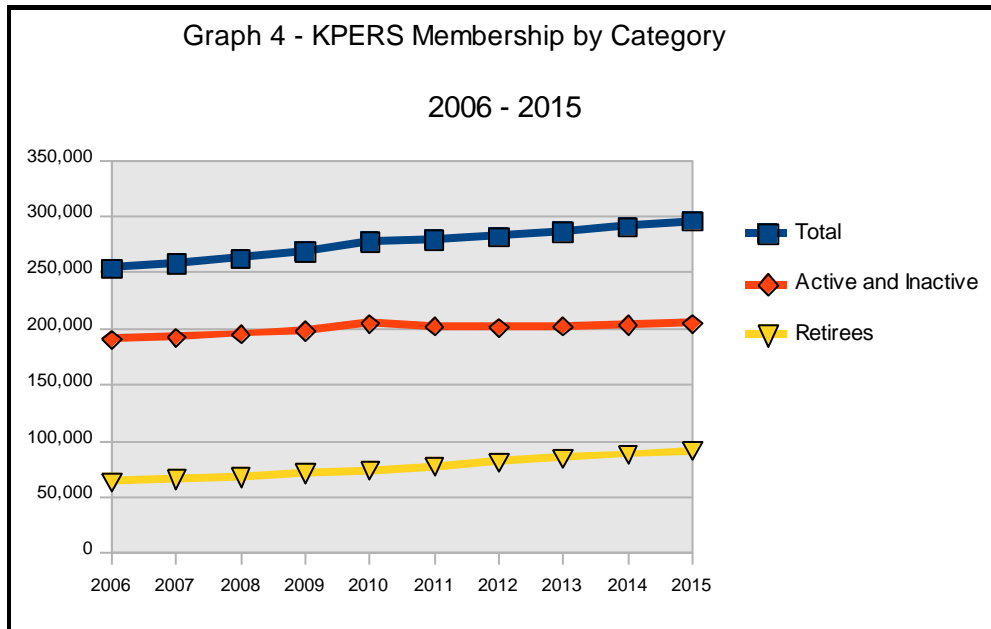
**“KPERS recipients are the largest single block of retired workers (and voters) in Kansas”**

With a significant number of working Kansans covered by KPERS, it follows that a large number of retired Kansans receive KPERS retirement payments. Eighty-eight percent (88%) of total KPERS payments are made to Kansas residents.

