

MINUTES OF THE HOUSE PENSIONS AND BENEFITS COMMITTEE

The meeting was called to order by Chairperson Steven Johnson at 9:00am on Wednesday, January 27, 2016, 152-S of the Capitol.

All members were present except:

Representative John Edmonds – Excused

Committee staff present:

David Wiese, Office of Revisor of Statutes

Gordon Self, Office of Revisor of Statutes

Reed Holwegner, Legislative Research Department

Lea Gerard, Kansas Legislative Committee Assistant

Mark Dapp, Legislative Research Department

Conferees appearing before the Committee:

David Wiese, Assistant Revisor, Kansas Office of Revisor of Statutes

Jarod Waltner, Assistant Planning and Research Officer, KPERS

Faith Loretto, Deferred Compensation Plan Manager, KPERS

Alan Conroy, Executive Director, KPERS

Others in attendance:

[See Attached List](#)

Bill Introduction:

Representative Trimmer requested a bill be introduced which would allow teachers to work after retirement if they are age 62 or older. With no objections from the members, the Committee consented to introduce the bill.

Hearing on: HB2489 — Providing a moratorium on KPERS death and disability contributions for a portion of FY 2016 and FY 2017, and applying accidental death benefits and annuity interest rates for members under the KPERS act of 2015.

David Wiese, Assistant Revisor provided an overview on **HB2489**. The bill provides a moratorium on KPERS death and disability contributions for a portion of FY 2016 and FY 2017, and applies accidental death benefits and annuity interest rates for members under the KPERS Act of 2015 ([Attachment 1](#)). Mr. Wiese answered questions from the Committee.

It was explained to the Committee the moratorium would make substantive law consistent with the appropriations enacted in 2015. No fiscal note was necessary.

Jarod Waltner, Assistant Planning and Research Officer, KPERS, provided an overview of technical amendments for **HB2489**. The changes were requested by the KPERS Board of Trustees ([Attachment 2](#)). Mr. Waltner answered questions from the Committee.

CONTINUATION SHEET

MINUTES of the Committee on Pensions and Benefits at 9:00am on Wednesday, January 27, 2016 in Room 152-S of the Capitol.

Chairman Johnson ask if there is anyone who wishes to appear before the Committee as a proponent of the bill. Seeing none, Chairman Johnson asked if there was anyone who wants to appear as neutral. Seeing none, Chairman Johnson asked if there was anyone who wants to appear as an opponent to **HB2489**. Seeing none, Chairman Johnson closed the hearing on **HB2489**.

Chairman Johnson advised the Committee **HB2489** will be worked next week and there will be a hearing on **HB2541**, KPERS 457 plan.

Informational hearing:

Faith Loretto, KPERS 457 Plan Manager provided an overview on **HB2541**, KPERS 457 Plan. The KPERS Board of Trustees requested introduction of legislation to clarify amendments to the KPERS 457 deferred compensation plan ([Attachment 3](#)). Ms. Loretto answered Committee questions.

Informational Briefing:

Cost Comparison of Employer Contributions with and without Bonds:

Alan Conroy, Executive Director, KPERS presented information requested by the Committee in the January 20, 2016 meeting providing the following two cost comparisons ([Attachment 4](#)):

- Projected cost of employer contributions based on 2015 **SB228** which authorized \$1 billion in pension obligation bonds but assume the bonds were never sold.
- The projected cost of employer contributions plus debt service payments with the sale of the bonds as it occurred in August, 2015.

Mr. Conroy stood for questions from the Committee.

Informational Briefing:

Alvarez & Marsal Recommendations regarding KPERS

Alan Conroy provided an overview of the efficiency study completed by Alvarez and Marsal as it pertains to KPERS ([Attachment 5](#)). Mr. Conroy answered questions from the Committee.

Chairman Johnson announced the Committee will meet on Wednesday, February 03, 2016 for a hearing and possible action on technical bills **HB2488** and **HB2489**.

Meeting adjourned at 10:00 a.m.