

RETIREMENT PLANNING FOR
EMPLOYEES OF



CRITICAL RETIREMENT CONSIDERATIONS

FORMERLY KCP&L AND WESTAR ENERGY



THE RETIREMENT
PLANNING GROUP

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HISTORY

What happened to the KCP&L and Westar Energy retirement plans after the Evergy merger?

Since the 1980s, companies in the private sector that offer defined-benefit plans, also known as pensions, have steadily declined. Due to the cost and complexity of providing pensions to employees, companies transitioned to defined-contribution plans or 401(k)s. Ultimately, the shift toward defined-contribution plans has placed the responsibility of saving and investing for retirement on employees.

After the merger in 2018, employees from both KCP&L and Westar Energy who had these defined-benefit plans were presented with two options:

1. First, stick with your pension plan.
2. Or, freeze your pension plan, and Evergy will match an additional 3% toward your 401(k) contributions.

Your Interests First

If you're not sure what the best option for you and your family is by the end of this guide, consider working with a Wealth Manager.

When you engage with one of our Wealth Managers, they will sit down with you and show you your entire financial picture in real-time. From there, they'll show you certain levers that can be pulled to help you save money in a better way, retire sooner, and help you to have more income in retirement. When you are done, you'll have an easy-to-understand plan that will be assigned a confidence score, so you can have less stress and feel more optimistic.

LUMP-SUM OR MONTH PAYMENT FACTORS TO CONSIDER

FACTORS TO CONSIDER

AGE / LONGEVITY
NET WORTH/OTHER INCOME
LEGACY AND ESTATE PLANNING
SPOUSAL BENEFIT
LIVING EXPENSES
TAX OBLIGATIONS AND PLANNING
INFLATION
COMPANY HEALTH
INVESTMENTS

**CASH OUT
LUMP-SUM?**



**MONTHLY
PAYMENTS?**



DISTRIBUTION OPTIONS DEFINED

Lump-Sum Distribution

The Lump-Sum is a single, large sum of money that is paid out to you shortly after you retire. The Lump-Sum option gives you maximum control of your money — you can spend it or invest it as you see fit. Lump-Sums are typically rolled into an IRA or other retirement account where they can be invested and continue to grow until you need it.

Questions to ask yourself if you're considering a Lump-Sum distribution:

- How is your health?
- Are you comfortable investing?
- Do you want to leave money to your loved ones after your death?
- How will this impact your taxes?

Monthly Pension Payments

Choosing a Monthly Payment is a fixed monthly payment made to you (the retiree) for life. Some pensions include options to pass this monthly payment on to a surviving spouse or include cost-of-living adjustments.

Questions to ask yourself if you're considering the monthly payment distribution:

- Are you confident in your employer's ability to make future payments?
 - If your employer could not meet its obligations, you may only be paid a portion of promised benefits.
- Does the income from your pension have a cost-of-living adjustment?
- Do you have additional sources of income in retirement?

TIMING IS EVERYTHING

If I retire on September 1st or the 1st of any month, when do I expect to receive my Lump-Sum payout and access to my 401(k) plan?

Access to your 401(k) assets are typically available as soon as Evergy 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 401(k) 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.



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.

TIMING IS EVERYTHING

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

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

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 on September 2nd (because the interest rate is going to negatively affect your Lump-Sum value) your official retirement date will be October 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 on the new interest rate and therefore you wouldn't get an increase in Lump-Sum value.

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. For example: if you retire on May 15th, your official retirement date will be June 1st.

