

2025-2026

FISCAL YEAR

BUDGET



KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
BUDGET REPORT

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September 20, 2024
Mr. Adam Proffitt
Secretary of Administration and Budget Director
Kansas Division of the Budget
Landon State Office Building, Suite 504-N
900 SW Jackson
BUILDING MAIL

Secretary Proffitt:

On behalf of the Board of Trustees of the Kansas Public Employees Retirement System (KPERS), I hereby submit for your consideration the Fiscal Year 2025 and Fiscal Year 2026 budget document for the System. The budget request was approved by the Board of Trustees of KPERS at their meeting on September 13, 2024. This budget was prepared in accordance with the budget indices dated July 26, 2024. To the best of my knowledge and belief, the information and explanation included in this budget request are correct and complete. One copy has also been submitted to the Legislative Research Department.

As always, Judy McNeal, Chief Fiscal Officer for KPERS or I are prepared to provide you or Jeff Arpin, Principal Analyst with any additional information that might be helpful. Thank you for your consideration.

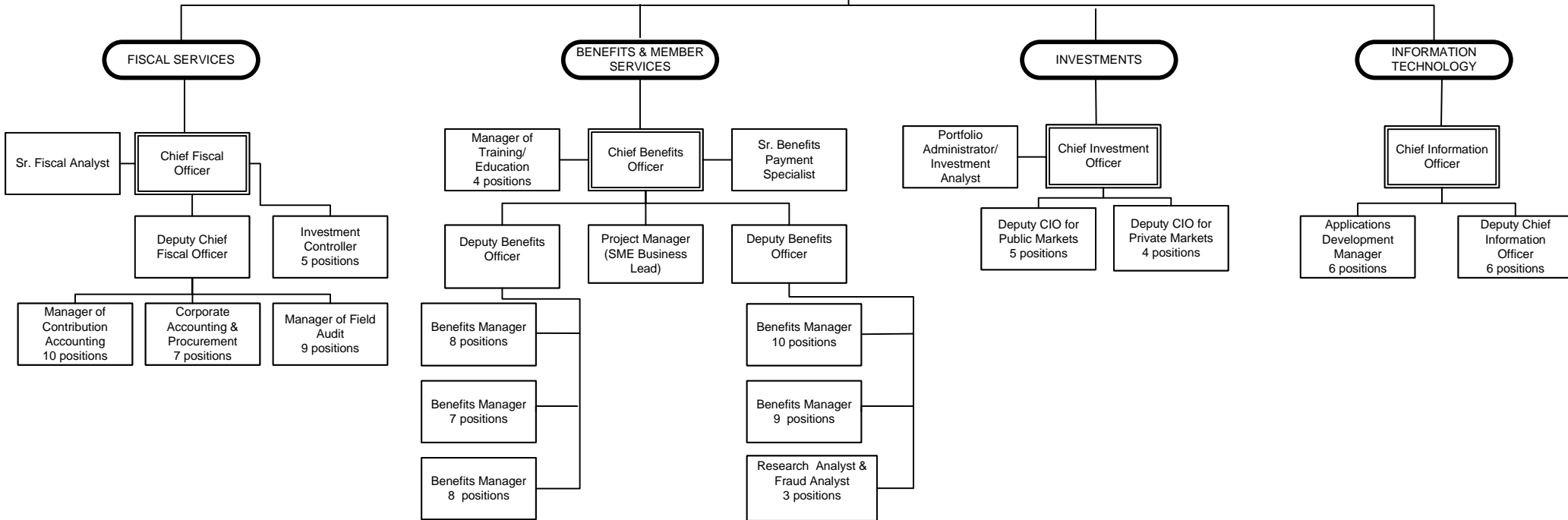
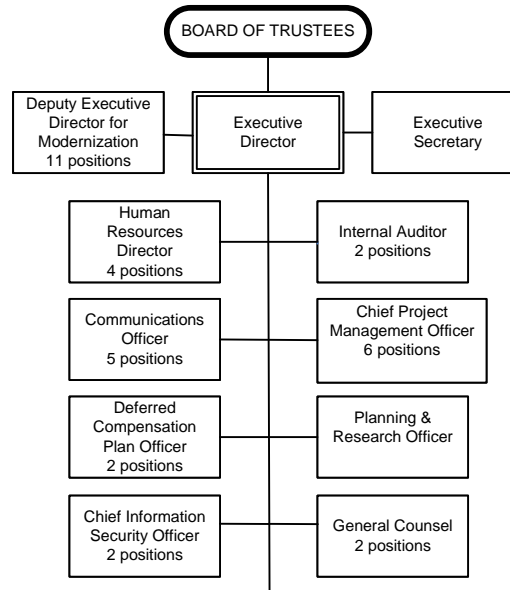
Sincerely,

A handwritten signature in black ink that reads "Alan D. Conroy". The signature is written in a cursive style with a large, sweeping "C" at the end.

Alan D. Conroy
Executive
Director

Enclosure

CC: Mr. Jeff Arpin, Principal Analyst, Kansas Division of the Budget
Mr. Steven Wu, Managing Fiscal Analyst, Kansas Legislative Research Department



GENERAL AGENCY INFORMATION

Agency History

The Kansas Public Employees Retirement System (KPERS) was created by an act of the 1961 Kansas Legislature. The Act provides that the purpose of the Retirement System is "...to provide an orderly means whereby employees of participating employers who obtain retirement age may be retired from active service without prejudice and without inflicting a hardship upon the employees retired and to enable such employees to accumulate reserves for themselves and their dependents to provide for old age, death, and termination of employment and for the purpose of effecting economy and efficiency in the administration of governmental affairs."

Since January 2015, all members of the State, School and Local Groups contribute 6.0 percent of their compensation. Plan design changes approved by the 2012 Legislature included an increase in the KPERS 1 contribution rate. Starting January 1, 2014, KPERS 1 members (membership dates prior to 7/1/2009) began contributing 5.0 percent of their compensation. That contribution rate rose to 6.0 percent on January 1, 2015 and remains at 6.0 percent of compensation going forward. Employer contribution rates are certified annually by the Board of Trustees upon recommendation of the actuary, based on amounts required to maintain the System on an actuarial reserve basis and subject to statutory limits on annual increases. For FY 2025 and FY 2026 the statutory State/School employer contribution rate is scheduled to be 11.54% and 11.68% respectively. Local employers are scheduled to contribute 9.71% in CY 2025 and 9.59% in CY 2026. KP&F employers are scheduled to contribute 23.18% in FY 2025 and 24.69% in FY 2026, for Local KP&F employer the rates are 24.67% in CY 2025 and 24.00% in CY 2026. The Judges' employer contribution rates for FY 2025 and FY 2026 are 21.45% and 23.16%. All employer groups are contributing the full actuarial required contribution rate for FY 2025 and FY 2026.

The 2017 Legislature included a reduction of \$64 million in FY 2017 and \$194 million in FY 2019 School employer contributions. The FY 2017 reduction was scheduled to be repaid over 20 years starting in FY 2018 with annual payments of \$6.4 million. The FY 2019 reduction was scheduled to be repaid over 20 years starting in FY 2020 with annual payments of \$19.4 million. The 2022 Legislature appropriated the remaining amount required to fully fund the past contributions and no additional payments will be made.

The 2018 Legislature included an additional payment of \$56 million in FY 2018, an additional payment of \$82 million in FY 2019, and a contingent payment of up to \$56 million in FY 2019 if actual revenues exceed the April consensus revenue payments. However, the second contingent payment was ultimately changed to a direct appropriation of \$51 million in July 2019 (FY 2020) by the 2019 Legislature. The 2019 Legislature also appropriated an additional \$115 million payment, which was the estimated cost to pay the delayed employer contributions from 2016, plus interest.

The 2022 Legislature appropriated \$1.125 billion in funding above the annual employer contribution rate to the School group. This includes \$253.9 million for reduced contributions in FY 2017 and FY 2019 and \$871.1 million in additional contributions.

A nine-member Board of Trustees is the governing body of the Retirement System. Four trustees are appointed by the Governor and confirmed by the Kansas Senate. The President of the Senate appoints one trustee; the Speaker of the House appoints one trustee; two are elected by the members; and the State Treasurer serves as a trustee (by virtue of the Office). The Board of Trustees appoints the Executive Director who is the executive officer of the System. The Board retains a qualified actuary to serve as its technical advisor and who is required to provide an annual valuation of the liabilities and reserves of the System.

By law, the State of Kansas, as an eligible employer, became a participating employer on the first entry date. The Act further provides that any county, city, township, special district, or any instrumentality of any one or several of whose employees are covered by Social Security could elect to become participating employers of the System. In 1962, besides the State of Kansas, 183 local units of government elected to affiliate on that date. In FY 2022, there were 1,543 participating employers. Employees of participating employers become members by meeting statutory requirements.

On June 30, 1962, there was a total membership of 24,278. As of the December 31, 2023 actuarial valuation, 230,334 active and inactive members are included in the various coverage groups administered by KPERS. Additionally, the System has 116,007 retired members and beneficiaries.

On January 1, 1971, the Kansas School Retirement System (KSRS) was merged into the Kansas Public Employees Retirement System. Members of this group include employees of the unified school districts, area vocational technical schools, and community junior colleges. This coverage group is the largest coverage group administered by the Board.

In 1971, all active members (and most inactive vested members) of the KSRS became members of KPERS. KSRS members who were retired at that time and certain classes of inactive employees with vested rights did not come under KPERS. Instead, payments to these members continued under the provisions of KSRS through separate reserves maintained specifically for that purpose. KSRS provided a benefit related to the amount of employee contributions, and a separate benefit paid by the State, based solely on years of school service. Although all currently active school employees are covered under KPERS, a small number of former school employees continue to qualify for benefits each year under KSRS. Legislation enacted in 1984 made members of the old KSRS special members of KPERS.

The 1965 Legislature, upon the recommendation of the League of Kansas Municipalities and committees representing the police officers and fire fighters in the State of Kansas, established the Kansas Police and Firemen's Retirement System (KP&F) and assigned the administration of that System to the Board of Trustees of the Kansas Public Employees Retirement System (KPERS).

The Kansas Police and Firemen's Retirement System is a division of and fully coordinated into the administrative structure of KPERS. Separate laws, rules and regulations, and accounts are maintained, but in all other respects, administration is the same as the administration of KPERS. Under KP&F, members contribute 7.15% of their compensation and have a cap on their retirement benefit of not more than 90% of final average salary (2013 HB 2213). The actuarially determined contribution requirement for employers in KP&F are comprised of two parts:

- a uniform rate, determined separately for State and Local employers, which includes the normal cost and an unfunded actuarial liability (UAL) payment for the entire group; and
- any payment required to amortize the unfunded past service liability.

In 1976, legislation was enacted to prescribe certain actuarial funding standards for local police and firemen's pension plans and authorizing the merger of such plans into the Kansas Police and Firemen's Retirement System. This legislation was the culmination of an extensive legislative study that focused on local police and fire pension plans that had accumulated sizeable unfunded liabilities and were not soundly financed on an actuarial reserve basis. In effect, State law precluded sound financing of these local plans by preventing cities from accumulating assets on an actuarial reserve basis to meet their growing liabilities. The legislation provided, in part:

- for cities to retain their local pension plans, but establish certain minimum funding standards among which were amortization of unfunded liabilities of active members over 40 years and retired members over 20 years;
- for those cities which did not retain their local plans, to affiliate with KP&F for both active and retired members and for transfer of all monies and other assets to KP&F; and
- those active members of plans that affiliate with KP&F have the opportunity to either stay under the provisions of the local plan or become "special" members of KP&F or to become regular KP&F members. There are no longer any active "special" members of KP&F, only retirees remain from this group.

The Kansas Retirement System for Judges was created by an act of the 1953 Kansas Legislature. The System covered Supreme Court Justices and District Court Judges and was administered by the Kansas Judges Retirement (KJR) Board. On July 1, 1975, the KJR Board was abolished and all the powers, duties and functions of that board were transferred to the Board of Trustees of the Kansas Public Employees Retirement System. The Kansas Retirement System for Judges is a division of and fully coordinated into the administrative structure of KPERS. Separate laws, rules and regulations, and accounts are maintained, but in all other respects administration is the same as the administration of KPERS. 1993 legislation provided that district magistrate judges would become members of the Judges Retirement System.

[Retirement Benefits](#)

Kansas law establishes the formula for calculating retirement benefits for all current KPERS members. The formula consists of the final average salary multiplied by years of service multiplied

by a multiplier. The components of the formula are unique to each plan. Starting in January 2015, the KPERS 3 cash balance plan opened to most new hires. Cash balance plan benefits are based on member contributions, employer credits and accrued interest throughout the members' career.

Normal retirement thresholds differ among the plans. Under KPERS 1, effective for all who retire on and after July 1, 1993, normal retirement is age 65, age 62 with 10 years of service or when the members' age plus service equals eighty-five or more. KPERS 2 and KPERS 3 members may retire at age 65 with five years of service credit or age 60 with 30 years of service credit. All members in KPERS may retire with reduced benefits as early as age 55 with ten years of service credit.

Under KP&F, normal retirement for Tier I members is age 55 with 20 years of service or with 32 years of service regardless of age. For Tier II members, it is age 50 with 25 years of service, age 55 with 20 years of service or age 60 with 15 years of service. Early retirement with reduced benefits is age 50 with 20 years of service for both tiers.

Judges may retire with full benefits at age 65, age 62 with 10 years of service or when the judges age plus service equals eighty-five or more. Members may retire with reduced benefits at age 55 with ten years of service.

Revenues

The net investment income for FY 2024 was \$2.341 billion. Pension contributions for the year totaled \$1.631 billion. Sources of pensions contributions included \$535 million in employee contributions and \$1.096 billion in employer contributions.

Expenses

The largest expense of the Kansas Public Employees Retirement System relates to the purpose for which it was created, namely the payment of benefits. Total benefits for FY 2024 were \$2.2 billion, including retirement benefits, retiree death benefits and refunds of contributions.

Reserves

Contributions to the Retirement System are based on the principle of level cost financing with current service financed on a current basis and prior service amortized over a period not to exceed 40 years. Starting with the 12/31/2016 actuarial valuation, the unfunded actuarial liability is amortized using a "layered" approach. Each year funding changes due to investment or demographic experience are amortized over separate 20-year amortizations each year. Other changes, due to changes in plan design or assumptions, may be amortized separately from annual funding changes and can be amortized over different time periods.

As part of the change in the investment return assumption in May 2022, the KPERS Board of Trustees adjusted the amortization period for all funding groups and combined all the unfunded actuarial liability bases back into a single amount, which is now the first amortization layer.

Changes to the unfunded actuarial liability in future years will again be recognized as separate layers.

The Retirement System funds are designed to assist State and local public employees and their dependents or beneficiaries in providing for their financial security. The assets of the retirement System are held in trust for the participants, pending disbursements to secure insurance, pay withdrawal of accumulated contributions, or to pay benefits.

The names of the reserves and their uses are specified in K.S.A. 74-4922. The Members' Accumulated Contribution Reserve is used to account for members' contributions and represents the statutory employee contribution that is used to fund a portion of participating service costs. The employers' contributions are accumulated in the Retirement Benefit Accumulation Reserve. The employers' contributions represent an amount to fund the employer portion of participating service as it accrues and an amount to pay the past service liability not yet funded, which is amortized over a period of not to exceed 40 years from the date of affiliation with the Retirement System. When an active member retires, the member's accumulated contributions, plus an additional amount that, together with the member's contributions, is necessary to equal the present value of future benefits for that individual is transferred from the Retirement Benefit Accumulation Reserve and is accumulated into the Retirement Benefit Payment Reserve. Monthly retirement benefits for that individual and all other individual retired members are charged to this reserve.

The following chart shows a highlight of operations for Fiscal Year 2020 through Fiscal Year 2024.

Highlight of Operations -Fiscal Year

	2024	2023	2022	2021	2020
Membership Composition					
Number of Retirants	106,984	104,645	102,014	99,617	97,570
Number of Survivors ¹	9,023	9,083	8,572	8,233	8,050
New Retirants During the Fiscal Year	7,982	5,754	6,124	5,583	5,584
Active and Inactive Members ²	230,334	227,606	222,512	218,752	219,510
Participating Employers	1,552	1,552	1,541	1,536	1,534
Financial Results (in millions)					
Member Contributions	\$535	\$508	\$482	\$459	\$452
Employer Contributions ³	1,096	1,334	2,126	1,008	1,060
Retirement/Death Benefits	2,182	2,084	2,008	1,930	1,840
Investment Income	2,341	1,698	(1,296)	5,185	347
Employer Contribution Rate					
KPERS—State/School ⁴	12.53%	13.11%	13.33%	14.23%	14.41%
KPERS—Local ⁵	8.43	8.43	8.90	8.87	8.61
KP&F (Uniform Participating) ⁵	22.86	22.86	22.99	22.80	21.93
Judges	16.48	17.77	18.40	17.26	18.65
Unfunded Actuarial Liability (in millions)					
KPERS—State/School	\$6,201	\$6,261	\$6,892	\$6,143	\$6,545
KPERS—Local	2,090	1,952	1,784	1,420	1,502
KP&F	1,382	1,337	1,141	919	949
Judges	13	16	10	6	10
Funding Ratios⁶					
KPERS--Total System	74.0%	73.4%	71.6%	72.5%	70.0%
KPERS--State/School	75.2	74.2	70.7	70.8	68.1
KPERS--Local	71.7	72.2	73.3	76.1	73.7
KP&F	70.5	70.2	72.8	75.3	73.5
Judges	94.2	92.8	95.3	96.8	94.7

1) This is the number of joint annuitants as of December 31st, per the System's records.

2) Membership information taken from System's actuarial valuation.

3) The State of Kansas issued pension obligation bonds, Series 2015H, in August 2015.

4) Recertified from 14.09% to 13.33% for FY 2022 and from 13.86% to 13.11% for FY 2023 after passage of SB 159 in the 2021 session.

4) KPERS Local and KP&F contribution rates are reported on a calendar year basis.

5) The funding percentage indicates the actuarial soundness of the System. Generally, the greater the percentage, the stronger the System.

Funding Outlook and Projections

Current Funding Status

The Retirement System's 12/31/2023 actuarial valuation shows a \$119.2 million (1.2%) increase in the unfunded actuarial liability (UAL). The total System funded ratio improved by 0.6%, from 73.4% on 12/31/2022 to 74.0% on 12/31/2023. Deferred investment losses due to the CY 2022 investment losses is expected to be a drag on plan funding as the impact is smoothed in over the next 3 valuations.

Plan	Unfunded Actuarial Liability (millions)*	Funded Ratio
Kansas Public Employees Retirement System (KPERs)	\$ 8,290	74.4 %
State Group	1,301	75.9
School Group	4,899	74.9
Local Group	2,089	71.7
 Kansas Police and Firemen's Retirement System (KP&F)	 \$ 1,382	 70.5 %
 Kansas Retirement System for Judges (Judges)	 \$ 13	 94.2 %
Retirement System Totals	\$ 9,686	74.0 %

*Numbers may not add due to rounding

By statute (K.S.A. 74-4920) employer contribution rate increases for the KPERs plan are capped from fiscal year to fiscal year. Due to the statutory cap the employer contribution rate for KPERs employers did not meet the Actuarial Required Contribution (ARC) Rate for 25 years. In 1995, 2003 and again in 2012, the Legislature passed legislation phasing in higher caps on annual increases to KPERs employer contribution rates. Under 2012 HB 2333, the rate increase cap was raised from 0.6 percent annually to an increase of 0.9 percent in FY 2014, 1.0 percent in FY 2015, 1.1 percent in FY 2016, and 1.2 percent in FY 2017 and future years or until ARC is reached. However, 2015 SB 228 (\$1.0 billion bond authorization) set the employer contribution rates for FY 2016 and FY 2017. The Legislature also initially delayed, but ultimately reduced FY 2016 employer contributions by \$97 million. FY 2017 School employer contributions were reduced by \$64 million but are to be paid over a 20-year period starting in FY 2018, at approximately \$6.4 million annually. The 2017 Legislature also delayed \$194 million in School employer contributions in FY 2019. That reduction is also scheduled to be paid over 20-years, starting in FY 2020, at approximately \$19.4 million annually.

The 2018 Legislature did pass additional contributions to KPERS totaling \$194 million, including and \$82 million appropriation received in July 2018, a contingent \$56 million payment that was received in June 2018 and a contingent \$56 million payment that was scheduled for June of 2019 if revenues exceeded the consensus revenue estimates.

The 2019 Legislature removed the contingent \$56 million payment in June of 2019 and instead made a direct appropriation of \$51 million in July of 2019. In addition, the 2019 Legislature appropriated \$115 million, which is the estimated cost of the delayed 2016 employer contributions plus interest.

The 2021 Legislature approved the sale of \$500 million in pension funding bonds, contingent on the total interest cost of the bonds not exceeding 4.3%. The bonds were sold in August 2021 at a total interest rate of 2.65%. KPERS has already received the additional funding and the impact of the funding will first appear in the 12/31/2021 actuarial valuation. In addition to approving the pension funding bonds, the Legislature set new employer contribution rates for FY 2022 and FY 2023 based on the actuarial projections of the receipt of the bonds.

The 2022 Legislature appropriated \$1.125 billion in additional contributions above the normal employer contributions in SB 421. The funding was scheduled to be paid in 4 tranches. The payment schedule includes:

1. \$553.9 million on May 19, 2022 (payment received).
2. \$300 million on June 1, 2022 (payment received).
3. \$146.1 million on August 1, 2022 (payment received).
4. \$125 million on December 1, 2022 (payment pending as of September, 2022).

The first payment included \$253.9 million for the remaining balance of the delayed employer contributions from FY 2017 and FY 2019.

The State/School group remains at the actuarial required contribution (ARC) rate in FY 2025 and FY 2026 with employer contribution rates of 11.54% and 11.68% respectively. The State/School group has contributed the full ARC rate since July 1, 2020.

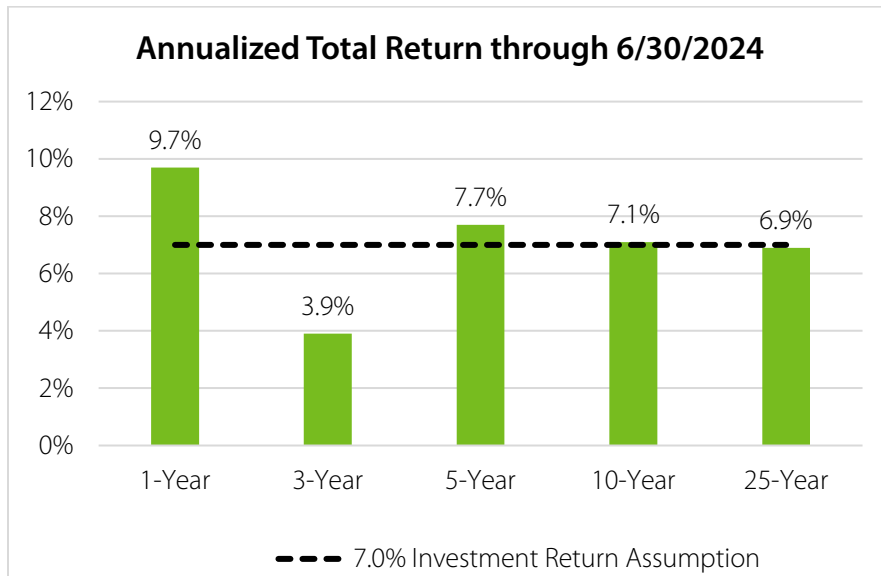
The Local Group has been at the actuarial required contribution rate since CY 2015 and remains at the full required rate in CY 2025 and CY 2026 at 9.71% and 9.59%.

