Retirement Plan Advisors and Auto Enrollment

KPERS 457 – Affiliated Employer Update

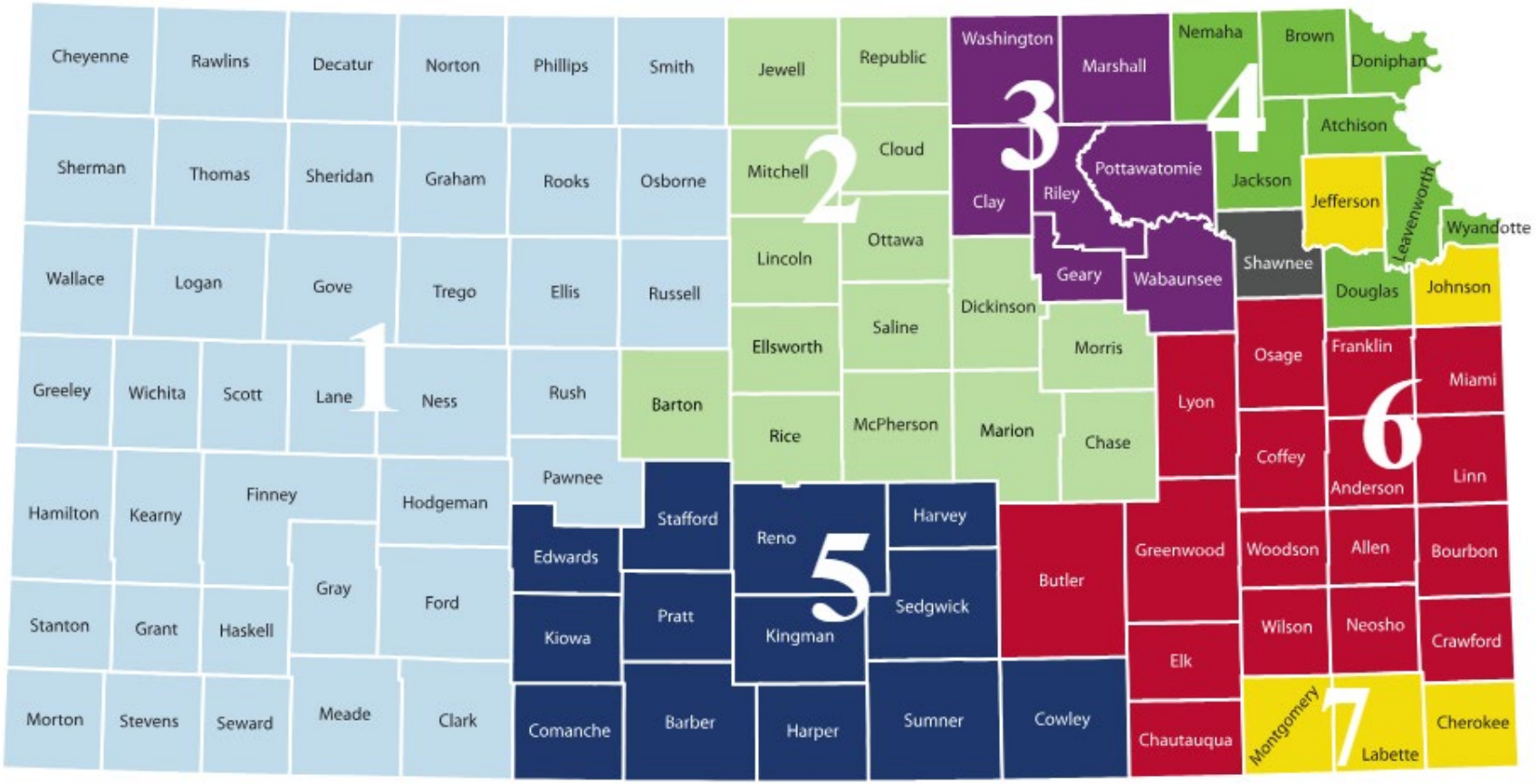
Presenter:

Arlen Zentner
KPERS 457 Deferred Compensation Plan Officer

For Local Employers Only

KPERS

Meet Your Retirement Plan Advisors (RPAs)



Meet Your Retirement Plan Advisors (RPAs)

RPA Update

- All **seven RPAs** are in attendance at the conference today. Please take an opportunity to introduce yourself if you have not already met.

- Six of the seven RPA positions are actively **in the field**, supporting both State and Local employers.

- We will be fully staffed in **November**.

