

KENTUCKY RETIREMENT SYSTEMS



Retirement Payment Options
will begin momentarily...

KENTUCKY RETIREMENT SYSTEMS



Retirement Payment Options

Please keep in mind that Kentucky Revised Statute 61.661 requires KRS to administer accounts in a confidential manner.

During our webinar today, please do not submit questions specific to your account and do not post sensitive information, such as your KRS Member ID, Social Security Number, or PIN, in the chat.

If you have specific questions about your individual account, please contact KRS at 1-800-928-4646.





Agenda for Today's Webinar

- Zoom Tutorial
- Things to Consider
- Beneficiary Designation
- Retirement Payment Options
- Ten Year Certain
- Social Security Adjustment Options

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Retirement Payment Options





Zoom Tutorial

- The Q&A function is used to ask general retirement questions for a KRS representative to respond. We will answer each question in the order they are received before the conclusion of the webinar today
- The **CHAT** and **RAISE HAND** function will not be used during this webinar



Things to Consider

Upon retirement, KRS provides various payment options.

- Carefully review the payment options.
- No changes can be made to the payment option or the designated beneficiary on or after the 1st day of the month the first check is issued.
- Test each option by assuming various contingencies and the likelihood of the contingencies occurring.
- For most payment options, an individual must be receiving a monthly retirement allowance to participate in the medical insurance program.



Beneficiary Designation

- To designate a beneficiary while employed, a valid Form 2035, Beneficiary Designation must be on file with KRS
- At the time of retirement, only one person, the estate, or a trust can be named as beneficiary of the monthly retirement allowance
- The retired member cannot change this designation on, or after the first day of the month in which the member receives their first monthly retirement allowance
- If the beneficiary dies or divorces the retired member, state law provides that the member's estate becomes the beneficiary – an estate or trust cannot be eligible for a lifetime payment upon the death of a member.



Retirement Payment Options

The payment amounts below are examples only

Payment Options	Member Payment	(or) Beneficiary Payment
Basic/Annuity Option	\$1,452.33	\$0.00
Life with 10 years certain	\$1,432.19	\$1,432.19 (or) \$0.00
Life with 15 years certain	\$1,408.70	\$1,408.70 (or) \$0.00
Life with 20 years certain	\$1,378.87	\$1,378.87 (or) \$0.00
Survivorship 100%	\$1,321.32	\$1,321.32
Survivorship 66 2/3 %	\$1,362.28	\$908.23
Survivorship 50%	\$1,383.73	\$691.87
Pop-Up Option	\$1,310.14* (see Handbook)	\$1,310.14

John Doe can also reject all monthly payment options and request an actuarial refund of approximately \$73,344.41.



Ten Year Certain

- Only available for State Police Retirement System members (SPRS), or Kentucky Employees Retirement System (KERS) or County Employees Retirement System (CERS) members in HAZARDOUS positions
- No income after 10 years
- Member retains the insurance benefits after all other benefits cease
- No \$5,000 death benefit if the member dies after the 10 year period



Social Security Adjustment Options

- A member must be under age 62 to choose a Social Security Adjustment Option.
- The Social Security Adjustment Options allow you to receive a higher monthly payment from your retirement date to your 62nd birthday, at which time your payment will drop, based on your age 62 Social Security payment. *(The Social Security with Beneficiary Option is available only if you and the beneficiary meet certain age requirements.)*



Social Security Adjustment Options

EXAMPLE BASED ON \$1,000 MONTHLY SOCIAL SECURITY BENEFIT AT AGE 62

Payment Options	Member Payment		(or) Beneficiary Payment	
	Until Age 62	Age 62 & After	Until Age 62	Age 62 & After
Basic/Annuity	\$1,452.33	\$1,452.33	-\$0.00-	-\$0.00-
Without Survivor Rights	\$2,145.71	\$1,145.71	-\$0.00-	-\$0.00-
100% Survivorship	\$1,321.32	\$1,321.32	\$1,321.32	\$1,321.32
With Survivor Rights	\$2,040.24	\$1,040.24	\$2,040.24	\$1,040.24

Compare the Option without Survivor Rights to the Basic/Annuity Payment

Compare the Option with Survivor Rights to the Survivorship 100% Option



Legal Notice

If you have any questions about the material in this presentation please contact KRS at 1-800-928-4646.

This presentation is intended merely as a general information reference for members of the KRS.

This presentation is not intended as a substitute for applicable Federal or state law, nor will its interpretation prevail should a conflict arise between its contents and applicable Federal or state law.

Before making decisions about your retirement, you should contact Kentucky Retirement Systems.



Questions?

If we are unable to answer your question during today's webinar, please email it to:

krsbenefitsoutreach@kyret.ky.gov