The KP&F and Judges funding plans currently do not utilize caps to limit the employer contributions. The statutory employer contribution rate is equal to the actuarial required contribution rate. Changes in rates for these groups may occur due to changes in investment performance and other economic and demographic experience, as well as changes in actuarial assumptions. The actuarial required contribution rates for these groups are as follows:

- KP&F (Local) - 24.67% effective calendar year 2025;
- KP&F (State) - 24.69% effective Fiscal Year 2026; and
- Judges - 23.16% effective Fiscal Year 2026.

Importance of Investment Returns

Future investment returns are extremely important to the System's funding. Returns above the System's assumed investment target of 7.0% positively impact funding projections and vice versa.



State's Funding Commitment

As important as investment returns are to funding, investment returns alone cannot fix the funding shortfall. Employer and employee contributions are crucial to improving funding and maintaining stable funding in the future.

The Legislature has adjusted employer contributions in recent years, including reducing FY 2016 employer contributions by \$97 million and financing \$64 million in FY 2017 and \$194 million FY 2019 over 20 years each. These annual payments total \$6.4 million and \$19.4 million respectively and are paid in addition to normal employer contributions to the School group each fiscal year.

However, the Legislature has appropriated \$1.429 billion in additional contributions in FY 2018, FY 2019 and FY 2020, FY 2022 and FY 2023. These additional appropriations include:

- \$56 million in FY 2018 due to actual State General Fund receipts exceeding the revenue estimates.
- \$115 million in FY 2019 to pay the reduced FY 2016 employer contributions plus interest (SB 9).
- \$82 million in FY 2019.
- \$51 million in FY 2020.
- \$1.125 billion in 4 tranches in CY 2022.

The FY 2025 and FY 2026 statutory State/School employer contribution rates are equal to the actuarial required contribution rate of 11.54% and 11.68%. The 12/31/2023 valuation sets the actuarial required contribution rate for FY 2027 and the State/School Group is projected to remain

at the actuarial required rate at 11.32%. After FY 2027 the contribution rate is projected to stabilize around 12% through the end of the amortization period of the legacy unfunded actuarial liability. (2039).

[Recent Legislative Action](#)

In response to KPERS' long-term funding shortfall, the Legislature has made changes to future benefits and contributions, affecting both members and employers. Changes were necessary to make KPERS more sustainable and to pay promised benefits long-term.

2012 Legislation

The Legislature approved and the Governor signed 2012 Senate Sub for House Bill 2333 into law. The legislation created KPERS 3, which is a Cash Balance Plan, for new members effective January 1, 2015 and included benefit changes for KPERS 1 and KPERS 2 members. The bill also provides for increases in the employer contribution rate. The first increase is to 0.9 percent in FY 2014, 1.0 percent in FY 2015, 1.1 percent in FY 2016 and ultimately to 1.2% in FY 2017 and all future years or until ARC is reached. 2015 SB 228 did not make any changes to the statutory cap on employer contribution rate increases, but it did set the employer contribution rate for FY 2016 and FY 2017 at rates that are lower than they would have been had the statutory caps been followed.

In addition, the law created a 90-day election period to permit KPERS 1 members to choose between a 5.0 percent contribution rate in CY 2014 and a 6.0 percent contribution rate beginning in CY 2015 with a 1.85 percent multiplier for all years of future service or a 4.0 percent contribution and a 1.40 percent multiplier for all years of future service. However, the IRS did not respond prior to the deadline for the election and the default option (5.0 percent contribution rate in CY 2014, 6.0 percent contribution rate in CY 2015 and future years, and a 1.85 percent multiplier) was implemented for all KPERS 1 members starting January 1, 2014.

Effective July 1, 2012, the cost-of-living adjustment was eliminated for KPERS 2 members. However, those members retire on or after July 1, 2012 will receive a higher multiplier of 1.85 percent for all years of service, not just future service.

2012 HB 2333 also provided for the state to make additional contributions to fund the unfunded actuarial liability of the State/School group until the funded ratio reaches at least 80.0 percent. The additional contribution stream, which comes from the Expanded Lottery Act Revenue Fund (ELARF), is determined as 50.0 percent of the money credited to the ELARF, after an annual reduction of \$10.5 million. The 2013, 2014 and 2015 Legislatures used these ELARF funds to pay a portion of the School Group employer base contributions rather than making additional contributions in FY 2014 and FY 2015 and that practice has continued since then.

2012 HB 2333 also provided that 80.0 percent of the proceeds from surplus real estate property sales will be used to pay down KPERS' unfunded actuarial liability.

2013 Legislation

2013 HB 2213 adjusted the benefit structure of the Kansas Police and Firemen's Retirement System (KP&F) by raising the cap on annual benefits from 80.0 percent of final average salary to 90.0 percent of final average salary. KP&F members will now contribute 7.15 percent of annual compensation for all years of service. Previously members contributed 7.0 percent for up to 32 years of service and then 2.0 percent for years of service beyond 32 years. The increase in the member contribution rate was estimated to make the benefit increase cost neutral to employers.

2014 Legislation

2014 HB 2533 adjusted the cash balance plan design established in K.S.A 74-49,301 et. seq. (2012 HB 2333). Specifically, the bill as amended:

- Changed the guaranteed interest crediting rate from 5.25% to 4.0%;
- Struck the provisions pertaining to a discretionary dividend;
- Added language establishing a formulaic dividend equal to 75% of the five-year average net compound rate of return on the market value of the system's assets above 6% on a rolling 5-year average, except that between calendar year 2015 and calendar year 2018, the average return begins in 2015 and includes all years up to the current year, and the dividend is capped at 1.5%. The rolling 5-year average begins 2019, at which point, there is no cap; and
- Changed the annuity rate from a set 6% to the actuarially assumed investment rate of return minus 2%. Currently that amount equals 6%.

2014 HB 2596 reinstated K.S.A. 74-49,115 for all future years. K.S.A. 74-49,115 provides for retirement, disability, and life insurance benefits to be held harmless for state officers and employees who are placed on a furlough without pay or whose compensation is reduced either pursuant to law or through a voluntary agreement and who subsequently retire, become disabled or die. In such cases, the amount of compensation that would have been paid if the employee was not placed on furlough or the employee's pay was not reduced ("additional compensation") would be included in computations of retirement, death or disability benefits provided by KPERS, KP&F, or the Judges Retirement System.

2014 HB 2602 eliminated the cap on the number of unclassified positions at KPERS. This will allow for the recruitment and retention of the most qualified staff to serve our members as well as providing greater budget flexibility in staffing decisions.

2015 Legislation

2015 SB 228 authorized the sale of bonds to help fund a portion of the State/School Group unfunded actuarial liability (UAL) and set the employer contribution rate for the State/School Group at 10.91% in FY 2016 and 10.81% in FY 2017. The bonds were sold in August 2015 and the proceeds were received and invested according to the target asset allocation.

2015 HB 2095 made changes to the existing working after retirement (WAR) rules. The working after retirement provisions changed the existing policy governing retirees returning to work starting July 1, 2016. Most new retirees were subject to an annual \$25,000 earnings limitation if they returned to work for any KPERS affiliated employer. If they reached or exceeded the \$25,000 earnings limitation they either choose to keep working and suspend their benefit or stop working and continue receiving their benefit. Employers contributed the statutory employer rate for all wages paid to the retiree.

There were exceptions to the general rule for special education teachers and hard-to-fill school positions. Those retirees could return to work with no earnings limitation for a period of up to 3 years. If they continued to work beyond the 3-year window they fell under the earnings limitation. School districts contributed the actuarial required contribution (ARC) rate plus 8% and maintained documentation of their efforts to fill the position being filled by a retiree.

In addition, all employers could fill a position with a retiree with no earnings limitation in instances of a hardship. Hardships were decided by the governing entity of each employer and allowed for a 1-year exemption to the earnings limitation. Employers contributed the ARC plus 8% and maintained documentation of efforts to fill the position with a non-retiree.

State hospital nurses, Kansas Law Enforcement Training Center instructors, and elected city and county officials were completely exempt for the earnings limitation. Employers contributed the ARC rate plus the employee contribution rate (6%).

Licensed school professionals who retired before May 1, 2015 stayed under their old working after retirement rules until July 1, 2017, at which point they were also covered by the new rules. All other retirees who returned to work or had an agreement to return to work prior to May 1, 2015, remained under their current working after retirement rules so long as they continued working in the same position.

2015 HB 2095 also created a new deferred retirement option program (DROP) for KP&F members at the Kansas Highway Patrol. The pilot DROP plan design includes:

- Members may enter the DROP at normal retirement age,
- Members must select a period of 3-5 years to continue working, during which time their benefit is deposited into a DROP account. The account may be credited with interest discretion when certain investment thresholds are met.
- At ultimate retirement, the member receives the balance of the DROP account as a lump sum or a rollover to another qualified account.

The DROP was scheduled to sunset on January 1, 2020, but the program was extended an additional five years by the 2019 Legislature.

2016 Legislation

The 2016 Appropriations bills (H Sub for SB 161 and H Sub for SB 249) included provisions that allowed the budget director to delay KPERS employer contributions from State and School employers for the last quarter of FY 2016. The delayed contributions are to be repaid by the end of FY 2018 with 8% interest. This allotment authority was used to delay a total of \$97.4 million in employer contributions from the last quarter of FY 2016.

2017 Legislation

After reviewing and making changes to working after retirement rules during the 2016 Legislative session, the Legislature made additional changes in 2017. The three primary changes to the existing working after retirement rules that became effective January 1, 2018:

1. Retirees have a 180-day waiting period if they retire before age 62 and a 60-day waiting period if they retire at age 62 or later.
2. No retiree who returns to work has an earnings limitation.
3. Employers contribute the statutory rate on the first \$25,000 in earnings and 30% on all earnings above \$25,000 for retirees in covered positions, but no contributions on non-covered positions.

In order to reduce complexity, the new rules for retiree earnings limits and employer contributions apply to almost all retirees starting January 1, 2018. Retirees who are currently grandfathered will be subject to the new working after retirement rules. Many retirees were advantaged by having an earnings limit removed. However, the impact of the new employer contribution structure varies. Employers make contributions on the pay of some retirees that were not required to in the past (e.g., State and Local grandfathered retirees working for the same employer). For other retirees, the effective rate under the new structure may be more or less than the current rate, depending in part on the retiree's compensation.

The working after retirement rules maintain the requirement that there is no pre-arrangement between the retiree and employer to return to work at any point prior to retirement or during the waiting period. In addition to the new basic rule that took effect January 2018, there were several other working after retirement rules that were adjusted, including:

- Changes to the 2016 exemptions;
- New tests to establish who qualifies as a third party or independent contractor;
- Clarification of the substitute teacher exemption;
- Exemptions for elected officials (local and statewide); and
- Exemptions for retirees working in Board of Regents Retirement Plan positions.

2018 Legislation

The 2018 Legislature repealed the statutes that prohibited investments in certain companies with business operations in Sudan. The statutes were no longer necessary due to action at the federal level.

2019 Legislation

The 2019 Legislature made several smaller adjustments to benefit provisions, including:

1. Adding bloodborne pathogens and specific cancers to the definition of “service-connected” for Kansas Police and Fire (KP&F) death and disability benefits.
2. Extending the Deferred Retirement Option Program (DROP) pilot for an additional 5 years (through December 2025) and adding the Kansas Bureau of Investigation to the Kansas Highway Patrol as employers included in the pilot DROP.
3. Delaying the implementation of a penalty on retirees who return to work for a KPERS employer before the end of their waiting period, restore any penalties that were initiated, and allowing the Executive Director to waive the retiree penalty in certain situations.
4. Allowing Community Developmental Disability Organizations (CDDOs) to designate a two-year waiting period for direct support positions.

2020 Legislation

The 2020 Legislature did not enact any changes to KPERS statutes.

2021 Legislation

The 2021 Legislature approved the sale of \$500 million in pension funding bonds to fund a portion of the School group unfunded actuarial liability. The addition of \$500 million to the State/School group is projected to improve the funded ratio of by 2.3% and reduces the projected employer contribution rate in future years.

The 2021 Legislature also approved several plan design changes, including:

1. Adding a new survivor benefit option for disabled KP&F Tier 2 members who die from service-connected causes (Michael Wells Memorial Act).
2. Allowing members who participate in the deferred retirement option program (DROP) to elect to extend their DROP period to a maximum of 5 years in total.
3. Adjusting the timing of the actuarial experience study from a three-year schedule to a four-year schedule, with provisions for the Board of Trustees to complete an experience study after 3 years or 5 years if deemed appropriate.
4. Codifying the one-year Death and Disability contribution moratorium included in the Governor’s June 2020 allotment plan.
5. Technical changes to align KPERS statutes with the federal CARES and SECURE acts.

2022 Legislation

The 2022 Legislature appropriated a total of \$1.125 billion in additional funding in four payments to the KPERS Trust Fund in SB 421. The payment schedule includes:

1. \$553.9 million on May 19, 2022 (payment received).
2. \$300 million on June 1, 2022 (payment received).
3. \$146.1 million on August 1, 2022 (payment received).
4. \$125 million on December 1, 2022 (payment pending as of September, 2022).

The first payment includes \$253.9 million for the remaining balance of the delayed employer contributions from FY 2017 and FY 2019.

The 2022 Legislature also added in-state, nonfederal service as eligible for purchase by KP&F members in HB 2481. The service cannot be purchased if it is used for retirement benefits in another retirement plan. The cost of the service is calculated using actuarial tables and is paid by the member. The member may purchase the service with a lump-sum payment or through additional payroll deductions. Currently, KP&F members have the option to purchase military service.

HB 2481 does not allow KP&F members to purchase KPERS service as KP&F service.

2023 Legislation

The 2023 Legislature passed both plan design and policy adjustments that affect the administration of the plan.

HB 2100 enacted new restrictions on the consideration of Environmental, Social and Governance (ESG) factors when entering into contracts and placed limits on the System's proxy voting. KPERS hired Egan-Jones as a proxy voting consultant and has instituted new policies to ensure that all investment managers are in compliance with the new law.

The 2023 Legislature also expanded the Deferred Retirement Option Program (DRO) to all KP&F employers. The DRO allows members to initiate the calculation of retirement benefits and have their benefits accumulate in a notional account, with interest, while they continue to work for a 3- to 5-year period. Members and employers continue to make contributions on the member's compensation, but the member does not accumulate any additional benefits. At retirement, the member receives a lump sum or qualified rollover of their DRO account.

The Department of Wildlife and Parks also was made an eligible employer for KP&F and law enforcement positions at the Department were made eligible for KP&F coverage. Eligible positions because KP&F members for future service only starting July 1, 2023.

2024 Legislation

The 2024 Legislature passed a small change to the plan design by increasing the retiree death benefit from \$4,000 to \$6,000. This change increased the unfunded actuarial liability and by statute increased the FY 2025 employer contribution rates to begin funding the change. The increase in the employer contribution rates varied by group from 0.06% to 0.13%.

Working after retirement was adjusted to allow for retirees to earn \$40,000 per calendar year before the employer contribution rate changes to 30% of compensation. The KP&F earnings limit was also increased from \$25,000 to \$40,000.

KPERS investment policy was adjusted by raising the statutory cap on alternative investments from 15% to 25%. Several other alternative investment restrictions in statute remain in place. The Legislature also passed the “Countries of Concern” act, which requires KPERS to divest from certain countries identified in statute and prohibits future investment in the listed countries.

[KPERS Death and Disability Benefits Program](#)

In addition to serving as the pension plan for State and local governmental employees, KPERS offers basic group life insurance and long-term disability benefits. The KPERS Death and Disability Benefits Program came into existence on January 1, 1966 under the provision of K.S.A. 74-4927. The cost of the plan is paid from a special reserve called the "group insurance reserve" and the statutory employer rate for this benefit is 1.0 percent of their covered payroll. The 2013 Legislature adjusted the employer rate to 0.85 percent for FY 2014 and FY 2015. The contribution rate returned to 1.0 percent in FY 2016. 2010 legislation placed a moratorium on death and disability contributions for the periods April 1, 2010 through June 30, 2010 and April 1, 2011 through June 30, 2011. 2012 legislation placed a moratorium on these contributions for the period of April 1, 2012 through June 30, 2012. The approved FY 2013 budget assumed the passage of substantive legislation for another moratorium on these contributions for the period of April 1, 2013 through June 30, 2013. Substantive legislation enacting that moratorium was ultimately passed by the 2013 Legislature. In the 2015 appropriations bill, the Legislature included savings from a seven-payroll period moratorium on contributions to the Group Insurance Fund during the end of FY 2016 and FY 2017. The 2016 Legislature amended the relevant statutes to accomplish the contribution moratorium. In June 2020 the Governor included a one-year moratorium on employer contributions to the Death and Disability plan as part of an allotment plan. The Legislature updated relevant statutes to enact the moratorium.

To carry out the legislative intent to provide, within the funds made available, the broadest possible coverage, the KPERS Board may adjust the plan from time to time. KPERS contracts with The Standard to underwrite the group life insurance benefits. Davies Life & Health, Inc. is the third-party administrator for the disability program. In FY 2023 more than \$45.7 million in insurance premiums and disability payments were made.

[Deferred Compensation Plan Administration](#)

The Kansas Deferred Compensation Plan is a voluntary, tax-deferred retirement savings program for state employees. In addition, many local public employers offer the plan to their employees. The Plan was administered by the Kansas Department of Administration and the Deferred Compensation Oversight Committee from 1980 to 2007.

Following a 2006 study of the Plan, the Secretary of Administration and the KPERS Board of Trustees recommended transferring Plan administration to KPERS. During the 2007 legislative

session, the Kansas Legislature passed, and the Governor signed HB 2385 to implement this recommendation effective January 1, 2008. KPERS' administration of the Plan provides State and local employees with coordinated retirement education and planning information and facilitates an increased emphasis on personal savings for retirement.

The KPERS Board of Trustees created a new Board Deferred Compensation Plan Committee to oversee administration of the Plan. This Board committee manages plan assets, selects and monitors investment options, and selects and evaluates service providers. KPERS staff manages operations in conjunction with the Plan's service provider. The current service provider is Empower. The service provider handles participant account recordkeeping and direct services such as enrollments, phone inquiries and investment transactions.

Mission Statement

The Kansas Public Employees Retirement System, in its fiduciary capacity, exists to deliver retirement, disability and survivor benefits to its members and their beneficiaries.

Values Statement

In fulfilling our mission, six core values guide the Retirement System:

- | | | |
|----------------|---|--|
| Service | - | We strive to provide excellent service that is timely, accurate, thorough and accessible. Member and employers should receive the best service possible. |
| Integrity | - | We conduct business in an honest, ethical and fair environment. We adhere to the highest standards of professional and ethical conduct. |
| Respect | - | We acknowledge that our dedicated employees are essential to our success. We value the unique contributions of individuals and encourage mutual respect, civility, diversity and personal development. |
| Accountability | - | We take ownership and responsibility for our actions and their results. We are fiscally responsible and performance oriented. |
| Innovation | - | We seek creative solutions to long-range situations and everyday issues. We are willing to embrace change and consider new ideas. |
| Teamwork | - | We work together to achieve common goals. We are committed to sharing both risks and rewards; we value openness and flexibility. |

These core values help determine how we treat our member, how we treat our employees, and how we do business.

Programs Established to Assist with Agency Mission

- Operations
- Public Employee Retirement Benefits
- Investments

Agency Wide Overview of FY 2025 and FY 2026 Budget Information

Administrative Expenses

The Administrative Expenses portion of the budget document covers those costs, including all staff, associated with the operations of the System. Administrative expenses are divided into three categories: general operations, death and disability and deferred compensation.

Prior to 2018, KPERS did budget expenditure for non-KPERS investments for investing the proceeds of the Treasurer's Unclaimed Property (TUP) Fund. The 2017 Legislature liquidated the TUP Fund and KPERS no longer has expenditures related to non-KPERS investments. Starting in FY 2025, the TUP program is being restarted by the State Treasurer. \$50,000 has been budgeted for FY 2025 and \$100,000 in FY 2026 in anticipation of the administrative costs necessary to begin administering the TUP program.

General Operations

The general operations expenses are estimated to total \$32.6 million in FY 2025 and \$37.8 million in FY 2026. The request for FY 2025 and FY 2026 includes the funding for the multi-year pension administration system modernization effort. Compared to total benefit payments, general operations expenditures equal only 1.39% of total benefit payments in FY 2025 and 1.55% in FY 2026.

Death and Disability

Administrative expenses related to the death and disability program includes the proportional salaries and contract costs related to the program. In the past, these expenditures have been reflected in the general operations budget, but are now separated to comply with current accounting standards. Death and disability expenditures are estimated to be \$418,693 in FY 2025 and \$432,262 in FY 2026.

Deferred Compensation

Administrative expenses related to the State and Local Deferred Compensation Plan are funded by the Deferred Compensation Trust Fund as required by law. No expenses for the Deferred Compensation Plan are funded by the KPERS Trust Fund. Total administrative expenses are estimated to be \$662,616 in FY 2025 and \$671,895 in FY 2026.

Investment Related Expenses

Investment related expenses reflect the costs related to both the internal KPERS investment staff and external investment managers. Most investment related expenditures are investment management fees on approximately \$28 billion in total Trust Fund assets. Estimated FY 2025 expenditures total \$52.0 million, which includes \$48.1 million for investment management and consultant fees and \$3.9 million for administration. FY 2026 investment related expenses are

estimated to be \$53.4 million (\$49.3 million for investment related expenses and \$4.1 million for administration).

Investment expense projections are developed by projecting the current market value of the portfolio will grow from the value on June 30, 2024, by the net of the System's 7.0% actuarial investment return assumption less benefit, investment and administrative expenses. Manager fee estimates are regularly updated to reflect the System's actual investment experience. Investment related expenses are estimated to be 0.179% of the System's assets in FY 2025 and 0.172% in FY 2026.

Benefit Expenses

The System's actual and projected benefit expenses are expected to increase as a result of the growing number of retirees. Total benefit expenses (including monthly benefits, partial lump sum options, death benefits, withdrawals, etc.) are estimated to total \$2.348 billion in FY 2025 and \$2.438 billion in FY 2026.