Local Employers – Auto Enrollment and Escalation

Call to Action

Looking for local employers to volunteer to be part of a pilot program approved by our Board of Trustees

- **Auto Enroll**
- New Employees to be included in the payroll file within the first 60 days of employment (option to add all employees
- 3% of gross pay
- Investment Default is a Target Date Fund appropriate to an employee's age
- Opt-out provision for employees within the first 60 days after enrollment

Local Employers – Auto Enrollment and Escalation

Call to Action

Looking for local employers to volunteer to be part of a pilot program approved by our Board of Trustees

- **Auto Escalate – Required for all plans**
- Annual increase of 1%
- Applies only to participants actively deferring
- Auto contribution capped at 6% (participant can elect to self-increase
- Employees can elect to opt out of auto escalation

Your Final Paycheck at Retirement

KPERS 457 – Affiliated Employer Update

Presenter:

Becky Dekat
KPERS 457 Deferred Compensation
Plan Administrator

For State of Kansas Only

KPERS

A Choice When Retiring From State Service

REFINING THE EDUCATIONAL PROCESS

Unused **vacation or sick leave** – take in cash or defer to KPERS 457 plan?

- What is the **payroll cut-off** deadline associated with **last day of employment**?
- For monthly budgeting, when will employee receive the **final paycheck** according to payroll cut-off?
- When will employee receive **first pension benefit payment**?

SOLUTIONS

- KPERS 457 creation of "Your Final Paycheck at Retirement" included within new KPERS 457 Retirement Kit launching to all agencies **November 1**
- Agency HR **pilot team** success stories who tested this new tool flyer to distribute to retiring employee

DESIRED OUTCOMES

- A well-informed & educated employee before turning in **termination date/last day of employment** to their agency
- Human Resources teams at State agencies following a similar process with like terminology

Human Resources – Leading the Conversation

State Agency Human Resources pilot teams tested the new flyer with employees looking to retire within 6-12 months. They also created the following best practices:

- Pointed to KPERS & KPERS 457 websites to register for webinars.
- Referred employees to KPERS Benefits and Members Service to schedule an appointment for a retirement estimate and retirement beginning date (slide 14 graphic).
- Referred employee to KPERS 457 to schedule appointment for Retirement Readiness Review with their agencies Retirement Plan Advisor.
- Posted new flyer on their internal Human Resources site.
- Made new flyer a part of their agency's standard retirement packet.

What Did We Learn?

During the pilot, we discovered when the HR leader is a Designated KPERS agent and also the 457 contact working with the 457 Retirement Plan Advisor, they can

- Access KPERS portal to share employee years of service & unused sick & vacation leave hours for an estimate
- Provide a KPERS pension estimate from the portal as well
- Be familiar with the ***timing*** of the transaction of deferring final paycheck to the KPERS 457 Plan 

From an employee personal financial planning perspective

- The employee benefits from the combined knowledge of the HR leader
- The HR leader can encourage the employee to start the thought process much earlier to make an informed decision
- The employee can start at any of the following channels…

What Did We Learn?

3 Touchpoints of Education

Retirement Plan Advisor



Retirement Readiness Review

Human Resources



At Agencies for leave amounts/final paycheck date

KPERS Benefits & Members Services



Counseling session before retirement

Seek Help to Defer 833-232-0024



Transaction with Empower

Final Paycheck at Retirement Flyer

FOR STATE OF KANSAS EMPLOYEES ONLY

YOUR FINAL PAYCHECK AT RETIREMENT

kpers457 alongside KPERS for better financial security

It Starts and Ends With You

As a State of Kansas employee, you'll receive a lump-sum payment for any unused vacation leave at retirement. Based on your years of service, you may also qualify to receive part of your unused sick leave in a lump sum. Check with your Human Resources Office to see if you're eligible.



Now or later? Cash or place in KPERS 457?

If you're eligible to receive a lump-sum payment for unused leave time, **you have a choice:** receive it all now, or place it in your KPERS 457 plan and defer taxes until later.

If you decide to pocket the payment, you'll **pay income taxes** on that income. If you decide to place the payout into your KPERS 457 plan, you could "**defer**" those income taxes until you withdraw from that account.

How & when to get the ball rolling

About one year before retirement, make an appointment with your KPERS 457 Retirement Plan Advisor (RPA) for a **Retirement Readiness Review** and figure out your estimated term date. Generally, this will coincide with a regular pay date. Next, ask your HR team for an estimate of your unused sick/vacation payout. Then **determine the cut-off date** for your final paycheck.

