

**Chris Huntsman is a retired Kansas Educator. She is responsible for articles on this website related to women's pensions issues in the past. This presentation was made to the KPERS Board of Trustees on July 26, 2024, with her latest work on the subject. It contains information on a variety of women's pension issues and concerns. It contains several graphs from the KPERS staff that relate specifically to women who are retired from the Kansas public schools.**

### **What do women think of retirement?**

The National Institute on Retirement Security's February RETIREMENT INSECURITY 2024 DOCUMENT's Executive Summary of a public opinion poll lists five views:

1. Americans express strong support for pensions.
  - A. 75% have a favorable view of pensions and feel they are better than 401K's.
  - B. Over 50% would choose a job with a pension rather than a 401K.
  - C. A pension will more likely keep them in their job.
2. High retirement anxiety continues among Americans.
  - a. 50% of Americans say they won't be able to achieve a secure retirement.
  - b. Issues worrying Americans include inflation, working longer or never retiring, reducing standard of living and others and debt.
3. Americans want action now to safeguard Social Security. Americans want policy leaders to give their retirement concerns a higher priority. The Alliance for Retired Americans, in a review of the 118<sup>th</sup> Congress ending December 2023, gives our Kansas Senators a "lifetime score" of 11 and 14% on legislation. Of our

four representatives, Rep. Davids has a lifetime score of 98%, while Mann, LaTurner and Estes are at 3%, 3% and 6% respectively.

4. Americans want action now to safeguard Social Security.
5. Americans are deeply worried about Long-Term Care costs. A sales brochure for aging in place, “there’s no place like home”, estimated a cost of a home aide, 44 hours a week for 52 weeks at \$61,776, an alternative for institutional care.

According to NIRS April 2024, an Info graph shares “women face an uphill climb when it comes to preparing for retirement. 80% of women say the nation faces a retirement crisis. US Census Bureau data show that half of women ages 55-66 have no personal retirement savings. According to AARP and NRTA, females between the ages of 75-79 are three times more likely than men to live in poverty. Women are more likely to be impoverished at age 65 and older. (ksretirees.org REVISED RETIREMENT CONCERNS SPECIFICALLY FOR WOMEN-May 2024)

Jill Schlesinger shares in a June 2024 column that other agencies, such as The Alliance for Lifetime Income and Employee Benefit Research Institute, and author Teresa Ghilarducci analyzing retirement income issues finding a two-tiered system with savers and non-savers.

Retirement is studied, surveyed, and analyzed by many factions. The KPERS COLA Squad wants to share some learnings with you. We are grateful for our KPERS Pension; however we face an uncertainty about retired women and our situations. We asked KPERS-Jarod for Kansas KPERS statistics on women only.

KPERS cannot share pension income specific to positions held. KPERS cannot share 'marital statuses' but single people generally have less discretionary income than married couples. Whether single by choice, divorced, or widowed, income tax rates are higher.

Because women are delaying or forgoing marriage, and there are increases in divorce and decreases in the number of years of marriage, i.e., fewer women meet the 10-year marriage minimum for benefits; female retirement income is losing ground.

**Below**, in the 12/31/2022 KPERS School Female Retirees by Age, of the 42,492 females, there were 8624 women that were 80+ years. The average KPERS retiree benefit is about \$16,000 per year; \$1,330 per month. The 8624 female count breaks down by age group to:

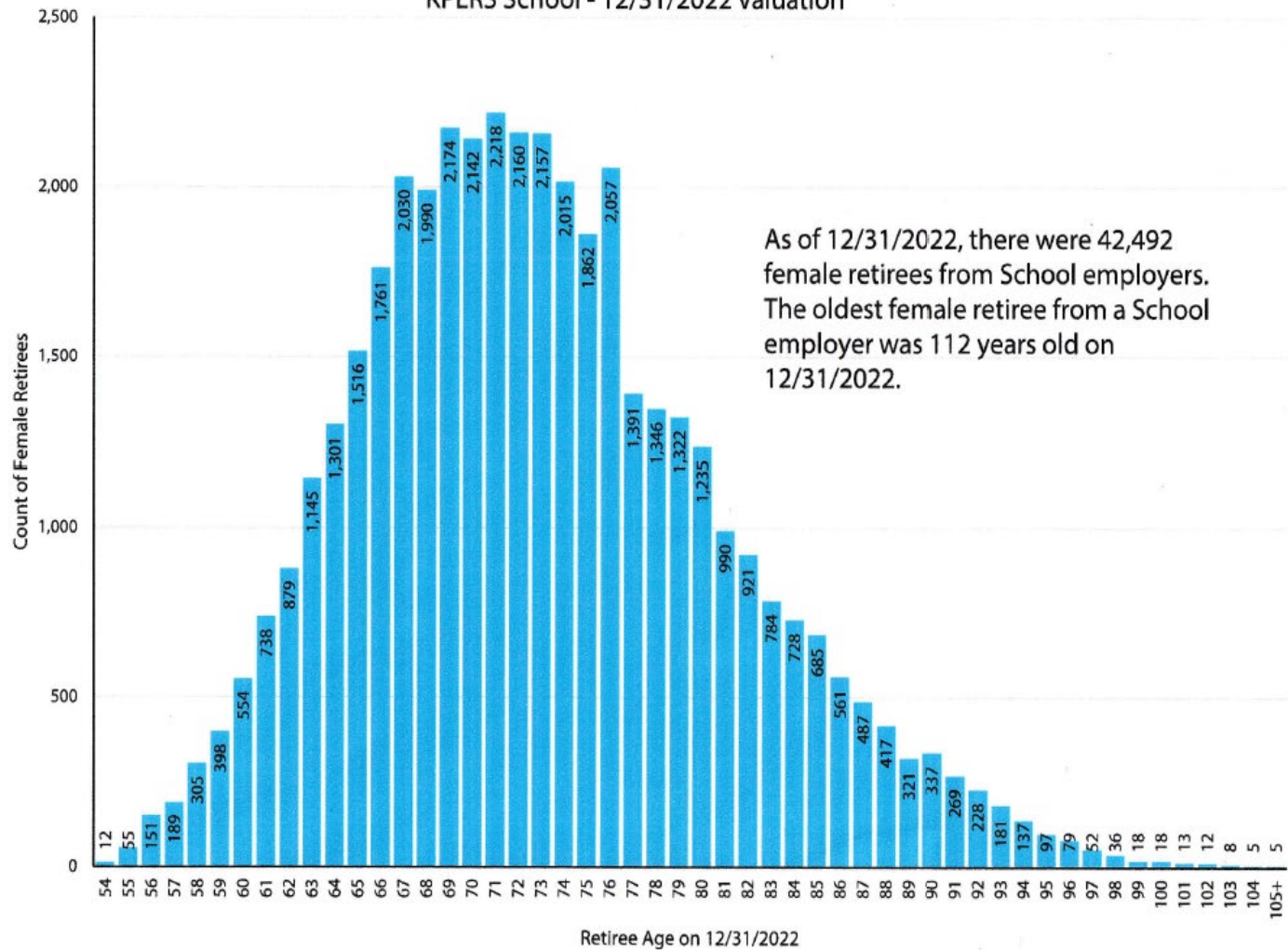
Ages 80-84=4658

Ages 85-89=2471

Ages 90-94=1152

Ages 95+=343

Female Retirees by Age  
KPERs School - 12/31/2022 Valuation



As of 12/31/2022, there were 42,492 female retirees from School employers. The oldest female retiree from a School employer was 112 years old on 12/31/2022.

Below, the Average Benefit of Female Retirees by Retiree Age KPERs School-12-31-22, the benefit for those women in their 80's, per year, varies from \$12,593 at 80 years to \$9877 at age 89, dropping gradually over the 10 year span.

**Yearly benefits range from \$8,000 to \$5,600 are paid to women in their 90's, and** for some reason the 18 women who are 100 years old have an average salary of \$8,600 and the 12 women who are 102 years old women's benefit average is \$8,398. The average salary/age for the remainder are 101 (\$5,744), 103 (\$4,896), 104 (\$4740), and 105+ (\$2,312).

