

STATE AFFAIRS COMMITTEE

February 2, 1967

The meeting was called to order by the Chairman and Mr. Griffith was introduced to discuss HCR 1010. He explained that since he had been unsuccessful in getting a proposal through the legislature abolishing capital punishment, that he felt that perhaps a study by the legislative council and their recommendation, might be more acceptable to the legislature. He proposes to abolish capital punishment and establish instead non-commutable, non-parolable sentences for serious crimes. He states that Dr. Satten of Menningers and numerous church groups feel as he does.

Mr. Unruh inquired if Mr. Griffith had talked to people who had been the object of crimes or who were imprisoned and no longer wished to live. Mr. Griffith stated that he had but that he felt capital punishment was no deterrent. Mr. Turner stated that since the Committee last studied this matter he had defended his first murder trial and that it is such a terrific responsibility that he wasn't sure he could ever do it again.

Mr. Teter was introduced to discuss H.B. 1092, and pointed out an inequity of the retirement act. He introduced Mr. Corkhill to explain this. Mr. Corkhill stated that the Board has been concerned about the retirement-death provision, and were ready to act on this at the time Mr. Teter called the matter to their attention; that when death occurred just prior to retirement, no benefits were payable to the surviving spouse the way the law is now written; that to take care of the few people involved would cost not more than \$600 per month.

The Chairman announced that action on these proposals would be postponed until some time next week, and announced that there would be no meeting on Friday. He stated that the dinner set for February 21st, was meeting with conflicts and asked that another date be set--February 23rd was chosen, and members were reminded that this invitation includes wives.

The Chairman reminded members of the two daylight hearings on Monday and Tuesday and the Humane bill hearing on Wednesday.

Meeting was adjourned.

All members were present except Mr. Bunten and Mr. Fribley, who were excused.

MARGARET GENTRY, Secretary



PUBLIC EMPLOYEES RETIREMENT SYSTEM

Twelfth Floor—State Office Building

TOPEKA, KANSAS 66612

Memorandum

To: Representative Don Teter

From: John K. Corkhill, Executive Secretary
Kansas Public Employees Retirement System

Subject: Proposed amendment to K.S.A. 1965 Supp., 74-4918(4) (Death during the first six months of membership.)

In reply to your inquiry regarding the death of a member of the Kansas Public Employees Retirement System during the first six months following the member's participating employer's entry date, the following information is provided.

K.S.A. 74-4914 provides that "The normal retirement date for a member of the system shall be the first day of the month coinciding with or following the attainment of age 65. In no event shall a normal retirement date for a member be before six months after the entry date of the participating employer by whom he is employed." (emphasis added)

K.S.A. 1965 Supp., 74-4918(4) provides as follows:

"If a member, who is eligible to retire in accordance with the provisions of K.S.A. 74-4914, dies without having actually retired, the member's spouse, if the spouse is beneficiary for the member's accumulated contributions, may elect to receive benefits as a joint annuitant under option A, calculated as if the member retired on date of death, in lieu of receiving the member's accumulated contributions."

It should first be pointed out that the provision in K.S.A. 74-4914 underlined above was put into the Retirement Act primarily for the purpose of allowing a period of at least six months in which to establish and organize the Retirement System and to allow an accumulation of funds sufficient to pay retirement benefits.

A number of instances arose in which members of the Retirement System died within the first six months following the employer's entry date and because of the language in K.S.A. 74-4914 (underlined above) the benefit provided in K.S.A. 1965 Supp., 74-4918(4) was denied the surviving spouse of the member.

A search of the records of the Retirement System reveals that in a number of cases the surviving spouse has withdrawn the accumulated contributions and in other cases there has been no withdrawal of the accumulated contributions. In addition to these cases there are a number of cases in which the member had failed to file with the Retirement System office a designation of beneficiary (At that time if there was no named beneficiary surviving a deceased member, the accumulated contributions were payable only to the estate of the deceased member--this was changed in the 1965 Session of the Legislature so that if a member did not designate a beneficiary the benefits as provided by the Act would go to designated classes the first being the surviving spouse and if none of the classes survived then it would go to the member's estate.) The surviving spouses in these situations also were prevented from having the option of electing a retirement annuity.

