
# 2016 KASB Retirement Survey Report

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## Introduction

This report includes the data reported by Kansas public school districts to the Kansas Association of School Boards related to district sponsored retirement plans from the 1995-96 school year through the 2015-16 school year.

The KASB Retirement Survey is new beginning with the 2016-17school year.  This report presents the data in the new format, and utilizes data formerly collected via the Teacher Contract Details Surveys.  Data is presented at the state level in this report, but is available by district, KASB Region, KSHSAA Class, KNEA Uniserv, and High School League at kasbresearch.org.

## Key Findings

- Between 50 percent and 60 percent of districts have reported having an Early Retirement Incentive Program (ERIP) from 1995-96 through 2015-16.
  - Between 50 percent and 60 percent further indicated that these plans applied to teachers from 1995-96 through 2013-14, then the percent dropped below 40 percent, likely due to lower survey response rates.
  - Similarly, between 30 percent and 40 percent reported that these plans also applied to administrators, dropping below 30 percent in 2012-13.
  - Right around 20 percent of districts reported that the ERIPs applied to classified staff from 1995-96 through 2012-13, then this percent dropped below 10 percent.
- The age of eligibility for these plans is consistently around 55 years of age.

- The average number of years' service required for eligibility is between 12 and 16 years.
- The minimum number of KPERS points required is consistently around 85 for most groups.
- Over 25 percent of districts reported monthly benefits payments in 1995-96, increasing to almost 35 percent in 2002-03 and back down to around 22 percent in 2015-16.
- Between 15 percent and 20 percent reported annual benefits payments from 1995-96 to 2014-15, jumping to 25 percent in 2015-16.
- Just over 10 percent reporting paying benefits via one lump sum in 1995-96, increasing to almost 15 percent in 2007-08 and back down to under 10 percent in 2015-16.
- In 1995-96, between 30 percent and 35 percent of districts indicated benefits were calculated as a percent of salary. This percent declined to between 25 percent and 30 percent from 2008-09 through 2014-15, then showed a sharp decrease in 2015-16, possibly due to response rates.
- The percent of districts reporting that the benefits were fixed increased from between 15 percent and 20 percent in 1995-96 to over 25 percent in 2011-12, then showed a slight decline through 2014-15. Again this percent showed a sharp decline in 2015-16.
- The percent of districts reporting that benefits are determined either on unused sick leave or on KPERS remained below 10 percent for the entire reporting period.
- The age at which benefits expire has consistently been just under 65.
- The statewide average cost for ERIP plans increased from just under $100,000 in 1995-96 to around $170,000 in 2015-16.
- The average number of employees covered annually under the ERIPs has remained under 25 from 1995-96 to 2015-16.
- Starting in 2006-07, around 35 percent of districts reported that taxes were withheld annually. This decreased to just over 20 percent in 2015-16.
- A little over 5 percent of districts indicated that taxes were withheld at retirement in 2006-07, increasing to almost 10 percent in 2011-12, and back down to 5 percent in 2015-16.
- From 2006-07 to 2015-16, the percent of districts reporting that they had a tax attorney review their ERIP for compliance with IRS provisions increased from under 30 percent to almost 35 percent.
- For most years between 1995-96 and 2015-16, the percent of districts reporting that their plans allow retires to continue under the district's health insurance plan was between 20 percent and 25 percent.
- From 1995-96 to 2015-16, the percent of districts reporting that the early retirement plan can be terminated by unilateral board of education action increased from just under 20 percent to just over 20 percent.
- Less than 20 percent of districts reported having a district sponsored 403(b) plan in 2006-07. This increased to over 40 percent in 2008-09, then down to just under 40 percent by 2015-16.
    - Around 10 percent of districts reported in 2006-07 that the district sponsored 403(b) plan is a depository for ERIP benefits. This increased to over 15 percent in 2007-08 then down to about 12 percent in 2015-16.
    - About 7 percent of districts reported in 2006-07 that the district sponsored 403(b) was a retirement vehicle in lieu of an ERIP. This increased to about 18 percent in 2015-16.

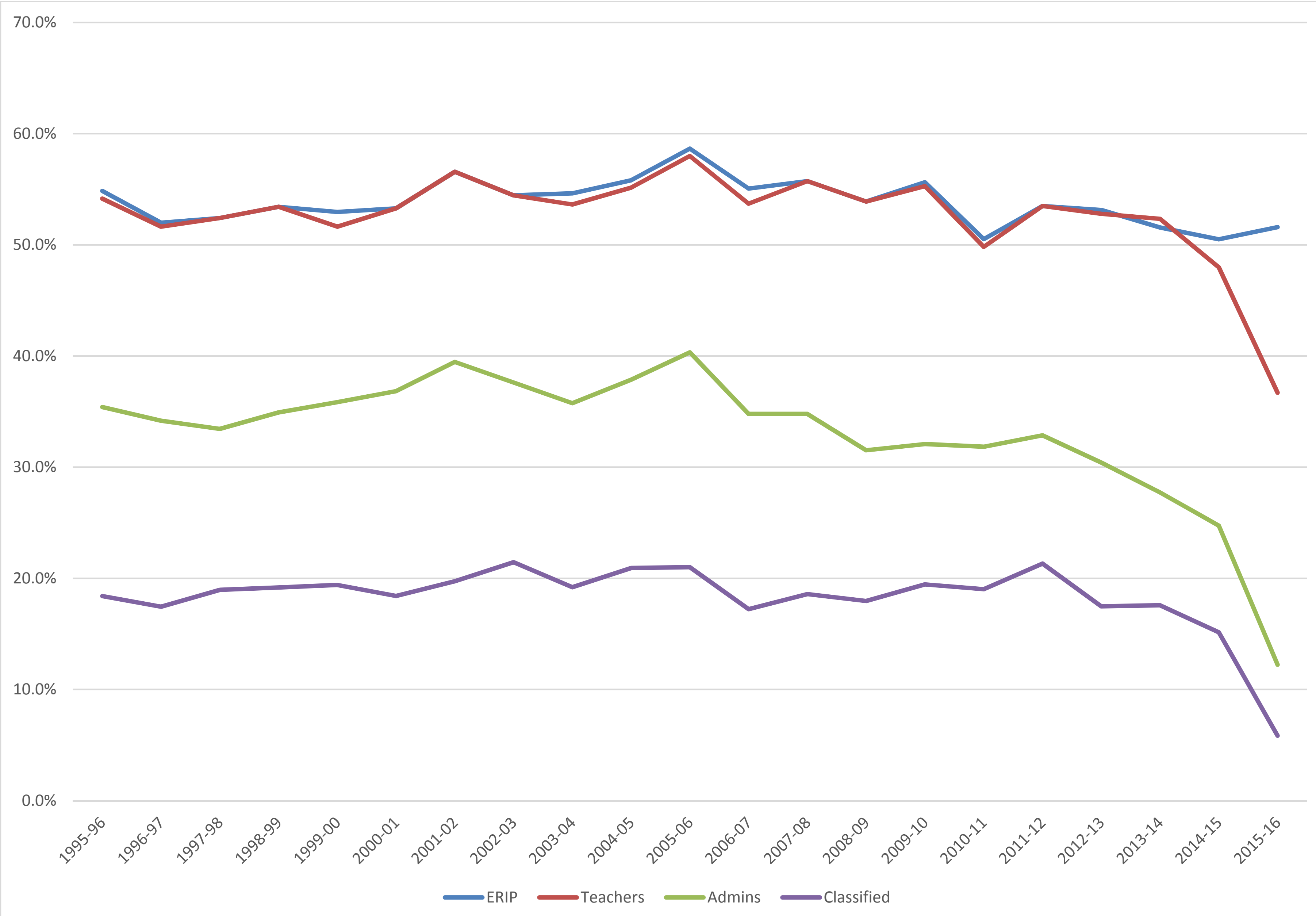
- Around 10 percent of districts indicated that the 403(b) was not district sponsored, but is an employee maintained account that ERIP benefits can be put in. This increased to about 18 percent in 2015-16.
- In general, the per-person district contribution into these 403(b) plans seems to be decreasing.