The average Kansas benefit for SS is \$1588 a month. Take out Medicare at \$174, Part D Medicare varies, and any withholding taxes, and the result may be about \$1200 monthly net. Yeah! No more income tax on social security.

One COLA bill discussed in past legislative sessions, HB 2252/SB 198, would give a maximum benefit increase of \$200 a month. For a person who retired before 2006, it would be a 5% increase in the benefit. The largest salary for females over 80 at this time (12/31/22) is \$12,593. Assuming she retired before 2006, \$52.47 would be her monthly increase. For the lowest benefit for a female, if she retired before 2006, and at 105 + years she probably did, her benefit increase would be \$115.60.

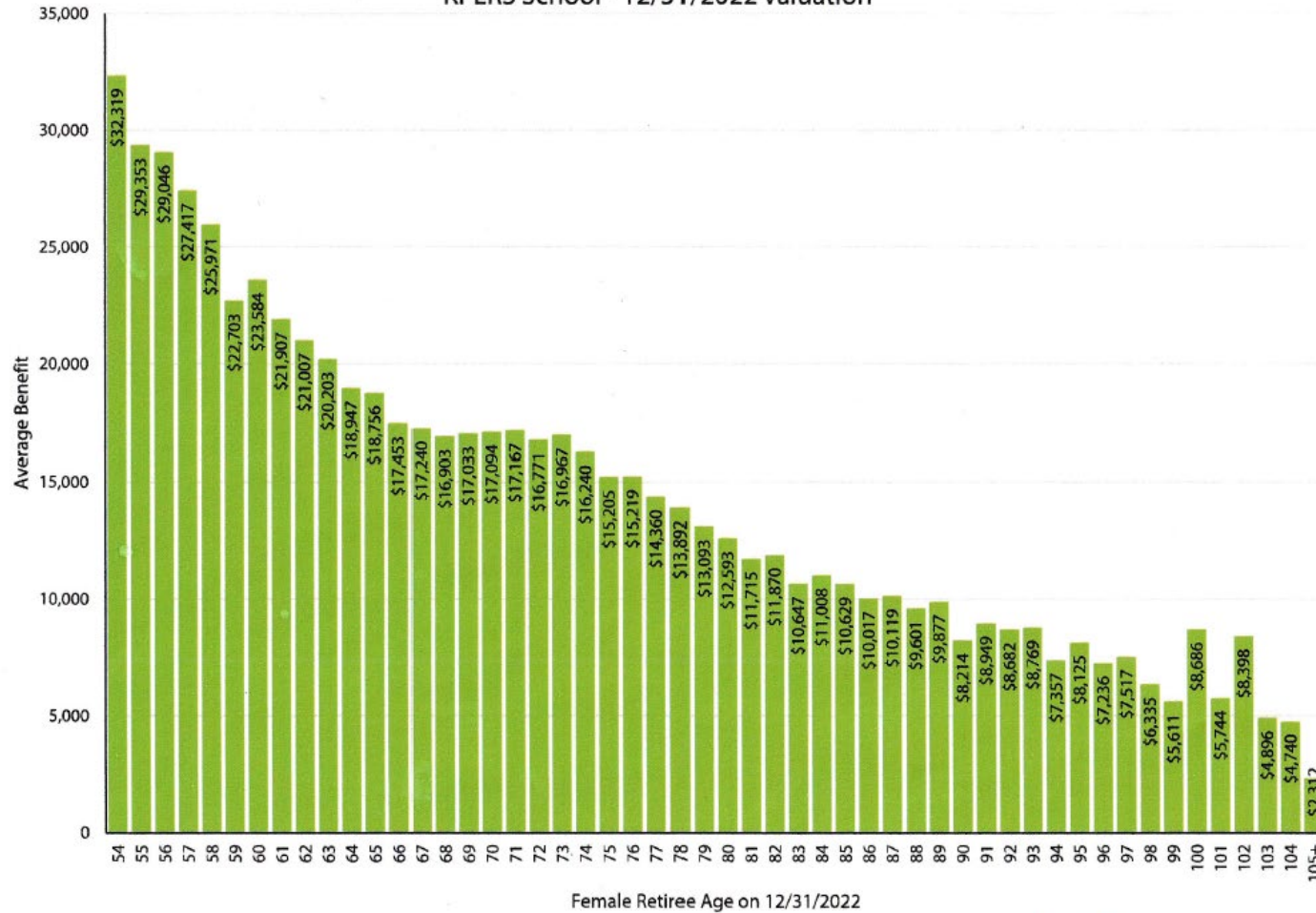
Also, According to the web site <https://www.in2013dollars.com/us/inflation/2008?amount=100>, the CPI , for \$100 in 2008, requires \$142.96 in 2023. 142.96% of \$12,583 would need to be replaced with \$17,988.65!!

