



## Testimony before the Senate Select Committee on KPERS

on

## SB 299 - Working After Retirement Requirements for Certain KPERS Retirants

by

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Mr. Chairman, Members of the Committee:

Thank you for this opportunity to share our thoughts on **SB 299**, which would create a new system of deposits for employees in covered positions who return to work after retiring. The retiree would have access to the deposit, along with a prescribed interest rate upon leaving that position. We appear as neutral, as it supports part of our positions but is contrary to other parts as well.

Our position of renewing the sunset provision of current language was passed by our Delegate Assembly last December:

"Retired educators. We support extending current law allowing certified employees to return to work after retirement, provided it does not increase the liability of the system. We support exempting retired teachers hired for special education positions from the district KPERS surcharge."

At this point, it is necessary to point out that, although an exact number cannot be determined, there IS a cost to the system under the current plan. We are not sure this cost is eliminated under this bill, but only deferred. The lower prescribed interest rate would appear to lower that cost.

It also appears the bill continues to call for an actuarial rate plus another two percent as well as the regular employee contribution as well as the statutorily prescribed rate, right now six percent. This too should help reduce any cost to the system, but waiving this assessment is what we believe is necessary to staff hard-to-find special education teaching positions.

A major question remains unanswered: does this plan have enough incentive to entice back teachers and other educators to other hard-to-fill positions: math, science, foreign language or teachers/administrators in communities that cannot fill positions from the unretired local teaching pool.

To summarize, the bill does not roll over the sunset date, which was the position we took. On the other hand, it seems to reduce the costs to the system of continuing to allow people to return to a KPERS position after retiring from a KPERS position.

I would like to conclude by stating we are diligently reminding our members a prearranged return to a job could be fraught with danger and should be avoided in ALL cases. We most recently did that in our last webinar, which was viewed by over 200 school leaders.

I will be happy to stand for questions at the appropriate time.