

## SUBCOMMITTEE REPORT

The Subcommittee on retirement matters makes the following recommendations to the Senate Committee on Ways and Means concerning H.B. 2244.

As amended by the House Committee on Pensions, Investments, and Benefits, H.B. 2244 eliminates the current statutory death benefit of 65 percent of a judge's annual salary at the time of death and provides judges with insured death benefit coverage under KPERS group life insurance plan. The bill also provides a retirement benefit based on a participating service rate of 4 percent of final average salary for up to 10 years of participating service. For participating service in excess of 10 years, the current rate of 3 1/3 percent would continue to apply.

The Subcommittee recommends that H.B. 2244 be reported favorably, as amended by the House. The Subcommittee recommends that the bill be further amended to include the following additional provisions:

Funeral Benefit Increase. 1982 H.B. 2623 provided for KPERS to pay funeral and burial expenses of not to exceed \$750 upon the death of a retirant who is a member of any of the state retirement systems, subject to reduction for any funeral or burial benefits under the Social Security Act or any local police or fire pension plan. This amendment increases the maximum benefit from \$750 to \$1,000, eliminates the Social Security offset, and changes "funeral and burial expenses" to "lump-sum death benefit."

Age Limit for Membership Eliminated. This amendment allows any person age 59 or older who is employed by a participating employer under KPERS Nonschool or School Retirement Systems to become members of KPERS. Provision is also made for any person employed by a participating employer on June 17, 1983, who was 59 or over when employed, to elect to become a member of KPERS. Under current law employees hired after the entry date of the employer who are age 59 or older cannot become members. Such persons would not be provided with insured death and disability coverage under KPERS group life insurance plan.

Participation After Age 70. This amendment permits members of KPERS to continue participation beyond age 70. At the present time, members who reach age 70 cease to make contributions to the system and no longer receive service credit.


Mandatory Retirement for Local Employees Eliminated. This amendment would eliminate mandatory retirement between ages 65 and 70 solely on the basis of age for employees of local units of government, including school employees. Elimination of the provision would bring the law governing local government employees into conformity with that applicable to state employees.


Prior Service Credit. This amendment allows credit for all prior service for KPERS members who have 10 or more years of participating service, whether or not a member met the applicable entry date for credit of prior service.

Use of Final Average Salary Made Uniform. This amendment would add the years of service credit for any period of vested service to any subsequent years of service credit (after a former member again becomes a member) so that the same final average salary would be applied to all such years of service. At the present time the final average salary for a period of vested service may be different from that applied to subsequent years of participating service or different from that applied to prior service for those retiring on or after July 1, 1981 (1981 H.B. 2529).

Employer Contribution Rates Recertified. This amendment would advance state employer contribution rates for FY 1985 to FY 1984 as follows: 4.8 to 4.6 percent for nonschool, 4.5 to 4.4 percent for school, and 1.6 to 1.4 percent for TIAA/CREF.

  
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Senator Ross Doyen  
Subcommittee Chairman

  
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Senator Robert V. Talkington

  
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Senator Frank Gaines