

## **KCPERS Policy**

### **Policy #003 - Pension Estimates and Final Pension Calculations**

**Adopted: December 7, 2000**

**Amended: July 12, 2011**

1. Pension Estimates - Members may contact the Retirement System office at any time during their membership and request an estimate of their pension benefits. Estimates can be run using a current date to reflect accrued pension benefits to date or can be run using any projected future date. Refer to instructions for utilizing the ALERT /For Retire program for procedures to run pension estimates. All pension estimates run should be stamped "Pension Estimate".

*Note: Members should be cautioned that a pension estimate is not an indication of retirement eligibility.*

2. Final Pension Calculations - Members may retire on any date after their first eligibility date. A final pension calculation can only be run after payroll has been processed for the payroll period in which the member's last day of creditable service occurs.

#### **Final Compensation**

The methodology used in the pension calculation program allocates pay to working days by assuming a Monday thru Friday workweek and 8 hr workdays. This methodology produces a 'normal' pension calculation made up of base salary from 52.2 pay periods (365 days + 365 days) for members retiring at the end of a work week. However, calculations fluctuate to as low as 52.0 pay periods for a retirement effective on a Monday. Even greater variances occur for members that are on a 10 hr schedule and have days off other than Saturday/Sunday. In order to be able to rely on automated pension calculations in most situations, members that have not reached their maximum allowable creditable service will be encouraged to retire at the end of a work week and optimally at the end of a pay period.

LE members that reach their mandatory 30-year date for creditable service will receive a 'Final Compensation' calculation based on 52.2 pay periods.

#### **Benefit Calculation Date**

For members that have not reached their maximum allowable creditable service, the 'Benefit Calculation Date' will be the day immediately following the members' last day on payroll. For LE members that have reached their mandatory 30-year date for creditable service, the 'Benefit Calculation Date' will be the day immediately following the day they reach the maximum 30 years of creditable service.