

HB 2194 vs Defined Contribution Plan for New Hires

(1) Fiscal Year	(2) Total Payroll	(3) <u>State/School Group</u> Employer Contribution Rate			(7) Employer Contribution Amount		
		(4) New DC		(5) New DC	(6) New DC		(8) New DC
		HB 2194	DB earns 8%	DB graded	HB 2194	DB earns 8%	DB graded
2012	\$ 4,465.19	8.77%	8.77%	8.77%	\$ 391.60	\$ 391.60	\$ 391.60
2013	4,609.30	9.37%	9.37%	9.37%	431.89	431.89	431.89
2014	4,742.86	10.27%	10.27%	10.27%	487.09	487.09	487.09
2015	4,889.77	11.27%	11.36%	11.29%	551.08	555.24	552.19
2016	5,048.36	12.37%	12.63%	12.44%	624.48	637.60	627.92
2017	5,217.25	13.57%	13.97%	13.68%	707.98	728.88	713.46
2018	5,396.09	14.46%	14.98%	14.91%	780.44	808.16	804.59
2019	5,585.80	14.67%	15.33%	16.14%	819.50	856.52	901.66
2020	5,786.83	14.80%	15.60%	17.37%	856.63	902.82	1,005.24
2021	5,999.32	14.85%	15.78%	18.60%	890.84	946.81	1,115.72
2022	6,223.41	14.84%	15.89%	19.82%	923.50	989.11	1,233.54
2023	6,458.61	14.81%	15.97%	21.04%	956.42	1,031.25	1,359.04
2024	6,704.71	14.76%	16.01%	22.21%	989.41	1,073.68	1,489.04
2025	6,962.16	14.70%	16.03%	23.04%	1,023.12	1,116.22	1,604.13
2026	7,231.45	14.62%	16.03%	23.36%	1,057.31	1,159.07	1,688.99
2027	7,512.93	14.54%	16.00%	23.46%	1,092.03	1,201.89	1,762.22
2028	7,806.93	14.45%	15.94%	23.06%	1,127.87	1,244.56	1,800.21
2029	8,113.92	14.34%	15.85%	22.43%	1,163.67	1,285.79	1,820.33
2030	8,433.95	14.21%	15.71%	21.69%	1,198.79	1,325.32	1,829.37
2031	8,767.29	14.08%	15.52%	20.82%	1,234.26	1,360.53	1,825.77
2032	9,114.66	13.90%	11.46%	14.98%	1,266.68	1,044.50	1,365.54
2033	9,476.23	2.75%	4.58%	5.67%	260.46	433.54	537.67
2034	9,852.28	2.19%	4.07%	4.92%	215.75	401.28	484.25
2035	10,243.64	1.60%	3.65%	4.30%	164.31	374.39	440.09
2036	10,650.79	1.25%	3.47%	4.06%	133.17	369.71	432.50
2037	11,073.56	1.16%	3.49%	4.05%	128.99	386.19	448.85
2038	11,513.15	1.08%	3.52%	4.03%	124.57	405.55	463.52
2039	11,970.93	1.04%	3.56%	4.01%	124.42	426.38	479.91
2040	12,448.09	1.00%	3.60%	4.00%	124.32	448.19	497.85
2041	12,947.04	0.97%	3.64%	3.99%	125.16	471.09	517.11
2042	13,469.39	0.94%	3.67%	3.99%	126.05	494.78	537.67
2043	14,014.53	0.90%	3.71%	3.99%	126.83	519.33	559.46
2044	14,581.39	0.88%	3.74%	3.99%	128.95	544.98	581.99
2045	15,170.09	0.86%	3.77%	3.99%	129.83	571.70	605.56
2046	15,780.74	0.83%	3.80%	3.99%	130.60	599.90	629.96
2047	16,410.26	0.82%	3.83%	3.99%	134.56	629.18	655.46
2048	17,057.88	0.79%	3.87%	3.99%	135.32	659.39	680.97
2049	17,727.69	0.79%	3.89%	3.99%	139.41	690.48	707.60
2050	18,423.67	0.78%	3.92%	3.99%	143.77	722.02	735.53
2051	19,147.45	0.78%	3.94%	3.99%	148.48	753.94	764.65
2052	19,899.69	0.76%	3.95%	3.99%	151.25	786.58	794.94
2053	20,682.16	0.75%	3.97%	4.00%	155.90	820.13	826.47
2054	21,496.61	0.76%	3.98%	4.00%	162.71	854.51	859.24
2055	22,344.49	0.75%	3.98%	4.00%	167.58	889.74	893.31
2056	23,227.14	0.75%	3.99%	4.00%	174.81	926.03	928.72
2057	24,145.92	0.75%	3.99%	4.00%	182.20	963.58	965.57
2058	25,102.38	0.76%	3.99%	4.00%	189.76	1,002.44	1,003.90
2059	26,098.07	0.76%	4.00%	4.00%	197.58	1,042.70	1,043.78
2060	27,134.62	0.76%	4.00%	4.00%	205.66	1,084.48	1,085.28
				★	\$ 22,907.01	\$ 37,850.72	\$ 43,971.36

