

# TIER 3



**KPPA**

Kentucky Public Pensions Authority

## **HYBRID CASH BALANCE PLAN**

for members who began participating January 1, 2014 and after

# PLAN ADMINISTRATION

The Commonwealth of Kentucky provides retirement benefits for state and county employees through the Kentucky Public Pensions Authority (KPPA) which operates three separate retirement systems:



**County Employees Retirement System (CERS):** Established July 1, 1958 for local government and classified school board employees. Governed by Kentucky Revised Statutes 78.510 through 78.852.



**Kentucky Employees Retirement System (KERS):** Established July 1, 1956 for state employees. Governed by Kentucky Revised Statutes 61.510 through 61.705.



**State Police Retirement System (SPRS):** Established July 1, 1958 for Kentucky State Police officers. Governed by Kentucky Revised Statutes 16.505 through 16.652.

In addition to the Systems' statutory framework, plan administration is guided by Chapter 105 of the Kentucky Administrative Regulations. Copies of the Kentucky Revised Statutes may be available at public libraries. Unofficial copies of the statutes and Kentucky Administrative Regulations can be found on the Kentucky Legislative Research Commission's web site, <http://lrc.ky.gov>. The systems operated by KPPA are qualified governmental retirement plans pursuant to IRC 401(a).

## Office Hours

Monday - Friday  
8:00am - 4:30pm ET

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*Incoming email is not secure.  
Use only for general questions.*

## Our Website

***kyret.ky.gov***

## Self Service

***myretirement.ky.gov***

Access your account online.  
See page 18 for more info.

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# Hybrid Cash Balance Plan Guide

*for members who began participating January 1, 2014 and after*



## Tier 3

KPPA administers three different pension benefit tiers within our defined benefit plans. The Hybrid Cash Balance plan was established as part of Senate Bill 2, which was enacted by the Kentucky General Assembly during its 2013 Regular Session. We refer to this as Tier 3 Benefits.

This guide introduces you to the Cash Balance plan and explains benefits for members who begin participating January 1, 2014 and after.

This guide is a companion publication to KPPA's Summary Plan Description. For a comprehensive overview of our plans, refer to the Summary Plan Description published at <https://kyret.ky.gov>.

## What is the Hybrid Cash Balance Plan?

The Hybrid Cash Balance Plan is for members who began participation on or after January 1, 2014. A Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. A Cash Balance Plan resembles a defined contribution plan because it determines the value of benefits for each participant based on individual accounts. However, the assets of the plan remain in a single investment pool like a traditional defined benefit plan. A Cash Balance Plan resembles a defined benefit plan since it uses a specific formula to determine benefits.

### **Who is eligible?**

All regular full-time employees who began participation with a system operated by KPPA on or after January 1, 2014 contribute to the Cash Balance Plan. Your participation in the plan is mandatory unless you are a non-participating employee. Employment classifications that are non-participating include part-time, seasonal, temporary, probationary (CERS only), interim, emergency, and independent contractors.

### **How does it work?**

Members and employers contribute a specified amount into the member's account. The account earns a guaranteed amount of interest at the end of each fiscal year. If the member has participated in the plan during the fiscal year, there may be an additional interest credit added to the member's account depending on KPPA's investment returns. All interest is paid on the preceding year's balance so there is no interest paid in the member's first year.

When a member is eligible to retire, the benefit is calculated based on the member's accumulated account balance. A member earns service credit for each month they contribute to the Cash Balance Plan. Once a member obtains 60 months of service credit, the member is considered vested. Being vested changes the level of benefits to which you are entitled.

# RETIREMENT ACCOUNT

## MEMBER CONTRIBUTION

Tier 3 members of the Cash Balance plan contribute a set percentage of their credible compensation each month to their own account as required by Kentucky law:

### Nonhazardous Members

5% of creditable compensation

**Hazardous Members** - 8% of creditable compensation

**All Members** - 1% to the health insurance fund which is not credited to the individual account and is not refundable

## EMPLOYER PAY CREDIT

The **Employer Contribution Rate** is recommended annually by the CERS and KRS Boards based on an actuarial valuation. The employer contributes a set percentage of the member's credible compensation each month. This amount may be reflected on the member's paystub.

When KPPA receives the employer contributions, an **Employer Pay Credit** is deposited to the member's account. If you are a nonhazardous member, your account is credited with a 4% Employer Pay Credit. If you are a hazardous member, your account is credited with a 7.5% Employer Pay Credit. The Employer Pay Credit represents a portion of the employer contribution.