The basic tenant of the state plan was "to maintain a similar standard of living during retirement"; in other words not go into poverty. Your actuary stated in one legislative hearing "pay me now, or pay me later". A friend's aunt and uncle were county workers and are now living in a care home in Manhattan, and are on Medicaid because their life savings are gone, and their SS and KPERs are garnished by the home. No pocket change for this couple.

According to the NIRS Closing the Gap September 2023 report, 200% of Federal Poverty level is a commonly used threshold for meeting basic needs. It was, for a single person in 2020, \$23,000. In 2020, the 200% Federal Poverty Level for a married couple is \$32,000. We do not know the marital status of the KPERS retired females, but single females 64+ earn would earn below the single poverty level. *The median age a woman becomes a widow is 59.4 for a first marriage and 60.3 for a second marriage, according to the U.S. Census Bureau. Half of widows over 65 will outlive their husbands by 15 years. (May 30, 2021)*

In Kansas, 91% of men are above 200% of FPL, while only 87% of women are. Also, in the Kansas stats in this article, men 55+ have an average pension wealth of \$302,000 and women have \$224,000.

### Average Benefit of Female Retirees by Retiree Age KPERs School - 12/31/2022 Valuation



Average Final Average Salary of Female Retirees by Retirement Year KPERs School 12/31/2022 Valuation, next page, the orange line is the average final salary of female school retirees over the past 20 years has increased by about 30%. In 2003 it was \$35,646 and in 2022, it was \$46,441. Many variables contribute to the numbers.