# Contents

# Early Retirement Incentive Programs

Chart 1 shows the percent of districts that have an Early Retirement Incentive Program (ERIP), and who the plans apply to. Between 50 percent and 60 percent of districts have reported having such a plan from 1995-96 through 2015-16. Between 50 percent and 60 percent further indicated that these plans applied to teachers from 1995-96 through 2013-14, then the percent dropped below 40 percent, likely due to lower survey response rates. Similarly, between 30 percent and 40 percent reported that these plans also applied to administrators, dropping below 30 percent in 2012-13. Right around 20 percent of districts reported that the ERIPs applied to classified staff from 1995-96 through 2012-13, then this percent dropped below 10 percent.

## Chart 1: ERIPs



# Eligibility

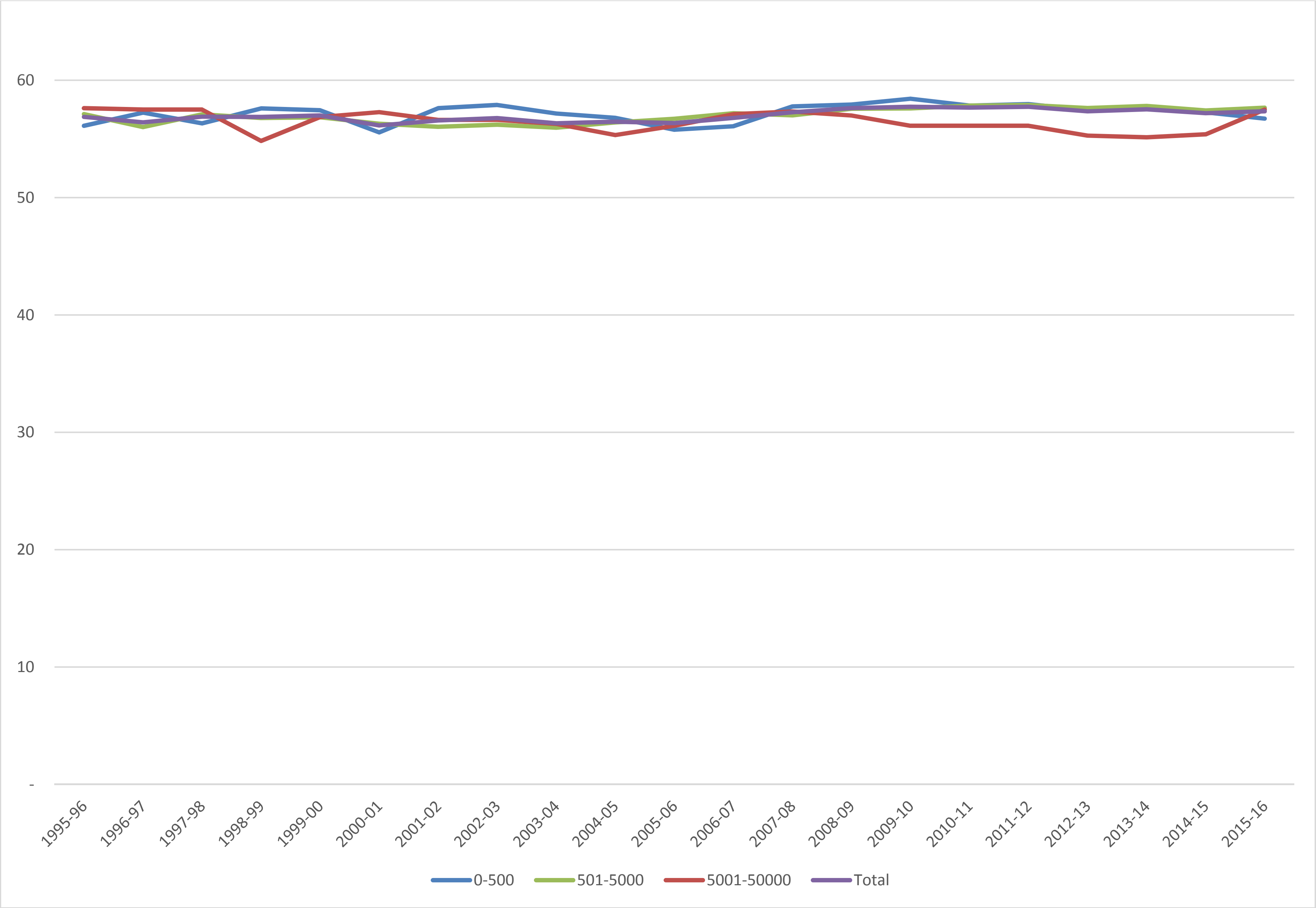
Charts 2a through 2b show eligibility criteria for participation in the ERIPs.

Chart 2a shows the minimum age for eligibility across the state and by district size. The data indicates that the age of eligibility is consistently around 55 years of age. It appears that districts 5001-50000 students might have a slightly lower minimum age for eligibility than the other district groups.

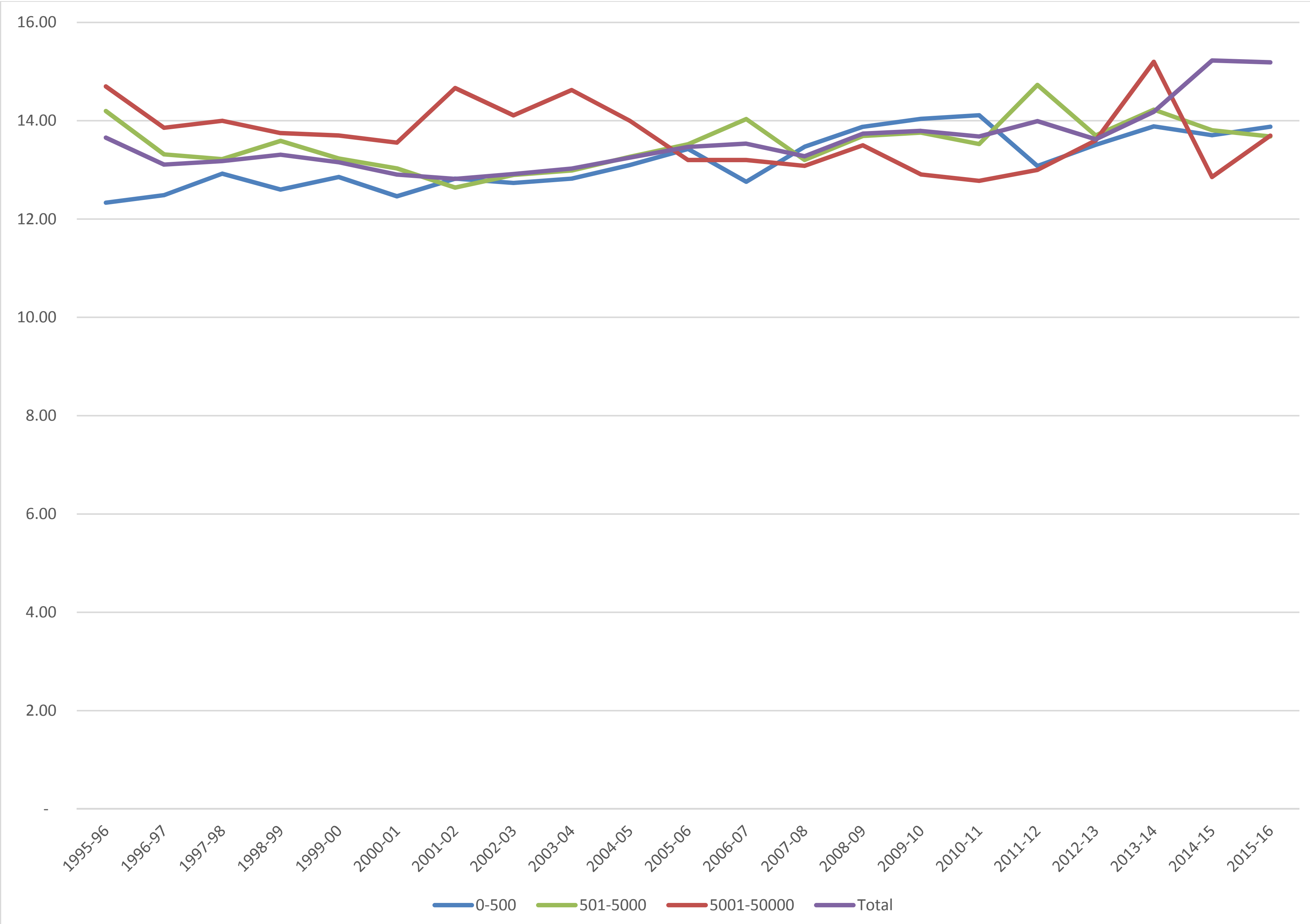
Chart 2b shows the minimum number of years' service at the district required for eligibility across the state and by district size. All groups show an average number of years' service required between 12 and 16 for all years. It would appear that the number of years might be increasing for small districts and for the state as a whole, whereas the number of years appears more level for medium and large districts.