The example below shows how a member's account is credited each month for the **member contribution** and the **Employer Pay Credit**.

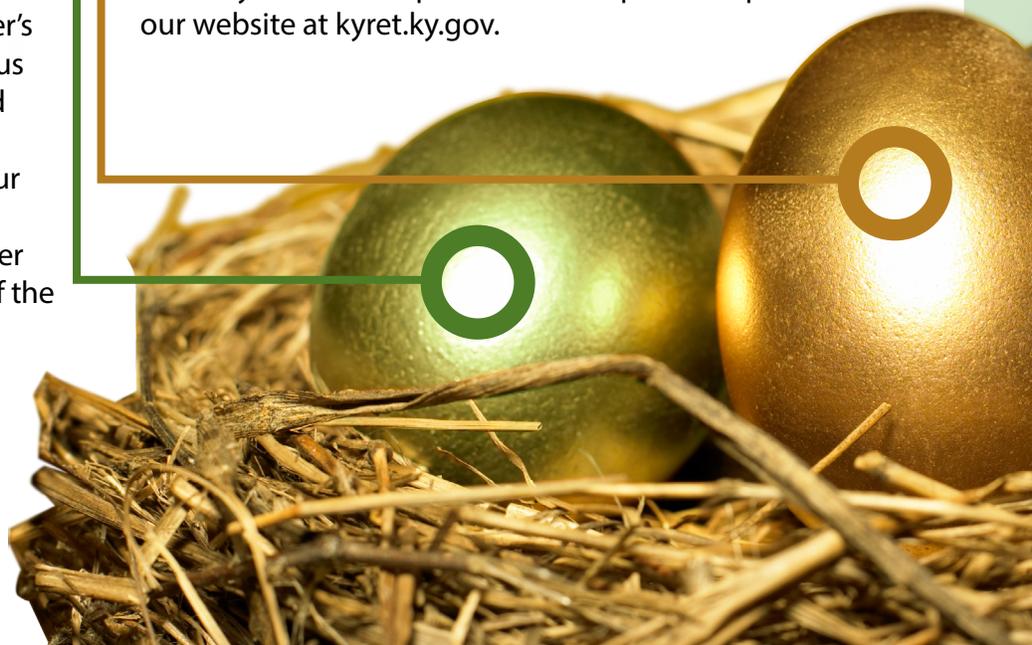
Nonhazardous Member		
Monthly Salary	5% Member Contributions	4% Employer Pay Credit
\$2,500	\$125	\$100
Hazardous Member		
Monthly Salary	8% Member Contributions	7.5% Employer Pay Credit
\$2,500	\$200	\$187.50

### How are the contributions invested?

Tier 3 members do not make their own investment decisions and do not bear the risk of investment losses. The assets of the plan remain in a single investment pool and the employer assumes all the investment risk. Even if the underlying investments lose value, the employer is still obligated to pay the required contribution so the plan can pay a benefit based on your individual account balance.

In other words, a Tier 3 member's retirement account will never be reduced due to investment losses. The CERS and KRS Boards and its investment professionals are responsible for investment decisions that impact Tier 3 accounts.

The Boards establish clearly defined investment policies, objectives and strategies for both the pension and insurance portfolios. The investment policies and detailed monthly investment performance reports are published on our website at [kyret.ky.gov](http://kyret.ky.gov).



## BASE INTEREST

Your account earns a base of 4% interest annually on both the member contributions and the Employer Pay Credit balance. Interest is credited to your account each June 30, based on your account balance from the preceding June 30. New members do not see interest credited in their first year since there is no prior year balance.

Over time, the value of your account can increase a great deal. Visit [myretirement.ky.gov](http://myretirement.ky.gov) for more information. For more information about how to register for your online account, see page 18.

### *What is Creditable Compensation?*

Creditable compensation is used to calculate retirement benefits and includes all salary, wages, tips, and fees as a result of services performed for the employer, including time when you are on paid leave. It does not include payments for compensatory time paid to you.

## UPSIDE SHARING

Upside Sharing Interest is the additional interest credit that may be applied to a Tier 3 account.

Upside Sharing Interest is not guaranteed. The following conditions must be met before Upside Sharing Interest is credited to a member's account:

- » The system's geometric average net investment return for the last five years must exceed 4%.
- » The member must have been active and contributing in the fiscal year.

If a system's geometric average net investment return for the previous five years exceeds 4%, then the member's account will be credited with 75% of the amount of the return over 4%. The credit will be applied to the account balance as of June 30 of the previous year.

