

March 26, 2015

KPERS Update

Next week is the last week of the session before the April break and the beginning of the Veto Session on April 29th. This update is being sent at this time because other issues were appropriately taking your time and attention.

Current Bills Passed by one chamber and ready for Conference Committee work next Monday at 9:00 a.m.:

- HB 2095- The House version of Pension Bonding. This is for \$1.5 Billion which would result in a required payment by the legislature of \$90 million a year. Selling the bonds would permit the current administration not to make payments into the KPERS system but rather rely on the bond revenue to make the payments into the system. That would assist the administration in their efforts to balance their budget.
- SB 168-The Senate version of Pension Bonding. This is for \$1.0 Billion and would result in a required payment by the legislature of \$66 million a year. It would also push the payoff time from 2033 to 2044. The rest of the story is the same as above.

There are two other bills, one from each chamber, which address a working after retirement process called the drop program for Highway Patrol Officers. These bills address KP&F portion of KPERS. These will also be addressed in Conference Committee.

Current KPERS issue(s) unresolved at the moment:

- Working After Retirement (WAR)-House version is HB 2253. This bill started out as a renewal of the 3 year Sunset of the current rules for teachers and other school licensed personnel as well as nurses who work at state facilities. The bill was heavily amended in the committee and passed on favorably. Within the bill is a grandfather clause to allow anyone working under the current WAR rules to continue to do so for the next three years. Another portion is to change the rules for WAR effective July 1, 2016 and lasting one year. The changes are extensive and convoluted. I do not believe that this

bill has any traction in that it is more complicated than the current set of working rules.

- The Senate Pensions Committee will work on WAR in committee on Tuesday and Wednesday. The Senate bill will be more than a simple renewal of the 3 Year Sunset, but at this time we are not sure what the Senate intends to do with WAR.

We have testified to support the simple renewal of the 3 Year Sunset. We have also lobbied to extend the start date of any changes to July 1, 2016 and to Grandfather in all who work under the current WAR rules. We will let you know what will be in the Senate bill ASAP.

Links

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