Chart 2c shows the minimum number of KPERS points required for eligibility across the state and by district size. This data begins in 2001-02, where the average for all groups but the largest districts was around 80 points, and the average for the largest districts was around 85 points. As of 2015-16, all groups show an average around 85 points.

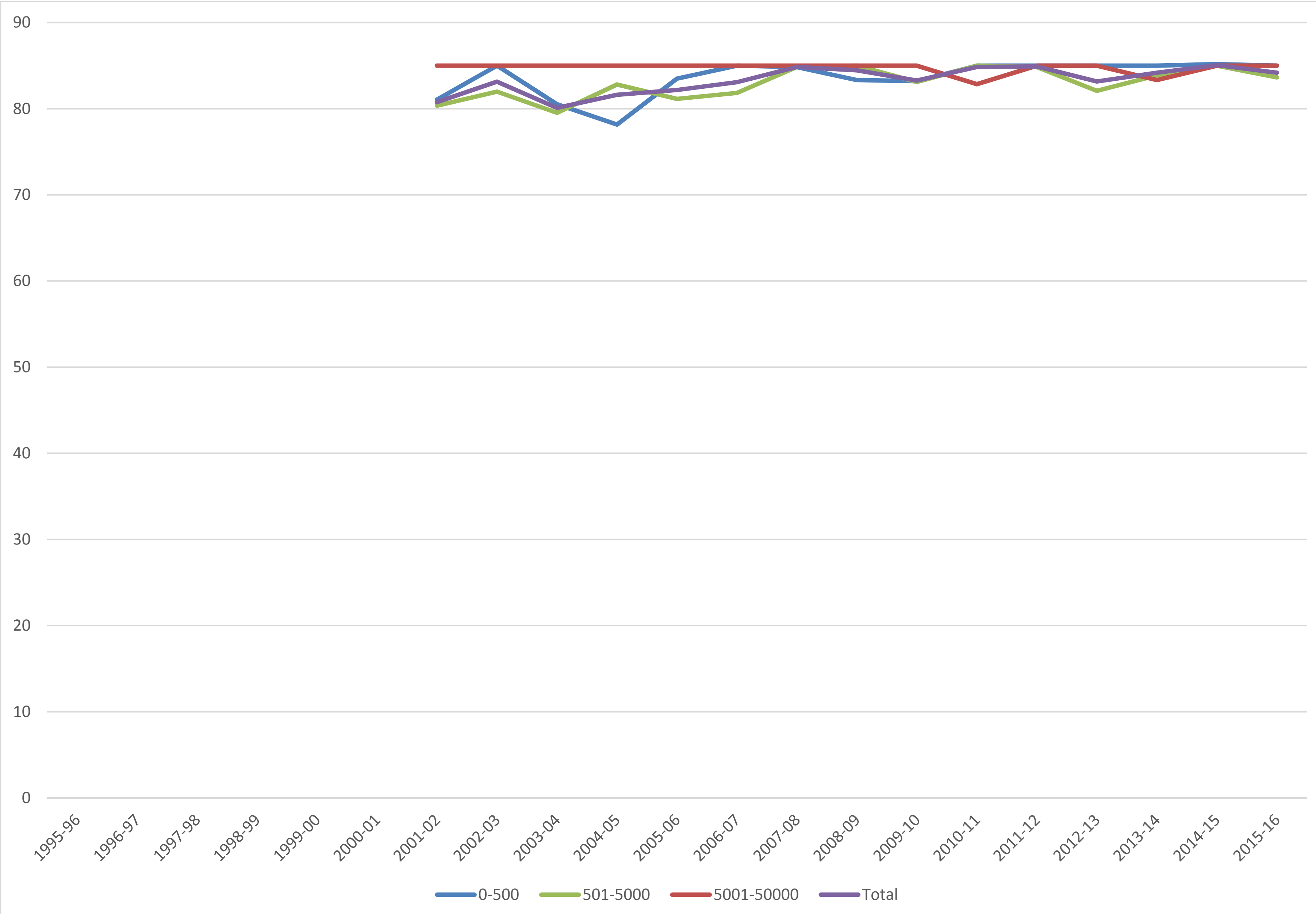
## Chart 2a: Eligibility Age



## Chart 2b: Eligibility Service Years



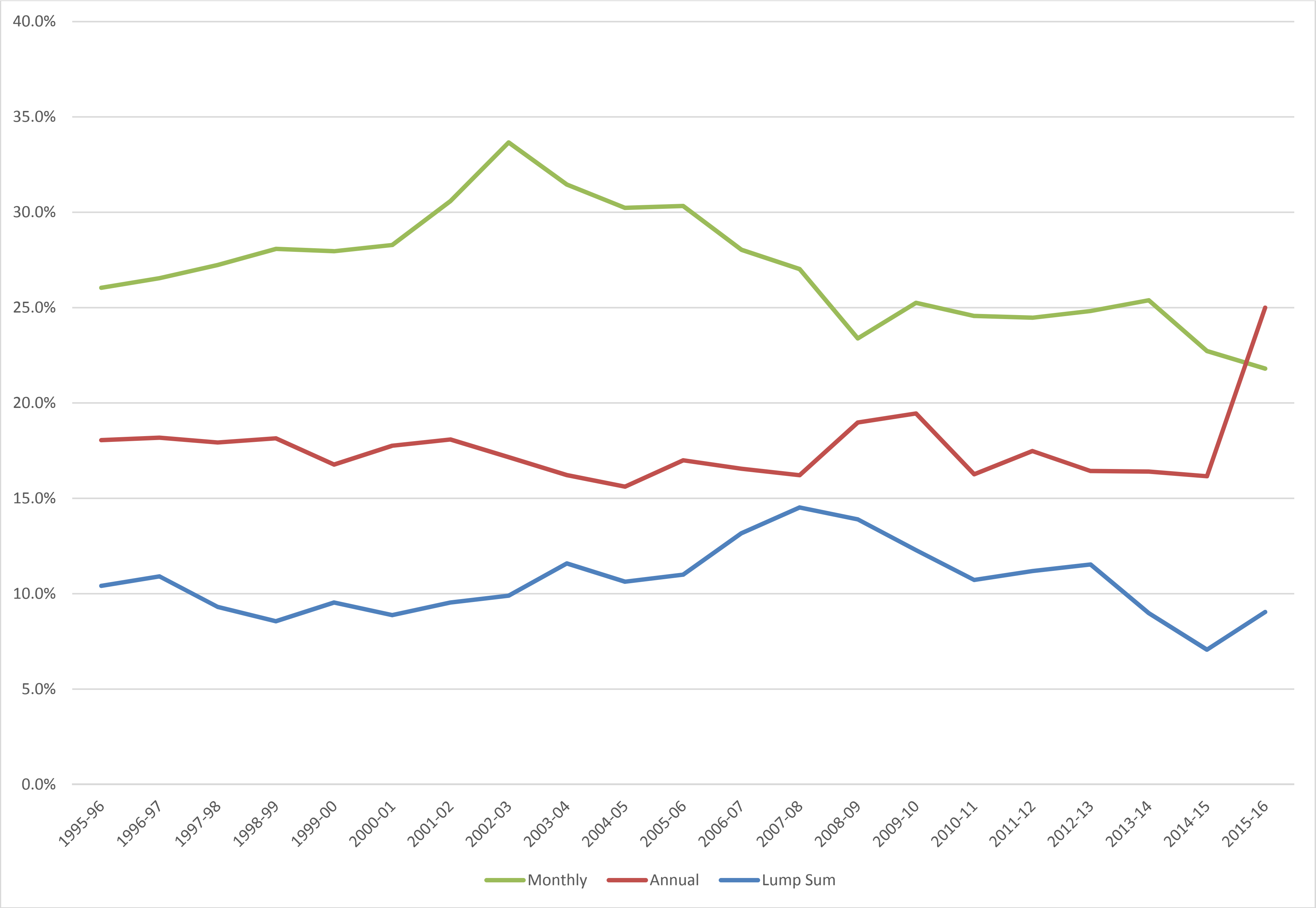
## Chart 2c: Eligibility KPERS Points



# Payment Methods

Chart 3 shows the methods by which benefits are paid. Over 25 percent of districts reported monthly payments in 1995-96, increasing to almost 35 percent in 2002-03 and back down to around 22 percent in 2015-16. Between 15 percent and 20 percent reported annual payments from 1995-96 to 2014-15, jumping to 25 percent in 2015-16. Just over 10 percent reporting paying via one lump sum in 1995-96, increasing to almost 15 percent in 2007-08 and back down to under 10 percent in 2015-16.