The following example illustrates how Upside Sharing Interest works. Remember, Upside Sharing Interest is an additional interest credit. Member accounts automatically earn 4% interest annually. In this example, the additional 2.63% Upside Sharing Interest credit means the total interest paid would be 6.63%.

The geometric average net investment return is calculated on an individual system basis (i.e. KERS, CERS and SPRS). It is possible that the Upside Sharing Interest percentage will differ from system to system. It is also possible that one system may get an Upside Sharing percentage, and another system would not.

Geometric average net return	7.5%	
Base interest	- 4%	
	3.5%	
	X 75%	
	2.63%	Upside Sharing Interest Credit
	+ 4%	Base Interest
<b>Total Interest Paid</b>	<b>6.63%</b>	

# How does my account earn interest & grow?

Your account earns 4% interest annually on both the member contributions and the Employer Pay Credit balance. Interest is credited to your account each June 30, based on your account balance from the preceding June 30. New members do not see interest credited in their first year since there is no prior year balance.

Over time, the value of your account can increase a great deal. You can view your account balance online at [myretirement.ky.gov](http://myretirement.ky.gov). See page 18 for more information.



*The following examples have been created to illustrate how accounts grow with base interest. No Upside Sharing Interest is assumed. In the Nonhazardous example, John is age 65. In the Hazardous example, John is age 45.*

## If John is Nonhazardous... (and he started at age 40)

Years Worked	Member Contribution	Member Interest	Employer Pay Credit	Employer Interest	Accumulated Account Balance as of 6/30
1	\$1,750	\$0	\$1,400	\$0	\$3,150
2	\$1,750	\$70	\$1,400	\$56	\$6,426.00
5	\$1,750	\$297.25	\$1,400	\$237.80	\$17,061.42
10	\$1,750	\$740.79	\$1,400	\$592.64	\$37,819.24
15	\$1,750	\$1,280.43	\$1,400	\$1,024.35	\$63,074.30
20	\$1,750	\$1,936.98	\$1,400	\$1,549.59	\$93,800.92
25	\$1,750	\$2,735.78	\$1,400	\$2,188.63	\$131,184.61

## If John is Hazardous... (and he started at age 20)

1	\$2,800.00	\$0	\$2,625.00	\$0	\$5,425.00
2	\$2,800.00	\$111.99	\$2,625.00	\$105.01	\$11,067.00
5	\$2,800.00	\$475.58	\$2,625.00	\$445.90	\$29,383.55
10	\$2,800.00	\$1185.21	\$2,625.00	\$1111.26	\$65,133.13
15	\$2,800.00	\$2,048.58	\$2,625.00	\$1,920.76	\$108,627.96
20	\$2,800.00	\$3,099.01	\$2,625.00	\$2,905.65	\$161,546.08
25	\$2,800.00	\$4,377.01	\$2,625.00	\$4,103.92	\$225,929.05

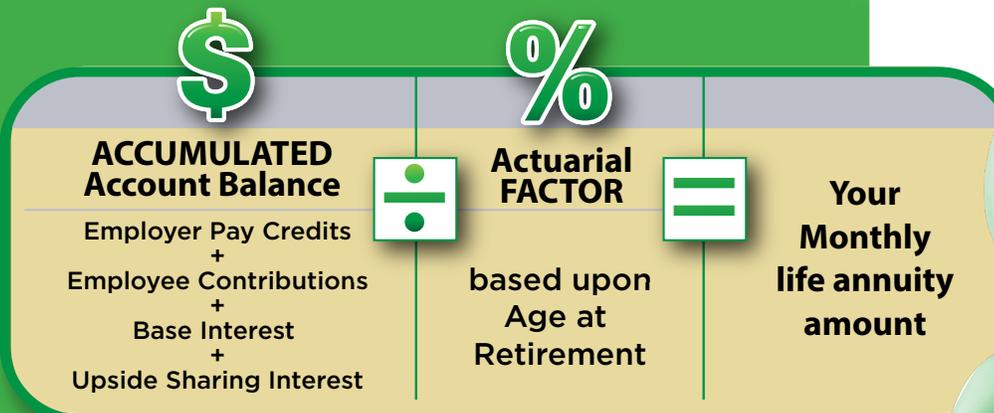
# RETIREMENT QUALIFICATIONS

## When can I retire?

Under Tier 3, a member is not eligible to retire unless one of two requirements are met. There are no early, or reduced, retirement benefits for Tier 3 members.



## How is my benefit calculated?



Your accumulated account balance is divided by an actuarial factor to produce the monthly life annuity option. Your age at retirement and type of service (hazardous or nonhazardous) determine the actuarial factor. When retiring, a member is eligible for a monthly annuity until death.