Revenues

At a 7.0% assumed rate of return, investment earnings are estimated to total \$1.90 billion in FY 2025 and \$2.03 billion in FY 2026. Total combined employee and employer contributions for pension, death and disability and optional group life insurance are estimated to be \$1.72 billion in FY 2025 and \$1.79 billion in FY 2026. This reflects the certified employer contributions set in the 2021 and 2022 actuarial valuations, which includes a State/School employer contribution rate of 11.68 % in FY 2025 and 11.32% in FY 2026.

FY 2024 Accomplishments

SERVICE

It is our goal to provide timely, accurate, thorough and accessible service to our members and employers. Service performance results and initiatives for FY 2024 include:

Retirement Services

Successfully distributed more than 1.4 million retirement benefit payments over the 12-month period totaling \$2 billion for the fiscal year, with nearly 100% of distributions made in a timely manner.

- Successfully managed pension inceptions for 5,100 new retirees with nearly 100% of initial retirement benefit payments made on time. Processed and distributed partial lump-sum option benefit payments totaling \$146.7 million for 1,421 new retirees.
- FY 2024 satisfaction survey responses from new retirees showed that 98% of members responding to the survey rated our service during the process as “excellent,” “very good” or “good.”
- Participated in the reconciliation and distribution of more than 138,000 1099-R tax forms for retirees, beneficiaries, and former members who received distributions from KPERS during CY 2023. Distributed nearly 56,300 federal tax withholding change notices and assisted members with questions and requests related.

It is our goal to provide exceptional customer service when delivering retirement, disability and survivor benefits on behalf of our members and their beneficiaries. We are committed to treating our members and participating employers courteously and compassionately while helping them access their benefits. Our service performance results and customer service initiatives in FY 2024 include:

- Nearly met the performance goal for responding to incoming telephone calls from our members and employers by answering 97.5% of 100,376 incoming calls during FY 2024. On average, KPERS’ InfoLine staff received 400 calls per day and dropped fewer than 10 calls daily. Callers waited approximately 31 seconds before reaching a customer service representative.
- Responded to nearly 25,200 email requests from members, employers, beneficiaries and other interested parties. Assisted nearly 16,440 members with assistance accessing Member Web Portal accounts and related requests during the fiscal year.
- Benefits and Member Services’ performance results and operating costs contributed significantly to KPERS’ positive results in the 2023 Benefit Administration Benchmarking Report by CEM Benchmarking Inc. KPERS’ total service score was 76, lower than the peer median of 82. CEM service model scoring changed to reflect higher weights for digital transactions and targeted communications. Both areas are key initiatives for the Modernization Project.
- The total cost per active and retired member was \$84, well below the peer average of \$94 per member. The cost per member is increasing, primarily because of expenditures related to the Modernization Project. CEM cited the higher volume of transactions

processed by Benefits and Member Services staff as a key reason for KPERS' position as a low-cost system in our peer group.

Active Member Benefits and Service

- Assisted employers with enrolling 23,400 new members, transferring about 8,900 members from one participating employer to another, and returning 5,800 members to KPERS-covered employment.
- Processing 22,150 new or modified beneficiary designations for active members' life insurance and retirement benefits and retired members' death benefits and retirement accounts.
- Successfully processed nearly 10,800 payments for withdrawing members with total payout of contributions and interest equal to \$65.4 million. On average, the Withdrawal Team processed approximately 900 payments to withdrawing members each month.
- Issued nearly 220,000 Member Annual Statements for CY 2023 to active, inactive and disabled members. KPERS distributed the earliest statements in late-February.
- Completed more than 1,200 detailed retirement benefit estimates for members approaching retirement. Staff completed all requests completed within 30 days.
- Assisted about 420 members (and their employers) who applied for KPERS disability benefits. Coordinated and monitored distribution of monthly disability benefit payments by Davies Life & Health, Inc., our third-party administrator, to about 1,600 disabled public employees, totaling \$14.1 million for FY 2024. Assisted 37 members of the Kansas Police & Firemen's Retirement System with their applications for disability retirement benefits, including coordinating collection of information with employers and medical records reviews with Davies Life & Health, Inc.
- Coordinated distribution of about \$4.8 million in basic life insurance benefits to beneficiaries of approximately 70 disabled members who died during the year.
- Coordinated with The Standard to pay approximately \$19 million in basic life insurance benefits and \$9 million in optional life insurance benefits for nearly 310 life insurance claims. This included about \$1 million in payments for more than 50 dependent life insurance claims (spouse or child).
- Processed more than 100 applications for KP&F members entering the Deferred Retirement Option Program (DROP). FY 2024 was the first full year that the program was open to all KP&F members. The 2023 Legislature expanded the program to all KP&F members, effective April 27, 2023.
- Working with Information Technology staff, implemented the retiree death benefit increase from \$4,000 to \$6,000. The 2024 Legislature approved this change, which was effective July 1, 2024.
- Provided prompt, personal assistance to nearly 3,100 members who visited the KPERS office for one-on-one counseling and another 150 members who received individual, offsite visits. In-person counseling sessions were slightly lower than during Fiscal Year 2023, and virtual counseling sessions increased slightly.

COMMUNICATION AND EDUCATION

The Communications Team strives to effectively communicate benefit information and details about complex pension issues to a diverse group of members, employers, public officials and other stakeholders. Our goal is to educate members about their benefits and financial needs during retirement and provide them with resources to make responsible financial and retirement security decisions. Our FY 2024 education and communications performance results and initiatives include:

Member Communication and Education

- Communications partnered with Benefits and Member Services to provide quarterly pre-retirement webinars for KPERS 1, KPERS 2 and KP&F members later in their career. KPERS offered 23 live webinar sessions with 2,300 members attending. This was a 10.5% increase from the previous year. Among post-survey respondents, 96% rated the webinars a 4- or 5-star rating out of 5 stars for helpfulness and 99% said they would recommend the webinar.
- KPERS offered 70 in-person pre-retirement seminars with approximately 2,800 members attending.
- Conducted the annual communications survey, which received about 1,600 responses. Overall, comments were positive. Members indicated that benefits information is easy to understand, visually appealing and meets their needs. Survey results are informing the Communications Department's fiscal year and long-term planning.
- Created and distributed two issues of *Vested Interest*, KPERS' paper retiree newsletter. The newsletter reaches both those receiving retirement benefits and those with joint and survivor benefits.
- Distributed four issues of the quarterly email series for active members. The goal of this series is to share a brief note about KPERS' benefits, as well as any relevant plan updates and education on financial wellness and retirement readiness.
- Conducted interviews with 30 KPERS members at five employers in FY 2024. Members were in KPERS 1, KPERS 2 or KPERS 3 groups. Most served in administrative, financial, or tech-related roles, and ranged from early- to late-career. The responses helped confirm the messaging related to members wants and needs.
- KPERS.org had 316,875 visitors and a total of 686,008 sessions in FY 2024. Both totals were significantly above FY 2023 levels.
- Provided communications support for optional life insurance open enrollment with materials for members, online enrollment function testing and employer communication. In Fall 2023, 3,827 members applied for new or increased coverage, up about 20% from the previous year.
- Provided support for a "Funding Basics" webinar for members in September 2023 with 310 members in attendance. Post-webinar survey responses found members have a good understanding about how KPERS is funded and agree KPERS has a sound funding plan.

Employer Communications

In addition to KPERS staff, employers are our number one resource for helping members get the most from their benefits.

- Staff conducted 45 employer educational workshops, webinars and training sessions attended by more than 900 employer representatives and provided one-on-one training sessions for 15 employers.
- Communications staff provided support to the Training and Education Team for annual employer workshops. Staff published webinar recordings and slides on the Employer Training page for employers who were not able to attend.
- Benefit and Member Services and Communications hosted webinars specifically for new designated agents. These covered the basics to help new employer contacts understand their responsibilities. There were also three additional employer webinars focused on notification of death, disability, and summer pay for schools.

INVESTMENTS

Investment Performance

The Retirement System's investment portfolio produced a total return of 9.7% for FY 2024, trailing the Policy Index benchmark by -1.3%. For the three years ending June 30, 2024, the System's investment portfolio produced a total return of 3.9%, which was 0.7% above the Policy Index return of 3.2%. The 25-year average annualized total return was 6.9% and ahead of the Policy Index return for that time period of 6.6%. This resulted in a 0.3% average annualized excess return. The 20-year average annualized total return was 7.6%, which is 0.4% above the Policy Index return, above the actuarial investment return assumption.

The most significant accomplishment for the Investment Division during FY 2024 was implementing the triennial asset liability study. Staff presented an implementation plan to the Investment Committee in July 2023 and executed the plan for the System's Core Fixed Income, Yield Driven, Private Equity and Cash Equivalent asset classes in FY 2024.

The System's total portfolio outperformed the Policy Index for all reported time periods of three-years and longer ending May 31, 2024. The 20-year average annualized total return exceeded the System's 7.0% actuarial return assumption, but the 25-year average annualized total return did not. The Retirement System's one-year return ranked favorably in the RV Kuhns Public Funds Universe Analysis for the period ending December 31, 2023. The System ranked in the 64th percentile of the 66 funds reporting annual returns. The System's total return for 5- and 10-year time periods ranked near the median of the RVK Universe of public pension plans with the at-risk level below the median.

In the TUCS Master Trust – All Plans Universe, the Retirement System's returns rank above the median for time periods of two, three, four, five, seven and ten years, as of March 31, 2024. The 3-year risk/return comparison shows the System with a higher return with less risk than the median pension fund, which is a good outcome.

Investment Staff Activity

Highlights of the Investment Division's accomplishments during FY 2024 include:

- Managed the System's investment portfolio in a challenging environment, with rising interest rates, high inflation, erratic economic growth, and high levels of global geopolitical and financial market volatility.
- Maintained asset class allocations in target ranges throughout FY 2024, with a minimal number of portfolio rebalancing transactions.
- Investment staff met with Meketa Investment Group at offsite meetings in February 2024. Discussion topics focused on investing under a higher statutory cap for alternatives, as well as reviews of real assets and global equity asset classes.
- Investment staff facilitated Board educational sessions on a variety of topics, including: "Investment Analysis: Globalization and Active Management" by Meketa, "The Evolution of Institutional Real Estate Investing: Property Types" by Investment staff and The Townsend Group, a review of the 15% alternatives cap by Investment staff and Mercer, and a presentation on "China and Global Geopolitics" by BCA Research.
- Along with Meketa, presented an implementation plan for the 2023 Asset Liability Study. Action to implement the Study included: transitioning the strategic Cash account to a Core Fixed Income mandate; hiring two high yield bond managers and allocating funds accordingly; issuing a request for proposal for U.S. REITS, although Investment staff and Meketa decided not to add a manager to this strategy; fully exiting passive allocations to U.S. TIPS and Global Inflation Linked Bonds and reallocating funds; and achieving new allocation targets for the Yield Driven, Core Fixed Income, Private Equity and Cash Equivalents portfolios.
- Investment staff continued systematic, prudent oversight of the Retirement System's 27 external publicly traded investment managers, managing 31 different investment portfolios, as well as the System's eight core and 32 noncore real estate fund investments, and 88 private equity fund investments.
- Investment staff worked with investment consultants to develop and present the 2024 pacing plans for private equity and real estate. Staff worked with the consultants to provide semi-annual performance reports to the Board for private equity and real estate in November 2023 and May 2024.
- Working with Molpus and The Townsend Group, the Retirement System sold the remaining timberland property, Carmona Tristar-LA, in the separately managed account.
- Investment staff continued disciplined risk monitoring and reporting using the System's risk management system during FY 2024. All assets (publicly traded and private) are included in the BarraOne risk reporting system.
- Investment staff implemented 2023 legislation regarding the System's proxy voting processes, prohibition of considering any environmental, social or governance issues when investing and only considering the financial best interests of the members. Staff are also working to implement 2024 legislation regarding the prohibition of investing in

countries of concern (*i.e.*, China, Russia, North Korea, Iran, *etc.*) and increasing the statutory cap on alternative investments from 15% to 25%.

FISCAL ACCOUNTABILITY AND INTERNAL CONTROLS

It is our goal as fiduciaries to provide proper fiscal accountability for the funds we manage on behalf of our members and their beneficiaries, and to establish a system of internal controls to protect the System's resources. Fiscal accountability and internal controls results and initiatives for the fiscal year include:

- Produced the 2023 Annual Comprehensive Financial Report (ACFR) and received the Public Pension Coordinating Council Public Standards Award for 2023. The System also received the Government Finance Officers Association Certificate of Achievement award for the Fiscal Year 2023 ACFR. This is the 30th consecutive year the System has received this award.
- Received unqualified opinions on the FY 2023 financial compliance audit of the Retirement System's financial records and the CY 2023 Deferred Compensation Plan (KPERS 457) financial and compliance audit with no significant audit finds or recommendations.
- Received, processed, and deposited a total of \$1.6 billion in employee and employer contributions. The KPERS Trust Fund had investment income of \$2.5 billion (estimated).
- Along with the Fiscal Services and Information Technology Divisions, participated in the SOC 1 Type 2 (security) review for the KPERS Disability Plan during FY 2024 with no significant findings related to member records.
- No significant findings were identified during CliftonLarsonAllen's examination of benefit payment transactions during the audit of the Retirement System's financial statements for FY 2023.
- Staff participated in the biannual disaster recovery exercises, with primary emphasis on testing the monthly benefit payment process and transactions.
- Completed 21 internal audits and projects including the GASB 68 employer audits of the 2022 member census (68 employers), KITS 1099-R reconciliation for 2023, the Investment Incentive Plan Calculations Review for 2023, and continuous auditing for new benefit payments and administrative payments.
- The Employer Auditing Unit completed 92 employer audits during Fiscal Year 2024.
- The Employer Reporting Unit handled over 25,000 calls and emails from employers during FY 2024.
- In conjunction with the Investments Division, the Investment Accounting Unit worked with State Street, KPERS' custodial bank, to successfully transition from monthly to daily valuation accounting in November 2023.
- Conducted a request for proposal for the System's external financial auditing firm and the System's group life insurance vendor. KPERS selected Moss Adams as the new external

financial auditor and chose Standard Insurance Company, the incumbent, to continue as the System's group life insurance vendor.

INFORMATION TECHNOLOGY

KPERS strives to maintain accurate member, employer and financial data while keeping data secure. Highlights of the Information Technology Division's and Information Security Department's performance results and accomplishments in FY 2024 include:

- Conducted the Fall 2023 and Spring 2024 Disaster Recovery tests to the cloud-based Azure Disaster Recovery Site.
- Implemented security solutions to help verify account access and protect the agency from potential breaches by bad actors. Staff continues to work with LexisNexis on further enhancements to safeguard our systems and verify both users and their associated bank accounts.
- The Application Development team continues to support our existing application by completing dozens of prioritized, emergency, operational Problem Incident Reports on our monthly deployment cycle. Development staff also participated in the annual generation of the CY 2023 Actuary, 1099R, Census Data and Member Annual Statement files.
- In partnership with Benefits and Member Services, Information Technology and the Information Security Team implemented additional features to enhance fraud detection and improve security for processing transactions and accessing the Member Web Portal. Staff developed additional standard procedures to monitor member accounts for potential or attempted fraud. Staff also identified and began planning for several additional features to be implemented during Fiscal Year 2025.
- Implemented IT security software to evaluate those logging in to the Member Web Portal. Completed a data sensitivity inventory audit with the Kansas Information Security Office. Improved disaster recovery resilience by moving backup resources to the cloud, which allows employees the ability to work remotely in the event of a disaster or emergency. In addition, staff improved network security by locking down outbound network connectivity for our servers.
- As part of KPERS Legacy Digitization Project, Information Technology Division and Benefits and Member Services worked with a vendor to provide digitization services for member records. The project involves scanning 95,100 sheets of microfilm, 3,604 cartridges of microfiche, and 11,500 paper Kansas School Retirement Cards. KPERS anticipates project completion in FY 2025.

PENSION MODERNIZATION PROJECT

The Pension Administration Modernization Project has seen steady progress despite challenges that required a change in the Project's approach. In FY 2024, KPERS' Steering Committee prioritized the following business & technology initiatives:

- Conducted a comprehensive request for proposal for a new pension administration system software provider. KPERS selected Tegrit as the new vendor, and contract

negotiations are currently underway. KPERS has received approval from the Kansas Information Technology Office to proceed with the Project. KPERS anticipates launching the project in October 2024 and that it will take five years to complete.

- Maintaining the current legacy pension administration system remains a high priority. The system must continue to serve our members and employers for the next five years while the new system is being developed. The Legacy Team (composed of business users, Project Management Office staff, and Information Technology) has continued to deliver on all annual processes (1099-R, tax withholding letters, Member Annual Statements, and optional life insurance). The team is also working to enhance the system for legislative and other changes (i.e., retiree death benefit increase), as well as fix issues that require attention (data changes and coding issues).
- KPERS is focused on Organizational Change Management to create and maintain stakeholder readiness for changes related to the Modernization Project. Specifically, we are looking for stakeholders to willingly engage in behaviors that help the project succeed and not engage in behavior that will hinder success. The goal is to give stakeholders valuable information about the project using a variety of methods and channels.

LEGISLATION, PLANNING AND RESEARCH

Several of the System's activities fall into the general category of legislation and long-term planning designed to improve the System's benefits, services and funding. Results and initiatives in this area for FY 2024 include:

Presentations

- Presentations to these organizations: Kansas State Council of Fire Fighters, Keeping the Kansas Promise, the National Public Pension Coalition, and the League of Kansas Municipalities.

Legislation

- Prepared fiscal notes on request of the Division of Budget for 14 bills, including those related to: benefit plan design (changes to KPERS 3), foreign adversary divestment, KPERS' alternative investment cap, converting KPERS 3 members to KPERS 2, working after retirement, and retiree cost-of-living adjustments.
- Worked with the consulting actuary, Cavanaugh MacDonald, to coordinate and review 18 cost studies and related data for the legislature and administration, including the projected impact of additional funding at various levels and timing, benefit changes in legislation (i.e., cost-of-living adjustments and benefit plan design changes) and a defined contribution plan design (a thrift savings plan).
- Prepared 19 presentations, testimony, memoranda, and reports on several KPERS-related issues for 21 legislative meetings. Topics included a general KPERS overview, the Governor's budget recommendation, KPERS' long-term funding, foreign investments, and KPERS' FY 2024 and FY 2025 budget requests.

Planning and Research

- Worked with KPERS' data stewards for data governance implementation. This fiscal year, the team established a business glossary for common KPERS terms, reviewed data issues with KITS, completed root cause analysis, and made recommendations for dealing with data quality issues.
- Acted as project sponsor on the data cleansing engagement with CATCH Intelligence. FY 2024 work included database profiling, core business concepts meetings with subject matter experts, establishing a "business vault" of KPERS' data to prepare for data transformations and cleansing, and working on the creation of a vendor-neutral data store for use during the data migration to the new pension administration system.
- Prepared a strategic plan update presentation for the October Education and Planning meeting of the Board of Trustees.
- In collaboration with KPERS' General Counsel, assisted the Revisor of Statutes Office and Legislative Research with review of introduced legislation by identifying policy, drafting language, assessing implementation issues and timelines, and estimating administrative costs.
- Coordinated review of the pension's actuarial valuation with KPERS' consulting actuary and staff. Coordinated the review of death and disability valuation with the actuary and staff. Also worked with the consulting actuary to provide employer contribution, amortization and funding information for the Governor's Office.
- Worked on the annual census data file team, which included implementing new data information requested by the consulting actuary and streamlining the process.

DEFERRED COMPENSATION

The System coordinates deferred compensation activities for State agencies and those local employers that have elected to participate in the voluntary program. Results and initiatives in the program for the most recent available time period include:

- For the eighth consecutive year, total participant enrollment increased. During CY 2023, 2,159 new participants enrolled, bringing the total to 27,258.
- Total plan assets increased by 15.5% from \$1.32 billion in March 2023 to \$1.53 billion in March 2024. Of the total, State employees held \$989 million in assets and local members held \$537 million in assets.
- Total Plan deferrals for CY 2023 were \$69.5 million, a 3% increase compared to CY 2022 at \$63.2 million.
- The number of actively deferring participants increased to 13,549 as of March 31, 2024. This is a 4.4% increase over the previous year at 12,978.
- Collaborated with Empower on strategic planning to improve plan outcomes and effectiveness in CY 2024, with a focus on increasing the number of employees deferring into the plan, participant enrollment, using data collection measurement,

communications, administrative efficiencies, coordination with KPERS' pension plans and future enhancements.

- Executed 26 new joinder agreements with local units of government affiliating with the Plan in CY 2023, with an additional eight joinder agreements signed through March 2024.
- Completed the 2023 Participant Satisfaction Survey. There were 1,412 responses to the survey, with a combined overall satisfaction rate of 89.9% (satisfied or very satisfied). The survey showed strong results regarding the website as a good resource that is easy to use, positive interactions with Empower retirement plan counselors and specialists, and quality of communication/education materials.
- The team continues to develop and produce a KPERS 457 Plan Dashboard of Key Performance Indicators. This is compiled monthly and provided to members of the KPERS Executive Committee. Measures include total Plan assets, number of participants, number of active plans, average participant balance, investment diversification, top five funds participants invest in and various participant statistics.
- Moss Adams completed a financial statement audit for CY 2023 for the Plan. Results of the audit will be available at the July 2024 Audit Committee meeting.
- Plan fees remained highly competitive (as of March 31, 2024). The gross weighted average net investment expenses were 35.4 basis points. This was 32.1 basis points when crediting net of revenue sharing to participants. Recordkeeping fees of 14.0 basis points for the final three quarters of 2023 and 10.0 basis points for the first quarter of 2024 produced \$1.79 million in revenue to Empower (as of March 31, 2023), a decrease of \$87,000 over last year's amount. KPERS 457's administrative fee also remained constant at 4.8 basis points. This generated about \$663,000 during the 12 months ending March 31, 2024, a \$40,000 decrease over last year's administrative fee receipts.
- During the first quarter of 2024, the KPERS 457 staff secured a new five-year processing contract with Empower for recordkeeping and communications service. The contractual rate was reduced from 14.0 basis points to 10.0 basis points. The Plan also added Managed Account services to the contract. This offers a fee-based level of advice for those interested in assistance with their retirement account.
- In March 2024, KPERS 457 received confirmation from the Internal Revenue Service regarding the request for a determination letter for the KPERS 401(a) Plan. It is now considered a qualified plan under the IRS. The IRS issued the requested letter in response to a plan sponsor asking for a determination as to the qualified status of its retirement plan under IRC Section 401(a). The letter expresses the IRS's opinion regarding the form of the plan.