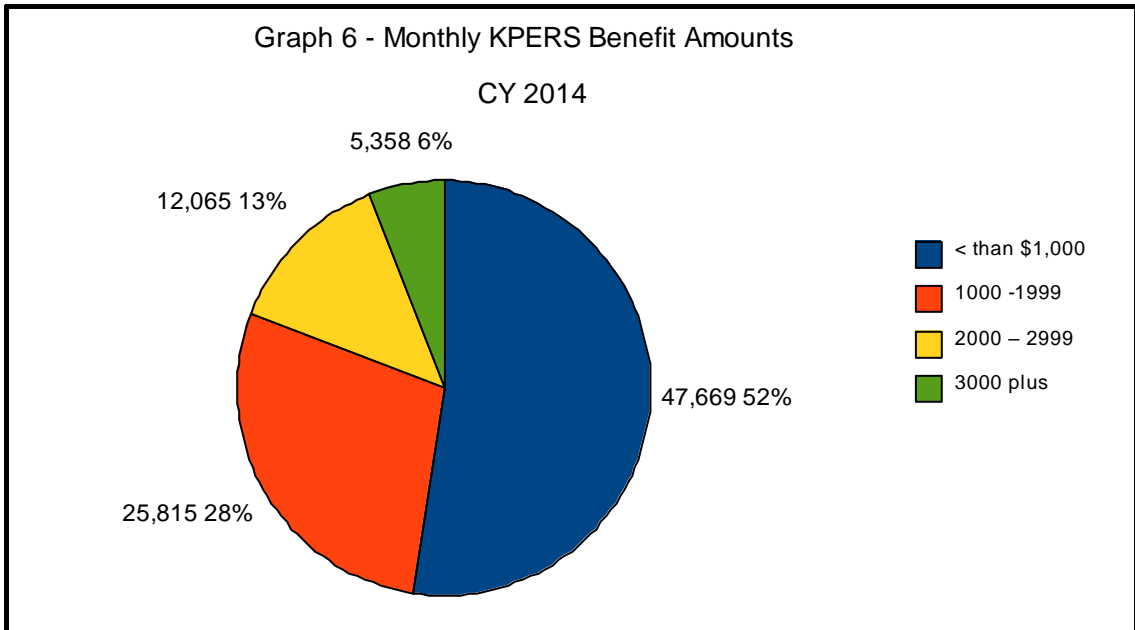
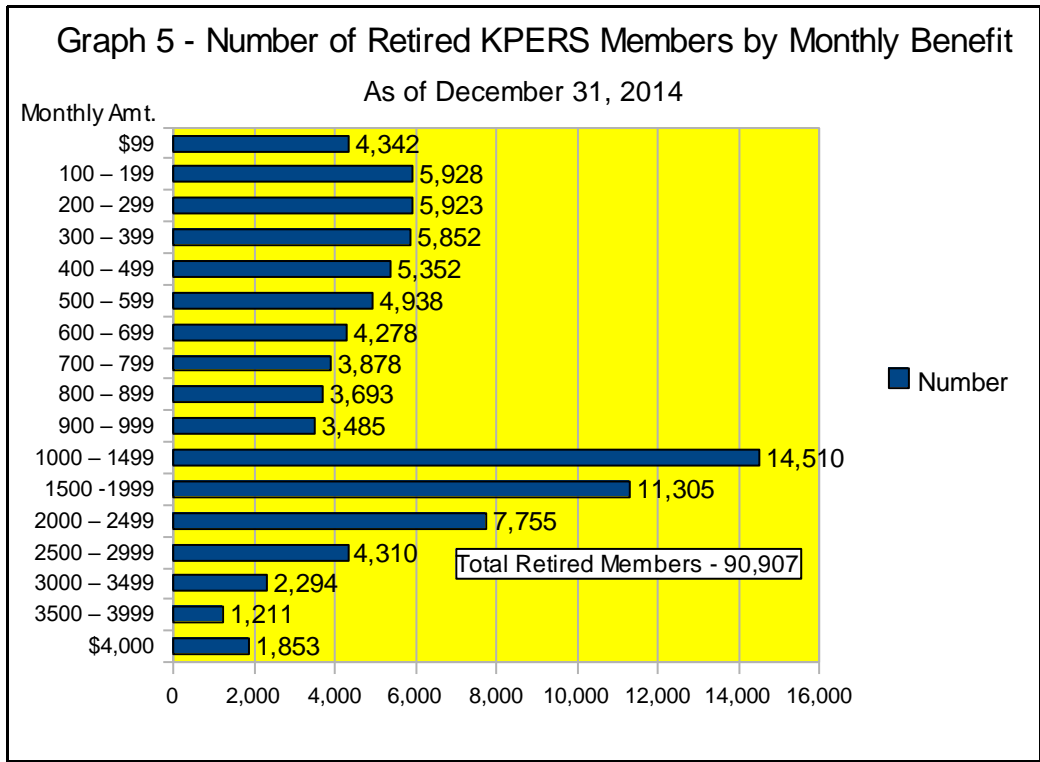
The number of KPERS retirees (End of State Fiscal Year 2015) ..... 90,907  
 Total KPERS benefit payments (Calendar Year 2015) .....\$ 1,565,425,696

Table 3  
 Number of KPERS Recipients by Membership Category  
 CY 2006 – 2015

Year	Total	Active and Inactive	Retirees
2006	253,653	190,305	63,348
2007	257,886	192,121	65,765
2008	262,289	195,187	67,102
2009	268,546	197,822	70,724
2010	277,494	204,155	73,339
2011	278,894	202,150	76,744
2012	281,757	200,732	81,025
2013	286,340	202,022	84,318
2014	290,600	202,930	87,670
2015	295,365	204,458	90,907



The graphs below show the distribution of monthly KPERS benefits among retirees. More than 50 percent of all KPERS retirees receive less than \$1,000 in monthly benefit amount.