Upon retirement, KPPA provides various payment options which are based upon the calculation above, so that a retiring member can select a monthly benefit option best suited to the member's particular needs. Page 12 provides a description of the available payment options.

# ACTUARIAL FACTORS

The actuarial factors listed below are effective July 1, 2024. The factors in effect through June 30, 2024 are [available here](#).

See charts for your actuarial factor based on your age at retirement.

**NOTICE:**  
**ACTUARIAL FACTORS**  
**COULD CHANGE IN THE**  
**FUTURE.**

Accrued benefits are protected but the General Assembly could change future benefits if fiscal circumstances call for it. Visit our website for up-to-date information.



NONHAZARDOUS	
Age at Retirement	Actuarial Factor
55	166.867684
56	164.747422
57	162.547424
58	160.265884
59	157.902913
60	155.457923
61	152.926715
62	150.302063
63	147.573818
64	144.731445
65	141.769442
66	138.682835
67	135.478140
68	132.162411
69	128.749971
70	125.256987
71	121.686429
72	118.040009
73	114.318734
74	110.514419
75	106.633693
76	102.673086
77	98.636225

HAZARDOUS	
Age at Retirement	Actuarial Factor
45	182.005203
46	180.458019
47	178.844885
48	177.165782
49	175.420900
50	173.610445
51	171.734089
52	169.790947
53	167.779714
54	165.698301
55	163.545151
56	161.318552
57	159.018088
58	156.643313
59	154.196601
60	151.679004
61	149.085388
62	146.404850
63	143.622035
64	140.718298
65	137.682791
66	134.510142
67	131.212618
68	127.807909
69	124.325176
70	120.791956
71	117.214550
72	113.591142
73	109.913564
74	106.158752
75	102.324490
76	98.402326
77	94.397524

# BENEFIT CALCULATION EXAMPLES

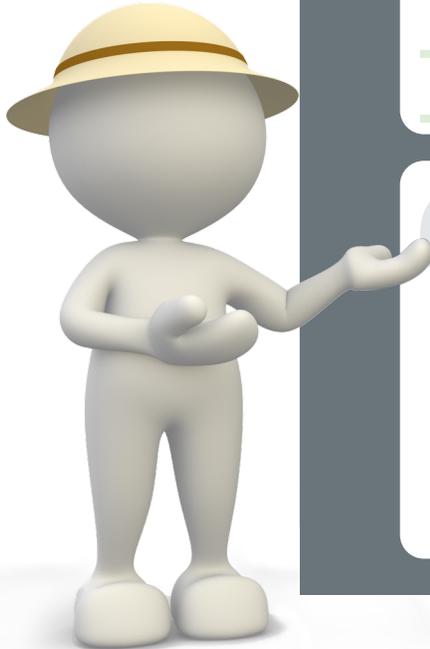
## NONHAZARDOUS

### 01 RULE OF 87 EXAMPLE

Service at Retirement	Accumulated Account Balance	Actuarial Factor Age 57	Monthly Life Annuity Amount
30 yrs	\$176,667.55	175.163644	\$1,008.59

### 02 AGE 65 EXAMPLE

Service at Retirement	Accumulated Account Balance	Actuarial Factor Age 65	Monthly Life Annuity Amount
20 yrs	\$93,800.95	153.762907	\$610.04
15 yrs	\$63,074.30	153.762907	\$410.21
10 yrs	\$37,819.24	153.762907	\$245.96



## HAZARDOUS

### 01 25 YEARS EXAMPLE

Service at Retirement	Accumulated Account Balance	Actuarial Factor Age 45	Monthly Life Annuity Amount
25 yrs	\$225,929.05	197.256200	\$1,145.36

### 02 AGE 60 EXAMPLE

Service at Retirement	Accumulated Account Balance	Actuarial Factor Age 60	Monthly Life Annuity Amount
20 yrs	\$161,546.08	162.899727	\$991.69
15 yrs	\$108,627.96	162.899727	\$666.84
10 yrs	\$65,133.13	162.899727	\$399.84



# UPSIDE SHARING EXAMPLES

The examples below illustrate the range of return a Tier 3 member may expect to see in their accumulated account balance and final monthly benefit. Over the course of a career, members are likely to have a mixed return. These examples are intended only to demonstrate the possible range.