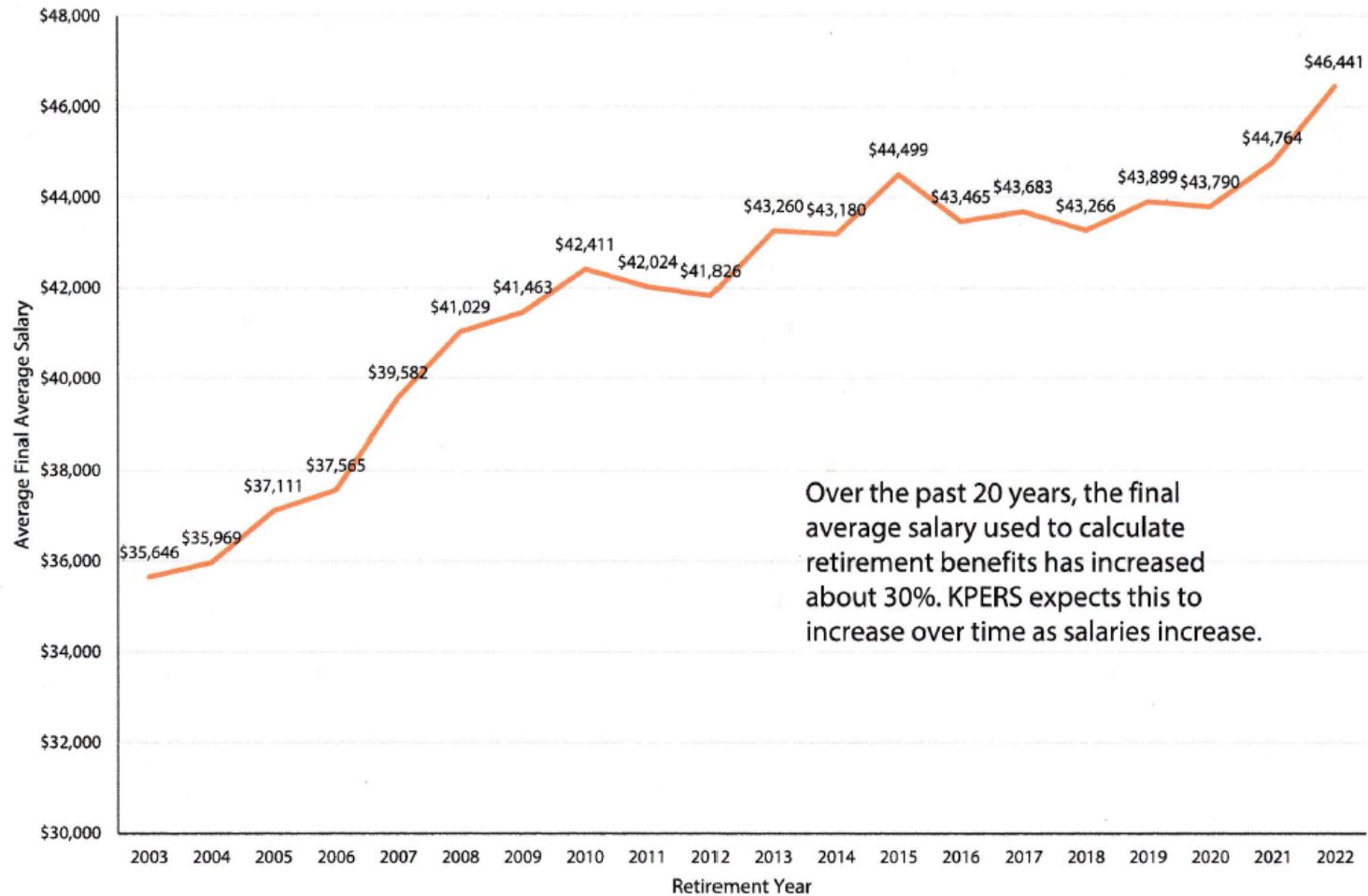
First, gender pay disparity in general. In education, there is quite a salary range from the top school position, the superintendent at \$100,000+ to a half-time classified position at \$10-\$15 per hour, and professional staff in between. Add to this disparity, KC Metro school districts generally have higher paying salary schedules compared to anything west of Wichita/Junction City. At least one superintendent's salary has been up to \$600,000 in one situation I remember.

Certified members are in the bargaining unit and negotiate with each district for their salary and working conditions. The negotiated agreement contains the salary schedule, and the "extra duty pay" as well. A gender disparity can be seen in past years – current retirees – between these addendums and gender. For instance, the head coaches of the secondary main sports are often a %, whereas elementary teachers don't get the %, maybe an hourly for "math club". So secondary teachers with the largest addendums earn more in their retirement years-period.

So many factors-- years of service, level of education, and one-time benefit choices, like spouse option and lump sum, contribute to a final salary.



Average Final Average Salary of Female Retirees by Retirement Year  
 KPERS School - 12/31/2022 Valuation



The last two graphs show:

Average years of service and benefits for female retirees by retirement year, the blue line is a flat constant. The retirement salary trajectory of retirement salaries follows the above orange line.

