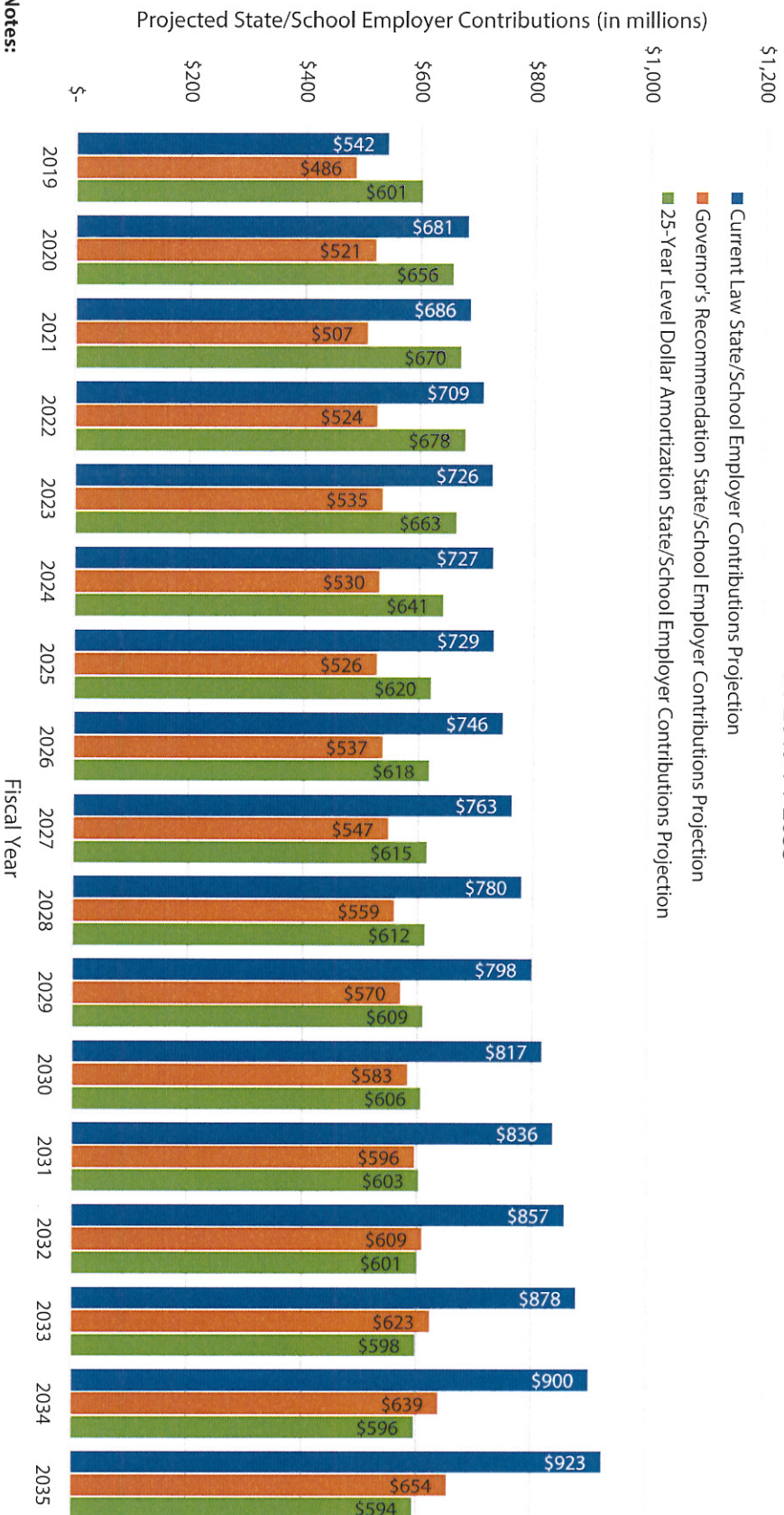


# Projected State/School Employer Contributions

Current Law, Governor's Recommended Reamortization and 25-year, Level Dollar Reamortization  
 FY 2019-FY 2035