	<b>BASE INTEREST 4%</b> <i>without Upside Sharing Interest</i> This demonstrates an account where no Upside Sharing Interest was applied, this is the minimum.			<b>BASE INTEREST 4% + 2.63% Upside Sharing Interest</b> This demonstrates the account balance growth possible with a continuously healthy market return.	
Service at Retirement	Accumulated Account Balance	Monthly Life Annuity Amount		Accumulated Account Balance	Monthly Life Annuity Amount
<b>NONHAZARDOUS:</b> <i>This example is a nonhazardous member retiring at age 65. You can see how the monthly benefit increases when the member works longer.</i>					
20 yrs	\$93,800.95	\$610.04		\$123,696.19	\$804.46
25 years	\$131,184.61	\$853.16		\$188,827.41	\$1228.04
30 years	\$176,667.55	\$1148.96		\$278,211.51	\$1809.35
<b>HAZARDOUS:</b> <i>This example is a hazardous member who began participation at age 25. You can see how the monthly benefit increases when the member works longer.</i>					
20 yrs	\$161,546.08	\$818.97		\$213,502.50	\$1,082.36
25 years	\$225,929.05	\$1,204.90		\$325,202.77	\$1,734.33
30 years	\$304,260.79	\$1,727.11		\$479,142.05	\$2719.81

# What if I leave my job?

## OPTION 1: *Keep your money at KPPA*

Your account will continue to earn 4% interest on the accumulated account balance. However, if you are no longer contributing, your account will not be eligible for any Upside Sharing Interest.

If you change jobs and your new employer is a participating, you and your new employer will contribute to your existing account and you will continue to accrue service credit.

If you are vested (60 months of service) when you leave your job, you may apply for retirement benefits when eligible and choose to receive a lifetime monthly benefit.

### **If John kept his money with KPPA until retirement eligibility:**

Example: John began participating at age 30 and worked for 10 years with a \$35,000 annual salary. This example does not show Upside Sharing Interest, which does not accumulate for the fiscal years a member does not contribute in all 12 months.

Service	Accumulated Account Balance	Actuarial Factor Age 65	Monthly Life Annuity Amount
10 yrs	\$68,110.31	153.762907	\$442.96

## OPTION 2: *Withdraw your account*

*Vested refund (60+ months of service):* Members who are vested are eligible for a refund of their accumulated account balance. The accumulated account balance is the total of all member contributions, Employer Pay Credits, and all interest credited to both amounts.

*Non-vested refund (less than 60 months of service):* Members who are not vested are eligible for a refund of the member portion of the account balance. This includes the member's contribution, interest, and Upside Sharing Interest. A non-vested refund does not include the Employer Pay Credits, Upside Sharing Interest, or the interest on the pay credit balance.

Refunds from your account may be paid directly to you or can be rolled over to another qualified retirement plan. If you elect to receive a direct payment, KPPA is required to withhold 20% for federal income taxes. The amount withheld is not a penalty tax and will apply toward your federal tax liability for the year in which the refund is issued. Additional taxes due to age or other factors may apply if you choose to receive a direct payment of your refund.

## OPTION 3: *Retire if you're eligible*

Retirement eligibility is dependent upon your age and years of service. See page 7 for more information.



# What are My Payment Options?

## Noteworthy

If a beneficiary who is not your spouse is selected at the time of retirement, certain payment options may not be available depending on the age difference between you and your beneficiary.

## Annuity

This option provides a monthly benefit to the member until death. The annuity does not provide a benefit to the beneficiary after the member's death. It provides the highest monthly lifetime benefit. If you pass away before receiving an amount equal to your accumulated account balance at the time of retirement, your beneficiary will receive any remaining balance of your accumulated contributions (i.e. member contributions and interest).

## Partial Lump Sum Option without Survivor Rights

*Available to members effective January 1, 2024*

This option provides a one-time payment equal to 12, 24, 36, 48, or 60 times the monthly benefit under the Basic or Annuity payment option, plus a monthly payment to the retired member until death. The monthly payment is actuarially reduced to reflect the lump-sum payment amount. This option does not provide any benefits to the beneficiary after the member's death. If the member dies before receiving an amount equal to their accumulated account balance, the beneficiary will receive the remaining balance in one payment.

## Partial Lump Sum Option with Survivor Rights

*Available to members effective January 1, 2024*

This option provides a one-time payment equal to 12, 24, 36, 48, or 60 times the monthly benefit under the Survivorship 100% Option, plus a monthly payment to the retired member until death. The monthly payment is actuarially reduced to reflect the lump-sum payment amount. If the member dies before the beneficiary, the beneficiary is eligible for the same monthly benefit.

