



Public Markets Retirement A Changing Landscape

KPERS Study Commission



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Today's discussion

ING Overview

ING Retirement Research Institute

Plan Designs

Defined Contribution Plan Snapshot



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DC Industry Leadership

ING Is a Top-Tier Defined Contribution Provider

DC Participants

Rank	Recordkeeper	# million
1	Fidelity Investments	14.9
2	ING	5.4
3	Aon Hewitt	4.6
4	Great-West	4.4
5	BofA Merrill Lynch	3.6

ING provides products and customer service to participants across all Plan types; 401k, 403b, 401a and 457b. Specializing in K thru 12, University and Government Defined Contribution Plans.

DC Assets

Rank	Recordkeeper	\$ billion
1	Fidelity Investments	940
2	TIAA-CREF	327
3	ING	292
4	Aon Hewitt	288
5	Vanguard	273

ING is the recordkeeper for close to \$300 billion in assets across all Plan types with access to many top performing fund families.

DC Sponsors

Rank	Recordkeeper	Sponsors
1	Paychex Inc.	52,000
2	ING	50,903
3	John Hancock	44,187
4	Nationwide	43,136
5	BofA Merrill Lynch	41,523

ING provides retirement plan services for 20 State Defined Contribution Plans, 7 of which are DC Alternative Plans.

ING has expertise in leveraging best practices across all Plan types.

Source: Pensions & Investments DC Recordkeeping Survey, April 2011. ING internal data as of December 31, 2010.



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Participant education

ING 

My Retirement Outlook



ING 

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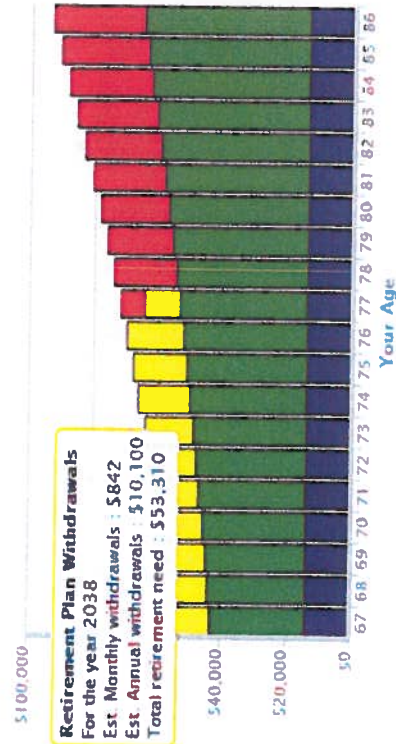
The Kansas Employees Deferred Compensation Plan presents My Retirement OutlookSM

RETIREMENT CALCULATOR PAYCHECK CALCULATOR

Retirement Income Graph

Based on the information you provided, as well as certain assumptions, it is estimated that you may experience an income shortage during your retirement.

Estimated Retirement Income
Future Dollars



Graph Legend

- Retirement Gap
- Social Security Benefit
- Retirement Plan Withdrawals
- Pension Benefit

Select Today's Dollars or Future Dollars
Today's Dollars Future Dollars

Information...

The graph displays the hypothetical results of your retirement analysis in Today's Dollars or Future Dollars.

Today's Dollars shows the value of a dollar discounted by the assumed annual inflation rate.