## Chart 3: Payment Methods



## How Benefits Are Determined

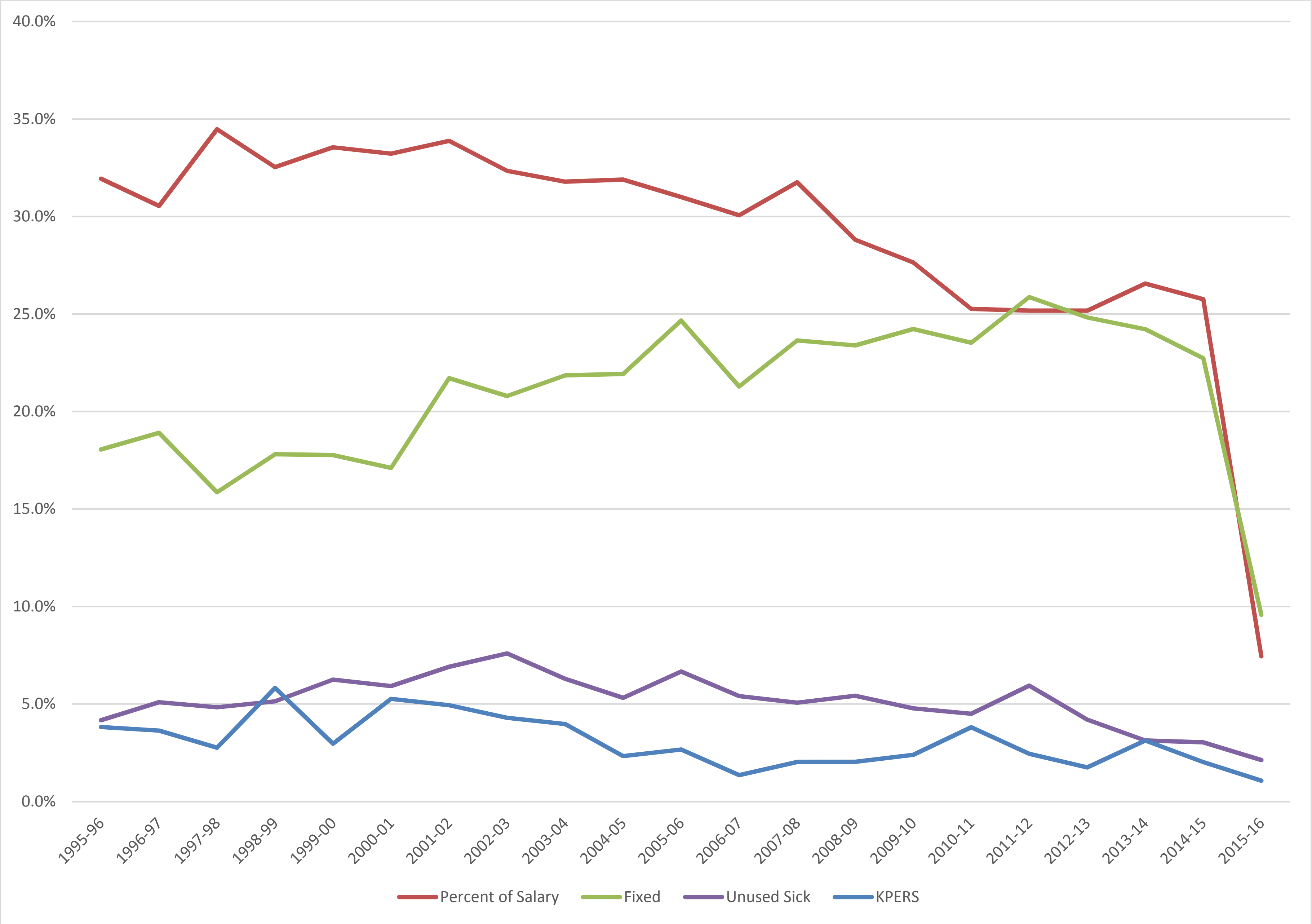
Chart 4 shows how benefits are determined.

In 1995-96, between 30 percent and 35 percent of districts indicated benefits were calculated as a percent of salary. This percent declined to between 25 percent and 30 percent from 2008-09 through 2014-15, then showed a sharp decrease in 2015-16, possibly due to response rates.

The percent of districts reporting that the benefits were fixed increased from between 15 percent and 20 percent in 1995-96 to over 25 percent in 2011-12, then showed a slight decline through 2014-15. Again this percent showed a sharp decline in 2015-16.

The percent of districts reporting that benefits are determined either on unused sick leave or on KPERS remained below 10 percent for the entire reporting period.

