

## Calculating Your Retirement Benefit

KPERS retirement benefits are calculated using the following formula:

Final average salary x statutory multiplier x years of service = annual benefit at normal retirement age  
*For example:* \$30,000 x 1.75% x 30 = \$15,750 annual benefit

## Increasing Your Benefit (Purchasing Service Credit)

You may be able to increase your retirement benefit and possibly retire earlier by purchasing service credit for your past public service. Only active members may purchase service credit. If your service is eligible, you can purchase service credit with a lump-sum payment or by making additional contributions to the Retirement System through payroll deduction. The cost is based on actuarial factors and tables.

### Types of Service Credit You Can Purchase

- “Year of Service” (First year you worked to become eligible for KPERS - non-school members only)
- Forfeited KPERS service (years you “withdrew” from KPERS if you left the System for a while)
- Military service
- Elected official service
- Out-of-state teaching
- In-state or out-of-state non-federal public service
- Forfeited TIAA-CREF (Board of Regents) service
- VISTA and Peace Corps
- Waiting period for Regents plan eligibility

### Military Service

Members can purchase year for year of **active** military service and one quarter of service credit for each year of military **reserve** service. In certain circumstances, Kansas law allows the Retirement System to grant active military service at no cost to you if the military service interrupts your public service. You must be employed in a covered position immediately before and immediately after the active military service. You must be off your employer’s payroll during this military service to have service credit granted. This type of service is limited to five years. Purchased and granted military service cannot exceed a total of six years.

### Payment Options

- Payroll deduction over a period of time, pre-tax
- Rollover or trustee-to-trustee transfer from another retirement plan like a governmental 457(b) plan, 403(b) annuity or an individual retirement account (IRA), pre-tax
- Lump-sum (personal check, money order or Discover Card), after-tax

### Federal Tax Requirements on Service Purchases

KPERS is a “qualified plan” under federal tax provisions. Under a qualified plan, members make contributions on a pre-tax basis and interest grows tax-deferred. Federal law may limit your lump-sum payment if you are purchasing service with **after-tax** money.