Future Dollars shows the hypothetical value of

Previous Next

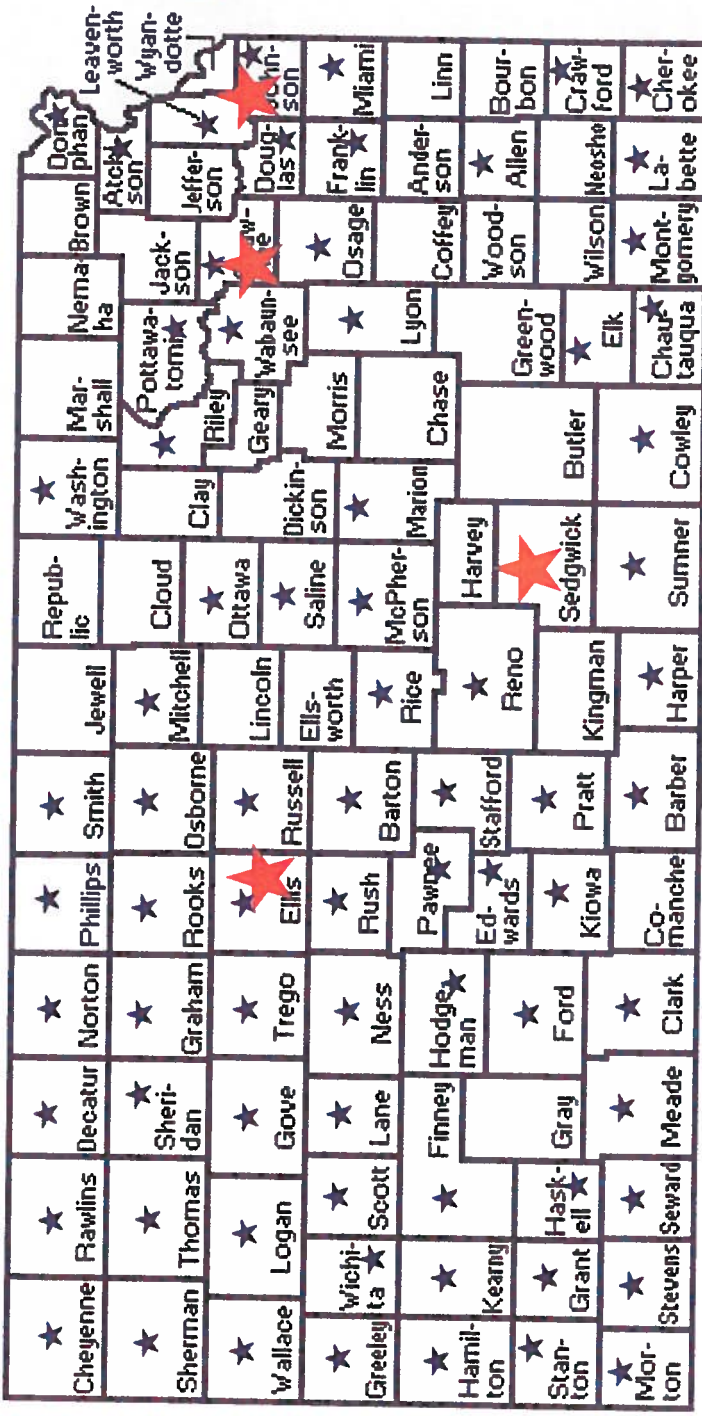
Important Information Assumptions Contribution Modeling Print Report



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Commitment to Kansas

- \$1.2 billion in assets
- 35,000 participants
- State of Kansas 457(b) Plan
- 245 cities, counties, political subdivisions and school districts.
- Kansas Board of Regents Record Keeper and Provider
- Over 30 employees statewide



ING Financial Partners Service Centers

- Topeka Service Center
212 SW 8th St
Topeka, KS 66603
785-296-7095 800-232-0024
- Overland Park Service Center
10740 Nail Ave
Overland Park, KS 66211
800-814-1643
- 330 N. Waco
Derby, KS 25th & Vine St.
Hays, KS



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ING Retirement Research Institute

Leading the Industry.....