**Table 4**  
**KPERS Benefit Payments from All Sources by County**  
**Calendar Years 2015 and 2014**

<u>County</u>	<u>CY 2015</u>	<u>CY 2014</u>	<u>Change</u>
<b>Total Payments</b>	<b>\$1,565,425,696</b>	<b>\$1,458,002,670</b>	<b>7.4%</b>
Kansas Residents	\$1,376,872,982	\$1,283,165,575	7.3%
Non Residents	\$188,552,714	\$174,837,095	7.8%
 Total All Counties	 \$1,376,872,982	 \$1,283,165,575	
Allen	\$7,891,294	\$7,884,917	0.1%
Anderson	\$4,684,135	\$4,311,627	8.6%
Atchison	\$7,977,188	\$7,154,048	11.5%
Barber	\$2,674,777	\$2,761,415	-3.1%
Barton	\$12,026,890	\$11,241,798	7.0%
Bourbon	\$7,543,526	\$7,089,691	6.4%
Brown	\$5,023,646	\$5,181,385	-3.0%
Butler	\$28,933,007	\$26,555,547	9.0%
Chase	\$1,834,493	\$1,937,362	-5.3%
Chautauqua	\$1,394,924	\$1,359,341	2.6%
Cherokee	\$8,254,855	\$8,575,483	-3.7%
Cheyenne	\$1,498,012	\$1,379,338	8.6%
Clark	\$1,277,636	\$1,020,191	25.2%
Clay	\$4,586,354	\$4,476,769	2.4%
Cloud	\$4,977,228	\$4,616,490	7.8%
Coffey	\$6,023,205	\$5,574,667	8.0%
Comanche	\$1,274,121	\$1,190,497	7.0%
Cowley	\$22,551,663	\$22,490,220	0.3%
Crawford	\$21,223,952	\$20,267,919	4.7%
Decatur	\$1,801,834	\$1,440,612	25.1%
Dickinson	\$10,548,417	\$10,179,081	3.6%
Doniphan	\$3,162,196	\$3,250,132	-2.7%
Douglas	\$61,265,540	\$57,118,899	7.3%
Edwards	\$1,839,711	\$1,697,188	8.4%
Ellis	\$1,993,786	\$1,581,149	26.1%
Ellisworth	\$17,283,473	\$15,470,781	11.7%
Finney	\$4,698,605	\$4,316,227	8.9%
	\$11,174,041	\$10,135,935	10.2%