406/410 series report

Dept. Name:

Agency Name: Kansas Public Employees Retirement System

Agency Reporting

Level:

Version: 2026-A-02-00365

Division of the Budget
KANSAS

Obj. Code	OBJECTS OF EXPENDITURE	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	null	null	null
519990	Salaries and Wages SHRINKAGE	15,855,877 0	19,141,254 (440,717)	19,881,840 (462,141)	0 0	0 0	0 0
	TOTAL Salaries and Wages	15,855,877	18,700,537	19,419,699	0	0	0
52000	Communication	693,520	688,900	719,050	0	0	0
52100	Freight and Express	10,179	9,500	9,750	0	0	0
52200	Printing and Advertising	141,039	125,000	130,000	0	0	0
52300	Rents	86,505	112,000	117,000	0	0	0
52400	Reparing and Servicing	2,755,822	2,724,000	2,750,000	0	0	0
52500	Travel and Subsistence	41,244	176,000	185,000	0	0	0
52510	InState Travel and Subsistence	16,759	0	0	0	0	0
52520	Out of State Travel and Subsis	83,734	0	0	0	0	0
52600	Fees-other Services	308,312	555,850	582,350	0	0	0
52700	Fee-Professional Services	56,174,183	63,736,535	69,430,356	0	0	0
52800	Utilities	3,833	10,000	10,000	0	0	0
52900	Other Contractual Services	45,276,595	46,176,815	46,263,506	0	0	0
	TOTAL Contractual Services	105,591,725	114,314,600	120,197,012	0	0	0
53400	Maint Constr Material Supply	316	2,500	2,500	0	0	0
53500	Vehicle Part Supply Accessory	7,556	7,500	7,500	0	0	0
53600	Pro Science Supply Material	15,050	15,300	15,300	0	0	0
53700	Office and Data Supplies	39,250	51,150	101,150	0	0	0
53900	Other Supplies and Materials	8,507	7,500	7,500	0	0	0
	TOTAL Commodities	70,679	83,950	133,950	0	0	0
	TOTAL Capital Outlay	322,385	550,000	700,000	0	0	0
	SUBTOTAL State Operations	121,840,666	133,649,087	140,450,661	0	0	0
55200	Claims	2,068,462,160	2,287,901,593	2,378,128,272	0	0	0
	TOTAL Other Assistance	2,068,462,160	2,287,901,593	2,378,128,272	0	0	0
	TOTAL REPORTABLE EXPENDITURES	2,190,302,826	2,421,550,680	2,518,578,933	0	0	0
57000	Other Non-expense	1,438,016,838	130,665,000	130,665,000	0	0	0
	TOTAL Non-Expense Items	1,438,016,838	130,665,000	130,665,000	0	0	0
	TOTAL EXPENDITURES	3,628,319,664	2,552,215,680	2,649,243,933	0	0	0

KANSAS

406/410S - 406/410 series report

jvanfleet / 2026A0200365

406/410 series report

Dept. Name:

Agency Name: Kansas Public Employees Retirement System

Agency Reporting

Level:

Version: 2026-A-02-00365

Division of the Budget
KANSAS

Series	Fund Code	FUND/ACCOUNT TITLE	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	null	null	null
1	2277	2200 NON-RETIREMENT ADMIN FD	0	50,000	100,000	0	0	0
1	2277	2277 SUBTOTAL for 2277's	0	50,000	100,000	0	0	0
1	2376	2300 KPER DEFER COMPNSATION FF	418,790	440,266	443,895	0	0	0
1	2376	2376 SUBTOTAL for 2376's	418,790	440,266	443,895	0	0	0
1	7002	7400 KPER-AGENCY OPERATIONS	11,903,654	14,690,568	15,334,538	0	0	0
1	7002	8000 KPER-INVESTMENT RELATED EXP	2,686,258	3,542,727	3,582,145	0	0	0
1	7002	7002 SUBTOTAL for 7002's	14,589,912	18,233,295	18,916,683	0	0	0
1	7358	9200 GROUP INSURANCE RESERVE FD	847,175	417,693	421,262	0	0	0
1	7358	7358 SUBTOTAL for 7358's	847,175	417,693	421,262	0	0	0
		1322 TOTAL Salaries and Wages	15,855,877	19,141,254	19,881,840	0	0	0
10	7002	7400 KPER-AGENCY OPERATIONS	0	(440,717)	(462,141)	0	0	0
10	7002	7002 SUBTOTAL for 7002's	0	(440,717)	(462,141)	0	0	0
		1332 TOTAL Shrinkage	0	(440,717)	(462,141)	0	0	0
2	2277	2220 NRAF-INVESTMENT RELATED EXP	0	200,090	249,684	0	0	0
2	2277	2277 SUBTOTAL for 2277's	0	200,090	249,684	0	0	0
2	2376	2300 KPER DEFER COMPNSATION FF	142,138	191,900	197,550	0	0	0
2	2376	2310 Deferred Contrib 401(a) Plan	9,384	30,000	30,000	0	0	0
2	2376	2376 SUBTOTAL for 2376's	151,522	221,900	227,550	0	0	0
2	7002	7000 KS PUB EMP RETIREMENT FD	150,184	0	0	0	0	0
2	7002	7400 KPER-AGENCY OPERATIONS	13,203,960	17,641,482	22,167,629	0	0	0
2	7002	7405 KPER-AUDIT SERVICES TRANSFER	141,000	155,000	155,000	0	0	0
2	7002	8000 KPER-INVESTMENT RELATED EXP	160,459	325,000	325,000	0	0	0
2	7002	8020 KPER-IRE-REAL ESTATE MGMT FEES	1,025,500	531,000	557,000	0	0	0
2	7002	8030 KPER-IRE-PUB TRADED SEC MGMT	39,442,225	43,049,788	44,825,168	0	0	0
2	7002	8040 KPER-IRE-DIRCT PLCMT INVST PRG	500	0	0	0	0	0
2	7002	8050 KPER-IRE-CUSTODIAL BANK FEES	2,010,000	1,886,250	1,065,000	0	0	0
2	7002	8060 KPER-IRE-INVEST CONSULTANT FEE	2,148,494	2,410,025	2,637,475	0	0	0
2	7002	7002 SUBTOTAL for 7002's	58,282,322	65,998,545	71,732,272	0	0	0
2	7357	9100 OPT DEATH BEN PLAN RESV FD	9,136,068	8,344,065	8,427,506	0	0	0
2	7357	7357 SUBTOTAL for 7357's	9,136,068	8,344,065	8,427,506	0	0	0
2	7358	9200 GROUP INSURANCE RESERVE FD	23,729,202	23,800,000	23,810,000	0	0	0
2	7358	9220 KPER-GROUP TERM LIFE	14,292,611	15,750,000	15,750,000	0	0	0
2	7358	7358 SUBTOTAL for 7358's	38,021,813	39,550,000	39,560,000	0	0	0
		1482 TOTAL Contractual Services	105,591,725	114,314,600	120,197,012	0	0	0
3	2376	2300 KPER DEFER COMPNSATION FF	3,679	450	450	0	0	0
3	2376	2376 SUBTOTAL for 2376's	3,679	450	450	0	0	0
3	7002	7400 KPER-AGENCY OPERATIONS	67,000	82,500	132,500	0	0	0
3	7002	7002 SUBTOTAL for 7002's	67,000	82,500	132,500	0	0	0
3	7358	9200 GROUP INSURANCE RESERVE FD	0	1,000	1,000	0	0	0
3	7358	7358 SUBTOTAL for 7358's	0	1,000	1,000	0	0	0
		1512 TOTAL Commodities	70,679	83,950	133,950	0	0	0
4	7002	7400 KPER-AGENCY OPERATIONS	322,385	500,000	500,000	0	0	0
4	7002	8000 KPER-INVESTMENT RELATED EXP	0	50,000	200,000	0	0	0
4	7002	7002 SUBTOTAL for 7002's	322,385	550,000	700,000	0	0	0
		1532 TOTAL Capital Outlay	322,385	550,000	700,000	0	0	0

KANSAS

406/410S - 406/410 series report

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406/410 series report

Dept. Name:

Agency Name: Kansas Public Employees Retirement System

Agency Reporting

Level:

Version: 2026-A-02-00365

Division of the Budget
KANSAS

Series	Fund Code	FUND/ACCOUNT TITLE	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	null	null	null
9	7002	7000 KS PUB EMP RETIREMENT FD	2,068,462,160	2,287,901,593	2,378,128,272	0	0	0
9	7002	7002 SUBTOTAL for 7002's	2,068,462,160	2,287,901,593	2,378,128,272	0	0	0
		1542 TOTAL Other Assistance	2,068,462,160	2,287,901,593	2,378,128,272	0	0	0
92	7002	7000 KS PUB EMP RETIREMENT FD	1,382,316,838	60,000,000	60,000,000	0	0	0
92	7002	7002 SUBTOTAL for 7002's	1,382,316,838	60,000,000	60,000,000	0	0	0
92	7358	9200 GROUP INSURANCE RESERVE FD	55,700,000	70,665,000	70,665,000	0	0	0
92	7358	7358 SUBTOTAL for 7358's	55,700,000	70,665,000	70,665,000	0	0	0
		1562 TOTAL Non-Expense Items	1,438,016,838	130,665,000	130,665,000	0	0	0
		1562 TOTAL All Funds	3,628,319,664	2,552,215,680	2,649,243,933	0	0	0

KANSAS

406/410S - 406/410 series report

jvanfleet / 2026A0200365

406/410 series report

Dept. Name:

Agency Name: Kansas Public Employees Retirement System

Agency Reporting

Level:

Version: 2026-A-02-00365

Division of the Budget
KANSAS

Fund Code	FUND/ACCOUNT TITLE	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	null	null	null
2200	NON-RETIREMENT ADMIN FD	0	50,000	100,000	0	0	0
2220	NRAF-INVESTMENT RELATED EXP	0	200,090	249,684	0	0	0
2277	SUBTOTAL NON-RETIREMENT ADM FD	0	250,090	349,684	0	0	0
2300	KPERS DEFER COMPNSATION FF	564,607	632,616	641,895	0	0	0
2310	Deferred Contrib 401(a) Plan	9,384	30,000	30,000	0	0	0
2376	SUBTOTAL KPERS DEFER COMPNSATION FF	573,991	662,616	671,895	0	0	0
7000	KS PUB EMP RETIREMENT FD	3,450,929,182	2,347,901,593	2,438,128,272	0	0	0
7400	KPER-AGENCY OPERATIONS	25,496,999	32,473,833	37,672,526	0	0	0
7405	KPER-AUDIT SERVICES TRANSFER	141,000	155,000	155,000	0	0	0
8000	KPER-INVESTMENT RELATED EXP	2,846,717	3,917,727	4,107,145	0	0	0
8020	KPER-IRE-REAL ESTATE MGMT FEES	1,025,500	531,000	557,000	0	0	0
8030	KPER-IRE-PUB TRADED SEC MGMT	39,442,225	43,049,788	44,825,168	0	0	0
8040	KPER-IRE-DIRCT PLCMT INVST PRG	500	0	0	0	0	0
8050	KPER-IRE-CUSTODIAL BANK FEES	2,010,000	1,886,250	1,065,000	0	0	0
8060	KPER-IRE-INVEST CONSULTANT FEE	2,148,494	2,410,025	2,637,475	0	0	0
7002	SUBTOTAL KS PUB EMP RETIREMENT FD	3,524,040,617	2,432,325,216	2,529,147,586	0	0	0
9100	OPT DEATH BEN PLAN RESV FD	9,136,068	8,344,065	8,427,506	0	0	0
7357	SUBTOTAL OPT DEATH BEN PLAN RESV FD	9,136,068	8,344,065	8,427,506	0	0	0
9200	GROUP INSURANCE RESERVE FD	80,276,377	94,883,693	94,897,262	0	0	0
9220	KPER-GROUP TERM LIFE	14,292,611	15,750,000	15,750,000	0	0	0
7358	SUBTOTAL GROUP INSURANCE RESERVE FD	94,568,988	110,633,693	110,647,262	0	0	0
1772	TOTAL MEANS OF FUNDING	3,628,319,664	2,552,215,680	2,649,243,933	0	0	0

KANSAS

406/410S - 406/410 series report

jvanfleet / 2026A0200365

Agency: Kansas Public Employees Retirement System			Agcy No: 00365			
1 Object/Revenue	2 FY 2024 Actuals	3 FY 2025 Adjusted Budget Request	4 FY 2026 Adjusted Budget Request	5	6	7
Description	Code					
1110000 Board of Trustees (365-00-01030-1110000-0000-000)	1110000	396,311	353,489	360,990	0	0
1110000 Board of Trustees (365-00-07200-1110000-0000-000)	1110000	19,511	25,682	25,723	0	0
1120000 Administrative Division (365-00-01030-1120000-0000-000)	1120000	3,688,253	4,058,845	4,185,552	0	0
1120000 Administrative Division (365-00-01038-1120000-0000-000)	1120000	690,702	2,446,716	3,395,910	0	0
1120000 Administrative Division (365-00-07000-1120000-0000-000)	1120000	531,293	80,519	90,928	0	0
1120000 Administrative Division (365-00-07100-1120000-0000-000)	1120000	74,343	82,242	84,735	0	0
1120000 Administrative Division (365-00-07200-1120000-0000-000)	1120000	511,005	592,309	601,274	0	0
1130000 Fiscal Services Division (365-00-01030-1130000-0000-000)	1130000	3,262,546	3,478,048	3,523,828	0	0
1130000 Fiscal Services Division (365-00-01038-1130000-0000-000)	1130000	48,512	68,899	69,656	0	0
1130000 Fiscal Services Division (365-00-07000-1130000-0000-000)	1130000	48,084	50,808	51,252	0	0
1130000 Fiscal Services Division (365-00-07100-1130000-0000-000)	1130000	22,631	23,503	23,643	0	0
1130000 Fiscal Services Division (365-00-07200-1130000-0000-000)	1130000	28,286	29,641	29,809	0	0
1140000 Member Services Division (365-00-01030-1140000-0000-000)	1140000	4,924,244	5,587,836	5,849,551	0	0
1140000 Member Services Division (365-00-01038-1140000-0000-000)	1140000	153,714	213,362	215,960	0	0
1140000 Member Services Division (365-00-07000-1140000-0000-000)	1140000	253,066	274,116	276,747	0	0
1170000 Investments Division (365-00-07100-1170000-0000-000)	1170000	2,749,743	3,811,982	3,998,767	0	0
1180000 Information Resources Division (365-00-01030-1180000-0000-000)	1180000	9,837,912	7,112,514	9,794,690	0	0
1180000 Information Resources Division (365-00-01038-1180000-0000-000)	1180000	2,635,805	9,309,124	10,431,389	0	0
1180000 Information Resources Division (365-00-07000-1180000-0000-000)	1180000	14,732	13,250	13,335	0	0
1180000 Information Resources Division (365-00-07200-1180000-0000-000)	1180000	15,189	14,984	15,089	0	0
1210000 KPERS Combined (365-00-07000-1210000-0000-000)	1210000	1,428,733,743	118,559,065	118,642,506	0	0
1210000 KPERS Combined (365-00-07100-1210000-0000-000)	1210000	44,626,719	47,877,063	49,084,643	0	0
1210000 KPERS Combined (365-00-07200-1210000-0000-000)	1210000	0	250,090	349,684	0	0

Agency: Kansas Public Employees Retirement System							Agcy No: 00365
1 Object/Revenue		2 FY 2024 Actuals	3 FY 2025 Adjusted Budget Request	4 FY 2026 Adjusted Budget Request	5	6	7
Description	Code						
1310000 Non-School Main (365-00-07000-1310000-0000-000)	1310000	755,386,962	778,105,000	778,105,000	0	0	0
1316000 Regents (365-00-07000-1316000-0000-000)	1316000	4,157,574	3,900,000	3,900,000	0	0	0
1318000 Legislative Session (365-00-07000-1318000-0000-000)	1318000	270,405	300,000	300,000	0	0	0
1319000 Special Legislative (365-00-07000-1319000-0000-000)	1319000	456,394	450,000	450,000	0	0	0
1319100 Special Elected Officials (365-00-07000-1319100-0000-000)	1319100	748,959	865,000	865,000	0	0	0
1410000 Kansas Police & Fire (365-00-07000-1410000-0000-000)	1410000	248,098,734	251,745,000	251,745,000	0	0	0
1510000 School Main (365-00-07000-1510000-0000-000)	1510000	1,101,076,554	1,296,426,093	1,386,652,772	0	0	0
1515000 KSRS (365-00-07000-1515000-0000-000)	1515000	1,772	3,000	3,000	0	0	0
1516000 KCKS Teachers (365-00-07000-1516000-0000-000)	1516000	156,512	207,500	207,500	0	0	0
1710000 Judges (365-00-07000-1710000-0000-000)	1710000	14,699,454	15,900,000	15,900,000	0	0	0
TOTAL BY APPROPRIATION ORGS		3,628,319,664	2,552,215,680	2,649,243,933	0	0	0
Salaries and Wages	1	15,855,877	19,141,254	19,881,840	0	0	0
Shrinkage	10	0	(440,717)	(462,141)	0	0	0
Contractual Services	2	105,591,725	114,314,600	120,197,012	0	0	0
Commodities	3	70,679	83,950	133,950	0	0	0
Capital Outlay	4	322,385	550,000	700,000	0	0	0
Other Assistance	9	2,068,462,160	2,287,901,593	2,378,128,272	0	0	0
Non-Expense Items	92	1,438,016,838	130,665,000	130,665,000	0	0	0
TOTAL BY OBJECT SERIES		3,628,319,664	2,552,215,680	2,649,243,933	0	0	0
NON-RETIREMENT ADM FD	2277	0	250,090	349,684	0	0	0
KPERS DEFER COMPNSATION FF	2376	573,991	662,616	671,895	0	0	0
KS PUB EMP RETIREMENT FD	7002	3,524,040,617	2,432,325,216	2,529,147,586	0	0	0
OPT DEATH BEN PLAN RESV FD	7357	9,136,068	8,344,065	8,427,506	0	0	0
GROUP INSURANCE RESERVE FD	7358	94,568,988	110,633,693	110,647,262	0	0	0
TOTAL BY FUNDS		3,628,319,664	2,552,215,680	2,649,243,933	0	0	0
FTE		0.00	99.35	99.35	0.00	0.00	0.00
TOTAL AUTHORIZED EMPLOYEES		0.00	99.35	99.35	0.00	0.00	0.00

Explanation of Receipt Estimates – DA 405

K.S.A. 74-4902 (19) and K.S.A. 74-4921 establish the Kansas Public Employees Retirement Fund. The fund was created for the payment of expenses and benefits under the Retirement System. K.S.A. 74-4920 provides that the Division of the Budget and the Governor shall include in the budget and in the budget requests for appropriations for personal services the sum required to satisfy the state's obligation under the Retirement Act as certified by the Board and shall present the same to the Legislature for allowance of appropriation. Finally, K.S.A. 74-4939 provides that participating employers under K.S.A. 74-4931 (School Employers) shall certify to the State Board of Education before September 15 of each year the anticipated total compensation to be paid during the next fiscal year to employees who are or are to become members. The State Board of Education is required to transmit the necessary compensation information to the Division of Budget and the Governor, who shall include in the budget and budget document each year provisions for the transfer from the State General Fund of sufficient sums to satisfy the participating employer's obligation under the Retirement Act.

K.S.A. 74-4919 established an employee contribution rate under KPERS of 6% for all members that became members prior to July 1, 2009, K.S.A. 74-49,210 establishes a rate of 6% for all employees with membership on and after July 1, 2009, and K.S.A. 74-49,305 establishes a rate of 6% for all employees with membership on and after January 1, 2015.

K.S.A. 74-4920 establishes the State employer contribution rate and a local employer contribution rate. State statute delegates the certification of employer contribution rates to the KPERS Board of Trustees. This is accomplished through the completion of an annual actuarial valuation, which includes the actuarial required contribution rate each year. The combined State/School Group employer contribution rate for FY 2025 is 11.54% and 11.68% for FY 2026. The State/School statutory employer contribution rates are equal to the actuarial required contribution rate in both FY 2025 and FY 2026.

Local employer contribution rates are paid on a calendar year basis. In CY 2025 the local employer rate is 9.71% and in CY 2026 the employer contribution rate is 9.59% for local employers. Local employers have been contributing the full actuarial rate since CY 2015.

The State was in the process of making additional payment on delayed contributions from FY 2017 and FY 2019. However, 2022 SB 421 appropriated the remaining balance of those delayed contributions, and no further payments are scheduled.

Each employer contributes to the Group Insurance Fund. The employer insurance contribution rate is established in K.S.A. 74-4927 as 1.0% of compensation. The Legislature has, from time to time,

placed a moratorium on contributions to the Group Insurance Fund, most recently for all of FY 2021 for State/School employers and July 2021 through June 2022 for Local employers.

A special class of correctional employees in KPERS has a different plan design than regular KPERS members; Correctional Group 55 (C55), which is generally correctional officers, has a normal retirement age of 55 and Correctional Group 60 (C60), which is other correctional employees with regular inmate contact, has a normal retirement age of 60. Employer contributions for this group differ slightly due to the plan design differences. For FY 2025, the employer contribution rate is 12.46% for the C55 group and 13.25% for the C60 group. For FY 2026, the employer contributions are scheduled to be 12.58% for the C55 group and 13.02% for the C60 group.

K.S.A. 20-2603 establishes the employee contribution rate for Judges at 6%. The employer rate of contribution for Judges is 21.45% in FY 2025 and 23.16% in FY 2026.

FY 2025 and FY 2026 revenue estimates for the Kansas Police and Firemen's Retirement System are based upon an employee contribution rate of 7.15%. KSA 74-4954b allows employers to affiliate under KP&F for future service only. Under this method of affiliation, the local employers will contribute at the uniform rate of 23.18% in FY 2025 and 24.69% in FY 2026. The revenue estimates for the Kansas Police and Firemen's Retirement System also take into account the provisions of K.S.A. 12-5001 and 12-5007 affecting cities that presently have local police and fire pension funds. Any city with local police and fire plans may merge the plans with KP&F and discontinue the administration of the local funds. Cities not presently in KP&F thereby become new participating employers in the statewide system; the contribution rates for such cities are 16.0% of salary for the first year after merger and, in subsequent years, the rates certified by the Board.

