

State of Kansas

Voluntary Retirement Incentive Program

Frequently Asked Questions (FAQ's)

Who is eligible to participate in this program? Employees must be eligible to retire no later than September 19, 2011 under one of the following categories, as defined by KPERS:

KPERS Tier 1

Retiring With Full Benefits

- Age 65 with one year of service credit
- Age 62 with ten years of service credit
- Any age when your age and years of service credit added together equal 85 ([85 points calculator](#))

Retiring Early

- You can receive reduced benefits at age 55 with ten years of service, even without the 85 points.
- Age 55 to 60: Benefits are reduced by 0.6 percent for each month you are between age 55 and 60.
- Age 60 to 62: Benefits are reduced by 0.2 percent for each month you are between age 60 and 62.

KPERS Tier 2

Retiring With Full Benefits

- Age 65 with five years of service credit
- Age 60 with 30 years of service credit

Retiring Early

You can receive reduced benefits at age 55 with ten years of service. The earlier you retire, the more your benefit is reduced. If you retire before age 60 with at least 30 years of service, there is less of a reduction.

NOTE – KPERS total service credit for two or more quarters is rounded up to the next year.

I am an employee covered under the KP&F plan or KPERS Correctional plan. Am I eligible for this Voluntary Retirement Incentive Program? No, because the State of Kansas is striving to maintain a minimum staffing level for public safety positions, employees under these plans are not eligible for this program.

What are my options under the Voluntary Retirement Incentive Program?

There are two options:

Option 1 – Post-Retirement Group Health Insurance (GHI) Coverage

Employees may elect to continue GHI coverage and the State will pay the employer's share of the active State employee rates for the coverage and plan in which the employees is enrolled on August 1, 2011 toward the employee's GHI coverage on the retiree plan directly to the insurance carrier as follows:

- For up to 60 months if you are receiving member-only coverage or until you reach the age of 65, whichever occurs sooner.
- For up to 42 months if you are receiving member-plus-dependent coverage, or until you reach the age of 65, whichever occurs sooner.

OR

Option 2 – One-time Lump Sum Payment

You may elect to receive a one-time, lump sum payment of \$6,500 at the time you retire. This payment is taxable wages but is not included as KPERS wages for the purposes of calculating KPERS final average salary.

Can I be covered under a health or dental plan if I am not covered by the plan on the date of my retirement? Generally, no. Absent a “qualifying event” for which you have provided the 30-day notice, you cannot change plans outside the open enrollment period.

Can I change my GHI coverage before I retire, and get the benefit under Option 1 of the new coverage? Generally, no. The incentive provided by the State of Kansas will be based on the coverage in which you are enrolled as of August 1, 2011. However, in the event of a “qualifying event” for which you have provided the 30-day notice, you would be permitted to change plans after August 1, 2011.

Is the incentive package a one time deal or will there be another later in 2011 or 2012? The State of Kansas is currently extending this offer on a one-time basis, with no plans to offer it again.

Is this incentive package available to me if I just resign, or do I actually have to retire? You must actually retire in order to be eligible to receive the incentives that are offered as a part of this program, but you do not have to start receiving retirement benefits immediately.

Will the State of Kansas pay for my entire coverage if I take Option 1? That depends on the coverage that you are currently receiving and what you will receive under the retiree plan. The State of Kansas will pay the amount that it pays for the coverage that you receive as an active employee (as of August 1, 2011) toward your GHI coverage as a retiree. For the 2011 plan year, this amount is \$542.24 per month for single coverage, and \$793.20 per month for member-plus-dependent coverage. These specific amounts may change in future years, and the amount that the State of Kansas provides as part of the incentives offered through this program will be adjusted accordingly.

This may be enough to pay for your entire coverage as a retiree, depending on the coverage that you choose. If the amount that the State of Kansas pays is not enough to pay for your entire coverage, including any additional types of coverage that you choose such as dental or vision coverage, then you will be responsible for paying the difference between what the State of Kansas pays and the total cost of your coverage as a retiree.

If I sign the General Release Agreement and Notice of Voluntary Retirement, when will I know the amount of my actual payout? HR can only provide an estimate at this time of sick, vacation, comp and payout. The amount of the actual payout will be based on the salary and accruals at the time you retire.

Will employment taxes be deducted from the leave payouts or from the one-time lump sum payout under Option 2? Yes, this payment will be considered wages and required payroll taxes will be withheld, just as required payroll taxes are withheld from vacation and compensatory time.