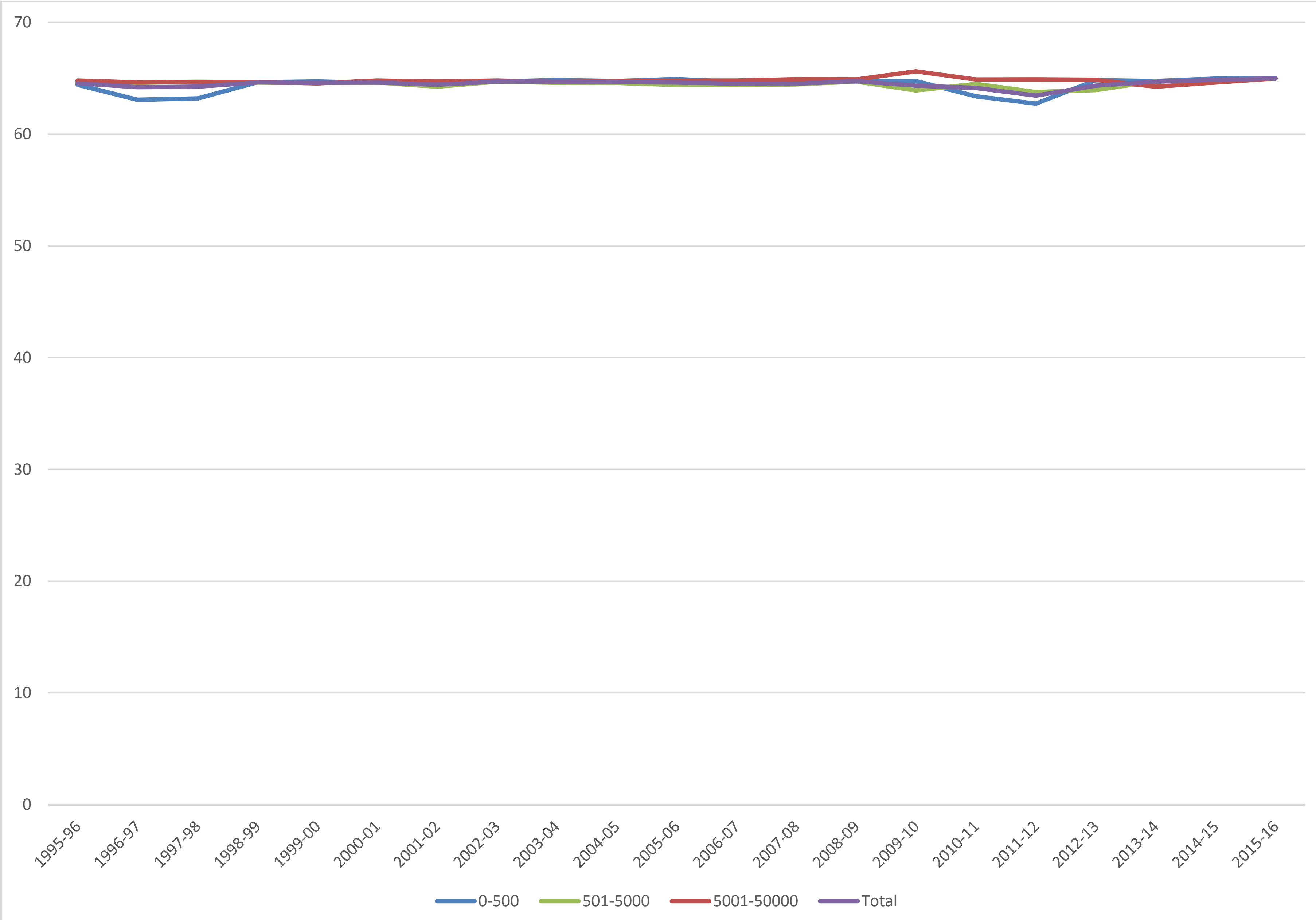
## Chart 4: Benefits Determination



# Benefits Expiration

Chart 5 shows the age at which benefits under the district plan expire for the state and by district size.  The age for all groups has remain consistently just under 65 for the entire reporting period.

## Chart 5: Age of Expiration



# Total Cost

Chart 6 shows the total cost to the district per year for the ERIP.

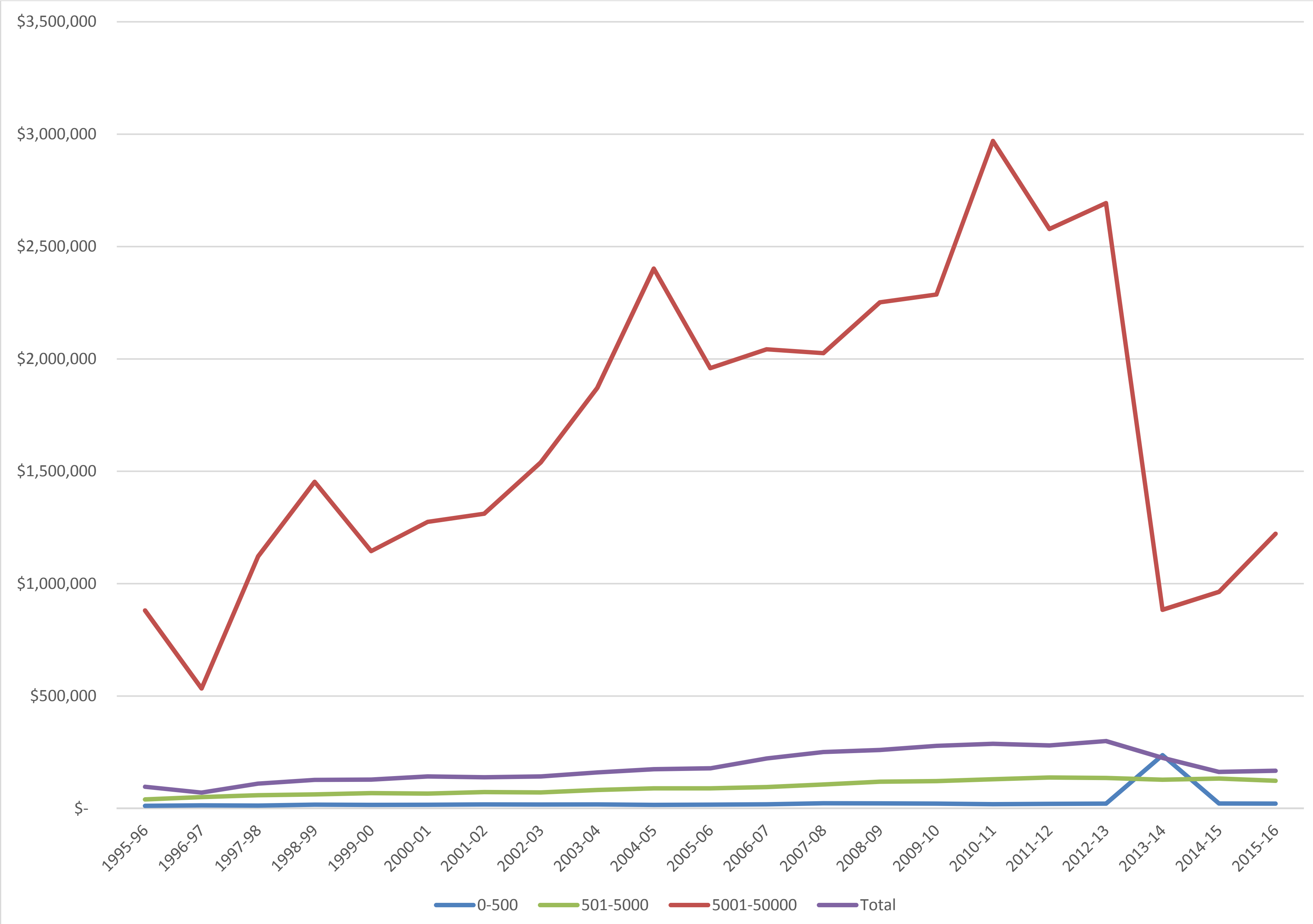
Costs have been fairly consistent for small districts (with the exception of a spike in 2013-14), staying below $25,000 for most years.