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404 Aggregate Report

404 Agg - 404 Aggregate Report

Agency: 00365 Kansas Public Employees Retirement System

Version: 2026-A-02-00365

Series: 7002 KS PUB EMP RETIREMENT FD

	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	7,718,245,860	7,933,470,893	9,462,071,343	11,055,737,673
462290 OTHER ADVANCE REFUND	2,032,770,000	2,347,901,593	2,438,128,272	0
462900 OTHER REIMB AND REFUNDS	4,174	0	0	0
463100 EMPLOYEE CONTRIBUTIONS	530,447,008	543,333,183	556,925,887	0
463190 EMPLOYEE DROP CONTRIBUTIONS	315,750	375,000	375,000	0
463200 EMPLOYER CONTRIBUTIONS	1,079,125,186	1,046,265,890	1,104,334,757	0
463240 EMPLOYER PENALTY	3,647,479	3,200,000	3,200,000	0
463250 ER CONTR AFTER RETIREMENT	13,812,114	13,800,000	13,800,000	0
463290 EMPLOYER DROP CONTRIBUTIONS	1,050,008	1,000,000	1,000,000	0
463600 PURCH PRIOR SERVICE CREDIT	4,731,309	5,050,000	5,050,000	0
463710 RECOVERY PRIOR FY MONTHLY BEN	180,361	0	0	0
463720 RECOVERY PRIOR FY WITHDRAWALS	28,890	0	0	0
463730 RECOVERY PART LUMP SUM RETIRE	34,468	0	0	0
463780 RECOVERY PRIOR FY DEATH BENEF	7,468	0	0	0
766020 OPERATING TRANSFERS OUT	0	(84,423,623)	(91,019,314)	0
Total Available	11,384,400,075	11,809,972,936	13,493,865,945	11,055,737,673
Total Reportable Expenditures	2,068,612,344	2,287,901,593	2,378,128,272	0
Total Non-Reportable Expenditures	1,382,316,838	60,000,000	60,000,000	0
Total Expenditures	3,450,929,182	2,347,901,593	2,438,128,272	0
Balance Forward	7,933,470,893	9,462,071,343	11,055,737,673	11,055,737,673
KANSAS	404 Aggregate Report		jvanfleet / 2026-A-02-00365	

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Agency: 00365 Kansas Public Employees Retirement System

Version: 2026-A-02-00365

Fund Number: 2277 2200		FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
Name: NON-RETIREMENT ADMIN FD					
40007	CASH FORWARD	130,336	140,124	140,124	140,124
462290	OTHER ADVANCE REFUND	9,788	50,000	100,000	0
	Total Available	140,124	190,124	240,124	140,124
	Total Reportable Expenditures	0	50,000	100,000	0
	Total Expenditures	0	50,000	100,000	0
	Balance Forward	140,124	140,124	140,124	140,124
KANSAS		404 Report		jvanfleet / 2026-A-02-00365	

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Agency: 00365 Kansas Public Employees Retirement System

Version: 2026-A-02-00365

Fund Number: 2277 2220 Name: NRAF-INVESTMENT RELATED EXP	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	0	0	0	0
462290 OTHER ADVANCE REFUND	0	200,090	249,684	0
Total Available	0	200,090	249,684	0
Total Reportable Expenditures	0	200,090	249,684	0
Total Expenditures	0	200,090	249,684	0
Balance Forward	0	0	0	0
KANSAS	404 Report		jvanfleet / 2026-A-02-00365	

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Fund Number: 2376 2300 Name: KPERs DEFER COMPNSATION FF	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	33,071	(26,899)	(26,899)	(26,899)
430150 AVERAGE DAILY BALANCE INTEREST	4,635	0	0	0
441010 ALL OTHER OPERATING GRANTS	500,000	632,616	641,895	0
463790 RECOVERY PRIOR FY ADMIN EXP	2	0	0	0
Total Available	537,708	605,717	614,996	(26,899)
Total Reportable Expenditures	564,607	632,616	641,895	0
Total Expenditures	564,607	632,616	641,895	0
Balance Forward	(26,899)	(26,899)	(26,899)	(26,899)
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Agency: 00365 Kansas Public Employees Retirement System

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Fund Number: 2376 2310 Name: Deferred Contrib 401(a) Plan	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	(1,019)	16,597	16,597	16,597
441010 ALL OTHER OPERATING GRANTS	27,000	30,000	30,000	0
Total Available	25,981	46,597	46,597	16,597
Total Reportable Expenditures	9,384	30,000	30,000	0
Total Expenditures	9,384	30,000	30,000	0
Balance Forward	16,597	16,597	16,597	16,597
KANSAS	404 Report		jvanfleet / 2026-A-02-00365	

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Agency: 00365 Kansas Public Employees Retirement System

Version: 2026-A-02-00365

Fund Number: 7002 7000 Name: KS PUB EMP RETIREMENT FD		FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007	CASH FORWARD	7,718,245,860	7,933,470,893	9,462,071,343	11,055,737,673
462290	OTHER ADVANCE REFUND	2,032,770,000	2,347,901,593	2,438,128,272	0
462900	OTHER REIMB AND REFUNDS	4,174	0	0	0
463100	EMPLOYEE CONTRIBUTIONS	530,447,008	543,333,183	556,925,887	0
463190	EMPLOYEE DROP CONTRIBUTIONS	315,750	375,000	375,000	0
463200	EMPLOYER CONTRIBUTIONS	1,079,125,186	1,046,265,890	1,104,334,757	0
463240	EMPLOYER PENALTY	3,647,479	3,200,000	3,200,000	0
463250	ER CONTR AFTER RETIREMENT	13,812,114	13,800,000	13,800,000	0
463290	EMPLOYER DROP CONTRIBUTIONS	1,050,008	1,000,000	1,000,000	0
463600	PURCH PRIOR SERVICE CREDIT	4,731,309	5,050,000	5,050,000	0
463710	RECOVERY PRIOR FY MONTHLY BEN	180,361	0	0	0
463720	RECOVERY PRIOR FY WITHDRAWALS	28,890	0	0	0
463730	RECOVERY PART LUMP SUM RETIRE	34,468	0	0	0
463780	RECOVERY PRIOR FY DEATH BENEF	7,468	0	0	0
766020	OPERATING TRANSFERS OUT	0	(84,423,623)	(91,019,314)	0
	Total Available	11,384,400,075	11,809,972,936	13,493,865,945	11,055,737,673
	Total Reportable Expenditures	2,068,612,344	2,287,901,593	2,378,128,272	0
	Total Non-Reportable Expenditures	1,382,316,838	60,000,000	60,000,000	0
	Total Expenditures	3,450,929,182	2,347,901,593	2,438,128,272	0
	Balance Forward	7,933,470,893	9,462,071,343	11,055,737,673	11,055,737,673
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Fund Number: 7002 7400 Name: KPER-AGENCY OPERATIONS	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	(3,372,301)	(28,599,332)	(28,599,332)	(28,599,332)
459090 OTHER MISCELLANEOUS REVENUE	137,773	0	0	0
463790 RECOVERY PRIOR FY ADMIN EXP	132,195	0	0	0
766010 OPERATING TRANSFERS IN	0	32,473,833	37,672,526	0
Total Available	(3,102,333)	3,874,501	9,073,194	(28,599,332)
Total Reportable Expenditures	25,496,999	32,473,833	37,672,526	0
Total Expenditures	25,496,999	32,473,833	37,672,526	0
Balance Forward	(28,599,332)	(28,599,332)	(28,599,332)	(28,599,332)
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Fund Number: 7002 7405 Name: KPER-AUDIT SERVICES TRANSFER	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	(8,038)	(149,038)	(149,038)	(149,038)
766010 OPERATING TRANSFERS IN	0	155,000	155,000	0
Total Available	(8,038)	5,962	5,962	(149,038)
Total Reportable Expenditures	141,000	155,000	155,000	0
Total Expenditures	141,000	155,000	155,000	0
Balance Forward	(149,038)	(149,038)	(149,038)	(149,038)
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Fund Number: 7002 8000 Name: KPER-INVESTMENT RELATED EXP	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	(117,526)	(2,964,243)	(2,964,243)	(2,964,243)
766010 OPERATING TRANSFERS IN	0	3,917,727	4,107,145	0
Total Available	(117,526)	953,484	1,142,902	(2,964,243)
Total Reportable Expenditures	2,846,717	3,917,727	4,107,145	0
Total Expenditures	2,846,717	3,917,727	4,107,145	0
Balance Forward	(2,964,243)	(2,964,243)	(2,964,243)	(2,964,243)
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Fund Number: 7002 8020 Name: KPER-IRE-REAL ESTATE MGMT FEES	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	(57,746)	(1,083,246)	(1,083,246)	(1,083,246)
766010 OPERATING TRANSFERS IN	0	531,000	557,000	0
Total Available	(57,746)	(552,246)	(526,246)	(1,083,246)
Total Reportable Expenditures	1,025,500	531,000	557,000	0
Total Expenditures	1,025,500	531,000	557,000	0
Balance Forward	(1,083,246)	(1,083,246)	(1,083,246)	(1,083,246)
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Fund Number: 7002 8030 Name: KPER-IRE-PUB TRADED SEC MGMT	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	(7,809,159)	(47,251,384)	(47,251,384)	(47,251,384)
766010 OPERATING TRANSFERS IN	0	43,049,788	44,825,168	0
Total Available	(7,809,159)	(4,201,596)	(2,426,216)	(47,251,384)
Total Reportable Expenditures	39,442,225	43,049,788	44,825,168	0
Total Expenditures	39,442,225	43,049,788	44,825,168	0
Balance Forward	(47,251,384)	(47,251,384)	(47,251,384)	(47,251,384)
KANSAS	404 Report		jvanfleet / 2026-A-02-00365	

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Fund Number: 7002 8040		FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
Name: KPER-IRE-DIRCT PLCMT INVST PRG					
40007	CASH FORWARD	0	(500)	(500)	(500)
	Total Available	0	(500)	(500)	(500)
	Total Reportable Expenditures	500	0	0	0
	Total Expenditures	500	0	0	0
	Balance Forward	(500)	(500)	(500)	(500)
KANSAS		404 Report		jvanfleet / 2026-A-02-00365	

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Fund Number: 7002 8050 Name: KPER-IRE-CUSTODIAL BANK FEES	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	(268,737)	(2,278,737)	(2,278,737)	(2,278,737)
766010 OPERATING TRANSFERS IN	0	1,886,250	1,065,000	0
Total Available	(268,737)	(392,487)	(1,213,737)	(2,278,737)
Total Reportable Expenditures	2,010,000	1,886,250	1,065,000	0
Total Expenditures	2,010,000	1,886,250	1,065,000	0
Balance Forward	(2,278,737)	(2,278,737)	(2,278,737)	(2,278,737)
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Fund Number: 7002 8060 Name: KPER-IRE-INVEST CONSULTANT FEE	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	(293,176)	(2,441,670)	(2,441,670)	(2,441,670)
766010 OPERATING TRANSFERS IN	0	2,410,025	2,637,475	0
Total Available	(293,176)	(31,645)	195,805	(2,441,670)
Total Reportable Expenditures	2,148,494	2,410,025	2,637,475	0
Total Expenditures	2,148,494	2,410,025	2,637,475	0
Balance Forward	(2,441,670)	(2,441,670)	(2,441,670)	(2,441,670)
KANSAS	404 Report		jvanfleet / 2026-A-02-00365	

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Fund Number: 7357 9100 Name: OPT DEATH BEN PLAN RESV FD	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	2,012,296	1,208,893	1,208,893	1,208,893
430150 AVERAGE DAILY BALANCE INTEREST	71,215	0	0	0
463400 OPTIONAL LIFE INSURANCE	8,261,450	8,344,065	8,427,506	0
Total Available	10,344,961	9,552,958	9,636,399	1,208,893
Total Reportable Expenditures	9,136,068	8,344,065	8,427,506	0
Total Expenditures	9,136,068	8,344,065	8,427,506	0
Balance Forward	1,208,893	1,208,893	1,208,893	1,208,893
KANSAS	404 Report		jvanfleet / 2026-A-02-00365	

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Fund Number: 7358 9200 Name: GROUP INSURANCE RESERVE FD	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	5,150,696	19,727,357	19,727,357	19,709,357
430150 AVERAGE DAILY BALANCE INTEREST	291,702	0	0	0
463300 INSURANCE CONTRIBUTION	94,561,336	94,883,693	94,879,262	0
Total Available	100,003,734	114,611,050	114,606,619	19,709,357
Total Non-Reportable Expenditures	55,700,000	70,665,000	70,665,000	0
Total Reportable Expenditures	24,576,377	24,218,693	24,232,262	0
Total Expenditures	80,276,377	94,883,693	94,897,262	0
Balance Forward	19,727,357	19,727,357	19,709,357	19,709,357
KANSAS	404 Report		jvanfleet / 2026-A-02-00365	

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Fund Number: 7358 9220 Name: KPER-GROUP TERM LIFE	FY 2024 Actuals	FY 2025 Adjusted Budget Request	FY 2026 Adjusted Budget Request	FY 2027 Adjusted Budget Request
40007 CASH FORWARD	0	(14,292,611)	(14,292,611)	(14,292,611)
463300 INSURANCE CONTRIBUTION	0	15,750,000	15,750,000	0
Total Available	0	1,457,389	1,457,389	(14,292,611)
Total Reportable Expenditures	14,292,611	15,750,000	15,750,000	0
Total Expenditures	14,292,611	15,750,000	15,750,000	0
Balance Forward	(14,292,611)	(14,292,611)	(14,292,611)	(14,292,611)
KANSAS	404 Report		jvanfleet / 2026-A-02-00365	

PROGRAM TITLE:

OPERATIONS

PROGRAM EXPLANATION:

This program provides a centralized agency to accumulate funds and statistical information on more than 346,000 active, inactive, and retired members of the various systems under its jurisdiction. It provides services to more than 1,500 participating employers and their members in the areas of (1) determining creditable service, (2) purchasing and repurchasing service credit, (3) withdrawing, (4) retiring, (5) death and long-term disability benefits, and (6) prompt and accurate financial reporting.

LONG TERM TRENDS:

KPERS assets are invested according to the "prudent expert standard of care" for the sole purpose of providing benefits to our members. Solid investment performance over the long-term is vital to sound funding. KPERS' investment strategy is designed to withstand short-term market volatility and economic downturns, as well as to benefit from strong market and economic environments. The FY 2024 investment return was 9.7%.

According to the Retirement System's most recent actuarial valuation (12/31/2023) the System's funded ratio is 74.0%, up from a low of 56.4% in the 2012 valuation. The funded ratio is the ratio of actuarial assets to future liabilities. Long-term funding remains a primary focus of the System. The 2012 Legislature made plan design changes to the KPERS plan for employers, current employees, and future employees. These changes are a major step toward making the Retirement System more sustainable and helping to pay promised benefits long-term. Positive investment gains in recent years have helped to improve the funded ratio of the System in the short term, the Legislative changes were designed to ensure continued improvement and sustainability in the long term.

Associated with the funding issues, numerous requests for information and analysis are being placed upon the agency. In addition, demands are being placed on the agency to provide counseling services, retirement benefit estimates, more informative annual statements, and to be able to respond more promptly and accurately to the requests of more than 346,000 members and 1,500 participating employers. In the future it will be of even greater importance that the System have the capability to process information accurately and quickly as well as serve the needs of an even greater number of active and retired members.

KPERS General Operations

	<u>FY 2025 Request</u>	<u>FY 2026 Estimate</u>
Total General Operations Expenditures*	\$33,760,142	\$39,031,683

*Total reflects General Operations, Death and Disability, Treasurer's Unclaimed Property Fund and Deferred Compensation administrative expenses. Included in FY 2025 and FY 2026 are expenditures related to the modernization of the pension administration system.

EXPENDITURE JUSTIFICATION:

Account Code Series 100: Salaries and Wages

FY 2025 – \$15,157,810; FY 2026 – \$15,837,554: The agency administers three programs (Operations, Benefits, and Investment Related Expenses). Staffing includes 99.35 unclassified positions. The Board of Trustees has statutory authority to create both classified and unclassified positions as well as setting the salary for unclassified positions. Traditionally the agency has not been subject to a full-time position limitation. The Board of Trustees received and approved a market study of salaries with a goal of rewarding performance, retaining experienced staff, and when necessary recruiting quality staff. Fringe benefit costs are also increasing, primarily for contributions for KPERS and group health insurance.

The Fiscal Year 2025 and Fiscal Year 2026 budget requests reflect continuing the current level of staffing, including the salary adjustment approved by the 2024 Legislature and other merit adjustments approved by the Board of Trustees. Additional staffing expenditures are anticipated for the pension administration system modernization (additional detail in modernization overview section of the budget narrative); however, those positions will initially be contract positions. During the modernization process, KPERS will determine if the positions will be necessary on an ongoing basis in future fiscal years.

Account Code Series 200: Communications

FY 2025 – \$675,400; FY 2026 – \$705,550: This level of expenditures covers all phone services, including the call center (which handles approximately 100,000 calls annually), which is imperative to the success of the agency. This also includes postage costs for the various publications that are mailed directly to members.

Account Code Series 210: Freight and Express

FY 2025 – \$8,750; FY 2026 – \$9,000: KPERS sends members' annual statements to several large agencies for distribution. This also includes overnight express mailings. This mode of transportation is used as the volume is usually so great that it is more economical than first class mail or parcel post.

Account Code Series 220: Printing and Advertising

FY 2025 – \$125,000; FY 2026 – \$130,000: Included in this request are several publications required by law. K.S.A. 74-4907(2) requires the Board to provide an annual report covering the operation of the System for the past fiscal year including income and disbursements and the financial condition of the System at the end of the fiscal year, showing the assets, investments, liabilities, etc. Although the report is available electronically, the agency still receives requests for printed copies of the annual report each year to provide from our Designated Agents, legislators, etc.

As an agency that is serving over 230,000 active and inactive public employees and over 116,000 retired members and beneficiaries, it is imperative that KPERS provide members with sufficient information regarding their rights and benefits under the Retirement System. Since its inception in 1962, the Retirement System has expanded in (1) service-connected coverage; (2) group life insurance and long-term disability coverage; and (3) various purchases and repurchases of service credit. To facilitate the transmittal of this information, KPERS publishes many types of brochures and newsletters. Annually KPERS publishes membership guides and other publications used by active members, retiree newsletters, and communication and education to employers. Also requested at this allocation level are the miscellaneous forms, memos, and letterhead used in the day-to-day operation of the System.

Account Code Series 230: Rent

FY 2025 – \$100,000; FY 2026 – \$105,000: KPERS maintains a business continuity site in Lawrence. In the past the cost of this space was subcontracted through the contract with our information technology vendor (Sagitec). Starting in FY 2022, KPERS took over the lease of the business continuity site and will continue to maintain the facility.

This level also includes funds for storage facilities for documents and supplies, i.e., envelopes, brochures, manuals, etc. In addition, the System rents meeting room space for designated agent and membership workshops throughout the state. Also included in this category is copier rental at the System's office.

Account Code Series 240: Repairing and Servicing

FY 2025 – \$2,724,000; FY 2026 – \$2,750,000: This item includes estimated expenses for maintenance agreements for the agency's computer system maintenance agreements. Also included are estimated expenditures for repairs on computers and related equipment that doesn't qualify as capital outlay.

In June of 1998, KPERS moved to its present location at 611 Kansas Avenue. This building is owned by the Retirement System and the agency is housed rent-free. The agency occupies office space on the first and second floors and pays the proportionate share of building management and janitorial services. KPERS will also begin occupying a portion of the third floor during FY 2025.

The FY 2025 and FY 2026 includes a portion of the expected expenditures for the pension administration modernization project and the computer system upgrades that will be required in these Fiscal Years.

Account Code Series 250: Travel and Subsistence

FY 2025 – \$133,000; FY 2026 – \$142,000: K.S.A. 74-4906(3) provides that, "Members of the Kansas Public Employees Retirement Board of Trustees attending meetings of such board or attending a subcommittee meeting thereof authorized by such board, shall be paid compensation, subsistence allowance, mileage and other expenses." In addition, K.S.A. 74-4909(15) empowers the Board to authorize in-state and out-of-state travel at the federal IRS reimbursement rates. Presently, the KPERs Board has eight members who reside outside the Topeka area. The System is assuming that there will be 7 board meetings in each of FY 2025 and FY 2026.

Travel and subsistence expenditures includes investment-related travel for the Chief Investment Officer, Investment Officers, and the Investment Analysts. Travel involves due diligence meetings with external managers, investment consultants, and the review of potential investment properties.

Other staff travel includes travel by staff members that have contact with the affiliated employers and members throughout the State of Kansas. Much of the traveling involves the work of eight State Auditor positions who audits the employers on-site ensuring that proper procedures are followed in processing KPERs activity.

KPERs also have field representatives that assist employers and members throughout the state. The travel for these employees falls basically into two categories, the first being the travel to the Designated Agents of the participating employers to acquaint them with the various forms, rules, regulations, policies, and guidelines of the Retirement System as they apply to the individual members of the Retirement System and to assist them with specific problems as they occur. Whenever a participating employer of the Retirement System designates a new agent for retirement matters, it is generally the System who provides the basic training for these new agents.

The second category of travel is employee group meeting presentations. These are generally made on request by the group in question and involve a variety of types and numbers of employees. In addition, staff appears upon request on the program of various groups such as City Clerks Association, County Clerks Association, League of Kansas Municipalities, School Board Association, etc., to discuss the Retirement System.

Account Code Series 260: Fees – Other Services

FY 2025 – \$532,500; FY 2026 – \$559,000: Expenditures of other services includes the fees related to the State's Financial Management Software (SMART). This account code also includes funding for contract employees related to the pension administration system modernization.

Account Code Series 270: Fees – Professional Services

FY 2025 – \$13,646,982; FY 2026 – \$18,083,629: Included are fees for actuarial consulting services related to the actuarial funding valuation, review of proposed amendments; assistance in preparation of rules and regulations; actuarial advice; review of benefit award calculation procedures; plan design modeling; general consulting advice on Retirement System concepts and administrative procedures and an annual analysis of experience of the insured benefit program with advice as to possible changes in line with actual and projected experience. Actuarial services have increased in recent years to comply with the new Governmental Accounting Standards Board (GASB) 67, GASB 68 and GASB 75 requirements.

The System utilizes outside legal services for representation and counsel in matters of potential or actual litigation with the Federal government or with individual plan participants relating to the federal tax treatment of plan benefits.

Computer programming and support continues to be the largest professional service cost. The current vendor provides software assurance support, maintenance, and modifications of the membership information system (KITS). Included in the budget request are the annual expenditures to maintain the System's disaster recovery hot site and ongoing security analysis and maintenance of the System's information system.

KPERS proportionate share of utilities costs for office space at the 611 S. Kansas building are included in this account code because the utilities costs are paid to the building management company.

The FY 2025 and FY 2026 budgets reflect expenditures necessary to have the technical and infrastructure needs in place begin a modernization effort of the existing pension administration system. The budget request reflects the estimated costs to continue the modernization project in FY 2025 and FY 2026. Additional detail on the modernization effort is included in a separate section of this narrative.

Account Code Series 280: Utilities

FY 2025 – \$10,000; FY 2026 – \$10,000: The amount budgeted for utilities are specific to KPERS business continuity site in Lawrence. In previous fiscal years this was included as part of the contractual cost for the business continuity site but has now shifted to this account code.

Utilities for KPERS' Topeka office are included in the building management contract and included in account code 270.