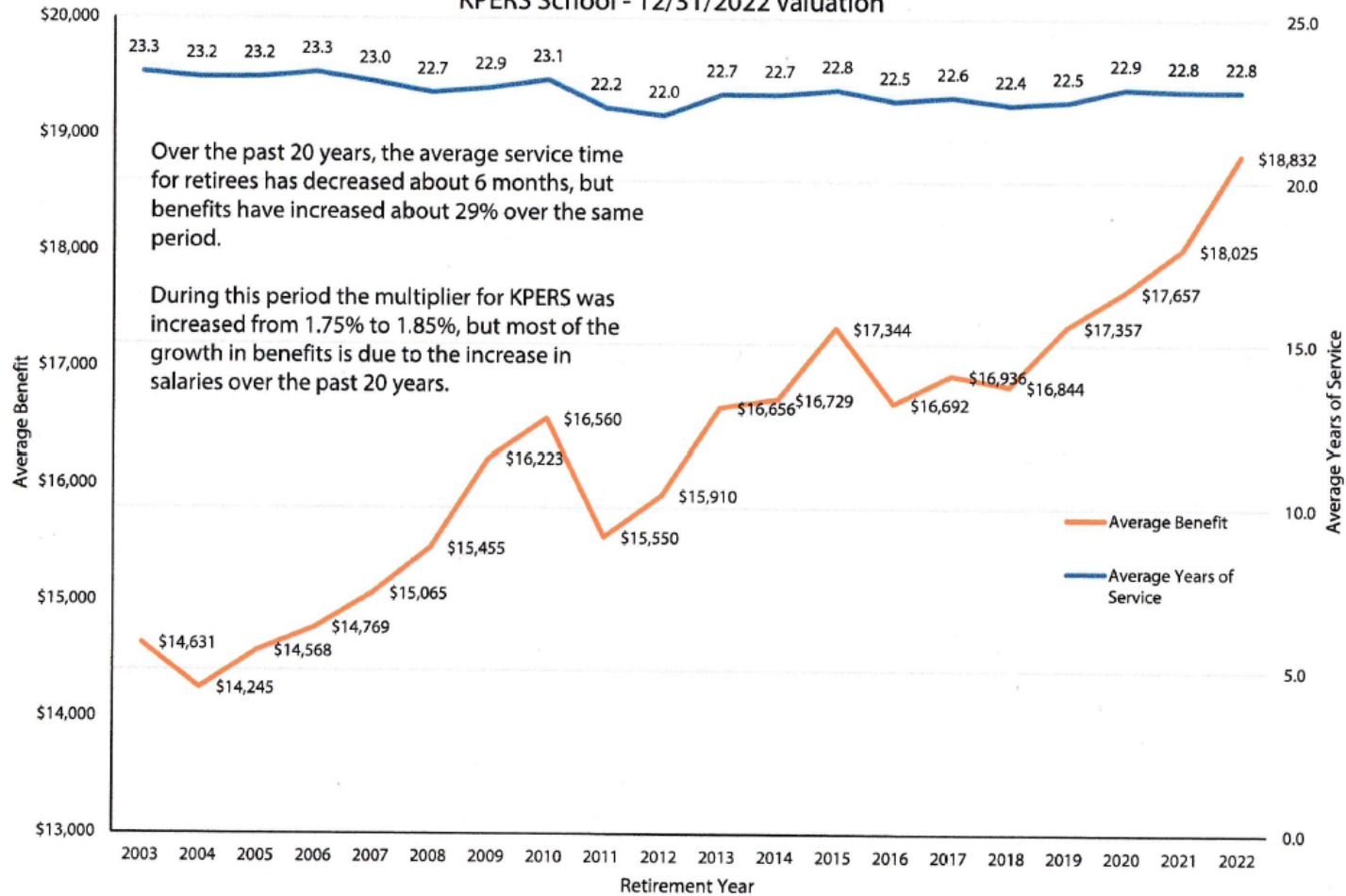
FEMALE MEMBERSHIP BY PLAN (KPERS 1, KPERS 2, KPERS3, KPERS School: Repeating the basic tenant of the state plan “to maintain a similar standard of living during retirement”, this last graph shows Tier 1 on the left with active female members at 21,000 (purple) and 41,000 female retirees (orange). Tier 2 is a much smaller group, but with only 148 Tier 3 (orange) retirees so far, a benefit decrease is projected. This has led to legislators admitting it is not good, but they did nothing in 2024. The worst is yet to come.

For the past 20 years, the Kansas legislature intentionally or unintentionally appears to be anti-female. This is seen in lack of state employee raises, no COLA for KPERS, toxic treatment of those in the education/school group of KPERS, underfunding Special Education, and two court cases filed because of lack of suitable funding.”