Plan ahead for placing in KPERS 457

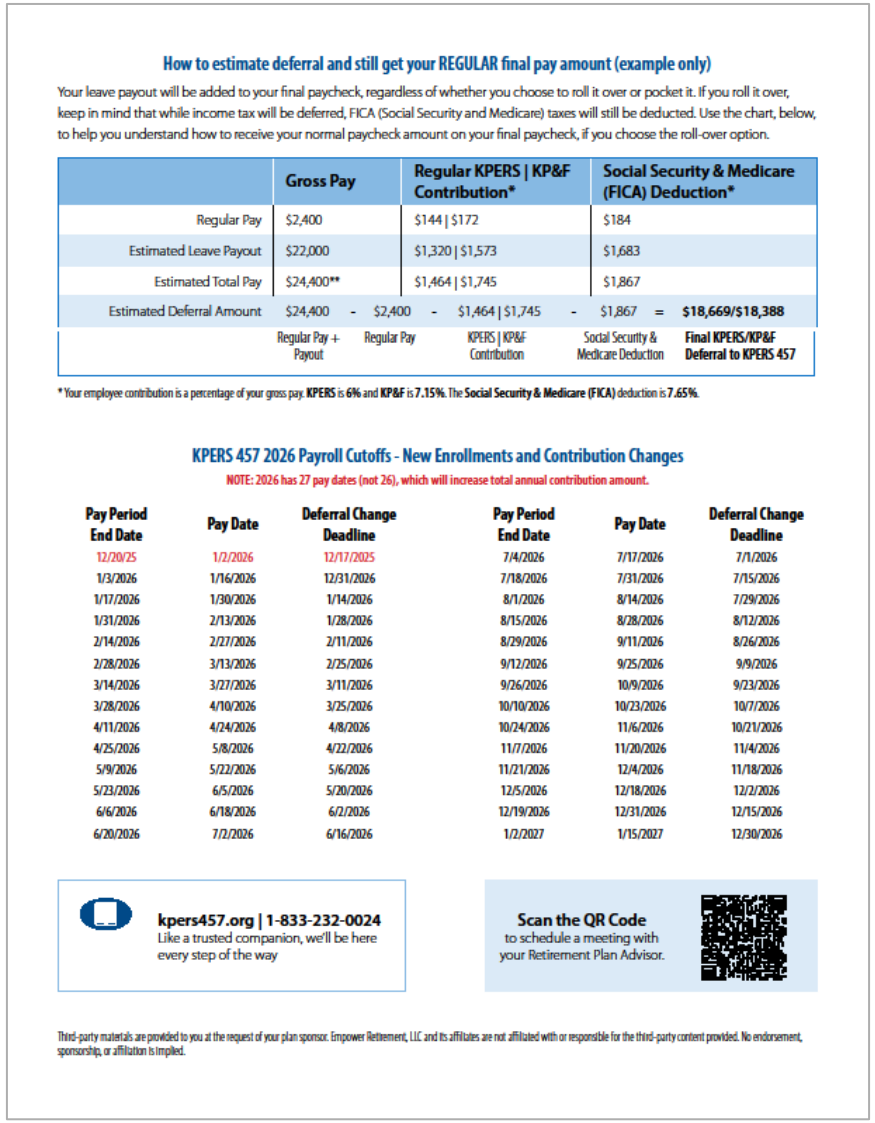
Keep in mind, if you place this lump-sum payout in your KPERS 457 plan, there are a few things to consider. This payout will **affect your final paycheck**. If you don't place the payout in KPERS 457, your larger-than-normal paycheck will have all the regular deductions, including income taxes. But if you do place it in your 457 plan and defer income taxes, you'll still need to calculate your total gross paycheck, which includes the payout. Then figure out the total amount of **deductions** so that you receive a "normal" amount of pay on that final paycheck. See an example of a deferral calculation on the back, and ask HR to help you use the paycheck modeler in SHARP.

If you're a year away from retirement, be sure to follow these steps to make an informed decision for your final paycheck.