Account Code Series 290: Other Contractual Services

FY 2025 – \$62,750; FY 2026 – \$66,000: Included is an amount for the System's pro-rata share of the cost of insurance and building services at 611 Kansas Avenue.

Included in the item of Other Contractual Services are membership fees to national public pension organizations such as National Association of State Retirement Administrators. The System provides data and information on KPERS and KP&F for the *Public Fund Survey*. KPERS provides an annual report on the legislative and administrative changes and developments in the State of Kansas and responds to periodic surveys or questionnaires on retirement questions. A membership fee is also included to the National Council on Teacher Retirement. These associations are for the exchange of technical concepts involving all phases of public employee retirement system including, but not limited to, actuarial, accounting, investments, administrative procedures, legislative enactments, new developments, and concepts relating to retirement systems, both in the public and private sectors.

Other dues include the National Association of Pension Plan Attorneys, the Association of Public Pension Plan Auditors, and the International Foundation of Employer's Benefit Plans. Also included is a membership in the Governmental Finance Officers Association of the United States and Canada. GFOA is an association of professionals and among other things is a clearinghouse of new ideas, procedures, and developments in the field of municipal accounting. GFOA has several divisions, one of which is Public Employee Retirement System. The GFOA in conjunction with the National Council on Governmental Accounting (NCGA) sponsors a Certificate of Excellence in Financial Reporting program.

KPERS subscribes to a locator service provider, Accurint, to locate and identify correct members addresses. This enables the Retirement System to have instant access to a database of records that provides a valuable tool in finding members or former members who are entitled to benefits or a return of contributions.

The agency also subscribes to services such as NYSE Market Inc., Dow Jones & Co., Inc., and Wolters Kluwer Financial Services, Inc. for the purpose of monitoring developments in the financial investment markets.

Employee awards are included based on the Governor's initiative to recognize the high level of service provided by state of Kansas employees. A portion of the budgeted expenditures include official hospitality related to employer and employee workshops and meetings.

Account Code Series 340: Maintenance, Material, Supplies, Parts

FY 2025 – \$2,500; FY 2026 – \$2,500: This is requested for cables, power cells and various supplies related to the System's computer connections.

Account Code Series 350: Motor Vehicle Parts

FY 2025 – \$7,500; FY 2026 – \$7,500: Included within this account code series are expenditures for the purchase of gasoline by Field Auditors and Field Representatives.

Account Code Series 360: Professional and Scientific Supplies and Material

FY 2025 – \$15,300; FY 2026 – \$15,300: Included within this Account Code Series are subscriptions to professional publications and/or services such as the K.S.A. Supplements, The Kansas Bank Directory and miscellaneous technical publications and supplies.

Account Code Series 370: Stationery and Office Supplies and Material

FY 2025 – \$51,150; FY 2026 – \$101,150: This item includes retirement benefit envelopes and other envelopes, office stationery, fax machine supplies, copy machine supplies and general office supplies.

Account Code Series 390: Other Supplies, Materials and Parts

FY 2025 – \$7,500; FY 2026 – \$7,500: Expenditures for other supplies, materials and parts is primarily for household supplies, including materials for board meetings, other employer and employee meetings, and cleaning supplies for staff common areas.

Account Code Series 400: Capital Outlay

FY 2025 – \$500,000; FY 2026 – \$500,000: This includes printers, computers, information processing equipment, office furniture, equipment, and software for both KPERS main office as well as the disaster recovery and business continuity sites.

KPERS Pension Administration System

KPERS relies on a pension administration software that helps collect data and contributions from employers, as well as process and pay out benefits to members. The current system was implemented back in 2005. Over the last 17 years, numerous updates have been required to keep up with changes in pension plan design. These adjustments stem from both internal needs, like streamlining business processes, and external forces, such as legislative changes.

Key updates include the introduction of KPERS 2 in 2007 and KPERS 3 in 2012. With the launch of KPERS 3, a cash balance plan, KPERS had to shift from an annual reconciliation process to a more complex pay period reporting system for both employee and employer contributions.

Although the current system still supports KPERS' core functions—collecting contributions and paying benefits—it increasingly requires manual work from staff. The many customizations made over the years have also led to inefficiencies and growing instability. As a result, maintaining the system is becoming harder, and it's struggling to keep up with best practices in pension administration.

It's crucial that KPERS implements a new pension administration system soon, before the existing one can no longer effectively meet the needs of the organization and its members.

Modernization Project

The pension administration modernization project began in FY 2021, following a budget request to the 2020 Legislature to review the requirements for a new system. After receiving approval, KPERS launched the project by conducting a comprehensive needs assessment. Segal was selected via a competitive bidding process to carry out this assessment in the summer of 2020.

The primary goal was to determine whether KPERS should invest in a completely new pension administration system or if the current vendor, Sagitec, could adapt to meet future needs. Segal recommended a “fork in the road” approach, which involved Sagitec completing a pilot project to gauge their ability to align with KPERS' modernization vision. Based on the results, KPERS decided to continue working with Sagitec.

From September 2021 to February 2022, KPERS held meetings with key business users across divisions—including Benefits and Member Services, Fiscal Services, IT, and Administration—to define the system's requirements. These discussions resulted in roughly 3,000 specifications, which included both ongoing and new features. Sagitec was actively involved in this process.

Initially, KPERS planned to proceed with a “build-in-place” approach, where Sagitec would cleanse the existing data and expand their base application to meet the updated requirements. By August 2022, Sagitec was expected to complete the first phase, which involved a deep dive analysis of unresolved issues in the current system and prioritizing fixes. While some progress was made in the collaboration, Sagitec struggled to meet deadlines and quality standards. Compounding these challenges, Sagitec submitted a revised budget estimate that increased

project costs by 20%, without providing a clear explanation. This new cost estimate nearly matched the anticipated expense of issuing an RFP for a new system.

Considering the budget implications, KPERS staff recommended, and the Board of Trustees approved, the decision to issue an RFP. With Segal's support, KPERS translated the 3,000 requirements into the RFP, which was approved by the Kansas Information Technology Office (KITO) on May 1, 2023.

KPERS received proposals from two qualified vendors, ultimately selecting Tegrity and their Arrivos pension platform. The proposed timeline is 5 years with a total cost of \$74 million. Contract negotiations have occurred through the summer of 2024 and the project is expected to kick off in October 2024.

FY 2025 and FY 2026 Budget Request

The 2024 Legislature approved \$12.1 million in budget expenditures for FY 2025 to fund the pension administration system modernization. This amount has been adjusted downward by about \$24,000 for FY 2025 after refinements in the expenditure estimate.

For FY 2026, the requested appropriation increases to \$14.1 million. This figure is based on budget estimates provided by Tegrity, Segal and full year expenditures for project positions.

412 reconciliation

Program Name: null
Agency Name: Kansas Public Employees Retirement System
Agency Reporting Level: null
Version: 2026-A-02-00365

Division of the Budget
KANSAS

Classification of Employment	Pay Grade	FY 2025 Estimate		FY 2026 Request	
		Pos	Amount	Pos	Amount
Authorized Positions					
Regular Classified					
Applications Developer II	30	0.35	0	0.35	0
Subtotal Regular Classified		0.35	0	0.35	0
Regular Unclassified					
Accountant	1	8.00	724,413	8.00	740,827
Accounting Manager	1	3.00	370,093	3.00	370,093
Accounting Specialist	1	1.00	49,192	1.00	49,192
Administrative Officer	1	1.00	62,090	1.00	62,090
Administrative Specialist	1	5.00	269,651	5.00	269,651
Applications Developer	1	3.00	100,112	3.00	100,112
Applications Development Super	1	1.00	124,833	1.00	124,833
Attorney	1	1.00	115,309	1.00	115,309
Audit Manager	1	1.00	101,993	1.00	101,993
Benefits Manager	1	5.00	449,243	5.00	449,243
Chief Counsel	1	1.00	151,335	1.00	151,335
Chief Fiscal Officer	1	1.00	187,653	1.00	187,653
Chief Information Officer	1	1.00	132,712	1.00	132,712
Chief Informat Security Officer	1	1.00	149,130	1.00	149,130
Communications Coordinator	1	3.00	235,150	3.00	235,150
Communications Officer	1	1.00	107,374	1.00	107,374
Database Administrator	1	1.00	118,058	1.00	118,058
Deputy Members Services Officer	1	2.00	234,184	2.00	234,184
Education/Information Officer	1	3.00	218,541	3.00	218,541
Executive Director	1	1.00	399,564	1.00	399,564
Executive Secretary	1	1.00	77,376	1.00	77,376
Fiscal Analyst	1	1.00	117,015	1.00	117,015
Human Resource Director	1	1.00	129,296	1.00	129,296
Human Resource Professional	1	1.00	72,193	1.00	72,193
Information Resource Officer	1	1.00	184,466	1.00	184,466
Information Systems Analyst	1	1.00	125,328	1.00	125,328
Internal Auditor	1	1.00	113,940	1.00	113,940
Investment Analyst	1	2.00	219,608	2.00	219,608
Investment Officer	1	7.00	1,755,601	7.00	1,755,601
Member Services Officer	1	1.00	214,354	1.00	214,354
Planning & Research Officer	1	1.00	162,623	1.00	162,623
Procurement Officer	1	1.00	72,139	1.00	72,139
Program Administrator	1	1.00	76,848	1.00	76,848
Program Manager	1	1.00	161,032	1.00	161,032
Program Specialist	1	20.00	1,176,128	20.00	1,176,128
Project Manager	1	1.00	100,481	1.00	100,481
Public Service Administrator	1	2.00	148,722	2.00	148,722
Research Analyst	1	1.00	70,464	1.00	70,464
Security Systems Sr Technician	1	2.00	237,634	2.00	237,634
Senior Administratv Specialist	1	3.00	167,887	3.00	167,887
KANSAS		DA-412 - 412 reconciliation			jvanfleet / 2026A0200365

412 reconciliation

Program. Name: null
Agency Name: Kansas Public Employees Retirement System
Agency Reporting Level: null
Version: 2026-A-02-00365

Division of the Budget
KANSAS

Classification of Employment	Pay Grade	FY 2025 Estimate		FY 2026 Request	
		Pos	Amount	Pos	Amount
State Auditor	1	3.00	185,621	3.00	185,621
Technology Support Consultant	1	1.00	84,132	1.00	84,132
Web Portal & E-Rate Administr	1	1.00	71,373	1.00	71,373
Subtotal Regular Unclassified		99.00	10,024,892	99.00	10,041,307
Non FTE Unclassified Permanent					
Accounting Manager	1	0.00	93,500	0.00	93,500
Accounting Specialist	1	0.00	100,219	0.00	100,219
Administrative Specialist	1	0.00	70,928	0.00	93,808
Applications Developer	1	0.00	263,249	0.00	263,249
Benefits Manager	1	0.00	207,570	0.00	241,010
Business Systems Analyst	1	0.00	264,871	0.00	350,671
Database Administrator	1	0.00	117,121	0.00	117,121
Deputy Executive Director	1	0.00	235,790	0.00	235,790
Documentation Technical Writer	1	0.00	37,500	0.00	65,000
Education/Information Officer	1	0.00	60,642	0.00	60,642
Human Resource Professional	1	0.00	33,280	0.00	66,560
Internal Auditor	1	0.00	82,173	0.00	82,173
Investment Analyst	1	0.00	112,405	0.00	112,405
Investment Operations Analyst	1	0.00	79,945	0.00	79,945
Program Specialist	1	0.00	569,552	0.00	569,552
Project Manager	1	0.00	509,826	0.00	552,131
Public Service Executive	1	0.00	57,696	0.00	100,000
Research Analyst	1	0.00	102,107	0.00	137,561
Senior Administratv Specialist	1	0.00	100,751	0.00	150,671
Staff Development Specialist	1	0.00	91,031	0.00	91,031
State Auditor	1	0.00	329,532	0.00	329,532
Storekeeper	1	0.00	48,042	0.00	48,042
Technology Support Consultant	1	0.00	117,002	0.00	117,002
Subtotal Non FTE Unclassified Permanent		0.00	3,684,733	0.00	4,057,615
Temporary Unclassified					
Appt/elect Bd/comm Bd Member	1	0.00	7,802	0.00	7,802
Accountant	1	0.00	0	0.00	0
Administrative Assistant	1	0.00	15,860	0.00	15,860
Education/Information Officer	1	0.00	52,520	0.00	78,520
Intern	1	0.00	0	0.00	0
Legal Assistant	1	0.00	20,800	0.00	41,600
Program Specialist	1	0.00	0	0.00	0
Senior Administratv Specialist	1	0.00	0	0.00	0
Subtotal Temporary Unclassified		0.00	96,982	0.00	143,782

KANSAS

DA-412 - 412 reconciliation

jvanfleet / 2026A0200365

412 reconciliation

Program Name: null
Agency Name: Kansas Public Employees Retirement System
Agency Reporting Level: null
Version: 2026-A-02-00365

Division of the Budget
KANSAS

Classification of Employment	Pay Grade	FY 2025 Estimate		FY 2026 Request	
		Pos	Amount	Pos	Amount
Overtime -- Unclass					
OT-UNC	1	0.00	70,000	0.00	70,000
Subtotal Overtime -- Unclass		0.00	70,000	0.00	70,000
Longevity					
Longevity		0.00	0	0.00	0
Subtotal Longevity		0.00	0	0.00	0
Bonus					
Bonus		0.00	654,405	0.00	674,039
Subtotal Bonus		0.00	654,405	0.00	674,039
ndby Pay--Unclass					
Standby Pay--Unclass.	1	0.00	6,680	0.00	6,680
Subtotal ndby Pay--Unclass		0.00	6,680	0.00	6,680
Totals		99.35	14,537,692	99.35	14,993,422
Totals by Fringe Benefits					
RET	KPERS	0.00	742,893	0.00	789,113
RET	KPER2	0.00	1,043,552	0.00	1,069,129
FICA		0.00	810,433	0.00	843,076
WKCMP		0.00	18,608	0.00	10,945
RSAL		0.00	81,411	0.00	92,959
HLT1		0.00	1,317,762	0.00	1,413,739
HLT2		0.00	328,107	0.00	352,053
FICA 2		0.00	210,797	0.00	217,405
Total Benefits		0.00	4,553,563	0.00	4,788,418
Total Salaries and Benefits		0.00	19,091,255	0.00	19,781,841
Totals by Position Type					
Regular Classified		0.35	0	0.35	0
Regular Unclassified		99.00	10,024,892	99.00	10,041,307
Non FTE Unclassified		0.00	3,684,733	0.00	4,057,615
Permanent					
Temporary Unclassified		0.00	96,982	0.00	143,782
Overtime -- Unclass		0.00	70,000	0.00	70,000
Standby Pay--Unclass		0.00	6,680	0.00	6,680
Longevity		0.00	0	0.00	0
Bonus		0.00	654,405	0.00	674,039
KANSAS	DA-412 - 412 reconciliation				jvanfleet / 2026A0200365

Agency Kansas Public Employees Retirement System

Program 01030 Administration

Reporting Level 365-00-01030-0000000-0000-000

1 Object/Revenue	2 FY 2024 Actuals	3 FY 2025 Adjusted Budget Request	4 FY 2026 Adjusted Budget Request	5	6	7
Description	Code					
COPY PRINTING EQUIPMENT RENTAL	523100	27,724	0	0	0	0
BUILDING SPACE RENTAL	523200	41,595	0	0	0	0
EQUIPMENT RENTAL	523300	11,979	0	0	0	0
OTHER RENTALS	523900	1,960	0	0	0	0
Reparing and Servicing	52400	0	1,200,000	2,000,000	0	0
REPAIR AND SVC BLDG GROUND	524400	1,713	0	0	0	0
REPAIR & SVC COMPUTER EQUIP	524700	23,994	0	0	0	0
COMPUTER SOFTWARE MAINT SVC	524800	1,674,790	0	0	0	0
REPAIR & SVC OTHER	524900	3,846	0	0	0	0
Travel and Subsistence	52500	0	125,000	130,000	0	0
PRIVATE VEHICLE MILES IN STATE	525110	495	0	0	0	0
PRIVATE CHARTER IN STATE	525120	10,453	0	0	0	0
MEALS AND LODGING IN STATE	525180	5,266	0	0	0	0
NON SUBSISTENCE IN STATE	525190	61	0	0	0	0
AIR RAIL & BUS FARE OUT STATE	525270	24,950	0	0	0	0
MEALS AND LODGING OUT STATE	525280	36,420	0	0	0	0
PRIVATE VEHICLE MILES	525510	11,351	0	0	0	0
AIR RAIL AND BUS FARE	525570	245	0	0	0	0
MEALS AND LODGING	525580	21,107	0	0	0	0
NON SUBSISTENCE	525590	3,200	0	0	0	0
Fees-other Services	52600	0	525,000	550,000	0	0
COMPUTER PROGRAMMING NOT DISC	526320	60,049	0	0	0	0
DATABASE ACCESS FEES NOT DISC	526330	140,987	0	0	0	0
JOB RELATED TRAIN & CONF REG	526610	57,346	0	0	0	0
OTHER FEES	526900	33,682	0	0	0	0
Fee-Professional Services	52700	0	4,372,866	6,205,000	0	0
STAFFING & RECRUITING SERVICES	527010	183,000	0	0	0	0
ATTORNEYS AND LAWYERS	527200	42,697	0	0	0	0
ACCOUNTANTS AND AUDITORS	527800	196,500	0	0	0	0
ACTUARIAL SERVICES	527860	281,500	0	0	0	0
INFORMATION SYSTEMS CONSULTING	527910	5,366,047	0	0	0	0
CONSULTING SERVICES OTHER	527919	304,525	0	0	0	0
OTHER PROFESSIONAL FEES	527990	437,007	0	0	0	0
Utilities	52800	0	10,000	10,000	0	0
ELECTRICITY	528100	3,000	0	0	0	0
NATURAL GAS	528200	833	0	0	0	0
Other Contractual Services	52900	0	61,750	65,000	0	0
DUES AND SUBSCRIPTIONS	529100	33,137	0	0	0	0
SURETY BOND AND INS PREMIUMS	529600	1,236	0	0	0	0
OFFICIAL HOSPITALITY	529700	20,427	0	0	0	0
TOTAL		9,896,430	7,203,366	9,909,000	0	0

Agency Kansas Public Employees Retirement System Program 01030 Administration Reporting Level 365-00-01030-0000000-0000-000						
1 Object/Revenue	2 FY 2024 Actuals	3 FY 2025 Adjusted Budget Request	4 FY 2026 Adjusted Budget Request	5	6	7
Decription	Code					
MEANS OF FUNDING						
KPER-AGENCY OPERATIONS	7400	9,755,430	7,048,366	9,754,000	0	0
KPER-AUDIT SERVICES TRANSFER	7405	141,000	155,000	155,000	0	0
KS PUB EMP RETIREMENT FD						
TOTAL		9,896,430	7,203,366	9,909,000	0	0
3 Commodities						
Maint Constr Material Supply	53400	0	2,500	2,500	0	0
OTHER EQUIP MATERIALS PARTS	534900	316	0	0	0	0
Vehicle Part Supply Accessory	53500	0	7,500	7,500	0	0
GASOLINE	535100	7,556	0	0	0	0
Pro Science Supply Material	53600	0	15,000	15,000	0	0
PRO SCIENTIFIC SUPPLY OTHER	536900	14,050	0	0	0	0
Office and Data Supplies	53700	0	50,000	100,000	0	0
STATIONERY AND OFFICE SUPPLIES	537100	20,396	0	0	0	0
DATA PROCESSING SUPPLIES	537200	16,175	0	0	0	0
Other Supplies and Materials	53900	0	7,500	7,500	0	0
HOUSEHOLD SUPPLIES	539200	7,961	0	0	0	0
OTHER SUPPLIES AND MAT	539900	546	0	0	0	0
TOTAL		67,000	82,500	132,500	0	0
MEANS OF FUNDING						
KPER-AGENCY OPERATIONS	7400	67,000	82,500	132,500	0	0
KS PUB EMP RETIREMENT FD						
TOTAL		67,000	82,500	132,500	0	0
4 Capital Outlay						
Furniture Fixtures and Equip	54000	0	500,000	500,000	0	0
OFFICE EQUIPMENT NON CAP	540390	5,059	0	0	0	0
OFFICE FURNITURE NON CAP	540391	25,082	0	0	0	0
PRINTING EQUIP NON CAPITAL	541290	7,760	0	0	0	0
MICROCOMPUTER EQUIP NON CAP	541390	219,770	0	0	0	0
INFO PROCESSING EQUIPMENT	541610	34,224	0	0	0	0
SOFTWARE NON CAPITAL	541890	1,106	0	0	0	0
TELECOM TERMINATION NON CAP	546190	6,809	0	0	0	0
DATA COMM EQUIP NON CAP	546690	12,580	0	0	0	0
TOTAL		312,390	500,000	500,000	0	0
MEANS OF FUNDING						
KPER-AGENCY OPERATIONS	7400	312,390	500,000	500,000	0	0
KS PUB EMP RETIREMENT FD						
TOTAL		312,390	500,000	500,000	0	0

Agency Kansas Public Employees Retirement System
 Program 01030 Administration
 Reporting Level 365-00-01030-0000000-0000-000

1 Object/Revenue Description Code	2 FY 2024 Actuals	3 FY 2025 Adjusted Budget Request	4 FY 2026 Adjusted Budget Request	5	6	7
Agency TOTALS TOTAL EXPENDITURES	22,109,266	20,590,732	23,714,611	0	0	0
KS PUB EMP RETIREMENT FD KPER-AGENCY OPERATIONS 7400 KPER-AUDIT SERVICES TRANSFER 7405	21,968,266 141,000	20,435,732 155,000	23,559,611 155,000	0 0	0 0	0 0
TOTAL TOTAL FUNDING	22,109,266	20,590,732	23,714,611	0	0	0
AUTHORIZED EMPLOYEES FTE	0.00	83.08	83.08	0.00	0.00	0.00
TOTAL AUTHORIZED EMPLOYEES	0.00	83.08	83.08	0.00	0.00	0.00