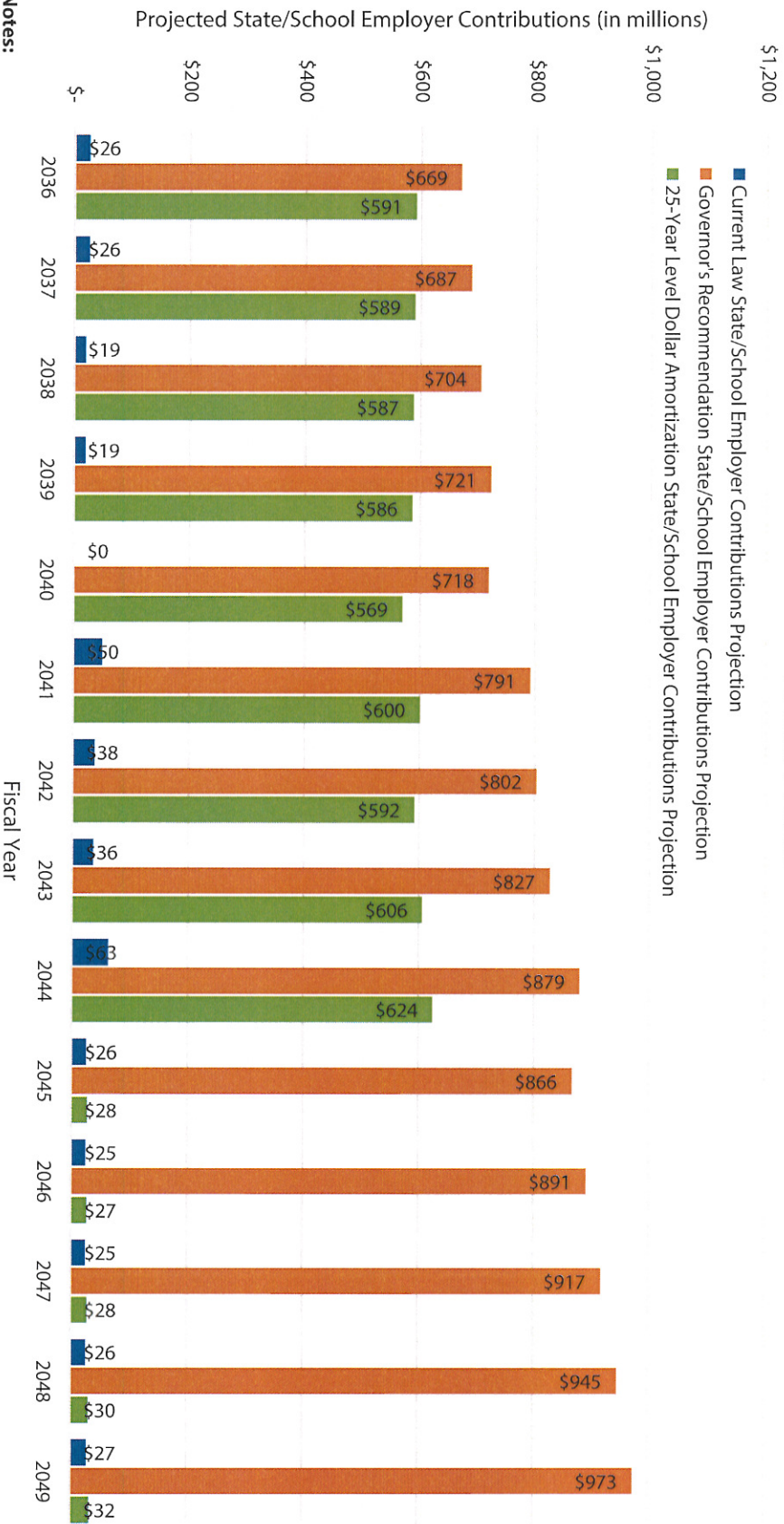


**Notes:**

1. The current law projection is based on the most recent actuarial valuation (12/31/2017). If SB 9 were passed, FY 2019 contribution amount would increase by \$115 million.
2. The Governor's recommendation projection is based on a new 30-year, closed amortization period funded on a level percent of pay as of 12/31/2016 (which sets the contributions rates for FY 2020 - FY 2050). The Governor's recommendation also eliminates the existing layered payments on the FY 2017 and FY 2019 delayed School employer contributions and eliminates the \$56 million contingent transfer in FY 2019.