Costs for medium districts have seen an increase from $40,000 in 1995-96 to $125,000 2015-16.

Costs for large districts have seen an increase from around $900,000in 1995-96 to almost $2,750,000 in 2012-13, then back down to $1,200,000 in 2015-16.

The statewide average increased from just under $100,000 in 1995-96 to around $170,000 in 2015-16.

## Chart 6: Total Cost



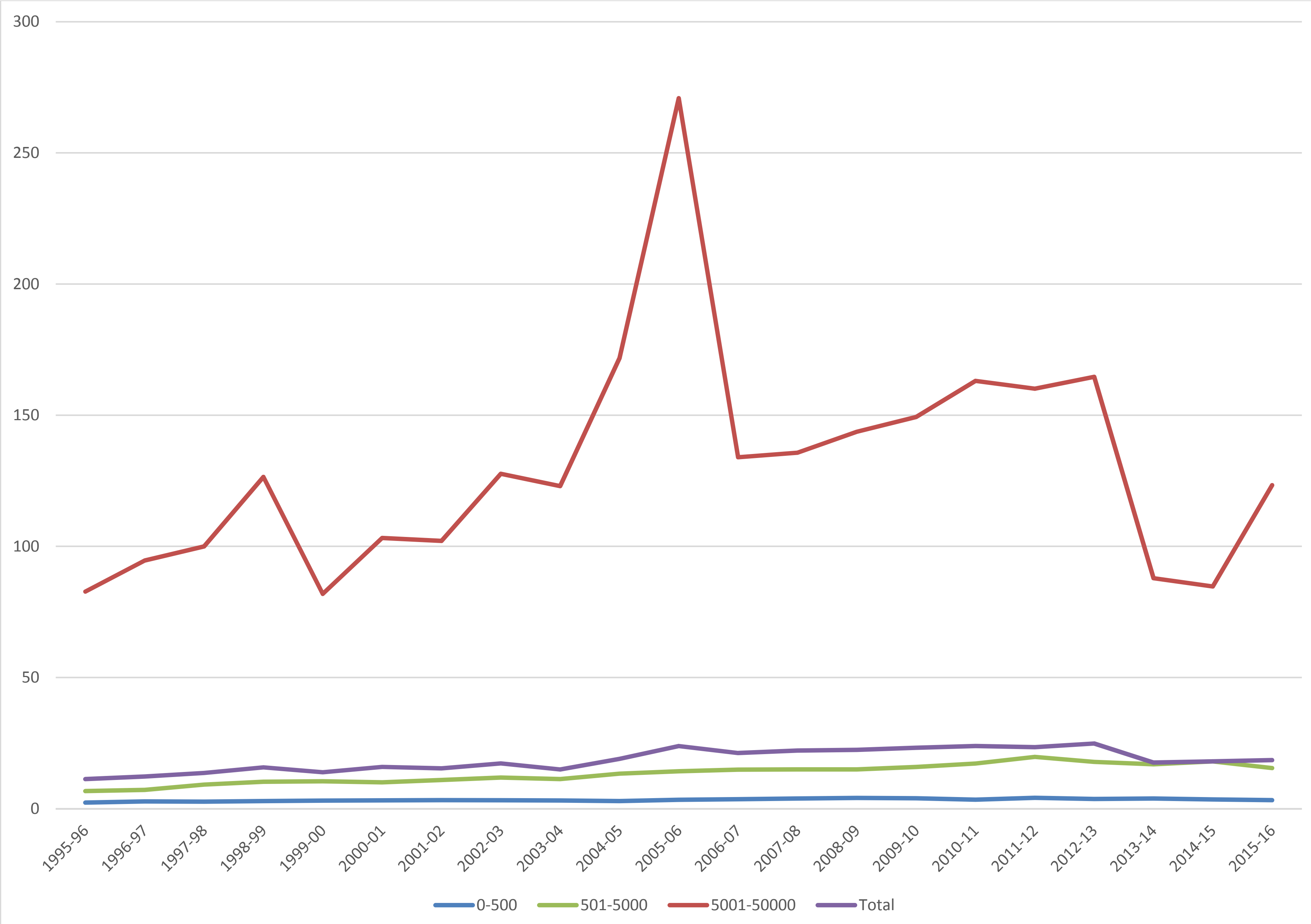
## Former Employees Covered

Chart 7 shows the number of former employees covered by the ERIPs each year.

For the state as a whole, as well as for small and medium districts, the average number of employees covered annually under the ERIPs has remained under 25 from 1995-96 to 2015-16.

For large districts, the number increased from around 75 in 1995-96 to over 150 in 2012-13 (with a large spike in 2004-05 and 2005-06), then dropped to under 100 in 2013-14 and 2014-15, then back up to around 125 in 2015-16.

