



# THE RETIREMENT PLANNING GROUP



*Eergy companies*

# TIPS & TRICKS

Toward Retirement Every  
KCP&L Employee Should Know



PRESENTED BY THE RETIREMENT PLANNING GROUP

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# WHAT'S IN THIS GUIDE



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EVERYTHING



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EVERYTHING



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# TIMING IS EVERYTHING



## Does it matter if I retire August 1st or September 1st?

Yes. It can make a significant difference in the value of your Lump Sum.

Again, interest rate calculations that determine the value of the Lump Sum are based on an average interest rate in the month of July. That rate officially goes into effect on October 1st. You are only allowed to officially retire on the 1st of any given month.

Therefore, if you decide to retire September 2nd (because the interest rate is going to negatively affect your Lump Sum value) your official retirement date will be Oct 1st – thus throwing you into the new lump sum calculation and adversely affecting your Lump Sum.

Conversely, if the interest rate change would increase your Lump Sum value and you elected to retire on September 1st, then your Lump Sum wouldn't be based off the new interest rate and therefore you wouldn't get an increase in Lump Sum value.

## When should you give notice that you're retiring?

Most employees give notice four weeks in advance.



## Once I give my notice, when will I receive my pension plan benefit election forms?

Usually two weeks before termination date.



## If I check a wrong box on the benefit election form, is it irreversible?

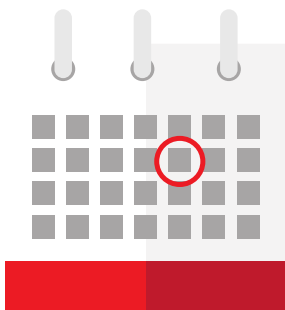
Possibly. It's best to sit with an advisor so that he/she ensures you're checking the right boxes.

# TIMING IS EVERYTHING



## Can I retire in the middle of the month?

While you can leave employment, your official retirement date will be the first day of the following month. Example: if you retire on May 15th, your official retirement date will be June 1st.



## Does it matter if I retire December 1st or January 1st?

Yes. You might be leaving vacation benefits on the table by not working into the next year.



## If I retire September 1st or the 1st of any month, when do I expect to receive my lump sum payout and access to my 401k plan?

Access to your 401k assets are typically available as soon as Empower has been notified of your retirement. This is usually 7 business days after the 1st day of the month, which is considered your official retirement date.

For example: If your retirement date is September 1st, then your 401k should be eligible to roll to an IRA on September 8th). If you chose the Lump Sum option, the proceeds will be available to you 3-4 weeks after your termination date.

- If you are a Union member, the check is mailed directly to you.
- If you are a member of management, the check is mailed directly to the institution you are rolling the Lump Sum to.

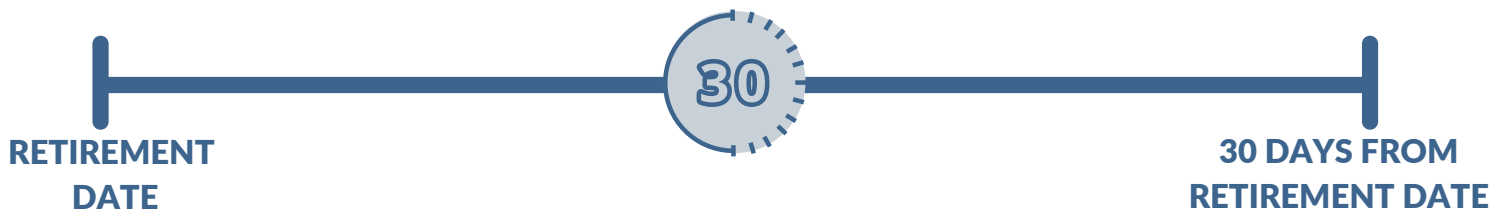
# HEALTH CARE CONSIDERATIONS



## Do I need to do anything special to continue my health care coverage after my employment ends?

If you are eligible for retiree medical coverage when your employment ends and you do not elect to take that coverage, you will forfeit your ability to participate in the retiree medical plan.

**You must elect to participate in retiree medical coverage within 30 days of your retirement date.**



If you do not properly elect coverage for yourself within this time frame, you will not be eligible to elect coverage for yourself or any family members at a future date.



## If I elect retiree medical coverage, how will I pay the premiums?

If you are not yet eligible for Medicare, you will be given the opportunity to pay by personal check or by automatic deduction from your bank account.



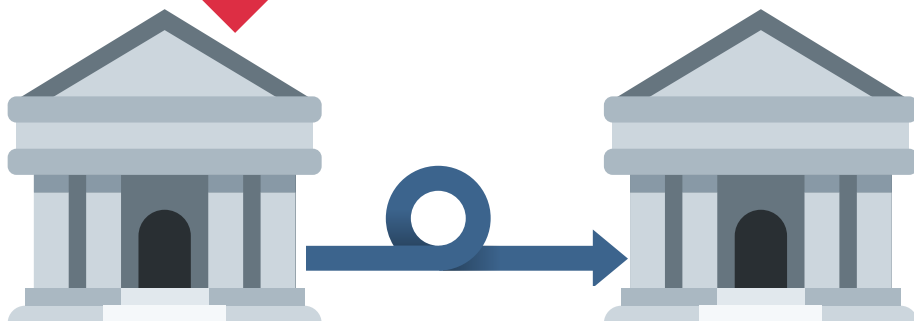
# OTHER CONSIDERATIONS



## What happens to my 401(k) plan account when I leave the company?

You will have a few options if your employment terminates.