Agency Kansas Public Employees Retirement System Program 01038 KITS Modernization Project Reporting Level 365-00-01038-0000000-0000-000							
1 Object/Revenue	2 FY 2024 Actuals	3 FY 2025 Adjusted Budget Request	4 FY 2026 Adjusted Budget Request	5	6	7	
Decription	Code						
1 Salaries and Wages							
UNCLASSIFIED REGULAR	511100	(129,011)	49,192	49,192	0	0	0
UNCLASSIFIED TEMPORARY	511110	173,950	1,004,231	1,202,139	0	0	0
UNCLASS HOLIDAY INCL IN BASE	511140	(199)	0	0	0	0	0
LEAVE PAYMENT ASSESSMENTS	517600	323	5,898	7,757	0	0	0
PUBLIC EE RETIREMENT SYSTEM	518100	5,829	132,098	158,670	0	0	0
MEDICARE	519101	636	15,275	18,143	0	0	0
OASDI	519102	2,719	61,093	73,808	0	0	0
GROUP HEALTH HOSPITALIZATION	519500	15,891	175,850	188,666	0	0	0
WORKERS COMPENSATION	519700	70	1,348	911	0	0	0
TOTAL		70,208	1,444,985	1,699,286	0	0	0
MEANS OF FUNDING							
KPER-AGENCY OPERATIONS	7400	70,208	1,444,985	1,699,286	0	0	0
KS PUB EMP RETIREMENT FD							
TOTAL		70,208	1,444,985	1,699,286	0	0	0
2 Contractual Services							
Repairing and Servicing	52400	0	1,524,000	750,000	0	0	0
COMPUTER SOFTWARE MAINT SVC	524800	1,051,479	0	0	0	0	0
COMPUTER PROGRAMMING NOT DISC	526320	4,500	0	0	0	0	0
Fee-Professional Services	52700	0	9,069,116	11,663,629	0	0	0
STAFFING & RECRUITING SERVICES	527010	495,285	0	0	0	0	0
ATTORNEYS AND LAWYERS	527200	8,220	0	0	0	0	0
INFORMATION SYSTEMS CONSULTING	527910	1,889,046	0	0	0	0	0
TOTAL		3,448,530	10,593,116	12,413,629	0	0	0
MEANS OF FUNDING							
KPER-AGENCY OPERATIONS	7400	3,448,530	10,593,116	12,413,629	0	0	0
KS PUB EMP RETIREMENT FD							
TOTAL		3,448,530	10,593,116	12,413,629	0	0	0
4 Capital Outlay							
SOFTWARE NON CAPITAL	541890	9,995	0	0	0	0	0
TOTAL		9,995	0	0	0	0	0
MEANS OF FUNDING							
KPER-AGENCY OPERATIONS	7400	9,995	0	0	0	0	0
KS PUB EMP RETIREMENT FD							
TOTAL		9,995	0	0	0	0	0
Agency TOTALS							

Agency Kansas Public Employees Retirement System
Program 01038 KITS Modernization Project
Reporting Level 365-00-01038-0000000-0000-000

1 Object/Revenue Decription	2 FY 2024 Actuals	3 FY 2025 Adjusted Budget Request	4 FY 2026 Adjusted Budget Request	5	6	7
Code						
TOTAL EXPENDITURES	3,528,733	12,038,101	14,112,915	0	0	0
KS PUB EMP RETIREMENT FD KPER-AGENCY OPERATIONS	3,528,733	12,038,101	14,112,915	0	0	0
TOTAL 7400	3,528,733	12,038,101	14,112,915	0	0	0
TOTAL FUNDING	3,528,733	12,038,101	14,112,915	0	0	0
AUTHORIZED EMPLOYEES FTE	0.00	1.00	1.00	0.00	0.00	0.00
TOTAL AUTHORIZED EMPLOYEES	0.00	1.00	1.00	0.00	0.00	0.00

Agency Kansas Public Employees Retirement System Program 07000 KPERS BENEFITS Reporting Level 365-00-07000-0000000-0000-000						
1 Object/Revenue	2 FY 2024 Actuals	3 FY 2025 Adjusted Budget Request	4 FY 2026 Adjusted Budget Request	5	6	7
Decription	Code					
1 Salaries and Wages						
UNCLASSIFIED REGULAR	511100	439,535	310,626	310,791	0	0
UNCLASSIFIED TEMPORARY	511110	168,587	5,338	5,336	0	0
UNCLASSIFIED OVERTIME PAY	511130	56	0	0	0	0
UNCLASS HOLIDAY INCL IN BASE	511140	24,117	0	0	0	0
LEAVE PAYMENT ASSESSMENTS	517600	4,553	1,770	1,964	0	0
PUBLIC EE RETIREMENT SYSTEM	518100	85,867	39,548	40,013	0	0
MEDICARE	519101	8,929	4,582	4,582	0	0
OASDI	519102	36,819	17,799	17,973	0	0
GROUP HEALTH HOSPITALIZATION	519500	77,725	37,624	40,369	0	0
WORKERS COMPENSATION	519700	987	406	234	0	0
TOTAL		847,175	417,693	421,262	0	0
MEANS OF FUNDING						
GROUP INSURANCE RESERVE FD	9200	847,175	417,693	421,262	0	0
GROUP INSURANCE RESERVE FD TOTAL		847,175	417,693	421,262	0	0
2 Contractual Services						
CREDIT CARD FEES AND CHARGES	526910	184	0	0	0	0
Fee-Professional Services	52700	0	1,800,000	1,810,000	0	0
ATTORNEYS AND LAWYERS	527200	8,000	0	0	0	0
ACTUARIAL SERVICES	527860	180,000	0	0	0	0
OTHER PROFESSIONAL FEES	527990	1,914,709	0	0	0	0
Other Contractual Services	52900	0	46,094,065	0	0	0
SURETY BOND AND INS PREMIUMS	529600	45,205,172	0	46,177,506	0	0
TOTAL		47,308,065	47,894,065	47,987,506	0	0
MEANS OF FUNDING						
KS PUB EMP RETIREMENT FD	7000	150,184	0	0	0	0
KS PUB EMP RETIREMENT FD TOTAL		150,184	0	0	0	0
OPT DEATH BEN PLAN RESV FD	9100	9,136,068	8,344,065	8,427,506	0	0
OPT DEATH BEN PLAN RESV FD TOTAL		9,136,068	8,344,065	8,427,506	0	0
GROUP INSURANCE RESERVE FD	9200	23,729,202	23,800,000	23,810,000	0	0
KPER-GROUP TERM LIFE	9220	14,292,611	15,750,000	15,750,000	0	0
GROUP INSURANCE RESERVE FD TOTAL		38,021,813	39,550,000	39,560,000	0	0
3 Commodities						
Office and Data Supplies	53700	0	1,000	1,000	0	0
TOTAL		0	1,000	1,000	0	0

Agency Kansas Public Employees Retirement System Program 07000 KPERS BENEFITS Reporting Level 365-00-07000-0000000-0000-000							
1 Object/Revenue	2 FY 2024 Actuals	3 FY 2025 Adjusted Budget Request	4 FY 2026 Adjusted Budget Request	5	6	7	
Decription	Code						
MEANS OF FUNDING GROUP INSURANCE RESERVE FD	9200	0	1,000	1,000	0	0	0
GROUP INSURANCE RESERVE FD TOTAL		0	1,000	1,000	0	0	0
92 Non-Expense Items							
INVESTMENT ADVANCES	572300	1,381,722,000	70,665,000	70,665,000	0	0	0
RETURN CONTR - ACTIVE DEATH	574100	2,409,930	2,050,000	2,050,000	0	0	0
RET CONTR - ACTIVE DEATH - INT	574150	1,776,986	2,005,000	2,005,000	0	0	0
RETURN CONTR - WITHDRAWAL	574400	42,142,205	49,345,000	49,345,000	0	0	0
RETURN CONTR - WITHDRAW - INT	574450	9,965,717	6,600,000	6,600,000	0	0	0
TOTAL		1,438,016,838	130,665,000	130,665,000	0	0	0
MEANS OF FUNDING KS PUB EMP RETIREMENT FD	7000	1,382,316,838	60,000,000	60,000,000	0	0	0
KS PUB EMP RETIREMENT FD TOTAL		1,382,316,838	60,000,000	60,000,000	0	0	0
GROUP INSURANCE RESERVE FD	9200	55,700,000	70,665,000	70,665,000	0	0	0
GROUP INSURANCE RESERVE FD TOTAL		55,700,000	70,665,000	70,665,000	0	0	0
9 Other Assistance							
PARTIAL LUMP SUM OPTION	554300	38,162,643	73,280,000	73,280,000	0	0	0
DEFERRED RETIRE OPTION PROGRAM	554390	268,486	300,000	300,000	0	0	0
EMPLOYER PAID DEATHS	554400	713,922	710,000	710,000	0	0	0
REGULAR MONTH BENEFITS	554500	2,022,506,324	2,202,878,093	2,293,104,772	0	0	0
RETIRE DIVIDEND 13TH CHECK	554600	510,415	600,000	600,000	0	0	0
LUMP SUM DEATH BENEFIT	554800	6,065,840	9,798,500	9,798,500	0	0	0
DEATH MONTH BENEFIT	554850	234,530	335,000	335,000	0	0	0
TOTAL		2,068,462,160	2,287,901,593	2,378,128,272	0	0	0
MEANS OF FUNDING KS PUB EMP RETIREMENT FD	7000	2,068,462,160	2,287,901,593	2,378,128,272	0	0	0
KS PUB EMP RETIREMENT FD TOTAL		2,068,462,160	2,287,901,593	2,378,128,272	0	0	0
Agency TOTALS							
TOTAL EXPENDITURES		3,554,634,238	2,466,879,351	2,557,203,040	0	0	0
GROUP INSURANCE RESERVE FD GROUP INSURANCE RESERVE FD	9200	80,276,377	94,883,693	94,897,262	0	0	0

Agency Kansas Public Employees Retirement System
 Program 07000 KPERS BENEFITS
 Reporting Level 365-00-07000-0000000-0000-000

1 Object/Revenue		2 FY 2024 Actuals	3 FY 2025 Adjusted Budget Request	4 FY 2026 Adjusted Budget Request	5	6	7
Description	Code						
KPER-GROUP TERM LIFE	9220	14,292,611	15,750,000	15,750,000	0	0	0
TOTAL		94,568,988	110,633,693	110,647,262	0	0	0
KS PUB EMP RETIREMENT FD							
KS PUB EMP RETIREMENT FD	7000	3,450,929,182	2,347,901,593	2,438,128,272	0	0	0
TOTAL		3,450,929,182	2,347,901,593	2,438,128,272	0	0	0
OPT DEATH BEN PLAN RESV FD							
OPT DEATH BEN PLAN RESV FD	9100	9,136,068	8,344,065	8,427,506	0	0	0
TOTAL		9,136,068	8,344,065	8,427,506	0	0	0
TOTAL FUNDING		3,554,634,238	2,466,879,351	2,557,203,040	0	0	0
AUTHORIZED EMPLOYEES							
FTE		0.00	3.30	3.30	0.00	0.00	0.00
TOTAL AUTHORIZED EMPLOYEES		0.00	3.30	3.30	0.00	0.00	0.00

Enhancement Package

No Enhancements are requested for FY 2025 or FY 2026.

INVESTMENT ACTIVITIES

The 1970 Legislature in Chapter 324 (K.S.A. 74-4921) amended the investment authority and authorized the Board to enter into contracts with one or more persons whom the Board determined to be qualified to perform the investment functions of such portion of the fund as the Board decided to allocate to each manager. The first contracts for investment manager service were effective May 18, 1971.

Investments are made in accordance with state statute and the Statement of Investment Policy, Objectives and Guidelines, as maintained by the Board. The investment policy specifies a long term target asset mix (based on market value) of 21.5 percent domestic equities, 13 percent domestic fixed income, 3 percent real return assets, 21.5 percent international equities, 12 percent yield driven, 15 percent real estate, 11 percent alternative investments, and 3 percent cash equivalents. This target asset mix was adopted by the Board as a result of an Asset/Liability Study completed in May 2023.

The Board contracts with investment management firms to manage the assets in a variety of investment strategies, with each portfolio mandate within each firm's area of expertise. The current managers and strategies, by asset class, are:

DOMESTIC EQUITY MANAGERS

- Mellon (Passive)
- BlackRock (Passive)

FIXED INCOME MANAGERS

- MacKay Shields (Core)
- T Rowe Price Associates (Core)
- Payden & Rygel (Core)

INTERNATIONAL EQUITY MANAGERS

- Baillie Gifford Overseas Ltd. (Active)
- JP Morgan Asset Management (Active)
- Lazard Asset Management (Active)
- Wellington Asset Management (Active)

YIELD DRIVEN MANAGERS

- Loomis, Sayles & Company (Strategic Fixed Income)
- Western Asset Management (Strategic Fixed Income)
- Beach Point Capital Management (Strategic Fixed Income)
- Oaktree Capital Management (Strategic Fixed Income)
- CenterSquare Investment Management (REITs)

REAL RETURN MANAGERS

- Molpus Woodlands Group (Timber)
- RMS Evergreen (Timber)
- Brookfield Asset Management (Infrastructure)
- JP Morgan Infrastructure (Infrastructure)
- IFM Global Infrastructure (Infrastructure)

- Axiom Infrastructure (Infrastructure)

REAL ESTATE MANAGERS

- Morgan Stanley Prime Property Fund (Core Real Estate)
- Jones Lang LaSalle Property Fund (Core Real Estate)
- Jamestown Premier Property Fund (Core Real Estate)
- UBS Trumbull Property Fund (Core Real Estate)
- Heitman American Real Estate Trust (Core Real Estate)
- J.P. Morgan Strategic Property Fund (Core Real Estate)
- Prudential Real Estate Investors Fund (Core Real Estate)
- CBRE US Core Partners LP (Core Real Estate)

CASH EQUIVALENTS MANAGERS

- Payden & Rygel (Cash Equivalents)

CURRENCY OVERLAY MANAGERS

- Insight Investment (Currency Overlay)
- Adrian Lee & Partners (Currency Overlay)

DOMESTIC EQUITY MANAGERS

DOMESTIC EQUITY INVESTMENT MANDATE: The objective of the domestic equity investment component of marketable securities of the Fund is to earn, over time, an average annual total rate of return which is approximately equal to the return of the Russell 3000 Index, combining dividends and capital appreciation/depreciation, while at the same time maintaining a reasonable risk level (as measured by standard deviation) relative to its index.

MELLON (Domestic Equity – Passive)

Organization: Mellon manages \$3,417.9 million for the domestic equity program, Mellon manages a domestic equity index account for the System which is benchmarked to the Russell 3000 Index.

BLACKROCK (Domestic Equity – Passive)

Organization: BlackRock manages \$3,387.5 million for the domestic equity program. BlackRock manages a domestic equity index account for the System which is benchmarked to the Russell 3000 Index.

FIXED INCOME MANAGERS

FIXED INCOME INVESTMENT MANDATE: The objective of the fixed income investment component of the Fund is to diversify the total portfolio and to earn, over time, an average annual total rate of return which exceeds that of the Bloomberg US Aggregate Index, combining interest income and capital appreciation/depreciation, while at the same

time maintaining a reasonable risk level (as measured by standard deviation) relative to its benchmark.

MACKAY SHIELDS (Fixed Income – Core)

Organization: MacKay Shields has assets under management of \$1,235.9 million for the System. MacKay Shields' investment philosophy combines a top-down analysis to exploit opportunities and neutralize unwanted risks, with a bottom-up analysis to maximize security selection and protect the downside through risk controls.

T ROWE PRICE ASSOCIATES (Fixed Income – Core)

Organization: T Rowe Price Associates, Inc. has assets under management of \$1,191.2 million for the System. The firm's investment philosophy seeks to capitalize on the inefficiencies that exist between and within sectors of the fixed income market and along the yield curve. Portfolio decisions are both top-down and bottom-up, with the strategy team responsible for the sector and interest rate strategies and the sector specialists responsible for security selection.

PAYDEN & RYGEL (Fixed Income – Core)

Organization: Payden & Rygel has assets under management of \$1,183.6 million for the System. The firm's investment philosophy seeks to identify investment opportunities across sectors in a relative value, macro-economic top-down approach.

INTERNATIONAL EQUITY MANAGERS

INTERNATIONAL EQUITY INVESTMENT MANDATE: The objective of the international equity investment component of marketable securities of the Fund is to earn, over time, an average annual total rate of return which exceeds that of the MSCI All Country World Index ex-U.S, ex-China. Net in U.S. dollars, combining dividends and capital appreciation/depreciation, adjusted for currency overlay program, while at the same time maintaining a reasonable risk level (as measured by standard deviation) relative to its index.

BAILLIE GIFFORD OVERSEAS LTD (International Equity - Active)

Organization: Baillie Gifford manages total System assets of \$1,646.0 million in the International Equity portfolio. Baillie Gifford seeks to add value through bottom-up active management by making long-term investments in well researched and well managed, quality businesses that enjoy sustainable, competitive advantages in their marketplace. They believe markets tend to undervalue persistent growth and their style is biased towards growth.

JP MORGAN ASSET MANAGEMENT (International Equity - Active)

Organization: JP Morgan Asset Management currently manages System assets of \$1,405.6 million in the International Equity portfolio. JP Morgan believes every asset has a fair value that can be determined by fundamental in-house research and over time, market prices should move towards these fair values.

LAZARD ASSET MANAGEMENT (International Equity - Active)

Organization: Lazard Asset Management manages System assets of \$1,691.0 million in the International Equity portfolio. Lazard employs a bottom-up, multi-cap strategy that focuses on the trade-off between valuations and financial productivity. The process focuses on finding securities with a combination of sustainably high or improving returns on capital, at attractive valuations.

WELLINGTON ASSET MANAGEMENT (International Equity – Active)

Organization: Wellington Asset Management manages System assets of \$1,658.7 million in the International Equity portfolio. Wellington employs a bottom-up, fundamental research driven approach to investing. The firm believes the market rewards growth relative to the amount of capital invested, or return on capital. When analyzing a company, Wellington focuses on the company's assets, its management team and the industry structure as these are the drivers of future returns and can provide early insights on the potential for improving or sustaining those returns.

YIELD DRIVEN MANAGERS

YIELD DRIVEN INVESTMENT MANDATE: The objective of the yield driven investment component of the Fund is to diversify the total portfolio, to provide current income, and to earn, over time, an average annual total rate of return which is equal to or exceeds the KPERS Yield Driven Benchmark, combining income and capital appreciation/depreciation, while at the same time maintaining a reasonable risk level (as measured by standard deviation) relative to its benchmark.

LOOMIS, SAYLES & COMPANY (Strategic Fixed Income)

Organization: Loomis Sayles manages \$648.1 million in a strategic fixed income portfolio. Loomis, Sayles investment philosophy is that of a fundamental "bond picker." Each security is selected using total return criteria with a bias towards stable securities with the potential to be upgraded. Their objective is to add value through diligent, independent and proprietary selection of corporate issues.

WESTERN ASSET MANAGEMENT (Strategic Fixed Income)

Organization: Western Asset Management has assets under management of \$649.7 million for the System. Western's investment philosophy combines traditional analysis with technology to analyze all sectors of the fixed income markets in an effort to exploit any inefficiencies that may exist. Western focuses on several key areas to add value, including sector allocation, issue selection, duration and the term structure of interest rates.

BEACH POINT CAPITAL MANAGEMENT (Strategic Fixed Income)

Organization: Beach Point Capital Management has assets under management of \$636.3 million for the System. Beach Point's investment philosophy consists of a risk-controlled approach using detailed credit analysis and comprehensive due diligence to identify complex, under-followed, and misunderstood investment opportunities. The investment team seeks to add value predominately through issue selection and sector allocation.

OAKTREE CAPITAL MANAGEMENT (Strategic Fixed Income)

Organization: Oaktree Capital Management has assets under management of \$639.7 million for the System. Oaktree's investment philosophy consists of a highly disciplined, credit-intensive research approach that focuses on downside risk management. The investment team seeks to add value through issue selection and sector allocation while maintaining a well-diversified portfolio.

CENTERSQUARE INVESTMENT MANAGEMENT (REITs)

Organization: CenterSquare currently manages \$651.3 million in domestic REIT assets for the System. The manager employs an active stock selection process that combines top-down elements with bottom-up research.

REAL RETURN MANAGERS

REAL RETURN INVESTMENT MANDATE: The objective of the real return assets component of the Fund is to diversify the total portfolio and provide long-term inflation protection, as well as to earn, over time, an average annual total rate of return which is equal to or exceeds the KPERs Real Return benchmark, combining interest income and capital appreciation/depreciation, while at the same time maintaining a reasonable risk level (as measured by standard deviation) relative to its benchmark.

MOLPUS WOODLANDS GROUP (Timber)

Organization: Molpus Woodlands Group manages \$30.9 million in a timber mandate for the System with a geographic focus on the Southeastern United States and a real (adjusted for inflation) return target of 3.5%.

RMS EVERGREEN (Timber)

Organization: The RMS Evergreen US Forestland Fund currently manages \$90.2 million in assets for the System. RMS is a vertically integrated timberland investment manager that manages approximately 2.3 million acres of high quality pine plantation timberlands located across the primary timber producing regions of the southern United States. This open-end, core, timberland fund plans to continue to invest in intensively managed plantations of commercial softwood species in the U.S. South.

BROOKFIELD ASSET MANAGEMENT (Infrastructure)

Organization: The Brookfield Americas Infrastructure Fund and Brookfield Super-Core Infrastructure Partners L.P. currently manage \$12.6 million and \$81.2 million, respectively, in assets for the System. Brookfield operates high quality, long-life assets that generate stable cash flows, require relatively minimal maintenance capital expenditures and, by virtue of barriers to entry and other characteristics, are expected to appreciate in value over time.

JP MORGAN INFRASTRUCTURE (Infrastructure)

Organization: The J.P. Morgan Infrastructure Investments Fund (“IIF”) currently manages \$153.9 million in assets for the System. IIF invests in core and core plus infrastructure assets in countries with established regulatory environments. The Fund’s focus is on core, stable brownfield assets in the regulated utility, contracted asset and transportation sectors. The primary geographic focus for the Fund is the United States, Western Europe, Canada and Australia.

IFM GLOBAL INFRASTRUCTURE (Infrastructure)

Organization: The IFM Global Infrastructure Fund (“GIF”) currently manages \$207.7 million in assets for the System. GIF is composed of core infrastructure assets with stable and predictable revenues, monopolistic characteristics, strong market positions, a predictable regulatory environment, high barriers to entry and long useful lives. The primary geographic focus for the Fund is the United Kingdom and the United States, secondarily in Western and Eastern Europe.

AXIUM INFRASTRUCTURE US LP (Infrastructure)

Organization: Axiom Infrastructure U.S. LP currently manages \$127.0 million in assets for the System. The Fund invests in core and core plus infrastructure assets in the United States, which has an established regulatory environment and strong rule of law. The Fund targets both operating assets ($\geq 60\%$) and late-stage greenfield ($\leq 40\%$) investment opportunities primarily in the contracted asset and regulated utility sectors.

REAL ESTATE MANAGERS

REAL ESTATE INVESTMENT MANDATE: The objective of the real estate investment component of the Fund is to diversify the total portfolio and provide long-term inflation protection as well as earn, over time, an average annual total rate of return which exceeds the KPERS Real Estate Benchmark, combining income and capital appreciation/depreciation, while at the same time maintaining a reasonable risk level (as measured by standard deviation) relative to its benchmark.