- ☐ Make an appointment with your local KPERS 457 **Retirement Plan Advisor** at kpers457.org. Estimate your last day of work and request a **Retirement Readiness Review**.
- ☐ Ask your Human Resources team/Designated Agent **if you're eligible** for a lump-sum payout of unused sick and/or vacation time.
- ☐ Request a meeting with your HR team to identify your **last paycheck date** on the Payroll Cutoff worksheet. To model your last paycheck on the State of Kansas Employer Self-Service portal, sign in at **https://www.kansas.gov/employee/** and sign in under Employee Self Service FAQs. Go to **Paycheck Modeler**.
- ☐ Consider whether you want to **defer income taxes** by placing the lump-sum amount into your KPERS 457 Deferred Compensation Plan account, or pocket the money and **pay all taxes now**.
- ☐ **IF YOU CHOOSE TO PLACE** the lump-sum amount into your **KPERS 457 account** and defer income taxes, you'll need to do so **45 days** before your final paycheck. Please ask for help by calling KPERS 457 at the Empower local office at **833-232-0024**.
- ☐ **IF YOU RECEIVE THE PAYOUT** in a lump-sum amount on your **final paycheck** and pay all taxes now, no action is required. Your HR and/or KPERS Designated Agent will help facilitate.

1-833-232-0024 | kpers457.org

Final Paycheck at Retirement Flyer



How to estimate deferral and still get your REGULAR final pay amount (example only)

Your leave payout will be added to your final paycheck, regardless of whether you choose to roll it over or pocket it. If you roll it over, keep in mind that while income tax will be deferred, FICA (Social Security and Medicare) taxes will still be deducted. Use the chart, below, to help you understand how to receive your normal paycheck amount on your final paycheck, if you choose the roll-over option.

	Gross Pay	Regular KPERS | KP&F Contribution*	Social Security & Medicare (FICA) Deduction*
Regular Pay	$2,400	$144 | $172	$184
Estimated Leave Payout	$22,000	$1,320 | $1,573	$1,683
Estimated Total Pay	$24,400**	$1,464 | $1,745	$1,867
Estimated Deferral Amount	$24,400 - $2,400 - $1,464 | $1,745 - $1,867 =		**$18,669/$18,388**
	Regular Pay + Payout	Regular Pay	KPERS | KP&F Contribution	Social Security & Medicare Deduction	**Final KPERS/KP&F Deferral to KPERS 457**

* Your employee contribution is a percentage of your gross pay. **KPERS** is **6%** and **KP&F** is **7.15%**. The **Social Security & Medicare (FICA)** deduction is **7.65%**.

KPERS 457 2026 Payroll Cutoffs - New Enrollments and Contribution Changes

NOTE: 2026 has 27 pay dates (not 26), which will increase total annual contribution amount.

Pay Period End Date	Pay Date	Deferral Change Deadline	Pay Period End Date	Pay Date	Deferral Change Deadline
12/20/25	1/2/2026	12/17/2025	7/4/2026	7/17/2026	7/1/2026
1/3/2026	1/16/2026	12/31/2026	7/18/2026	7/31/2026	7/15/2026
1/17/2026	1/30/2026	1/14/2026	8/1/2026	8/14/2026	7/29/2026
1/31/2026	2/13/2026	1/28/2026	8/15/2026	8/28/2026	8/12/2026
2/14/2026	2/27/2026	2/11/2026	8/29/2026	9/11/2026	8/26/2026
2/28/2026	3/13/2026	2/25/2026	9/12/2026	9/25/2026	9/9/2026
3/14/2026	3/27/2026	3/11/2026	9/26/2026	10/9/2026	9/23/2026
3/28/2026	4/10/2026	3/25/2026	10/10/2026	10/23/2026	10/7/2026
4/11/2026	4/24/2026	4/8/2026	10/24/2026	11/6/2026	10/21/2026
4/25/2026	5/8/2026	4/22/2026	11/7/2026	11/20/2026	11/4/2026
5/9/2026	5/22/2026	5/6/2026	11/21/2026	12/4/2026	11/18/2026
5/23/2026	6/5/2026	5/20/2026	12/5/2026	12/18/2026	12/2/2026
6/6/2026	6/18/2026	6/2/2026	12/19/2026	12/31/2026	12/15/2026
6/20/2026	7/2/2026	6/16/2026	1/2/2027	1/15/2027	12/30/2026

kpers457.org | 1-833-232-0024
Like a trusted companion, we'll be here every step of the way

Scan the QR Code
to schedule a meeting with your Retirement Plan Advisor.

Third-party materials are provided to you at the request of your plan sponsor. Empower Retirement, LLC and its affiliates are not affiliated with or responsible for the third-party content provided. No endorsement, sponsorship, or affiliation is implied.

Where Can You Point the Employee for Education?

1. Refer them to kspers.gov to watch "*Counting down the last 12 months, and "Navigating Your Path to Retirement*"

2. Refer them to email invitations from their agencies' 457 contact who forwards webinar invites to "*Nearing Retirement*".

