It's been a very quiet week...

Early in the session, things usually take a little time to pick up speed. That's been true for last week and this as legislators continue to gather information and hear reports in preparation for the consideration of legislation that is to come.

The calendar for next week continues this pattern and, at this time, remains relatively light on details - a lot of "agenda to be announced" notices in the calendar for next week. (Thursday is the day when details of the coming week are first announced in the calendar.)

Some of the reports to be heard this week have been delayed as legislators take time to pay their respects to Nancy Kleeb, wife of Representative Marvin Kleeb, who passed away unexpectedly last weekend. One of the best traditions of the Kansas legislature is that they always provide for the needs of their colleagues and willingly set time aside to support each other. Our thoughts too are with Representative Kleeb and his son at this time.

KPERS Committee still gathering information

Patrice Beckham, the KPERS actuary appeared before the committee this week to review the status of the system as it is today.

Most of the discussion centered on a couple of interest points: paying of the unfunded actuarial liability and the impact of the new cash balance plan versus going to a defined contribution plan.

The greatest difficulty the legislature would face moving to a defined contribution plan is the fact that the actuarial liability on the current plan would still have be paid off. This would result in much higher costs to the state than maintaining the current plan and fully implementing the most recent changes.

The real problem is that some legislators hold a position in opposition to any defined benefit plan. As corporate America has done away with defined benefit plans it has raised the interest in taking away public sector retirement systems as well. The argument is that if most private sector employees don't have a secure retirement system, why should public employees? One wonders why we don't ask why all working men and women should not have secure retirement benefits.

Retirement planning has traditionally been based on a balanced three-legged stool consisting of a defined benefit pension, social security, and personal savings. The 401(k) was created to encourage saving for retirement, not to replace the defined benefit pension.

Unfortunately most persons with 401(k) defined contribution systems do not have enough to enjoy a secure retirement. Additionally, since the defined contribution system is tied to what one has invested prior to retirement, if there were to be a dramatic drop in the market, one could see much of one's security disappear. This is exactly what happened with the financial collapse of 2008-09 when investors lost nearly half of the value of their investment portfolios.

Public employees have over the years traded higher salaries for retirement security. KPERS provides that security.