MORGAN STANLEY PRIME PROPERTY FUND (Core Real Estate)

Organization: Prime Property is managed by Morgan Stanley. The fund currently manages \$487.5 million in assets for the System. Prime Property is a core open-end commingled equity real estate fund, diversified by property type and geographic location.

JONES LANG LASALLE PROPERTY FUND (Core Real Estate)

Organization: LaSalle currently manages \$388.6 million in assets for the System. The strategy employed by LaSalle targets Class A, well leased income-producing properties primarily located in coastal markets.

JAMESTOWN PREMIER PROPERTY FUND (Core Real Estate)

Organization: Jamestown currently manages \$42.1 million in core real estate assets for the System, investing in high-quality, income producing and opportunistic commercial real estate in the United States. The strategy is sector focused with a primary focus on retail and office assets.

UBS TRUMBULL PROPERTY FUND (Core Real Estate)

Organization: UBS Trumbull Property Fund currently manages \$111.9 million in assets for the System. UBS Trumbull Property Fund employs a disciplined and methodical process to investing in core real estate in which internal asset managers are organized by and focus on both property type(s) and region.

HEITMAN AMERICA REAL ESTATE TRUST (Core Real Estate)

Organization: Heitman HART currently manages \$167.7 million in assets for the System. HART employs a strategy focused on high-quality, income producing assets primarily in the multi-family and retail sectors.

JP MORGAN STRATEGIC PROPERTY FUND (Core Real Estate)

Organization: The JP Morgan Strategic Property Fund currently manages \$252.0 million in assets for the System, and focuses on attractive, stabilized investments, with high quality physical improvements located in the major U.S. metropolitan markets. The strategy is sector focused with a primary focus on office and retail assets.

PRUDENTIAL REAL ESTATE INVESTORS FUND (Core Real Estate)

Organization: The PRISA Fund currently manages \$328.8 million in assets for the System, and focuses on a property type mix which is weighted toward office, and geographic diversity, including several west coast holdings. The Fund's mandate is to invest primarily in existing, income producing properties in the U.S. with strong cash flow that is expected to increase over time and thereby provide the potential for capital appreciation.

CBRE US CORE PARTNERS LP (Core Real Estate)

Organization: CBRE U.S. Core Partners currently manages \$307.9 million in assets for the System and focuses on a property type mix which is weighted toward the industrial and apartment sectors, and geographic diversity, including an overweight to the Pacific region

and Atlanta. The Fund's mandate is to invest primarily in markets with strong rent forecasts and assets that are expected to have above-average return potential in the U.S. by acquiring well-occupied, high-quality real estate assets with stable cash flows at discounts to fundamental values.

NON-CORE REAL ESTATE FUNDS

The Non-Core segment is implemented using several investment funds utilizing a variety of strategies and property types, both domestically and internationally. While providing inflation protection, Non-Core real estate investments are also expected to produce meaningful capital appreciation. These strategies typically involve a higher element of development risk and carry higher levels of leverage (debt) than Core investments. The return target for Non-Core Real Estate investments over a full market cycle is the NCREIF ODCE Index plus 3%. The System currently has \$614.9 million invested in NON-CORE Real Estate Funds.

ALTERNATIVE INVESTMENT MANAGERS

ALTERNATIVE INVESTMENT MANDATE: The objective of the alternative investment component of the Fund is to earn, over time, an average total return which exceeds the Russell 3000 Index plus 2%, while maintaining a risk level (as measured by standard deviation) commensurate with the expected return differential.

- A list of the System's private equity limited partnership investments can be found in the System's ACFR.

CASH EQUIVALENTS MANAGER

Investment Mandate: The objective of the short-term cash equivalent reserve component of the Fund is to provide liquidity for the timely payment of benefits and/or fees and expenses while earning a competitive return. The objective of the cash equivalent reserve component of the Fund is to earn, over time, an average annual total rate of return which exceeds that of the KPERs Cash Equivalents benchmark, combining income and capital appreciation/depreciation, while at the same time maintaining a reasonable risk level (as measured by standard deviation) relative to its index.

PAYDEN & RYGEL (Cash Equivalents)

Organization: Payden & Rygel manages a Short Term Investment Fund (STIF) program for the System. The STIF portfolio maintains a maximum maturity of fifteen months.

CURRENCY OVERLAY MANAGER

INSIGHT INVESTMENT (Currency Overlay)

Investment Mandate: Insight Investment manages a currency overlay program for one half of the developed markets exposure in the System's international equity portfolio. The objective is to protect the dollar value of the international equity portfolio against a decline

in the value of non-U.S. dollar currencies (U.S. dollar strength), while at the same time allowing partial participation in the appreciation of these currencies against the U.S. dollar (U.S. dollar weakness). Over a typical market cycle the manager is expected to reduce the currency risk and enhance the returns of the indexed international equity portfolio to which the currency overlay strategy will be applied.

ADRIAN LEE & PARTNERS (Currency Overlay)

Investment Mandate: Adrian Lee manages a currency overlay program for one half of the developed markets exposure in the System's international equity portfolio. The objective is to protect the dollar value of the international equity portfolio against a decline in the value of non-U.S. dollar currencies (U.S. dollar strength), while at the same time allowing partial participation in the appreciation of these currencies against the U.S. dollar (U.S. dollar weakness). Over a typical market cycle the manager is expected to reduce the currency risk and enhance the returns of the indexed international equity portfolio to which the currency overlay strategy will be applied.

INVESTMENT CUSTODIAN

K.S.A. 74-4921 authorizes the Board to contract with a member bank or trust company of the Federal Reserve to serve as custodian of securities and handle the collection of income, principal, proceeds from sales, and payment for securities purchased, as well as safekeeping of securities. State Street Bank & Trust Company is the global master custodian for the System's assets.

ANNUAL BOARD REVIEW

K.S.A. 74-4921 also requires the Board to provide for an examination of the investment program annually. The Board has contracted with Meketa Investment Group (formerly Pension Consulting Alliance) as the System's general investment consultant. The consultant assists the Board and staff in several complex areas such as: determining the appropriate asset allocation, preparation of investment guidelines, policy, practices, and procedures; investment manager searches; and the ongoing oversight of the investment managers' activities.

INVESTMENT PERFORMANCE

The time-weighted rate of return for FY 2024 is 9.7% for the System's total assets. The average annualized total return is 3.9% for the three years ending 6/30/24, and 7.7% for the five years ending 6/30/24. Over the past twenty-five years, the Retirement System's investment portfolio has earned an 6.9% average annualized total return.

Investment Performance Report

For the Period Ending June 30, 2024

Time-Weighted Return (1)	Last Year	Latest 3 Years	Latest 5 Years
Total Portfolio	9.7%	3.9%	7.7%
Policy Index	11.0%	3.2%	7.1%
Consumer Price Index	3.0%	5.0%	4.2%
Domestic Equity Portfolio	23.0%	8.1%	14.1%
Russell 3000 Index	23.1%	8.1%	14.1%
International Equity Portfolio	10.8%	-0.8%	5.5%
KPERS Int'l Equity Benchmark	13.0%	0.9%	5.8%
Fixed Income Portfolio	3.2%	-2.8%	0.2%
KPERS Fixed Income Benchmark	2.6%	-3.0%	-0.2%
Yield Driven Portfolio (2)	8.8%	1.0%	2.1%
KPERS Yield Driven Benchmark	9.8%	1.5%	1.2%
Real Return Portfolio	7.4%	2.1%	4.0%
KPERS Real Return Benchmark	2.7%	-1.3%	2.1%
Real Estate Portfolio	-8.7%	3.0%	3.8%
KPERS Real Estate Benchmark	-8.5%	2.7%	3.9%
Alternative Investment Portfolio	5.5%	12.1%	16.1%
KPERS Alternative Investment Benchmark	25.1%	10.1%	16.2%
Cash Equivalents Portfolio	4.9%	2.5%	2.2%
KPERS Cash Equivalents Benchmark	5.3%	1.7%	1.7%

1) Time weighted total return includes income and changes in market value.

Agency Kansas Public Employees Retirement System Program 07100 KPERS Investments Reporting Level 365-00-07100-0000000-0000-000						
1 Object/Revenue	2 FY 2024 Actuals	3 FY 2025 Adjusted Budget Request	4 FY 2026 Adjusted Budget Request	5	6	7
Decription	Code					
1 Salaries and Wages						
UNCLASSIFIED REGULAR	511100	1,946,547	2,685,884	2,704,871	0	0
UNCLASSIFIED TEMPORARY	511110	166,341	220,206	222,518	0	0
UNCLASS HOLIDAY INCL IN BASE	511140	67,531	0	0	0	0
LEAVE PAYMENT ASSESSMENTS	517600	15,700	16,275	18,148	0	0
PUBLIC EE RETIREMENT SYSTEM	518100	276,748	364,422	371,194	0	0
MEDICARE	519101	31,193	42,140	42,447	0	0
OASDI	519102	93,835	111,478	115,044	0	0
GROUP HEALTH HOSPITALIZATION	519500	84,953	98,603	105,786	0	0
WORKERS COMPENSATION	519700	3,402	3,719	2,137	0	0
UNEMPLOYMENT COMPENSATION	519800	8	0	0	0	0
TOTAL		2,686,258	3,542,727	3,582,145	0	0
MEANS OF FUNDING						
KPER-INVESTMENT RELATED EXP	8000	2,686,258	3,542,727	3,582,145	0	0
KS PUB EMP RETIREMENT FD						
TOTAL		2,686,258	3,542,727	3,582,145	0	0
2 Contractual Services						
Communication	52000	0	13,500	13,500	0	0
INTERGOV LD COMM SVC OP DISC	520700	5,400	0	0	0	0
CELLULAR PHONES	520910	5,000	0	0	0	0
Freight and Express	52100	0	750	750	0	0
OTHER FREIGHT AND EXPRESS	521900	500	0	0	0	0
Rents	52300	0	12,000	12,000	0	0
COPY PRINTING EQUIPMENT						
RENTAL	523100	3,247	0	0	0	0
Travel and Subsistence	52500	0	43,000	43,000	0	0
MEALS AND LODGING IN STATE	525180	305	0	0	0	0
AIR RAIL & BUS FARE OUT STATE	525270	7,000	0	0	0	0
MEALS AND LODGING OUT STATE	525280	6,220	0	0	0	0
PRIVATE VEHICLE MILES	525510	895	0	0	0	0
MEALS AND LODGING	525580	1,626	0	0	0	0
NON SUBSISTENCE	525590	750	0	0	0	0
Fees-other Services	52600	0	23,350	23,350	0	0
DATABASE ACCESS FEES NOT DISC	526330	1,000	0	0	0	0
JOB RELATED TRAIN & CONF REG	526610	1,997	0	0	0	0
OTHER FEES	526900	48	0	0	0	0
Fee-Professional Services	52700	0	48,089,463	49,297,043	0	0
ATTORNEYS AND LAWYERS	527200	1,026,000	0	0	0	0
BANKING AND INVEST SVCS	527850	3,509,823	0	0	0	0
OTHER						
EXTERNAL INVESTMENT	527853	37,974,402	0	0	0	0
MANAGER						
CONSULTING SERVICES OTHER	527919	1,651,997	0	0	0	0

Agency Kansas Public Employees Retirement System Program 07100 KPERs Investments Reporting Level 365-00-07100-0000000-0000-000							
1 Object/Revenue	2 FY 2024 Actuals	3 FY 2025 Adjusted Budget Request	4 FY 2026 Adjusted Budget Request	5	6	7	
Description	Code						
OTHER PROFESSIONAL FEES	527990	575,504	0	0	0	0	0
Other Contractual Services	52900	0	20,000	20,000	0	0	0
DUES AND SUBSCRIPTIONS	529100	15,464	0	0	0	0	0
TOTAL		44,787,178	48,202,063	49,409,643	0	0	0
MEANS OF FUNDING							
KPER-INVESTMENT RELATED EXP	8000	160,459	325,000	325,000	0	0	0
KPER-IRE-REAL ESTATE MGMT FEES	8020	1,025,500	531,000	557,000	0	0	0
KPER-IRE-PUB TRADED SEC MGMT	8030	39,442,225	43,049,788	44,825,168	0	0	0
KPER-IRE-DIRCT PLCMT INVST PRG	8040	500	0	0	0	0	0
KPER-IRE-CUSTODIAL BANK FEES	8050	2,010,000	1,886,250	1,065,000	0	0	0
KPER-IRE-INVEST CONSULTANT FEE	8060	2,148,494	2,410,025	2,637,475	0	0	0
KS PUB EMP RETIREMENT FD TOTAL		44,787,178	48,202,063	49,409,643	0	0	0
4 Capital Outlay							
Furniture Fixtures and Equip	54000	0	50,000	200,000	0	0	0
TOTAL		0	50,000	200,000	0	0	0
MEANS OF FUNDING							
KPER-INVESTMENT RELATED EXP	8000	0	50,000	200,000	0	0	0
KS PUB EMP RETIREMENT FD TOTAL		0	50,000	200,000	0	0	0
Agency TOTALS							
TOTAL EXPENDITURES		47,473,436	51,794,790	53,191,788	0	0	0
KS PUB EMP RETIREMENT FD							
KPER-INVESTMENT RELATED EXP	8000	2,846,717	3,917,727	4,107,145	0	0	0
KPER-IRE-REAL ESTATE MGMT FEES	8020	1,025,500	531,000	557,000	0	0	0
KPER-IRE-PUB TRADED SEC MGMT	8030	39,442,225	43,049,788	44,825,168	0	0	0
KPER-IRE-DIRCT PLCMT INVST PRG	8040	500	0	0	0	0	0
KPER-IRE-CUSTODIAL BANK FEES	8050	2,010,000	1,886,250	1,065,000	0	0	0
KPER-IRE-INVEST CONSULTANT FEE	8060	2,148,494	2,410,025	2,637,475	0	0	0
TOTAL		47,473,436	51,794,790	53,191,788	0	0	0
TOTAL FUNDING		47,473,436	51,794,790	53,191,788	0	0	0
AUTHORIZED EMPLOYEES							
FTE		0.00	9.37	9.37	0.00	0.00	0.00

Agency Kansas Public Employees Retirement System
Program 07100 KPERS Investments
Reporting Level 365-00-07100-0000000-0000-000

1 Object/Revenue Decription	2 FY 2024 Actuals	3 FY 2025 Adjusted Budget Request	4 FY 2026 Adjusted Budget Request	5	6	7
Code						
TOTAL AUTHORIZED EMPLOYEES	0.00	9.37	9.37	0.00	0.00	0.00

State of Kansas Deferred Compensation Program

The Kansas Deferred Compensation Plan is a voluntary, tax-deferred retirement savings program for state employees. In addition, many local public employers offer the plan to their employees.

Following a 2006 study of the Plan, the Secretary of Administration and the KPERS Board of Trustees recommended transferring Plan administration to KPERS. During the 2007 legislative session, the Kansas Legislature passed and the Governor signed HB 2385 to implement this recommendation. KPERS' administration of the Plan provides State and local employees with coordinated retirement education and planning information and facilitates an increased emphasis on personal savings for retirement.

Plan Overview

Established in 1980 according to Section 457 of the Internal Revenue Code and K.S.A. 75-5521 et seq., the Plan has 27,564 state and local participants with total assets of approximately \$1.54 billion.

- The Plan selects and offers a range of investment options to participating members.
- Empower is the Plan's service provider, providing recordkeeping.
- SageView Advisory Group acts as the Plan's investment consultant.

Deferred Compensation Plan Highlights*	
Assets	\$ 1,535,296,596
State	\$ 989,976,881
Local	\$ 545,319,714
Participants	27,564
State	14,777
Local	12,787
Actively Deferring Participants	14,319
State	7,530
Local	6,789
Employers	440
State	1
Local	439

*As of 6/30/24

The 2016 Legislature also provided KPERS with authority to establish a flexible 401(a) supplemental defined contribution plan for local employers that have adopted the KPERS 457 plan

and wish to make employer contributions to their employees' personal savings. As of 6/30/24 there are thirty employers participating in the 401(a) plan with 823 participants and assets of \$10,276,361.

Plan Administration

The KPERS Board of Trustees created a Deferred Compensation Committee to oversee administration of the Plan and make recommendations to the full Board for consideration and action, as needed. The Committee's oversight and recommendations relate to management of plan assets, selection and monitoring of investment options, and selection and evaluation of service providers. KPERS staff manages operations in conjunction with the Plan's service provider.

Empower was selected through an RFP process in 2023 to continue to be the plan's record keeper. The Empower contract is for five calendar years, with two possible one-year extensions. Empower is responsible for account recordkeeping and direct services such as enrollments, phone inquiries and investment transactions.

During FY 2024, 2,287 new participants enrolled in the plan. Thirteen local employers adopted the KPERS 457 plan during FY 2024, and eleven local employers adopted the 401(a) plan. During FY 2024, Moss Adams, our external financial auditor, completed the financial statement audit of the KPERS 457 plan with no material findings.

Plan Administration Expenditures

All direct and indirect expenses of the Plan are paid using a cost allocation method with separate accounting of the Retirement System's and the Plan's assets and expenses. All expenses are paid out of the Deferred Compensation Fund's assets, which are all participant contributions. The budgeted expenditures total \$662,616 in FY 2025 and \$671,895 in FY 2026.

Agency Kansas Public Employees Retirement System

Program 07200 Non-KPERS Investments

Reporting Level 365-00-07200-0000000-0000-000

1 Object/Revenue		2 FY 2024 Actuals	3 FY 2025 Adjusted Budget Request	4 FY 2026 Adjusted Budget Request	5	6	7
Decription	Code						
1 Salaries and Wages							
SALARIES AND WAGES	51000	0	50,000	100,000	0	0	0
UNCLASSIFIED REGULAR	511100	305,159	334,154	334,155	0	0	0
UNCLASSIFIED TEMPORARY	511110	4,160	5,216	5,881	0	0	0
UNCLASSIFIED OVERTIME PAY	511130	7	0	0	0	0	0
UNCLASS HOLIDAY INCL IN BASE	511140	11,099	0	0	0	0	0
LEAVE PAYMENT ASSESSMENTS	517600	2,307	1,899	2,110	0	0	0
PUBLIC EE RETIREMENT SYSTEM	518100	43,250	42,509	43,067	0	0	0
MEDICARE	519101	4,487	4,924	4,929	0	0	0
OASDI	519102	18,503	20,176	20,299	0	0	0
GROUP HEALTH HOSPITALIZATION	519500	29,318	30,954	33,209	0	0	0
WORKERS COMPENSATION	519700	500	434	245	0	0	0
TOTAL		418,790	490,266	543,895	0	0	0
MEANS OF FUNDING							
NON-RETIREMENT ADMIN FD	2200	0	50,000	100,000	0	0	0
NON-RETIREMENT ADM FD TOTAL		0	50,000	100,000	0	0	0
KPERS DEFER COMPNSATION FF	2300	418,790	440,266	443,895	0	0	0
KPERS DEFER COMPNSATION FF TOTAL		418,790	440,266	443,895	0	0	0
2 Contractual Services							
Communication	52000	0	400	550	0	0	0
CELLULAR PHONES	520910	530	0	0	0	0	0
Travel and Subsistence	52500	0	8,000	12,000	0	0	0
MEALS AND LODGING IN STATE	525180	178	0	0	0	0	0
NON SUBSISTENCE IN STATE	525190	1	0	0	0	0	0
AIR RAIL & BUS FARE OUT STATE	525270	5,750	0	0	0	0	0
MEALS AND LODGING OUT STATE	525280	3,394	0	0	0	0	0
PRIVATE VEHICLE MILES	525510	757	0	0	0	0	0
MEALS AND LODGING	525580	791	0	0	0	0	0
NON SUBSISTENCE	525590	522	0	0	0	0	0
Fees-other Services	52600	0	7,500	9,000	0	0	0
EMPLOYEE AND STUDENT TUITION	526600	2,119	0	0	0	0	0
JOB RELATED TRAIN & CONF REG	526610	6,400	0	0	0	0	0
Fee-Professional Services	52700	0	405,090	454,684	0	0	0
ATTORNEYS AND LAWYERS	527200	18,768	0	0	0	0	0
ACCOUNTANTS AND AUDITORS	527800	27,750	0	0	0	0	0
CONSULTING SERVICES OTHER	527919	75,802	0	0	0	0	0
OTHER PROFESSIONAL FEES	527990	7,601	0	0	0	0	0
Other Contractual Services	52900	0	1,000	1,000	0	0	0
DUES AND SUBSCRIPTIONS	529100	1,159	0	0	0	0	0
TOTAL		151,522	421,990	477,234	0	0	0

Agency Kansas Public Employees Retirement System
 Program 07200 Non-KPERS Investments
 Reporting Level 365-00-07200-0000000-0000-000

1 Object/Revenue		2 FY 2024 Actuals	3 FY 2025 Adjusted Budget Request	4 FY 2026 Adjusted Budget Request	5	6	7
Decription	Code						
MEANS OF FUNDING							
NRAF-INVESTMENT RELATED EXP	2220	0	200,090	249,684	0	0	0
NON-RETIREMENT ADM FD							
TOTAL		0	200,090	249,684	0	0	0
KPERS DEFER COMPNSATION FF	2300	142,138	191,900	197,550	0	0	0
Deferred Contrib 401(a) Plan	2310	9,384	30,000	30,000	0	0	0
KPERS DEFER COMPNSATION FF TOTAL		151,522	221,900	227,550	0	0	0
3 Commodities							
Pro Science Supply Material	53600	0	300	300	0	0	0
PRO SCIENTIFIC SUPPLY OTHER	536900	1,000	0	0	0	0	0
Office and Data Supplies	53700	0	150	150	0	0	0
STATIONERY AND OFFICE SUPPLIES	537100	2,679	0	0	0	0	0
TOTAL		3,679	450	450	0	0	0
MEANS OF FUNDING							
KPERS DEFER COMPNSATION FF	2300	3,679	450	450	0	0	0
KPERS DEFER COMPNSATION FF TOTAL		3,679	450	450	0	0	0
Agency TOTALS							
TOTAL EXPENDITURES		573,991	912,706	1,021,579	0	0	0
KPERS DEFER COMPNSATION FF							
KPERS DEFER COMPNSATION FF	2300	564,607	632,616	641,895	0	0	0
Deferred Contrib 401(a) Plan	2310	9,384	30,000	30,000	0	0	0
TOTAL		573,991	662,616	671,895	0	0	0
NON-RETIREMENT ADM FD							
NON-RETIREMENT ADMIN FD	2200	0	50,000	100,000	0	0	0
NRAF-INVESTMENT RELATED EXP	2220	0	200,090	249,684	0	0	0
TOTAL		0	250,090	349,684	0	0	0
TOTAL FUNDING		573,991	912,706	1,021,579	0	0	0
AUTHORIZED EMPLOYEES							
FTE		0.00	2.60	2.60	0.00	0.00	0.00
TOTAL AUTHORIZED EMPLOYEES		0.00	2.60	2.60	0.00	0.00	0.00