<u>County</u>	<u>CY 2015</u>	<u>CY 2014</u>	<u>Change</u>
Ford	\$10,380,425	\$9,613,946	8.0%
Franklin	\$13,982,850	\$12,806,624	9.2%
Geary	\$10,954,810	\$10,114,544	8.3%
Gove	\$1,649,706	\$1,563,996	5.5%
Graham	\$2,275,765	\$1,840,277	23.7%
Grant	\$2,735,840	\$2,864,623	-4.5%
Gray	\$2,119,010	\$2,143,816	-1.2%
Greeley	\$534,001	\$463,897	15.1%
Greenwood	\$4,261,473	\$4,566,126	-6.7%
Hamilton	\$1,285,065	\$1,089,566	17.9%
Harper	\$3,711,550	\$3,650,820	1.7%
Harvey	\$18,547,875	\$16,797,055	10.4%
Haskell	\$1,416,386	\$1,289,699	9.8%
Hodgeman	\$1,114,833	\$1,079,662	3.3%
Jackson	\$10,086,693	\$9,102,801	10.8%
Jefferson	\$13,450,750	\$12,270,342	9.6%
Jewell	\$1,954,190	\$1,820,670	7.3%
Johnson	\$208,868,710	\$189,906,790	10.0%
Kearny	\$2,120,842	\$1,790,838	18.4%
Kingman	\$3,794,064	\$3,702,236	2.5%
Kiowa	\$1,326,538	\$1,149,328	15.4%
Labette	\$13,119,268	\$12,283,205	6.8%
Lane	\$940,696	\$934,553	0.7%
Leavenworth	\$33,570,117	\$29,780,363	12.7%
Lincoln	\$1,871,712	\$1,673,528	11.8%
Linn	\$5,329,640	\$4,996,615	6.7%
Logan	\$2,176,304	\$1,895,089	14.8%
Lyon	\$21,150,452	\$18,733,154	12.9%
Marion	\$5,816,593	\$6,087,916	-4.5%
Marshall	\$5,197,474	\$4,558,337	14.0%
McPherson	\$15,023,187	\$15,485,891	-3.0%
Meade	\$2,520,174	\$2,640,567	-4.6%
Miami	\$17,348,654	\$15,557,871	11.5%
Mitchell	\$4,575,058	\$4,159,724	10.0%
Montgomery	\$17,619,397	\$16,679,664	5.6%
Morris	\$3,730,353	\$3,919,408	-4.8%
Morton	\$1,591,394	\$1,184,075	34.4%
Nemaha	\$4,848,212	\$4,274,552	13.4%
Neosho	\$11,580,235	\$10,318,686	12.2%
Ness	\$1,723,637	\$1,566,117	10.1%
Norton	\$5,168,236	\$4,550,326	13.6%
Osage	\$12,412,768	\$11,358,905	9.3%
Osborne	\$2,019,119	\$1,906,015	5.9%
Ottawa	\$3,753,241	\$3,213,244	16.8%
Pawnee	\$8,488,552	\$7,977,258	6.4%
Phillips	\$3,346,807	\$3,120,973	7.2%

<u>County</u>	<u>CY 2015</u>	<u>CY 2014</u>	<u>Change</u>
Pottawatomie	\$12,115,536	\$10,127,828	19.6%
Pratt	\$7,407,255	\$6,345,169	16.7%
Rawlins	\$1,508,334	\$1,649,827	-8.6%
Reno	\$36,910,996	\$36,517,449	1.1%
Republic	\$3,611,694	\$3,425,048	5.4%
Rice	\$4,950,289	\$5,178,072	-4.4%
Riley	\$30,686,494	\$28,558,558	7.5%
Rooks	\$3,072,400	\$3,153,191	-2.6%
Rush	\$1,918,352	\$1,954,799	-1.9%
Russell	\$4,100,354	\$3,707,238	10.6%
Saline	\$28,623,772	\$27,295,741	4.9%
Scott	\$2,070,126	\$1,839,845	12.5%
Sedgwick	\$146,979,286	\$139,158,057	5.6%
Seward	\$5,804,536	\$5,338,634	8.7%
Shawnee	\$174,529,658	\$161,115,827	8.3%
Sheridan	\$1,405,798	\$1,278,166	10.0%
Sherman	\$3,076,080	\$3,210,101	-4.2%
Smith	\$2,172,533	\$2,203,781	-1.4%
Stafford	\$2,618,729	\$2,215,365	18.2%
Stanton	\$1,213,630	\$978,896	24.0%
Stevens	\$2,000,659	\$1,791,021	11.7%
Sumner	\$15,001,908	\$14,002,338	7.1%
Thomas	\$4,012,212	\$3,694,472	8.6%
Trego	\$1,685,992	\$1,647,045	2.4%
Wabaunsee	\$5,325,149	\$4,702,425	13.2%
Wallace	\$663,692	\$612,170	8.4%
Washington	\$3,170,235	\$3,178,441	-0.3%
Wichita	\$869,937	\$611,014	42.4%
Wilson	\$5,055,923	\$5,016,888	0.8%
Woodson	\$1,832,982	\$1,601,303	14.5%
Wyandotte	\$75,567,278	\$72,314,465	4.5%