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

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



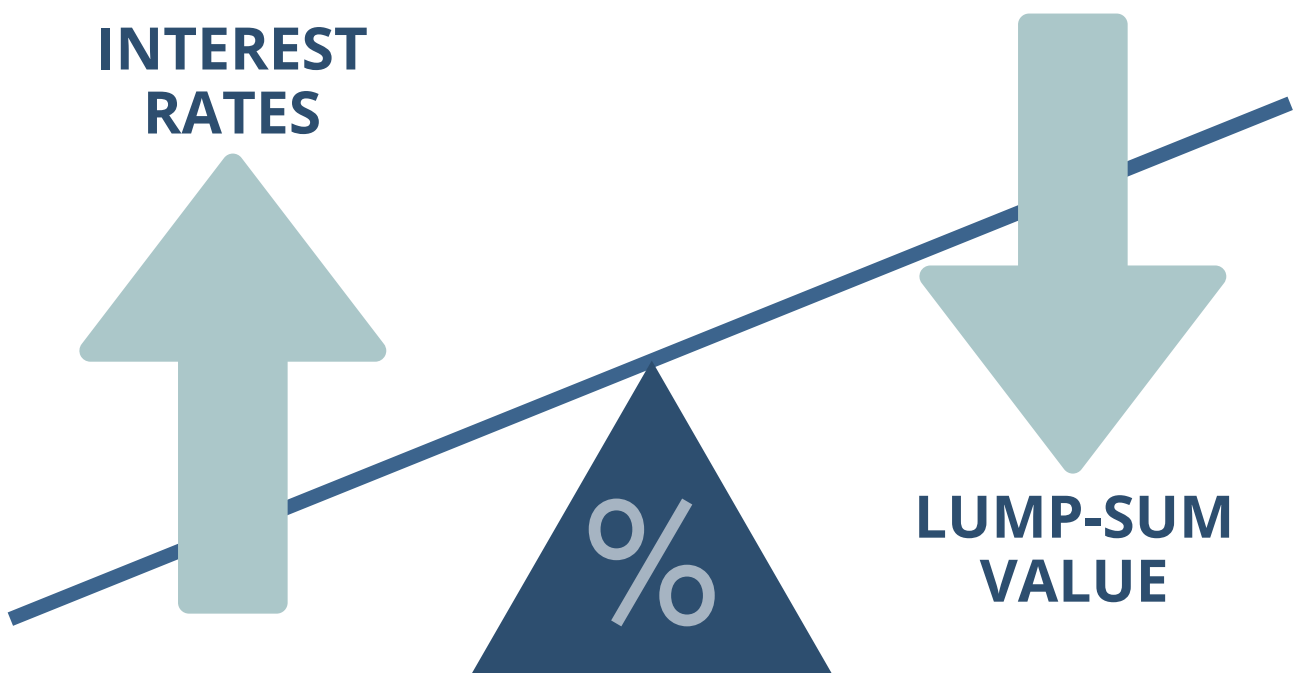
LUMP-SUM BENEFITS AND INTEREST RATES

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

Every July, Evergy 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 October 1st of that year and remains in effect until September 30th 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).



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.