**2** ROLL IT OVER INTO AN IRA



**1** LEAVE IT WITH EMPOWER RETIREMENT



**3** ROLL IT INTO A NEW EMPLOYER'S 401(K)



# OTHER CONSIDERATIONS

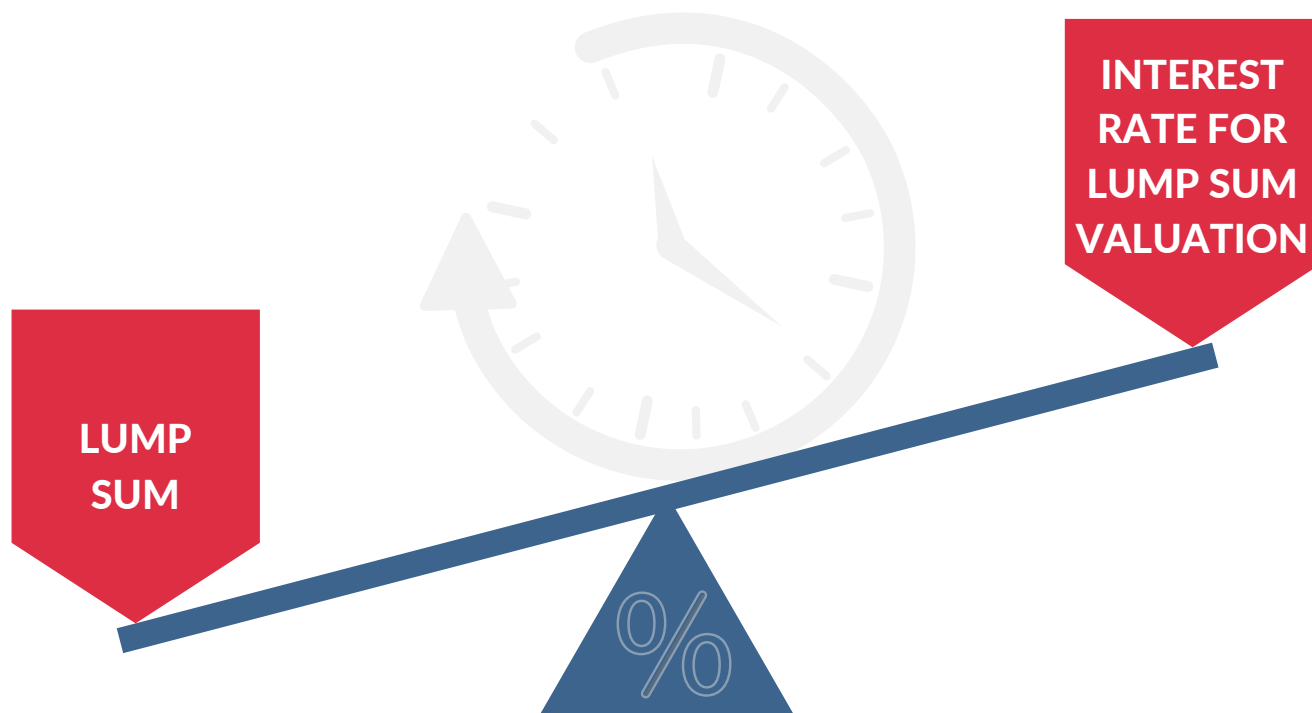


## When is the interest rate calculated for the Lump Sum valuation and when does it go into effect?

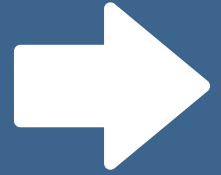
Every July, KCPL monitors the average daily interest rate of the GATT Rate (General Agreement on Tariffs and Trade) which is the 30-year Treasury Bond interest rate. This rate is used to determine Lump Sums starting on Oct 1st of that year and remains in effect until 9/30 of the following year.

## How does the interest rate affect the value of my Lump Sum?

If the interest rate calculated goes up in July, your Lump Sum will likely go down in value. Likewise, if the interest rate goes down in value your Lump Sum will likely increase depending on other factors like years of service, age and the severity of the change in interest rates from one year to the next).



# NEXT STEPS



## Simplify your Financial Life

**We are a one-stop shop to cover all your financial needs.**

Our goal is to help you achieve your retirement dreams. Our financial advisors are dedicated to ensuring you receive the time and attention you deserve to create an individualized strategy. With unbiased, client-centered advice, you can have confidence in your financial future.

We are super easy to work with - in fact, just click below to set a 10-minute call and see if we are a good fit for you! It's no cost, no obligation, and zero pressure!

**Speak with a Planner Today!**  
Schedule a Free 10 minute introductory call

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