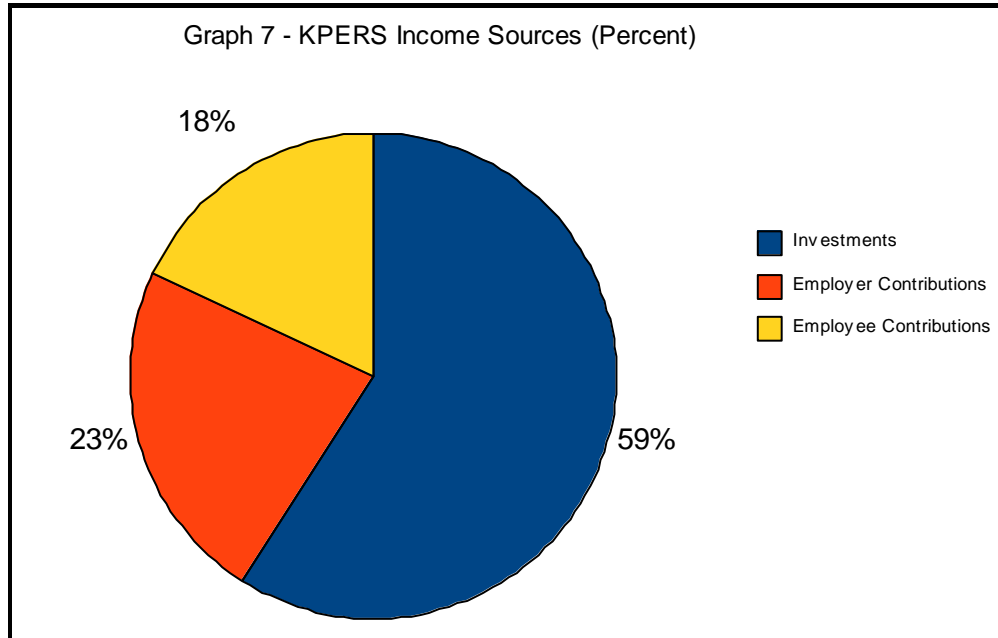
## Changes Made to KPERS by 2012 Legislature

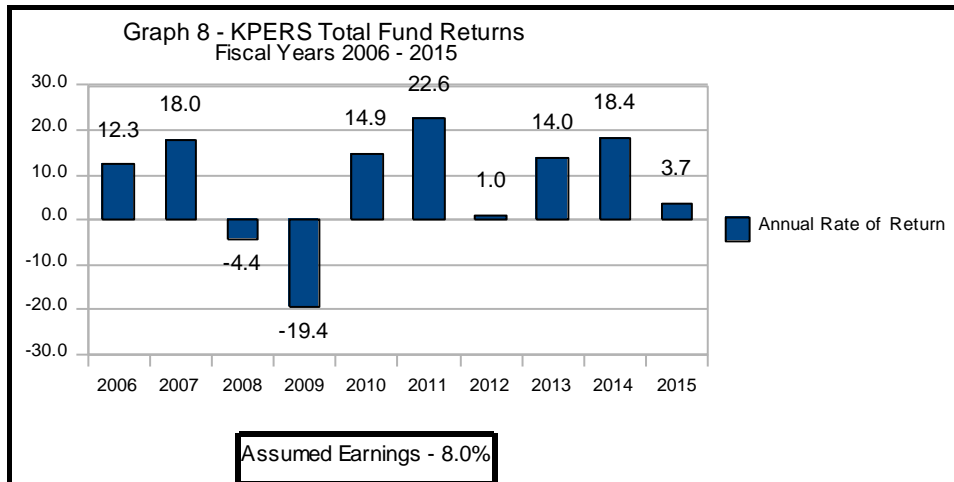
The 2012 session of the Kansas Legislature passed a bill to establish Tier 3 within the Kansas Public Employees Retirement System (KPERS). Tier 3 is a Cash Balance plan for those hired after January 1, 2015. This plan is a type of defined benefit plan which includes some elements of a defined contribution plan based on the member's years of service and salary. Each member will pay 6 percent of his/her salary into an account, while the employer makes a quarterly payment based on the member's years of service. The account earns interest and will be annuitized at the employee's retirement for a guaranteed lifetime benefit.