3. Encourage your employees to follow this flow & provide them the new flyer;

A. Ask Agency HR Leader for unused leave & final paycheck date

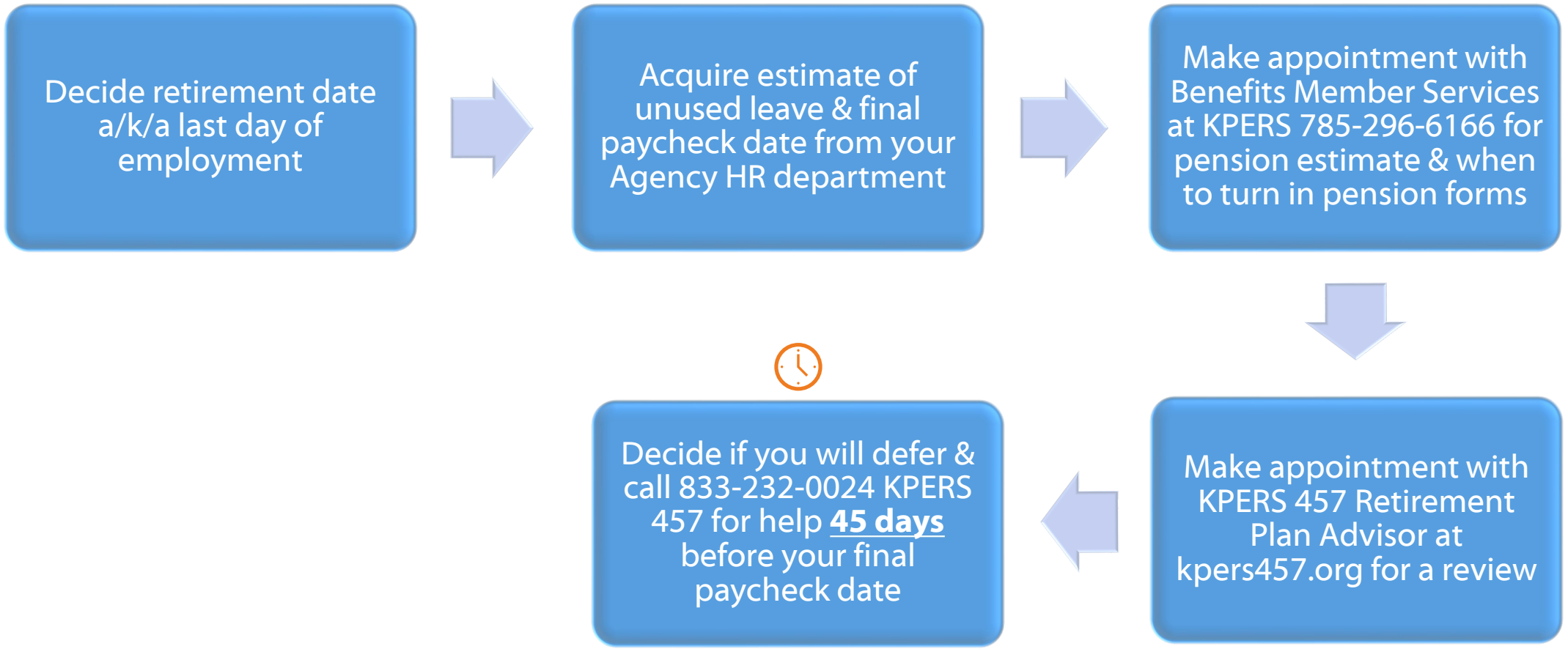
B. Schedule KPERS Benefits & Members Counseling session for pension estimate

C. Schedule KPERS 457 Retirement Plan Advisor for Retirement Readiness Review

D. Call 833-232-0024 to complete the transaction if they are contributing leave payout to 457 account

The Formula to Create an Educated Employee

A series of conversations, and a transaction



Breaking Down the Process

SAMPLE

Termination date March 13
Final paycheck March 27
Retirement date April 1
First KPERS retirement check date April 30



JANUARY 2026

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

FEBRUARY 2026

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

MARCH 2026

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

APRIL 2026

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Hypothetical Employee Question

From: Current State of Kansas Employee

Sent: Tuesday, January 3, 2026

To: kpers457@kpers.org

Hello,

I'm retiring from my agency on March 13, 2026 **[last day on payroll a/k/a termination date],** and my final paycheck is March 27 **[last paycheck]** according to the State of Kansas payroll cutoff calendar **[back of Final Paycheck flyer & kspers.org/Employer].**

I need to ensure this amount is set up for the March 27 paycheck to **defer** into my KPERS 457 account. Can you help me complete this?