3. The 25-year level dollar amortization projection is based on a new 25-year, closed amortization period funded on a level dollar as of 12/31/2016. The projection does not include the existing layered payments on the FY 2017 and FY 2019 delayed School employer contributions or the \$56 million contingent transfer in FY 2019. The projection does include the \$115 million transfer in FY 2019 contained in SB 9.

## Projected State/School Employer Contributions

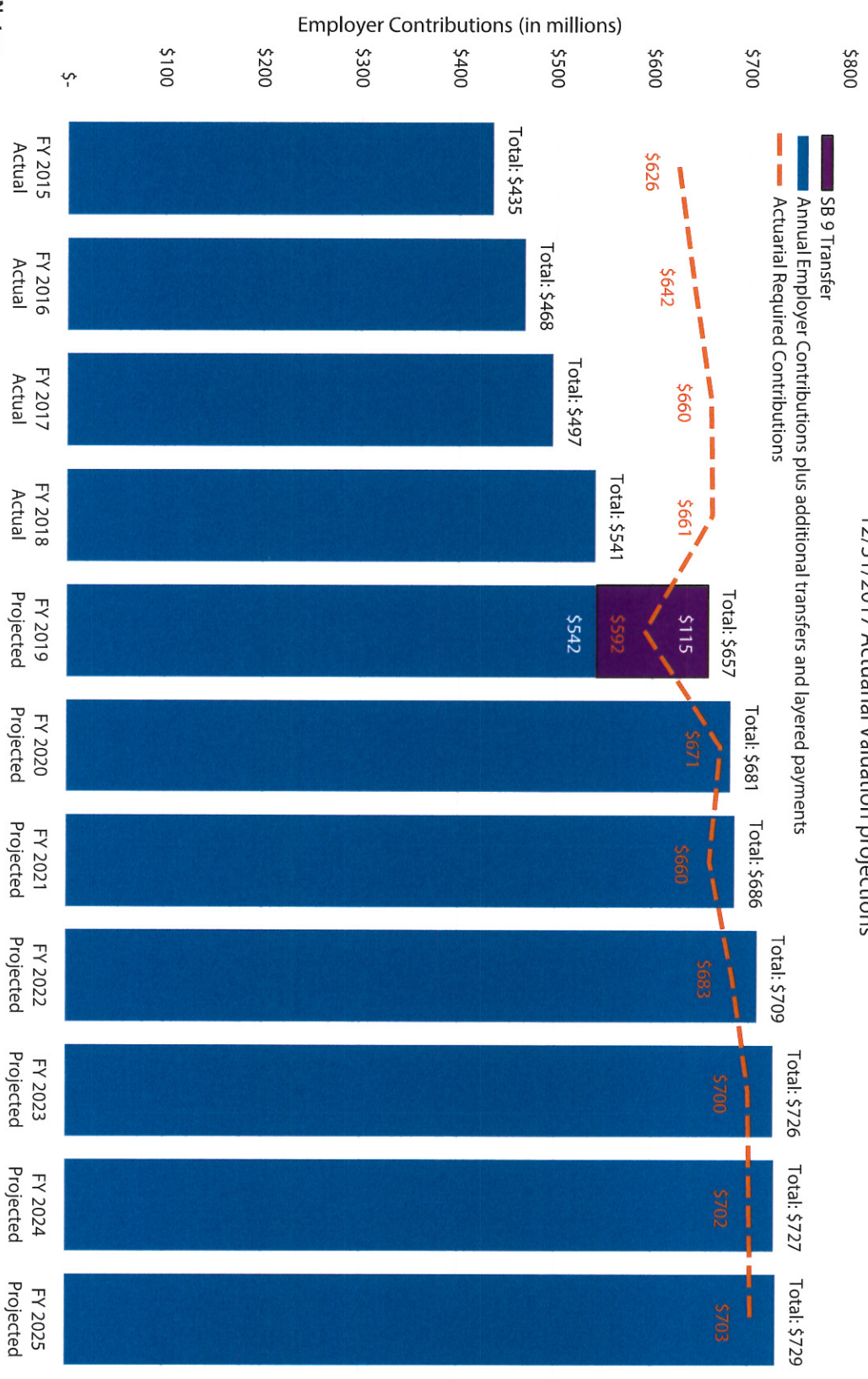
Current Law, Governor's Recommended Reamortization and 25-Year, Level Dollar Reamortization  
FY 2036-FY 2049