## Life with 10 Years Certain

This option is available for members who are age 75 or younger at retirement. This option guarantees payments for a 120 month period, which begins when the member retires. If the member dies before 120 payments have been made, the beneficiary will receive the remaining payments. If the member survives past the 120 payments, the same monthly benefit continues to the member for life, but the beneficiary is no longer eligible for benefits upon the member's death.



### **Life with 15 Years Certain**

This option is available for members who are age 67 or younger at retirement. This option guarantees payments for a 180 month period, which begins when the member retires. If the member dies before 180 payments have been made, the beneficiary will receive the remaining payments. If the member survives past the 180 payments, the same monthly benefit continues to the member for life, but the beneficiary is no longer eligible for benefits upon the member's death.

### **Life with 20 Years Certain**

This option is available for members who are age 61 or younger at retirement. This option guarantees payments for a 240 month period, which begins when the member retires. If the member dies before 240 payments have been made, the beneficiary will receive the remaining payments. If the member survives past the 240 payments, the same monthly benefit continues to the member for life, but the beneficiary is no longer eligible for benefits upon the member's death.

### **Survivorship 100%**

This option guarantees a monthly benefit to the member for the member's lifetime. If the member dies before the beneficiary, the beneficiary is eligible for the same monthly benefit until death.

### **Survivorship 66 2/3%**

This option guarantees a monthly benefit to the member for the member's lifetime. If the member dies before the beneficiary, the beneficiary is eligible for a monthly benefit equal to 66 2/3% of the member's monthly benefit until death.

### **Survivorship 50%**

This option guarantees a monthly benefit to the member for the member's lifetime. If the member dies before the beneficiary, the beneficiary is eligible for a monthly benefit equal to 50% of the member's monthly benefit until death.

### **Pop-Up**

This option guarantees a monthly benefit to the member for the member's lifetime. If the member dies before the beneficiary, the beneficiary is eligible for the same monthly benefit until death; however, if the beneficiary dies before the member, the member's monthly benefit "Pops-Up," or increases, to the amount under the Annuity option. The member's benefit will also Pop-Up if the member's beneficiary is a spouse and they become divorced.

### **Social Security Adjustment without Survivor Rights**

A member age 62 or younger may elect to take a larger monthly payment until reaching age 62, when they may be eligible for Social Security. The monthly benefit will be reduced the month following the member's 62nd birthday. This option allows the member to draw a larger benefit until age 62. This option does not affect the amount of Social Security that the member will receive. A beneficiary is not eligible for benefits if the member dies.

### **Social Security Adjustment with Survivor Rights**

This option provides the same benefits as the Social Security adjustment option without survivor rights. In addition, it guarantees the same benefit to the beneficiary if the member dies. If the member dies before age 62, the beneficiary draws the higher payment until the member would have become age 62. Thereafter, the beneficiary will receive the same reduced monthly benefit that the member would have received.

### **Lump Sum**

This option provides a one-time lump sum refund. Members who are vested are eligible for a refund of their accumulated account balance. The accumulated account balance is the total of all member contributions, Employer Pay Credits, and all interest paid on both amounts.

# Can I Purchase Additional Service Credit?

Under Tier 3, there are six different types of service that a member may purchase:

<b>1</b>	<b>1. Recontribution of Refund</b> A member currently participating in one of the state administered retirement systems who has taken a refund of retirement contributions for previous employment may regain the service lost by paying the amount of contributions withdrawn plus interest calculated from the time of withdrawal. The member must work for at least six months to validate the purchase. A recontribution of a refund will not alter the member's participation date.
<b>2</b>	<b>2. Omitted Service</b> If a member worked in a participating position and, due to some oversight, contributions were not reported to KPPA, the member can purchase those months of service or missing contributions. KPPA will also bill the employer for missing employer contributions. Once KPPA receives both the member and employer contributions, KPPA will reinstate the original participation date for that service.
<b>3</b>	<b>3. Omitted with Interest</b> If you previously received a cost for Omitted service and did not act on that cost by the due date, you may request a recalculation. The recalculation will include interest as of the date of the original cost. Once KPPA receives both the member and employer contributions, KPPA will reinstate the original participation date for that service.
<b>4</b>	<b>4. Military Omitted</b> If a member was called to active duty military, the member can purchase the missing months of service. The cost is based on the contributions the member would have paid had they been participating during that time. The member's employer also must pay the missing employer contributions.
<b>5</b>	<b>5. USERRA</b> ( <i>Uniformed Services Employment and Reemployment Rights Act</i> ) Allows a member to purchase military service in excess of six years if certain conditions are met.
<b>6</b>	<b>6. Decompression</b> If a member returns from military leave and does not immediately return to work, the member can purchase up to ninety days between the date of discharge and return to employment. The employer also must pay the employer portion for this period of time.