According to KPERS staff, it is estimated that a retiree under the Cash Balance plan will receive 34-43 percent of their salary as a retirement benefit. Under the current defined benefit plan, most KPERS retirees receive about 50 percent of their salary in retirement benefits. The Coalition believes that this will have a significant negative impact on future retirees and recommends that no further changes to the detriment of employees be made to the system.

If there is a positive element of the new legislation, it is that employers are paying a higher contribution rate into the KPERS system. Since the inception of the KPERS system, employee contributions were set by statute at 4 percent of pay. Beginning in FY 2009, that amount was raised to 6 percent of pay. Employer contributions during this period of time were 'capped' by statute; however, the 2012 legislation removed the cap and specified larger amounts which are to be contributed by employers.

Funding for the KPERS system over the past 20 fiscal years breaks down as follows: investment earnings=59%, employer contributions=23%, and employee contributions=18%.





## Coalition Recommendations for a Benefit Increase

### The Cost-of-Living Adjustment (COLA):

One measure of an effective retirement system is the ability to counter the damaging impact of inflation on retirement benefits. During the 1998 Legislature a 3 percent COLA was granted to those who retired prior to July 1, 1997. Since that date the consumer price index has risen appreciably and the purchasing power of the retiree dollars has decreased. Thus, the Kansas Coalition of Public Retirees is recommending a permanent annual benefit increase to recover some of the lost purchasing power.

**Reasonable Cost-of-Living Increase is Recommended:** The Coalition believes that a permanent annual across the board increase is appropriate. The increase would include the retirees of the Kansas Public Employees Retirement System (KPERS), the Kansas Police and Fire System (KP&F), the retirement system for Judges and the Kansas School Retirement System (KSRS).

To counter inflation, a modest increase is reasonable when considering cost of living increases, inflation, health care costs, health insurance premiums and increased costs to everyday living over the last 19 years. The Coalition has included Consumer Price Index (CPI) information in this report that indicates during the time period 1998 to 2015, the index increased by approximately 45.0 percent.

### A Permanent Solution to the Inflationary Problem:

The Coalition further recognizes that a permanent solution to the damaging effects of inflation will not be an easy problem to solve. We believe however, that serious consideration should be given to the problem and a compromise can be reached. The solution may be a COLA tied to future consumer price index measures. As the situation presently exists, if a retiree lives an extended period in retirement, the fixed benefit is severely reduced. In many cases, the recipient may become a burden to the state through welfare or other social support systems.



Table 5

HISTORY OF BENEFITS

HISTORY OF KPERS BENEFIT INCREASES (1974-2016)