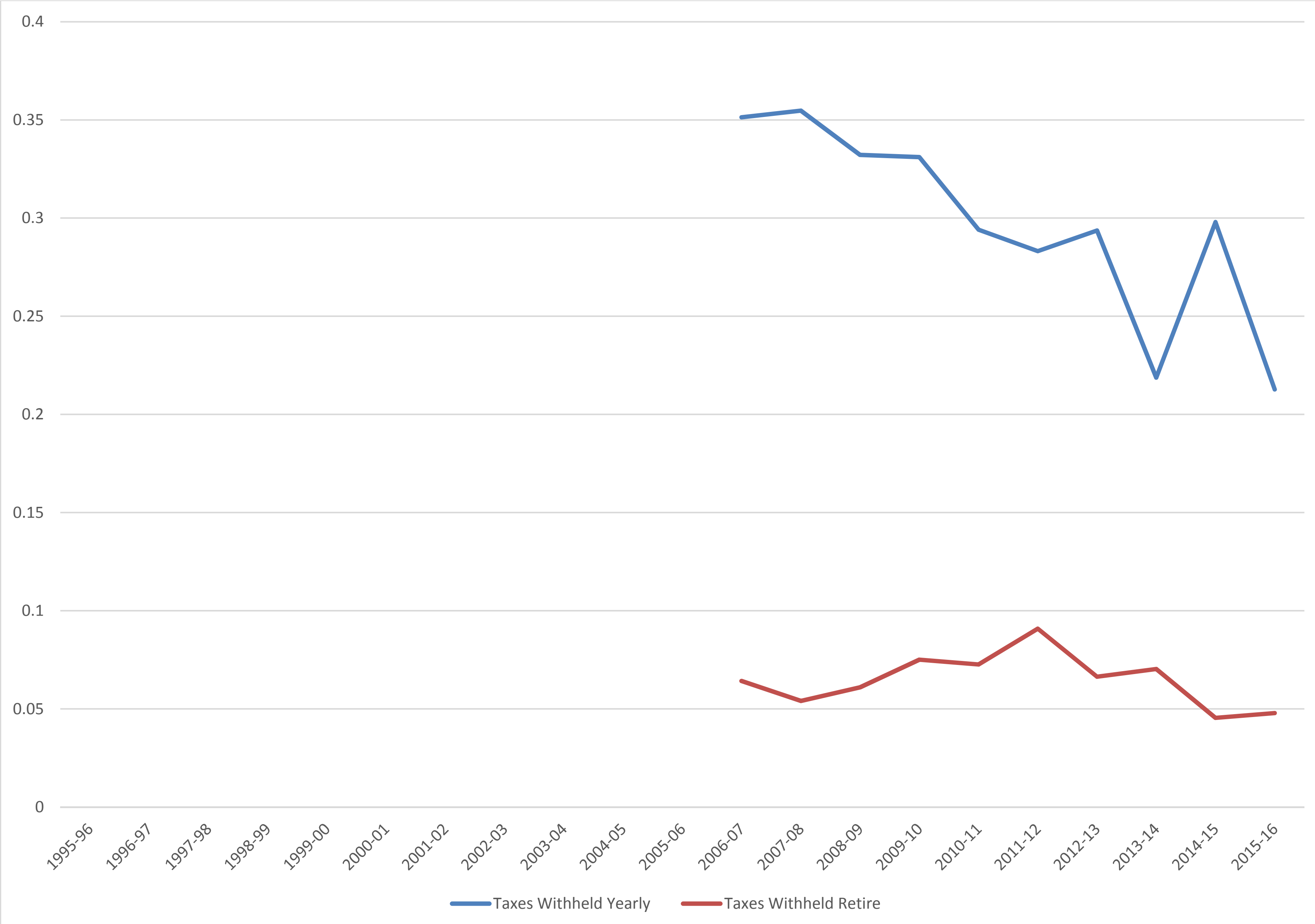
## Chart 7: Former Employees Covered



# Taxes Withheld

Chart 8 shows when taxes are withheld for the ERIPs. Starting in 2006-07, around 35 percent of districts reported that taxes were withheld annually. This decreased to just over 20 percent in 2015-16. A little over 5 percent of districts indicated that taxes were withheld at retirement in 2006-07, increasing to almost 10 percent in 2011-12, and back down to 5 percent in 2015-16.

## Chart 8: Taxes Withheld



## Policies

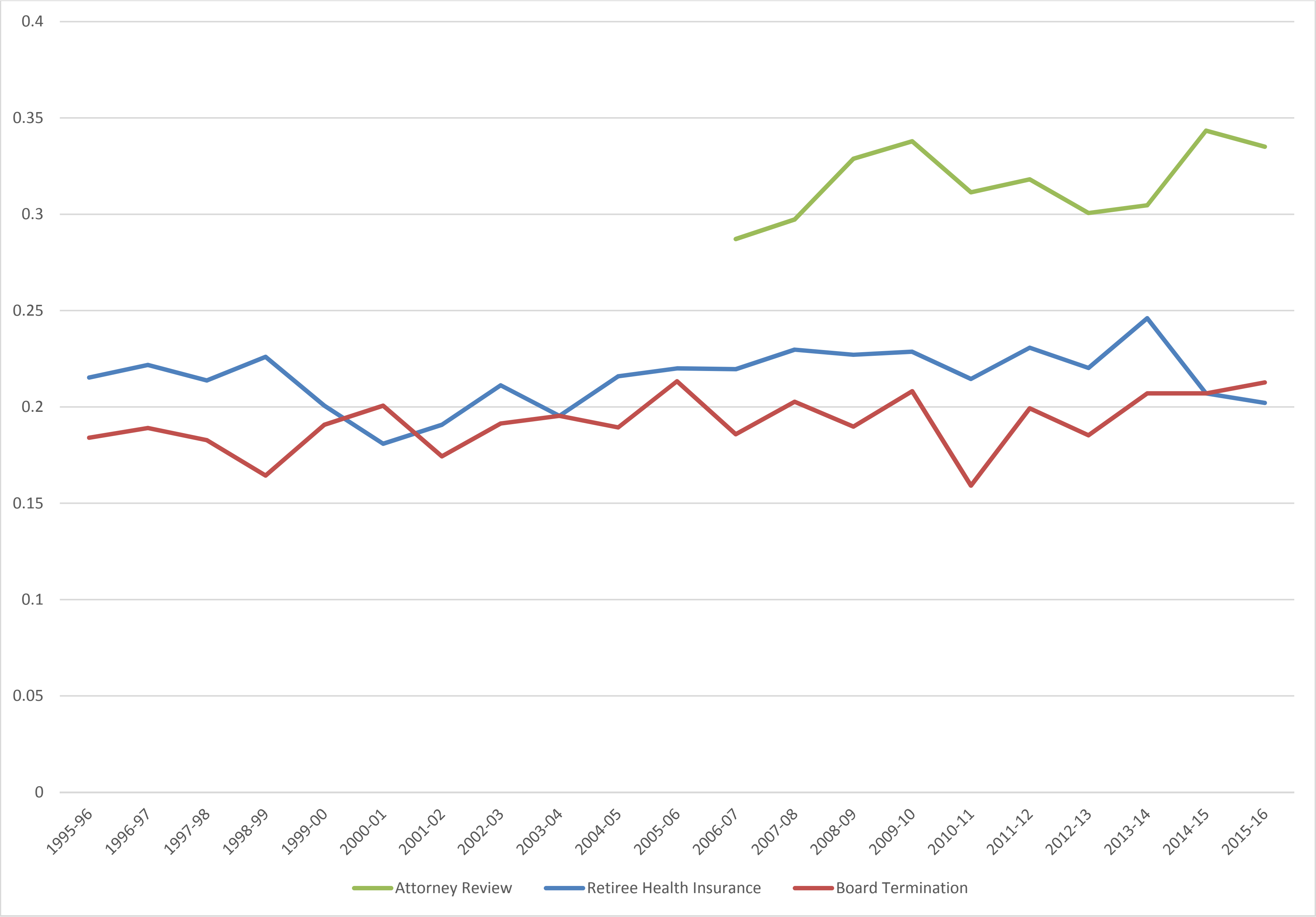
Chart 9 shows information on particular policies related to the ERIPs.

From 2006-07 to 2015-16, the percent of districts reporting that they had a tax attorney review their ERIP for compliance with IRS provisions increased from under 30 percent to almost 35 percent.

For most years between 1995-96 and 2015-16, the percent of districts reporting that their plans allow retires to continue under the district's health insurance plan was between 20 percent and 25 percent.

From 1995-96 to 2015-16, the percent of districts reporting that the early retirement plan can be terminated by unilateral board of education action increased from just under 20 percent to just over 20 percent.

## Chart 9: Policies



# 403(b) Plans

Charts 10 and 11 contain information on district sponsored 403(b) plans.

Chart 10 shows that less than 20 percent of districts reported having a district sponsored 403(b) plan in 2006-07. This increased to over 40 percent in 2008-09, then down to just under 40 percent by 2015-16.

