



Kansas Public Employees Retirement System

Retirement Plan Design Review Project

Presented to the Board of Trustees

▪ *September 15, 2006*

Reaching Retirement

Many KPERS members do not retire from active status.

- Some leave active status because of death or disability, and thus, still receive benefits from the System.
- The largest portion leave due to termination of employment.
- The likelihood of newly-hired employees retiring from the System increases with their entry age.

Probability of Retiring from Active Status

	<u>State</u>	<u>School</u>	<u>Local</u>	<u>This means that employees hired at...</u>
Entry Age = 25				
Male	14%	17%	11%	Age 25 have a 8 - 17% chance of retiring from KPERS 83 - 92% chance of not retiring from KPERS
Female	10%	14%	8%	
Entry Age = 35				
Male	29%	26%	26%	Age 35 have a 20 - 29% chance of retiring from KPERS 71 - 80% chance of not retiring from KPERS
Female	23%	28%	20%	
Entry Age = 45				
Male	39%	33%	40%	Age 45 have a 31 - 41% chance of retiring from KPERS 59 - 69% chance of not retiring from KPERS
Female	31%	41%	31%	

Reaching Retirement

The likelihood of retiring from active status increases significantly after five years of employment.

- The highest probability of leaving the System due to termination of employment occurs in the first five years.
- Even after this period, many members will not retire from active status.

Probability of Retiring from Active Status after Five Years of Employment

	<u>State</u>	<u>School</u>	<u>Local</u>	<u>This means that relatively newly-hired employees still in active status after five years who are...</u>
Attained Age = 30				
Male	32%	43%	29%	Age 30 have a 25 - 43% chance of retiring from KPERS 57 - 75% chance of not retiring from KPERS
Female	27%	42%	25%	
Attained Age = 40				
Male	54%	58%	50%	Age 40 have a 43 - 60% chance of retiring from KPERS 40 - 57% chance of not retiring from KPERS
Female	50%	60%	43%	
Attained Age = 50				
Male	68%	70%	68%	Age 50 have a 63 - 73% chance of retiring from KPERS 27 - 37% chance of not retiring from KPERS
Female	64%	73%	63%	

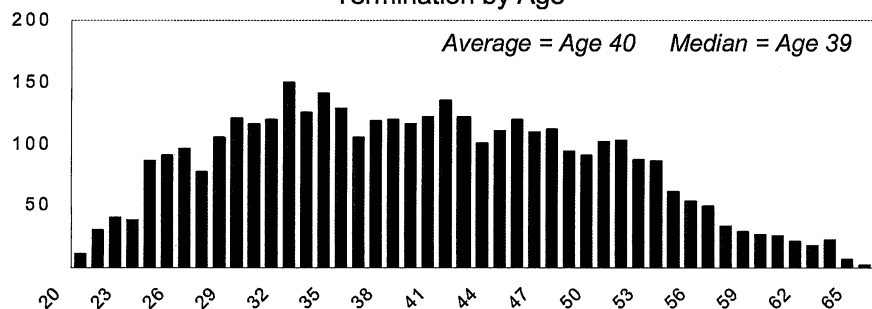
Terminating Employment

The average member who terminates (withdraws) membership is 35 - 40 years old with 2 - 5 years of service.

- Probability of withdrawing appears to correlate more with length of service than age.
- Highest probability of withdrawing occurs in first five years of service for all groups.

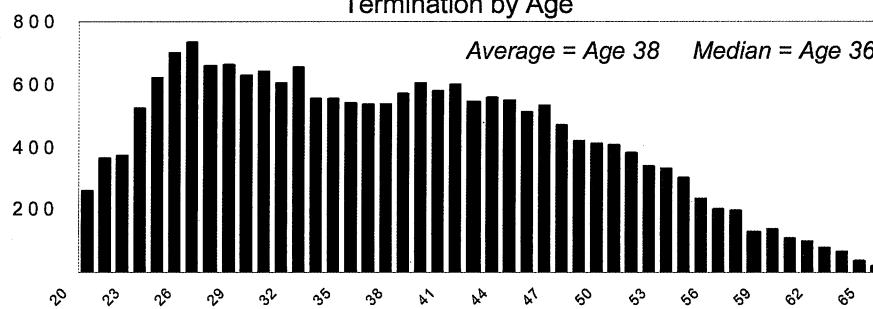
State Group

Termination by Age

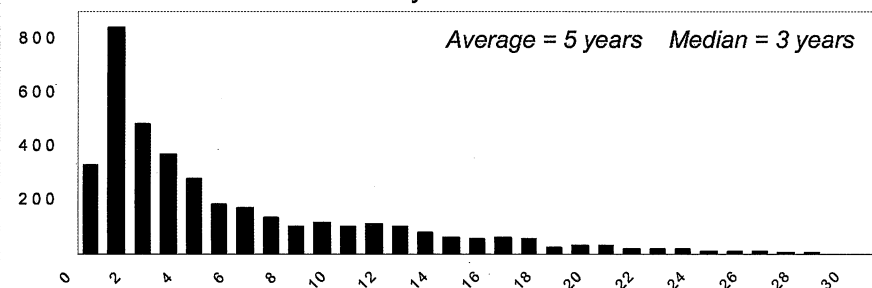


School Group

Termination by Age



Termination by Duration of Service



Termination by Duration of Service

