

KEEPING THE KANSAS PROMISE



Kansas public employee pensions are under attack. Extremist legislators have set their sights on raiding the retirement funds of 280,000 Kansans to appease Wall Street and special interests.

The defined contribution system passed by the Kansas House in the 2011 session would require \$1.2 billion more in contributions from Kansas taxpayers and public employees and credible experts believe that creating a defined contribution system would "cripple" the defined benefit plan for thousands of current Kansas public employees and retirees at costs higher than the current system.

Know the Facts

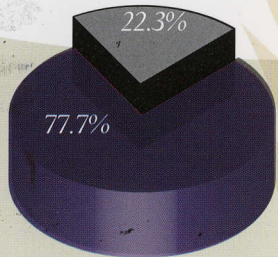
Some Kansas politicians want you to believe that Kansas taxpayers foot the entire bill for what they deem lavish retirements. State government funds around one-quarter of employee retirements; and Kansas public employee retirement benefits are not lavish.

The average retirement benefit under KPERS is \$1,100 per month, and taxpayer contributions make up on 23.3% of total revenues to KPERS in FY 2010. Investment earnings and employee contributions make up 77.7% of annual revenues to KPERS used to fund benefits for current and future retirees.

Fiscal Year 2010 KPERS Financial Summary

- Total State Government Contributions
- Total Non-Tax Derived KPERS Revenues

Annual KPERS Revenues: \$2,297,240,491
 Annual Investment Earnings: \$1,485,967,505
 Employee Contributions: \$289,616,027
 Employer Contributions: \$521,555,060



A 501(c)(4) not-for-profit foundation since 2010, the **Coalition for Keeping the Kansas Promise** performs statewide advocacy on behalf of 280,000 members of the Kansas Public Employee Retirement System.

Defined Contribution Leaves Kansas Taxpayers Holding the Bag on KPERS

Currently, 60% of the KPERS defined benefit plan is funded by investment returns derived from the pooled investments of all KPERS members. Under a defined contribution plan, however, there are no pooled investment returns. Instead, it is entirely up to public employees and Kansas taxpayers to pay for public employee retirements with higher management fees and lower investment returns.

If KPERS were closed to new members and existing members are retiring and no longer contributing, that means Kansas taxpayers get left holding the bag on the KPERS' unfunded liability, which at \$8 billion today could grow substantially if the plan were frozen and contributions were limited. Because public employees have a contract for their KPERS retirements, the Kansas Legislature must fund the \$8 billion unfunded liability and any new shortfalls resulting from closing the plan

Keep the Kansas Promise

As Kansans, we live by two basic rules: work hard and play by the rules. Kansas public employees have worked hard and played by the rules. KPERS underfunding is the result of legislative failure. KPERS members have kept their word, never missing a contribution to their retirements. Undermining their retirement security now runs afoul of our shared Kansas value of keeping our word and promises – indeed, our shared value of playing by the rules.

Get Involved! Protect KPERS!

Receive Coalition for Keeping the Kansas Promise legislative newsletters and join the Keeping the Kansas Promise grassroots action team by completing and sending the attached card!

Only You Can Protect KPERS! Join the Coalition for Keeping the Kansas Promise as an individual member and stand up for protecting the retirement security of 280,000 Kansas public employees and retirees! As a member, you will receive valuable and timely updates regarding KPERS and opportunities to directly engage your members of the Kansas Legislature.



Please complete the following, tear and send (no stamp necessary!).

name _____
 mailing address _____
 physical address _____
 city _____ state _____ zip _____
 e-mail _____
 kpers member? _____ kpers retiree? _____

Yes! Please send me KPERS news and updates!

Yes! I would like to join the Keeping the Kansas Promise Coalition action team and receive grassroots action alerts regarding KPERS.