### Notes:

1. The current law projection is based on the most recent actuarial valuation (12/31/2017). If SB 9 were passed, FY 2019 contribution amount would increase by \$115 million.
2. The Governor's recommendation projection is based on a new 30-year, closed amortization period funded on a level percent of pay as of 12/31/2016 (which sets the contributions rates for FY 2020 - FY 2050). The Governor's recommendation also eliminates the existing layered payments on the FY 2017 and FY 2019 delayed School employer contributions and eliminates the \$56 million contingent transfer in FY 2019.
3. The 25-year level dollar amortization projection is based on a new 25-year, closed amortization period funded on a level dollar as of 12/31/2016. The projection does not include the existing layered payments on the FY 2017 and FY 2019 delayed School employer contributions or the \$56 million contingent transfer in FY 2019. The projection does include the \$115 million transfer in FY 2019 contained in SB 9.

## Senate Bill 9 Actual and Projected State/School Employer Contributions 12/31/2017 Actuarial Valuation Projections



**Notes:**  
 1. KPERS received the first \$56 million contingent payment in full on 6/30/2018. The second contingent payment of up to \$56 million will be made if actual receipts in FY 2019 exceed the April 2019 consensus revenue estimates. **This funding projection assumes both \$56 million payments are made in full.**  
 2. The delayed payments of \$64 million in FY 2017 and \$194 million in FY 2019 are scheduled to be paid over 20 years on a level dollar amortization.

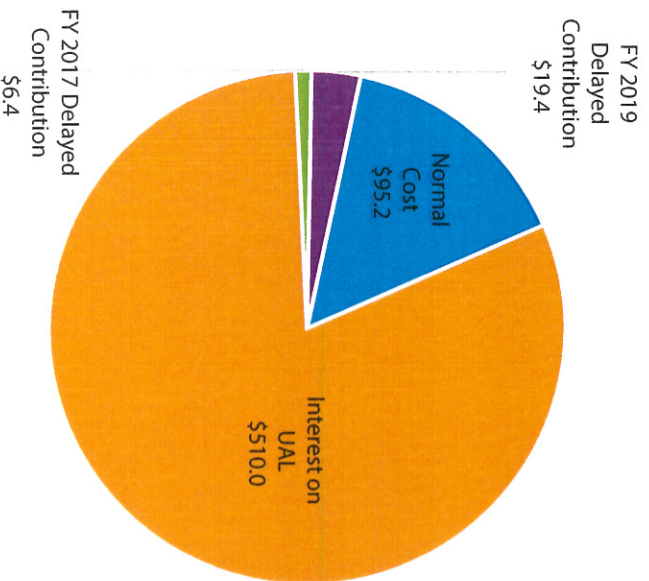


# Contributions

"Steady State" analysis

## FY 2020 "Steady State" Contribution

(in Millions)



Total State/School employer contributions needed to maintain "steady state"

**\$631.0 million**

Payment of layer on FY 2019 deferred School contribution

**\$19.4 million**

Payment of layer on FY 2017 deferred School contribution

**\$6.4 million**

12/31/2017 State/School unfunded actuarial liability	X	KPERs Investment Return Assumption	=	Interest on 12/31/2017 State/School unfunded actuarial liability
\$6.581 billion	X	7.75%	=	<b>\$510.0 million</b>
Actuarial payroll projection for FY 2020	X	Employer Normal Cost Rate	=	FY 2020 normal cost
\$4.646 billion	X	2.05%	=	<b>\$95.2 million</b>