DC
At 4%
Contribution

DB plan is reamortized in 2030 to limit the impact of the contribution lag. Employer contributions to the DC Plan are 4% of payroll.

Source: KPERS 12/5/2011

Employer Contribution Amounts through the year 2035 (When UAL is Paid)

HB2194 with an assumed 8% rate of return.....\$19.2 billion

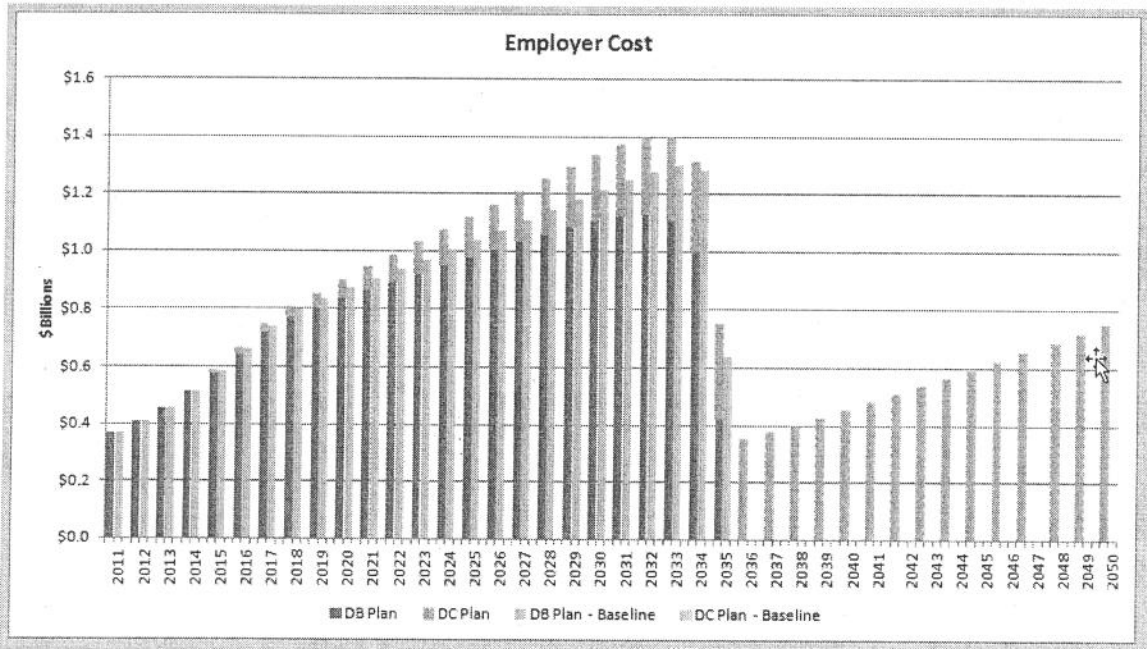
New DC Plan with an 8% rate of return.....\$20.8 billion

Employer Contribution Amounts between 2035 and 2060 (After UAL is Paid)

HB2194 with an assumed 8% rate of return.....\$3.7 billion

New DC Plan with an 8% rate of return.....\$17.0 billion

Kansas Public Employees' Retirement System
 Projection of Actuarial Funding and Expected Employer Contributions
 State/School Members
 Based on December 31, 2010 Valuation Results



Data from Cavanaugh McDonald the independent consulting firm hired to provide modeling and data for the commission.