Sincerely,

EJ Participant

State of Kansas Agency

Quiz

Q. *What is this employee's last day on the books at his employer*?

A. **March 13**– last day of employment which generally coincides with pay period end (even if they're on vacation, it's still their last day in eyes of the employer).

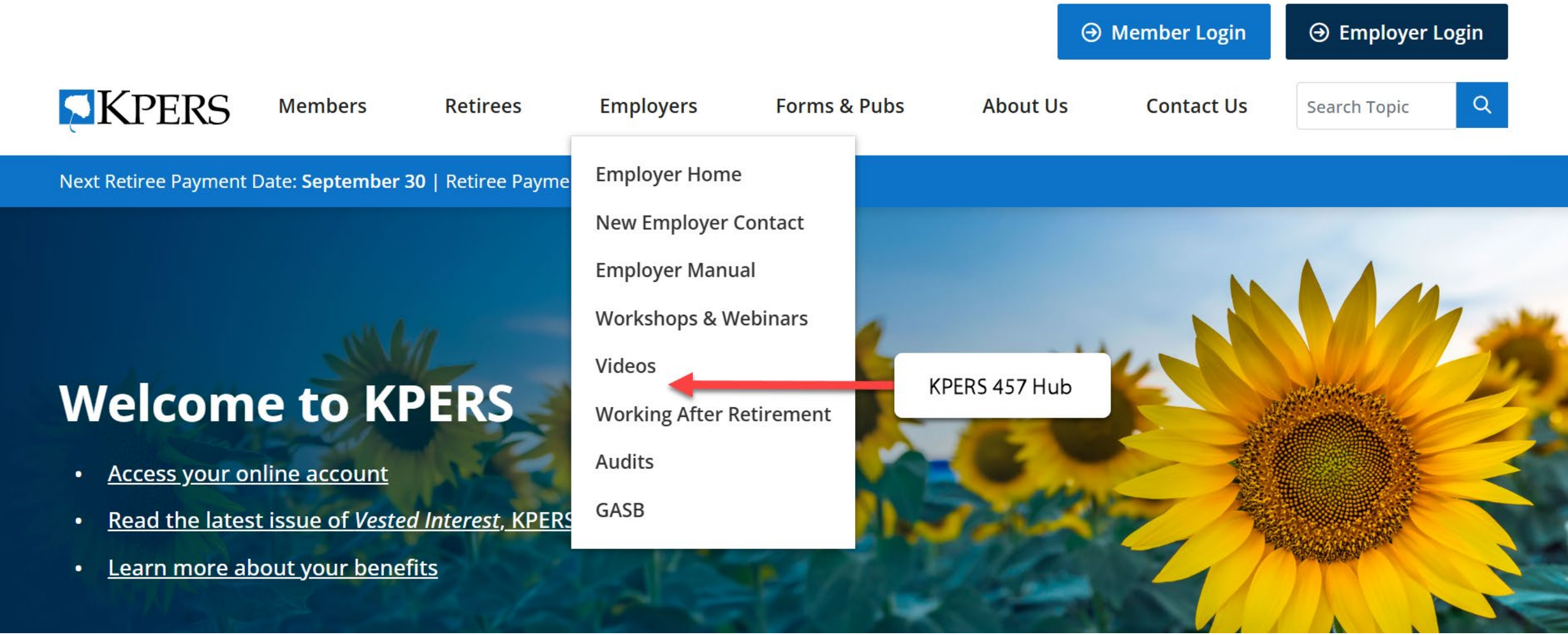
Q. *Where are they seeing that March 27 represents their final paycheck*?

A. Their HR team will reference new Final Paycheck flyer at Retirement back page, or kspers.gov under Employer section 'KPERS 457 Payroll Cut-off calendar'. These are dates from State of Kansas payroll division.

Q. *Where would you refer this employee to complete the transaction of deferring it to their KPERS 457 account*?

A. Call 833-232-0024, rings locally. Local 457 office will provide a method of setting this up according to employee's comfort level. 1.) Online after login, 2.) by making appointment at the local office, or by 3.) calling the toll-free customer center and setting it up on a recorded line. **Employee must have their final paycheck date any way they choose to defer.**

Coming Soon for Agency HR Leaders



Living the Values

KPERS 457 Mission Statement

"Provide tools and inspiration for Kansas public employees to complement their KPERS pension & social security for a more sound retirement income."

Questions?