ING Retirement Research Institute

- Uncover strategies
- Motivate savings
- Retirement readiness

Financial Literacy Seminars/Webcast

- Presented online or in-person

My Retirement Outlook

ING CompareMe.com

- Leverage "peer comparison"

Retirement Transition Counseling



INGCompareMe.com
FOR GOOD MEASURE

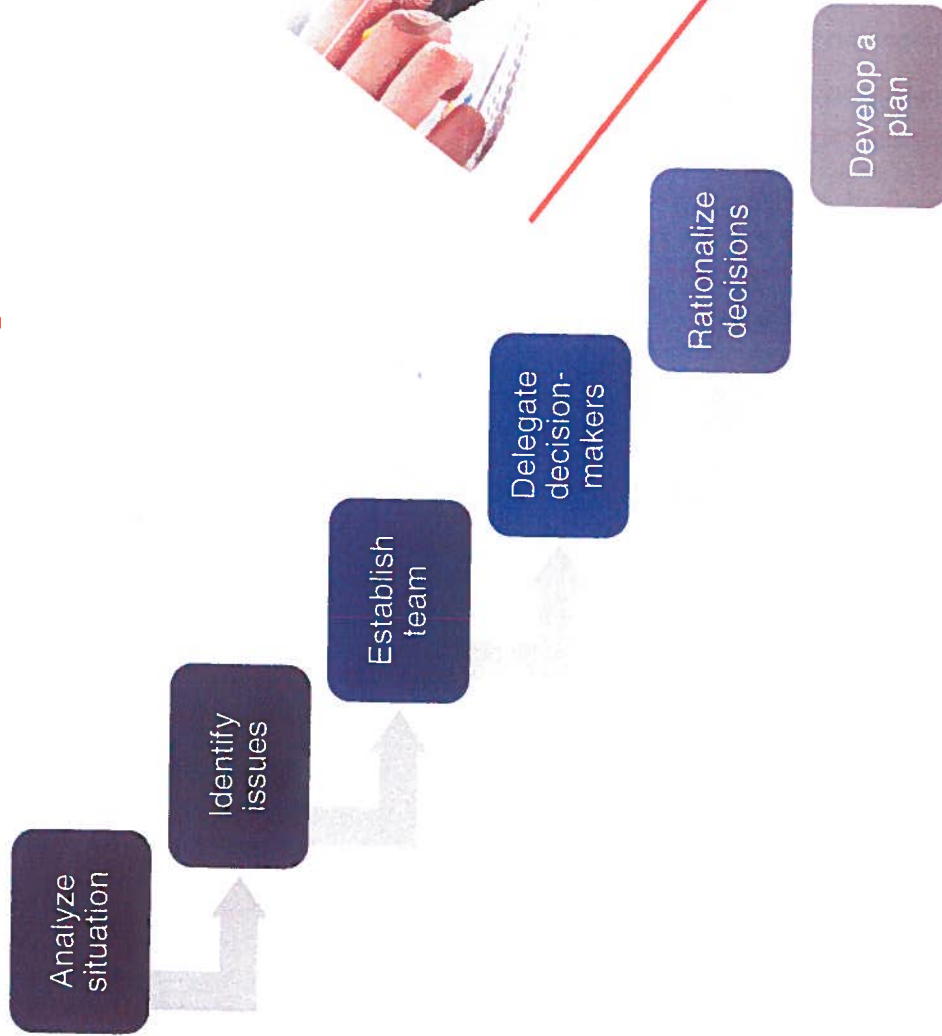
<http://ing.us/rri/>



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Checklist Helps Cover the Bases

Follow a logical process



Public Pension Plans in Focus: Assessing the Situation

A Checklist for Plan Sponsors


Never before has the future of public pension plans received so much attention. Often the discussions are charged with emotion, particular points-of-view and political, how-to's, or can the pension program continue to pay promised benefits? Is it time for a change? If so, what are the options? These are complex questions with no easy answers. Each situation is unique and each requires different attention.

It's tempting to get caught up in the details of your current issues and determine what some possible solutions are. However, before you do, it's important to take a step back and look at the big picture. The checklist below provides a framework for you to assess your situation and gain the full benefit of the practical tool.