A study has been made by the staff of the Retirement System and a copy of that study is attached hereto and labeled Enclosure A.

Following your first inquiry the matter was referred to the Actuarial Consultants of the Kansas Public Employees Retirement System for their examination and recommendation and part of their reply is as follows:

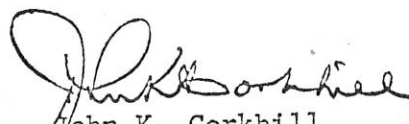
"We feel that it is in the spirit, if not the letter, of the law to pay the Option A benefits in such situations. Surely it is not the intention of the legislation to penalize members for their misfortune in not surviving a mere six-month waiting period when they might have long years of faithful service as public employees."

"From an actuarial viewpoint, there is no reason for withholding the Option A benefits from the surviving spouse, since the additional cost arising from the liberalizations would be trivial."

By referring to Enclosure A it should be noted that the approximate total monthly benefits resulting from the amendment would be less than \$600 per month and this should be a maximum figure for the reason that there will be some instances where the surviving spouse has since passed away and would not be in a position to make application for the benefits provided by the amendment.

The proposed amendment was submitted to the Board of Trustees of the Kansas Public Employees Retirement System at their regular meeting September 16, 1966 and the Board went on record as approving the proposed amendment.

If you have any further questions in regard to this matter do not hesitate to contact me.


John K. Corkhill
Executive Secretary

JKC:sk

Enclosure A

SURVEY OF MEMBERS WHO HAVE DIED WITHIN THE
FIRST SIX MONTHS OF THEIR EMPLOYER'S ENTRY DATE
WHO WERE OTHERWISE ELIGIBLE TO RETIRE

SOC. SEC. No.	Name	TA No.	Widow's Monthly Benefit Under Option A	Accumulated Contributions
715-07-5338	Lamaer	24	\$ 13.85	\$ 66.00
515-32-7430	White	11	9.85	30.31
1 8-3826	Myerly	37	2.73	69.98
515-18-6920	St. Aubyn	18	36.70	77.00
515-03-1712	Berry	13	34.58	28.84
515-01-2131	Button	162	3.95	32.10
514-20-4926	Lessman	21	13.90	28.00
514-03-6645	Dinkal	19	26.86	10.67
513-12-2915	Gross	8	20.42	59.51
512-22-3506	Gilkison	2	26.52	16.28
512-09-8616	Ortolf	4	9.40	30.30
511-24-3575	Bishop	39	13.61	11.60
511-09-0602	Scott	38	22.74	95.60
511-03-7791	Copping	43	53.08	33.06
510-03-3545	Johnson	40	14.13	117.79
509-30-7300	Franzke	10	45.53	82.81
509-12-0081	Weatherford	42	23.93	37.82
509-03-3315	Roglitz	26	12.34	116.49
448-07-9951	Bush	23	15.84	67.60
510-09-4607	Foley	127	12.30	30.60
511-30-4782	Montgomery	139	16.69	84.86
513-07-3893	Endsley	142	10.48	16.23
514-12-1996	Nicolay	147	12.36	39.26
509-10-8132	Ghan	154	11.06	4.13
512-07-8489	McRoberts	329	10.73	59.72
504-44-5770	Lloyd	452	10.79*	104.38 (Paid to Member's Estate)
509-09-8140	Teel	()	7.64*	8.97
515-03-2199	Doty	()	43.74*	16.20
512-20-9509	Shreck	660	10.97*	380.13 ($\frac{1}{2}$ to Spouse $\frac{1}{2}$ to Member's Son)
509-10-1398	Martin	()	32.92	(1967 Entry Date)
TOTAL			\$ <u>579.64</u>	\$ <u>1,756.24</u>

We have no date of birth for the spouse so we have used $\frac{1}{2}$ of the member's monthly retirement benefit without option as the spouse's benefit since we cannot compute the Option A benefit.