Can I receive a specific calculation of my KPERS retirement benefits from HR? No. HR will meet and assist employees in obtaining KPERS estimated benefits. The official benefit calculation can be determined only by KPERS.

Why does my last day of employment have to be no later than September 19, 2011? This date was chosen due to the fact that the State recognizes that some employees may wish to work into the 4th quarter to receive 4th quarter credit.

If I retire from my agency on September 19, 2011, when will I begin receiving my retirement benefits? To clarify, the term “retirement date” as used in reference to this program is really just your last day receiving pay as an active State employee. Your KPERS retirement date is actually determined in accordance with State law. With September 19th as your last day on the payroll at your agency, your KPERS retirement date would be October 1st. Retirement benefit payments are deposited on the last working day of the month, so October 31st in this case. Due to the timeframe of this program, your *first* payment may be as late as November 18th.

Can I retire before September 19, 2011 and still receive the incentive provided through this plan? Yes. After this plan is announced, you can retire at any time prior to September 19, 2011 and receive the incentive provided through this plan.

If I take Option 1, can I elect to remain on the State’s health plan after the continued coverage stops and start paying the monthly premium until I turn 65? Yes, and beyond age 65 if you elect to keep and pay for the retiree health coverage.

What coverage is included in the Health Plan? Medical and Prescription Drug. Dental and Vision are separate elective plans.

Could my spouse join the health plan during the five years if I paid the cost of the spouse premium? Yes, but only if there is a “qualifying event” and notification to the State of Kansas within 30 days of the event. If this is the case, you will pay the additional premium for any spouse and dependent coverage.

If I take Option 1 and my spouse and I are covered for up to 42 months after I retire, if I die, will my spouse continue to be covered? Yes. The agreement that you enter with the State of Kansas is a contract, so your spouse will continue to be covered if you die before reaching the limit of the continued coverage that you are due. However, please note that if a spouse or dependent dies during this same period, this would be a qualifying event, so the State of Kansas would not continue to pay for member-plus-dependent coverage for you, but would instead pay for single coverage for you for the duration of the 42 months or until you turn 65, whichever occurs sooner.

If I elect Option 2, can I continue my health, prescription and dental plan under direct bill or COBRA? Yes, you would be eligible for coverage under direct bill or under COBRA for a maximum of 18 months and be responsible for payment of all premiums.

Will I pay income taxes based upon the State of Kansas providing continued health coverage? The State of Kansas cannot provide financial or tax advice to participants in this program. You are advised to discuss this question with a financial advisor or tax professional.

With either option under consideration, would I still get paid for accrued vacation leave on the books, too? Yes, you will be paid for unused, accrued vacation and comp time in accordance with the appropriate State regulations and statutes.

If I take advantage of this retirement incentive, will I receive anything in writing as to the terms agreed to? Yes, employees taking advantage of the incentive will enter into a General Release Agreement with the State of Kansas.

Is there a restriction on returning to work with the State of Kansas if I retire and receive the incentive? Yes, if you accept the voluntary retirement incentive, you will not be eligible to be employed by the State of Kansas for five (5) years from the date of your retirement, including as an independent contractor.

Does the restriction on returning to work apply if I work for the State of Kansas through a temporary staffing company? No. In that situation, you would be an employee of the staffing agency so the restriction on returning to work with the State of Kansas would not apply.

Are part-time employees eligible for the incentive package? Yes, if they are members of the KPERS retirement plan and meet the eligibility requirements for the incentive.

Is there a limit on the number of employees who can take advantage of the retirement incentive package? The number of employees taking advantage of the program will be tracked to determine fiscal impact. The State of Kansas reserves the right to limit the total number of participants in the retirement incentive plan in order to preserve the viability of a department's essential functions and the integrity of its financial resources. All applications for participation in this Voluntary Retirement Incentive Program will be considered on a first come, first served basis. This Voluntary Retirement Incentive Program may be modified or extended, with or without notice, at the discretion of the Governor.

Will all positions be frozen if an employee accepts the incentive package? No, some positions may be deemed vital to State of Kansas operations and may be authorized to be filled.

Will the retiree health plan still be available to employees who retire after September 19, 2011? Yes, at this time there are no plans to change the existing eligibility for retiree health care. However, the incentive package offered through this plan would not be available.

Could the deductibles, co-insurance or premiums for health coverage change? Yes. The health and dental plans are subject to benefit and premium changes each year. The State of Kansas will continue to pay the cost that it would have paid for the coverage that you would have received as an active employee.