- A Wise Paper developed by the ING Retirement & Wealth Institute provides the way and possible solutions to the challenges of the Checklist.
- A proprietary risk calculator tool lets you model your existing plan against a range of financial scenarios, which will be helpful for



ING Retirement Research Institute




Public Pension Plans in Focus


Issues and Opportunities

Never before has the future of retirement systems plans received so much attention. From town halls to state capitals to media reports, the discussions are often charged with emotion, particular point-of-view and politics.

As a leading provider of public sector retirement plan services, ING seeks to add an objective voice to the conversation and share through interviews with retirement industry experts and public sector stakeholders as well as an analysis of reports and commentaries, the ING Retirement Research Institute, in this report, offers insight into the issues and opportunities facing public retirement systems today.



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Public Employees in Focus:

ING studies the economic outlook of today's government workers



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A new study from ING gives insight into the minds of today's state and local government workers.

InSights: Retirement Expectations, Confidence and Realities



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ING survey explores retirement expectations and goals... how do people envision their retirement, and how confident are they in their ability to achieve that vision?

What others are doing...

Plan Sponsor	Colorado PERA	Ohio PERS	Oregon PERS	Michigan ORS
Plan Type	401(a)	401(a)	401(a) Hybrid plan, ppts have part DB & part DC	401(k)
Plan Origin	Legislation passed in 2006 to create an optional alternative to DB for new hires, originally required 4 vendors including PERA, but since participation was low, they all merged into the PERA 401(a) in 2009	Legislation passed in 2000 to add a DB alternative, so they added Member-Directed Plan (all 401(a) & Combined Plan (reduced DB benefit and 401(a) contributions), both went live 1/1/2003	Actuaries realized that DB plan couldn't be sustained as it was, legislation passed effective 1/1/2004 to amend the program	Legislation passed which eliminated DB for any new hires starting 3/1/1997
Assets	\$57.1MM	\$513.8MM	\$3.8B	\$3.2B
Participants	3,897 (1.9% of active PERA members)	19,891 (7,878 combined plan, 12,013 member-directed) (2.5% of active OPERS members)	238,636	66,335
Eligibility	All State employees & Community College new hires	All OPERS eligible employees hired on 1/1/2003 or later, except rehires, law enforcement officers & college/university employees who elect to participate in the Alternative Retirement Plan	All PERS eligible employees; 6 months of employment	All State employees except State Troopers hired 3/1/1997 or later
Participation Option	Participants can select between the 401a or DB Plan options. If participant makes no election after 60 days, participant will default into the DB Plan.	Participants can select between the 401a or DB Plan options. If participant makes no election after 180 days, participant will default into the DB Plan.	Participant automatically enrolled in hybrid DB/DC option	Participant automatically enrolled in DC option



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What others are doing (continued)

Plan Sponsor	Colorado PERA	Ohio PERS	Oregon PERS	Michigan ORS
Participant choice to switch plans?	Yes, one time within 2-5 years after hire	Yes, 3 times (1st during first 5 years of service, 2nd during 5-10 years of service & 3rd after 10 years of service)	Not Applicable	No, but there was a one-time window at the onset of the plan for DB ppl's to switch & move their pension balance over to OC (approximately 7% of employees switched)
DB Balance Transfer?	Yes	Yes	Not Applicable	Yes, if they switched from DB to OC during the window
ER Contribution	10.15% State employees, 12.85% State Troopers	14% (8.5% goes to 401(a), then portion goes to Retiree Medical Account)	DC - all employees 6% (contributions start 6 months after hire), DB - hired on or after 8/29/2003, multiplier is .015 (general employees) & .018 (Police, Fire, Legislators); hired prior to 8/29/2003, multiplier is .0167 (general employees) & .02 (police, fire & legislators)	4% mandatory, 3% match
EE Contribution	8% State employees, 10% State Troopers	10%	None permitted	401(k) limits
Vesting	DB & DC 5 years	DB & DC 5 years	DB 5 years, DC 1 year	DB 10 years, DC 4 years
Other Plan Types	457(b), 401(k)	457(b)	457(b)	457(b)
Education	Colorado PERA/ING	OPERS/ING	PERS/ING	ING Reqs



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Snapshot



Looking forward

Plan Summary

FAVORABLE PUBLIC EMPLOYEES DEFERRED COMPENSATION PLAN

The Kansas Public Employees' Deferred Compensation Plan Along with 401(k) and Social Security benefits, this 457 Plan may make up an important piece of your retirement income. Experts recommend that you plan on replacing at least 80% of your income in retirement. The Plan provides you an easier way to save towards your retirement with pre-tax contributions made through convenient and automatic payroll deductions. Find out more to learn how you can benefit by saving with the Plan.