# GOOD TO KNOW

## **Are my benefits protected?**

Accrued benefits are protected but the General Assembly could change future benefits if required by fiscal circumstances.

## **Disability Benefits**

If you become disabled during the course of your employment, you may be eligible to apply for disability retirement benefits. If approved, this option allows you to receive a monthly benefit before you reach retirement eligibility. For more information on disability benefits, please contact the KPPA Disability and Survivor Benefits Division.

## **Beneficiary Designation**

When you begin participating, *you should file Form 2035 to designate a beneficiary* for your retirement account. You may name principal and/or contingent beneficiary(ies) on this form. Your beneficiary will receive any benefits you may be eligible for if you die before you retire. You can change this designation at any time prior to retirement by filing a new Form 2035 with our office.

At retirement, you will designate one beneficiary for your retirement account on the Form 6000, Notification of Retirement. This is an important decision, because after your retirement date, you can only change your beneficiary designation in limited circumstances. If a beneficiary who is not your spouse is selected at the time of retirement, certain payment options may not be available depending on the age difference between you and your beneficiary.



## BIG CHANGES IN LIFE

Make it a point to check up with your retirement when big events happen. It is recommended that you log on to Self Service and check your information at least once a year. Make sure your information is correct and current (email, phone, beneficiary designation, etc.).

### Update your Form 2035

**Marriage** - Now may be a good time to review your beneficiary designation. If you die without designating a beneficiary, your benefits will default to your estate.

**Divorce** - A final divorce decree voids the designation of a spouse as beneficiary. Submit a new Form 2035 to our office to change your beneficiary designation. If your name changes, you should submit documentation to our office to update your retirement account.

# MORE INFORMATION

## Noteworthy

The monthly insurance benefit has been increased annually by a 1.5% COLA since July 1, 2003 when the law changed.

The annual increase is cumulative and continues to accrue after the member's retirement.



## Health Insurance

You may be eligible for health insurance through KPPA when you retire. To be eligible, you must have at least 15 years of service. KPPA will pay a contribution toward the premium based on how many years of service you have at retirement. For nonhazardous retirees, retirees receive \$10 toward the monthly premium for each full year of service the member has at retirement. Hazardous retirees receive \$15 toward the monthly premium for each full year of service at retirement. The amount is subject to an annual Cost of Living Adjustment (COLA). The examples below do not reflect the COLA.

**Nonhazardous Example:** If a nonhazardous member began participating January 1, 2014 and retires with 20 years of actual service, the contribution paid for insurance coverage is \$200 per month.

**Hazardous Example:** If a hazardous duty member began participating January 1, 2014 and retires with 20 years of actual hazardous service, the contribution for insurance coverage will be \$300 per month. Upon the member's death, the spouse, if eligible, would receive \$10 toward the monthly premium for each full year of service the retiree had at retirement.

Benefits for In Line of Duty and Duty Related beneficiaries may be different. If these benefits apply to you, please contact our office for more information.

## Taxes

Monthly benefits from CERS, KERS and SPRS are subject to federal income tax.

In Kentucky, retirement income is subject to state income tax but may be excludable up to a certain amount. See Schedule P in the Kentucky income tax forms for the exclusion amount and calculation.

## Leave

Sick leave, annual leave and compensatory time are not used to calculate benefits for members in the Cash Balance Plan.

## Reciprocity

If you have service with more than one state administered retirement system in Kentucky, you may be able to combine service to determine eligibility for benefits and total service credit. Each system will pay a benefit based on the amount of service in that system. If you have an account in more than one of the systems listed below, you should contact KPPA to determine the benefits you may be eligible to receive at retirement.

- Kentucky Employees Retirement System (KERS)
- County Employees Retirement System (CERS)
- State Police Retirement System (SPRS)
- Teachers' Retirement System (TRS)
- Judicial Retirement Plan (JRP)
- Legislators Retirement Plan (LRP)

### **Death Benefit**

There is a \$5,000 death benefit for retired members who are receiving a monthly retirement payment. This benefit is not a form of insurance. With the \$5,000 death benefit, the member can name a beneficiary other than the person named for the monthly benefit. If you do not have a valid death benefit designation on file with our office, the benefit will default to your estate. This designation can be changed at any time before death.

### **New Members**

When you are hired, your employer will submit information about your employment to our office. Once you are eligible to participate your account will be created.