2016	No benefit increase	1999	No benefit increase
2015	No benefit increase		
2014	No benefit increase	1998	Increase of 3% for those who retired prior to July 1, 1997. Increase of \$100 to those who retired prior to January 1, 1971 who have at least 25 years of service, and 3% will be added to this.
2013	No benefit increase		
2012	No benefit increase	1997	No benefit increase
2011	No benefit increase		
2010	No benefit increase	1996	No benefit increase. Effective August 20, 1996 \$4,000 death benefit became taxable.
2009	No benefit increase	1995	No benefit increase
2008	\$300 one-time payment for all retirees who retired on or before July 1, 1998, with 10 or more years of service.		
2007	\$300 one-time payment for all retirees who retired prior to July 1, 1997, with 10 or more years of service.	1994	An increase of the higher of either 1.5%; or a combination of \$.50 for each year of service and \$50 for each year of retirement. Applies to those who retired before July 1, 1993.
2006	No benefit increase	1993	Increase of 5% or \$10, whichever is greater, to retired members with fewer than 15 years of service. Increase of 15% or \$50, whichever is greater, to a maximum of \$200, to retired members with 15 or more years of credited service. Retired death benefit increased to \$4,000 from \$2,500.
2005	No benefit increase		
2004	No benefit increase		
2003	Annual Retirant Dividend Payment (13 <sup>th</sup> Check) made permanent for retirees who retired prior to July 2, 1987.	1992	Increase of \$15 for those who retired prior to July 1, 1991 (included disability recipients)
2002	No benefit increase	1991	Increase of 1% or \$10, whichever is greater, for those who retired prior to July 1, 1990 (Included disability recipients)
2001	KSRS recipients with 20 years of service will have their benefit increased to \$500 effective July 1, 2001 ( <b>approximately 66 Members</b> ). Retired members may name funeral homes as a beneficiary for the \$4,000 death benefit.	1990	Increase of 4% for those who retired prior to July 1, 1989.
		1989	Increase of 4% to those who retired prior to July 1, 1988.
2000	One-time benefit to be paid in September equal to 50% of the retirement benefit payment to those who retired prior to July 1, 1999. Any federal withholding will be ½ of the tax table amount of the full benefit amount.	1988	Increase of 3% to those who retired prior to January 1, 1987

***HISTORY OF BENEFITS cont.***

- 1987 Increase of 2% to those who retired prior to January 1, 1986. Death benefit increased from \$2,000 to \$2,500 for deaths after July 1, 1987.
- 1986 Increase of 3% to those who retired prior to January 1, 1985. Retired death benefit increases to \$2,000 for those who died after July 1, 1986.
- 1985 Increase of 5% to those who retired prior to July 1, 1984. Death benefit increased from \$1,000 to \$1,500 for those who died after July 1, 1985.
- 1984 Increase of 10% to those who retired prior to July 1, 1981. Made permanent the 10% increase established in 1982.
- 1983 BMs-10% increase to retired members who retired prior to July 1, 1981, and a 50% increase in the savings annuity portion. Death benefit increased to \$1,000 for deaths after July 1, 1983.
- 1982 Increase of 10% to those who retired prior to July 1, 1981, payable through 1987. July 1, 1982 pop-up option was established. If a spouse died prior to the 7-1-82 date, there is no pop-up.
- 1981 No benefit increase
- 1980 Thirteenth check increase equal to regular monthly benefit for those who retired prior to 1987 – July 1, 1980, and before July 1 in each subsequent year, to be paid annually through 1987.
- 1979 No benefit increase
- 1978 Permanent increase for all who retired prior to January 1, 1977, as follows:  
Those who retired prior to January 1, 1973 - 7.34%  
1973 - 5.5%  
1974 - 4.4%  
1975 - 2.2%  
1976 - 1.1%
- 1977 Same provision as the 1976 legislation.
- 1976 Thirteenth check – one-time additional payment for those retired prior to January 1, 1975, equal to 5% of total annual retirement benefit. In no event shall the additional benefit be less than \$20 or more than \$200.
- 1975 No benefit increase
- 1974 No benefit increase

## GLOSSARY

**Active Member** - An employee with a participating employer who is currently employed in a KPERS-covered position. All members become active members immediately.

**Cash Balance Plan – (KPERS 3)** – A retirement plan that is a type of defined benefit plan that includes some elements of a defined contribution plan and shares risk between employer and employee. A member makes contributions to his or her account. Employer credits and interest are also added to this account. Employer credits represent dollars instead of years of service. At retirement, the account balance is annuitized and funded from the KPERS trust to create a lifetime monthly benefit. Unlike other benefit plans at KPERS, cash-balance plan benefits are based on the account balance, not a formula. KPERS 3 members are those who were hired January 1, 2015 and after.