It Doesn't Cost as Much as You May Think

Meet Sarah. She saves \$25,000 a year and wants to save \$75 each bi-weekly pay period. In the Plan, Lisa was the amount on her paycheck of saving with pre-tax dollars.

Sarah's Payroll Comparison

	Without the Plan	With the Plan
Gross pay	\$1,304.11	\$1,304.11
401(k) contribution	\$0	\$25
Adjusted pay	\$1,304.11	\$1,279.11
State tax FICA	\$122.25	\$122.25
State tax FICA	\$54.51	\$54.51
State income tax	\$74.50	\$74.50
State income tax	\$1,052.85	\$1,027.21

Because of working with pre-tax dollars, it only costs Sarah \$25.00 to save \$25 each pay period.

It's Important to Start Early

Let's see how starting early can help Sarah save more money for retirement over time. Sarah's contributions and any earnings on her investments are not taxed until accounts are distributed later at a later date, generally at the end of her working life. The earlier she starts to contribute, the more time she has to let her money work for her. Waiting for five or 10 years might mean that she will need to contribute much larger amounts to the Plan later on to try to make up the difference — and even then, she might not catch up.

The Cost of Waiting

Let's see how much more money Sarah would have if she started saving for retirement 10 years earlier. Assuming she saves \$25 each pay period, she would have \$100,000 more at retirement.

Account Size at Age 65	1 Year	5 Year	10 Year
\$100,000	\$100,000	\$100,000	\$100,000
\$150,000	\$150,000	\$150,000	\$150,000
\$200,000	\$200,000	\$200,000	\$200,000
\$250,000	\$250,000	\$250,000	\$250,000
\$300,000	\$300,000	\$300,000	\$300,000
\$350,000	\$350,000	\$350,000	\$350,000
\$400,000	\$400,000	\$400,000	\$400,000
\$450,000	\$450,000	\$450,000	\$450,000
\$500,000	\$500,000	\$500,000	\$500,000
\$550,000	\$550,000	\$550,000	\$550,000
\$600,000	\$600,000	\$600,000	\$600,000
\$650,000	\$650,000	\$650,000	\$650,000
\$700,000	\$700,000	\$700,000	\$700,000
\$750,000	\$750,000	\$750,000	\$750,000
\$800,000	\$800,000	\$800,000	\$800,000
\$850,000	\$850,000	\$850,000	\$850,000
\$900,000	\$900,000	\$900,000	\$900,000
\$950,000	\$950,000	\$950,000	\$950,000
\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000

Want to See Your 457 Plan? The My Retirement Defined calculator on the North website can help. This interactive calculator provides you with a plan administrator profile on the North website. Click on the "My Retirement Defined" link on the North website to see how your savings plan works. You can also see your employer's 457 Plan Summary. Click on the "My Retirement Defined" link on the North website to see how your savings plan works. You can also see your employer's 457 Plan Summary. Click on the "My Retirement Defined" link on the North website to see how your savings plan works. You can also see your employer's 457 Plan Summary.

New Employee Welcome Guide

Payout Guide

A GUIDE TO OPTIONS FOR YOUR STATE OF MICHIGAN 401(K) AND 457 PLAN ACCOUNTS

1-800-248-1128 <http://www.michigan.gov/457plans>

1-800-248-1128 <http://www.michigan.gov/457plans>



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Questions and Dialogue



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