Upon KPPA receiving your first contribution, a welcome letter will be mailed to you with a Form 2001, Membership Information and Form 2035, Beneficiary Designation. If you do not have a valid Form 2035 on file with KPPA, the beneficiary of your retirement account will default to your estate.

Completed forms must be on file at our office to be valid. You can find the forms on our website at [kyret.ky.gov](http://kyret.ky.gov).

### **Member ID**

KPPA has created a unique account number for all members known as the Member ID. Your Member ID may be six or seven digits. Your Member ID is your account number and is only valid when you are doing business with our office.

We use your Member ID to maintain your account and file information you submit to our office. Your Member ID is the identifying number on KPPA forms and letters you receive from our office.

### **PIN**

Your four-digit PIN provides an added layer of security when interacting with KPPA. Whether online or discussing your account over the phone, your PIN is required to disclose confidential information on your account.

A new PIN can be requested through Self Service and sent to your mailing address or email on file at KPPA. You can also call our office at 1-800-928-4646 to request a PIN.

*KPPA is committed to protecting the confidentiality and security of your member data. KPPA has developed and implemented policies and processes that safeguard your information which include assigning a Member ID and Personal Identification Number (PIN) to each member.*

## **CHANGE OF ADDRESS**

It is important to keep your address current with KPPA.

If your address changes, you **MUST** let your employer know as soon as possible. Your employer will notify KPPA as part of their monthly reporting.

**MyRetirement.ky.gov**  
or by completing  
Form 2040,  
Change of Contact  
Information.

# Self Service



## Member Self Service

### Log in to your account

User ID

Password

Save ID

Consider unchecking if on shared device

Login

[Need to register?](#)

[Forgot User ID or Password?](#)

**Note:** The information contained in this site is available via a secure connection.

[Employers log in here »](#)

*Self Service offers you a convenient way to manage your account and prepare for retirement.*

## Registration is easy:

### **Go to [MyRetirement.ky.gov](https://MyRetirement.ky.gov)**

This is the direct link to your Self Service account. You can also visit the KPPA website at [kyret.ky.gov](https://kyret.ky.gov) to access the login page.

### **Connect to Your Account**

Click Register and follow the instructions to complete your registration.

### **Create Login Information**

We will ask you to create a User ID and Password, which you will use each time you log in to your account. For additional security, you will answer a secret question. This answer will be used when you need to reset your User ID or Password.

When the setup steps are complete, you are ready to manage your retirement account online.

## Using Self Service, members can:

### **Keep Contact Information Current**

KPPA periodically emails notifications to members regarding legislative changes, retirement seminars and other information, regarding your retirement benefits.

### **Review Beneficiary**

To update your beneficiary information, submit a new Form 2035 to KPPA.

### **View Account History and Balance**

Review your service summary and accumulated account balance, including contributions, interest, and the Employer Pay Credit.

### **Benefit Estimates**

Use real time data to calculate an estimate.



### **Your Email**

Please log into Member Self Service and keep your email address current. Email is the best way KPPA has to keep you up to date with important retirement information.



## Don't have a PIN?

You can request a new PIN online through Member Self Service or call KPPA to request a new PIN.



### Our Website

***kyret.ky.gov***

- Member Forms and Directions
- News & Updates
- Publications (*Recent and Archived*)

### Self Service

***MyRetirement.ky.gov***

- Update your personal information
- Get your retirement information

### Member Communications

***www.Facebook.com/kyretirement***

Twitter - ***@KYretire***

Up-to-date information as it happens

New releases of videos & publications

Instant notification of Webinars

### Retirement Counselors

- **Call Center**

*(with Call Back Assist)*

Monday - Friday

8:00am - 4:30pm

1-502-696-8800

or 1-800-928-4646

- **Email**

[kppa.mail@kyret.ky.gov](mailto:kppa.mail@kyret.ky.gov)

General Questions only (*unsecure*)

## Legal Notice

If you have any questions about the material printed in this publication, please contact Kentucky Public Pensions Authority (KPPA) at 1-800-928-4646. This publication is intended merely as a general information reference for members of KERS, CERS and SPRS. If you have any specific questions about the subjects covered by this publication, you should contact KPPA. This publication is not intended as a substitute for applicable Federal or state law, nor will its interpretation prevail should a conflict arise between its contents and applicable Federal or state law. Before making decisions about your retirement, you should contact Kentucky Public Pensions Authority. Any person who knowingly makes a false record or statement to KPPA may be required to pay civil penalties, and legal costs, and fees, in addition to repaying all benefits received.