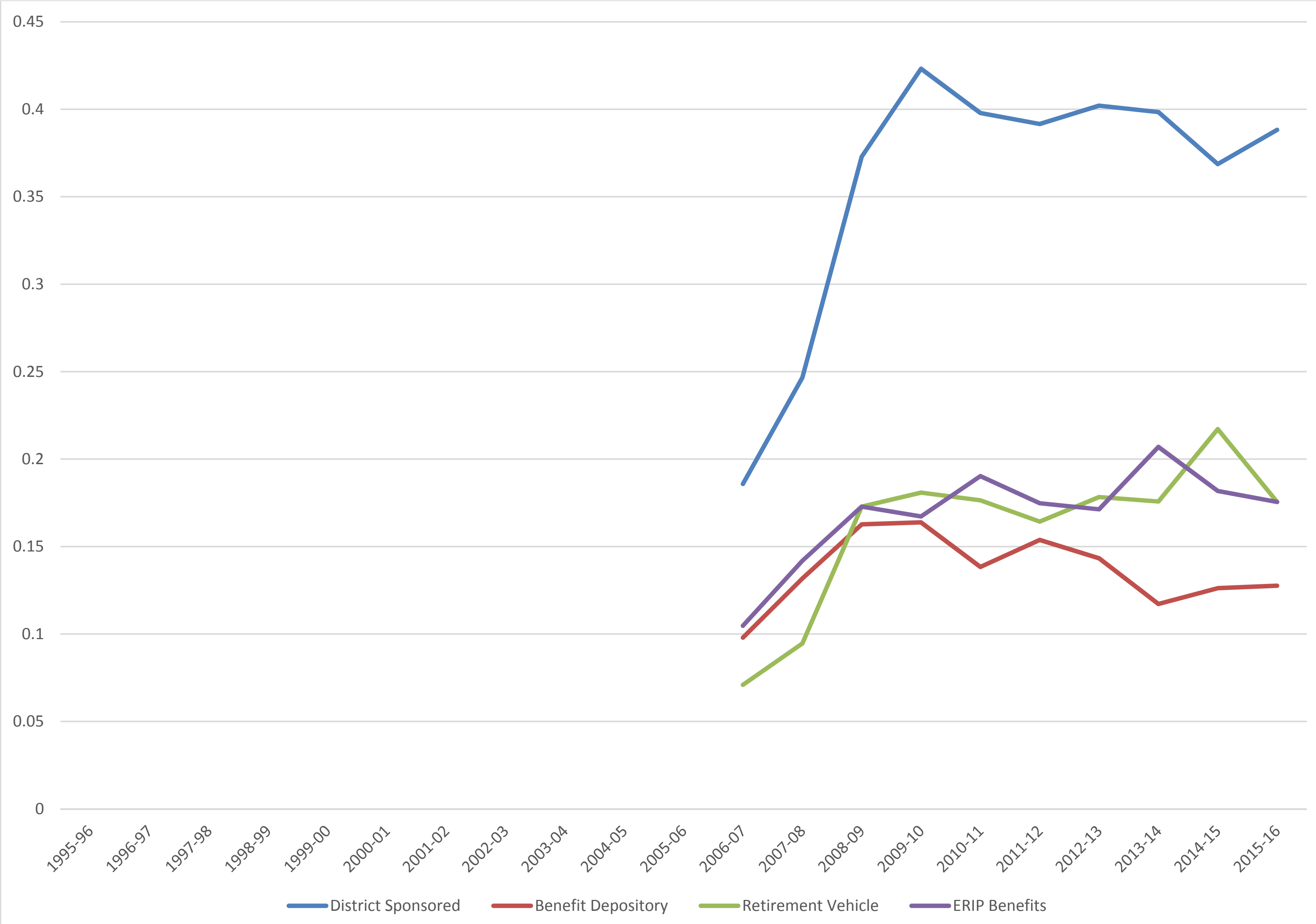
Around 10 percent of districts reported in 2006-07 that the district sponsored 403(b) plan is a depository for ERIP benefits. This increased to over 15 percent in 2007-08 then down to about 12 percent in 2015-16.

About 7 percent of districts reported in 2006-07 that the district sponsored 403(b) was a retirement vehicle in lieu of an ERIP. This increased to about 18 percent in 2015-16.

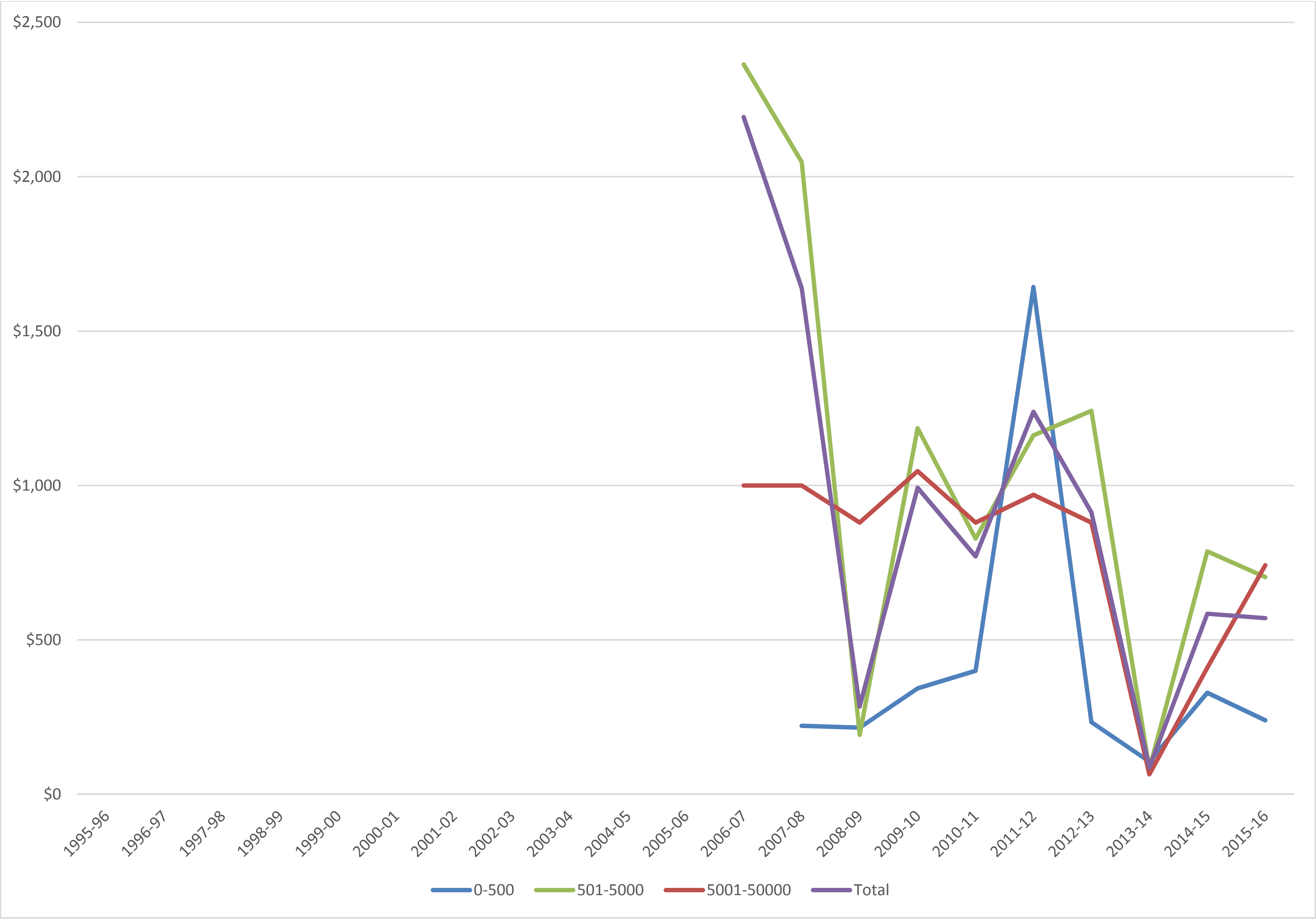
Around 10 percent of districts indicated that the 403(b) was not district sponsored, but is an employee maintained account that ERIP benefits can be put in. This increased to about 18 percent in 2015-16.

Chart 11 shows the district contribution per person into the 403(b) plan. The data reported for this is highly inconsistent from 2006-07 through 2015-16, but generally shows a decline in the per person district contribution.

## Chart 10: 403(b) Plans



## Chart 11: 403(b) Contributions



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