**Consumer Price Index (CPI)** – An index of the variation in prices paid by typical consumers for retail goods and services.

**Cost of Living Adjustment (COLA)** – An increase in monthly pension benefits given at the direction of the Legislature in an effort to help benefits keep pace with inflation. No KPERS retirement plan includes an automatic COLA.

**Defined Benefit Plan** – A retirement plan (like **KPERS 1 and 2**) that bases retirement benefits on a formula including age, years of service and final average salary. Benefits are guaranteed. KPERS 1 members were hired before July 1, 2009. KPERS 2 members were hired July 1, 2009 to December 31, 2014.

**Defined Contribution Plan** – A retirement plan (unlike KPERS, like a 401K) that bases retirement income entirely on the performance of investment choices selected by the member.

**Inactive Member** - A member who is no longer employed with a KPERS-affiliated employer, but chose to leave his or her contributions with the Retirement System when he or she ended employment.

**Retiree/Retirant:** The member, once employed by a KPERS participating agency, who has retired and currently receives a monthly benefit.

**COLA** – Cost of Living Adjustment

**CPI** – Consumer Price Index

**CY** – Calendar Year

**DB** – Defined Benefit

**DC** – Defined Contribution

**MSA** – Metropolitan Statistical Area

**SFY** – State Fiscal Year

**Table 6 – Consumer Price Index 1998-2016  
(1982-1984 = 100)**

<i>Year</i>	<i>Jan.</i>	<i>Feb.</i>	<i>Mar.</i>	<i>Apr.</i>	<i>May</i>	<i>June</i>	<i>July</i>	<i>Aug.</i>	<i>Sep.</i>	<i>Oct.</i>	<i>Nov.</i>	<i>Dec.</i>	<b>Annual Avg.</b>
<i>1998</i>	161.6	161.9	162.2	162.5	162.8	163	163.2	163.4	163.6	164.0	163.0	163.9	<b>163.0</b>
<i>1999</i>	164.3	164.5	165	166.2	166.2	166.2	166.7	167.1	167.9	168.2	168.3	168.3	<b>166.6</b>
<i>2000</i>	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174	174.1	174	<b>172.2</b>
<i>2001</i>	175.1	175.8	176.2	176.9	177.7	178	177.5	177.5	178.3	177.7	177.4	176.7	<b>177.1</b>
<i>2002</i>	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181	181.3	181.3	180.9	<b>179.9</b>
<i>2003</i>	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185	184.5	184.3	<b>184</b>
<i>2004</i>	185.2	186.2	187.4	188	189.1	189.7	189.4	189.5	189.9	190.9	191	190.3	<b>188.9</b>
<i>2005</i>	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	<b>195.3</b>
<i>2006</i>	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	<b>201.6</b>
<i>2007</i>	202.4	203.5	205.4	206.7	207.9	208.4	208.3	207.9	208.5	208.9	210.2	210.0	<b>207.3</b>
<i>2008</i>	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	<b>215.303</b>
<i>2009</i>	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	<b>214.537</b>
<i>2010</i>	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	<b>218.056</b>
<i>2011</i>	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	<b>224.939</b>
<i>2012</i>	226.665	227.663	229.392	230.085	229.815	229.478	229.104	<b>230.379</b>	231.407	231.371	230.221	229.601	<b>229.594</b>
<i>2013</i>	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	<b>232.950</b>
<i>2014</i>	233.916	234.781	236.293	237.072	237.900	238.343	238.250	237.852	238.031	237.433	236.151	234.812	<b>236.736</b>
<i>2015</i>	233.707	234.722	236.119	236.599	237.805	238.638	238.654	238.316	237.945	237.828	237.336	236.525	<b>237.016</b>
<i>2016</i>	236.916	237.111	238.132	239.261	240.236	241.038	240.647						



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