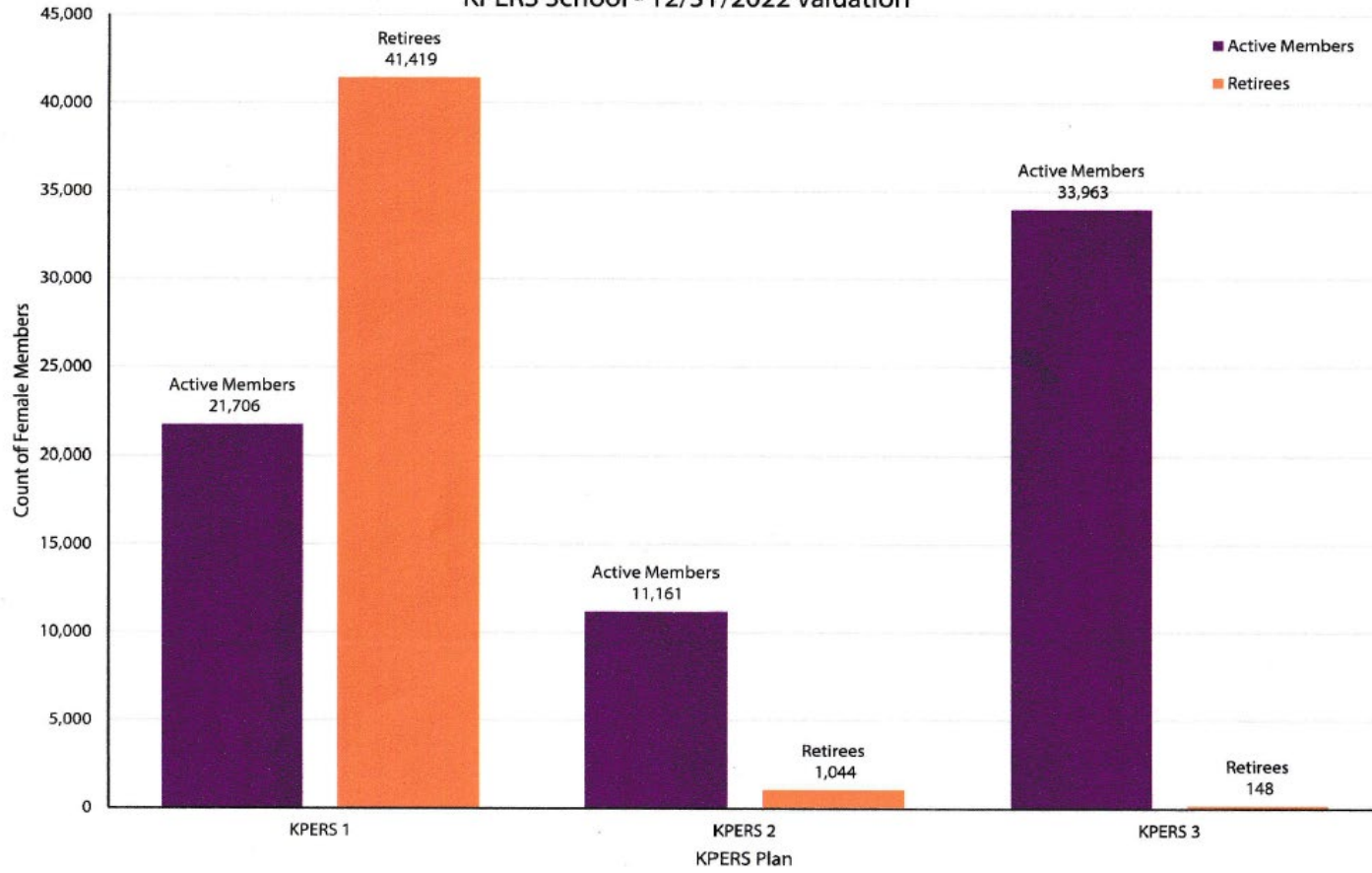
Many see the great need to have the legislature fix Tier 3 before the 33,963 Active (in purple) retire. This Board of Trustees is to be fiduciary; Trustee Claudel asked for this Board to take a stand in support of both the COLA and fixing Tier 3. I ask the same; not just for women educators, but for all KPERS retirees.



Average Years of Service and Benefits of Female Retirees by Retirement Year  
 KPERS School - 12/31/2022 Valuation



Female Membership by Plan (KPERS 1, KPERS 2 or KPERS 3)  
 KPERS School - 12/31/2022 Valuation



October 2023