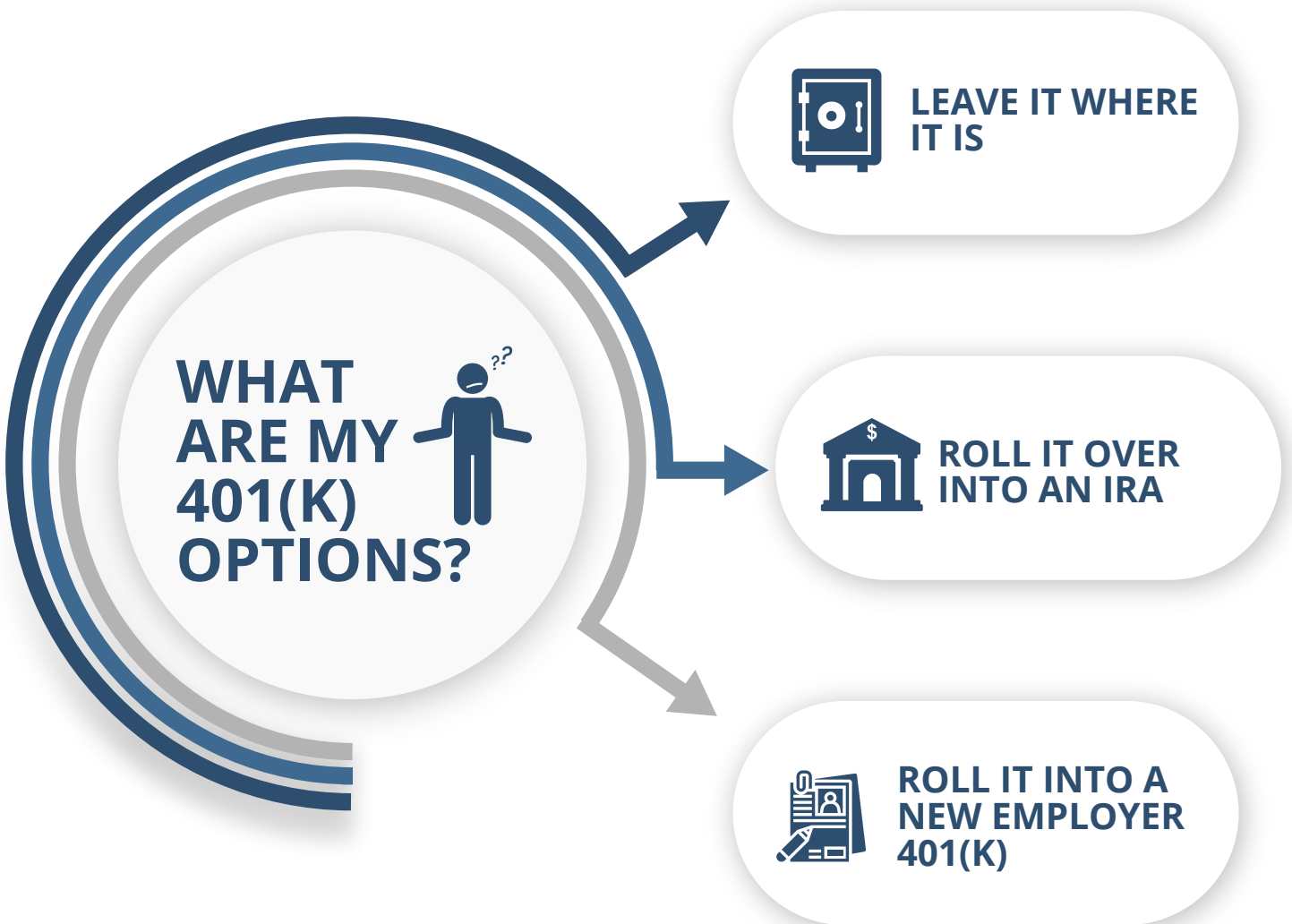
If I elect retiree medical coverage, how will I pay the premiums?

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.

401(K) OPTIONS

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

You will have a few options if your employment terminates for one reason or another.



TAKE CONTROL OF YOUR FINANCIAL FUTURE

You've worked hard to get to where you are, and you have earned the financial rewards that come with it. Life is a winding road with a lot of uncertainty. We hope this guide provides you with the information to make better decisions that will give you the best opportunity to meet your long-term goals and objectives both financially and personally.



RYAN COSTELLO, CFP®
**PRINCIPAL - PRESIDENT &
SENIOR WEALTH MANAGER**

Ryan has over 16 years of experience in the financial services industry. He works with high net-worth individuals, Defined Contribution, and Defined Benefit plans. He holds the CERTIFIED FINANCIAL PLANNER™ designation and is a Principal at The Retirement Planning Group.

We'll build out the rest of your team giving you access to an in-house Tax Professional, Investment Team Member, and Client Relationship Manager.

You deserve a team – and that's what we've built for you. The only thing left to do is introduce you to them. Are you ready?



[Speak with a Wealth Manager](#)

Do you want to speak with someone right away?
Give us a call at **(888) 988-6621**.

DISCLAIMER

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