

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS

The meeting was called to order by REPRESENTATIVE DAVID LOUIS, CHAIRMAN at
Chairperson

9:00 a.m. Thursday, March 6, 1986 in room 527-S of the Capitol.
a.m./p.m. on

All members were present except:

Representative Shore-excused

Committee staff present:

Richard Ryan
Alan Conroy
Gordon Self
Rosalie Black

Conferees appearing before the committee:

See attached list.

The meeting was called to order by Representative David Louis, Chairman, to hear House Bill 3045 and House Bill 3092. Committee discussion and possible action on matters previously heard was also scheduled.

House Bill 3092 - Hearing

Raymond Bailiff, President, Kansas State Troopers Association, indicated he requested HB 3092 to provide benefits needed to improve KP&F including expanding the age of retirement from age 55 with 20 years of credited service to age 50 with 25 years of credited service and providing a lump sum payment of \$50,000 to a member's spouse if the member's death is from service-connected causes. Attachment 1.

Speaking in support of HB 3092 and Trooper Bailiff's statement were George Schureman, Kansas Police Officers Association; Jim Todd, Kansas State Firefighters; Kenneth Gorman, Kansas Fraternal Order of Police; and Lt. Bill Jacobs, Kansas State Highway Patrol. Attachment 2.

Richard Ryan, Kansas Legislative Research Department, told the committee total costs of HB 3092 would be \$4.2 million with \$.5 million costs to the state general fund.

Marshall Crowther, Executive Director of KPERS, said the conferees had correctly pointed out that KP&F non-duty disability and death

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS,
room 527-S, Statehouse, at 9:00 a.m. on March 6, 1986

House Bill 3092 - Hearing - con't.

benefits are not as high as KPERS benefits.

House Bill 3045 - Hearing and Action

Gordon Self, Revisor's Office, and Marshall Crowther discussed the need to clean up technical aspects of HB 3045 which would give current retirees either a 13th check or final average salary. Without passage of HB 3045, certain retirees would not receive either benefit for a period of eleven months.

Representative Ott moved to report HB 3045 favorable for passage; seconded by Representative Dyck. The motion carried.

House Bill 2970 - Action

Representative Peterson indicated HB 2970 raises more questions about exemption of taxation of retirement benefits paid to employees of municipally owned utilities than it solves.

Representative Peterson moved to report HB 2970 adversely; seconded by Representative Williams. The motion carried.

House Bill 2969 - Action

Representative Peterson moved to delete Section D and to change the date in Line 29 from July 1, 1986 to July 1, 1982; seconded by Representative Grotewiel. The motion carried.

Representative Peterson moved to report HB 2969 favorable for passage as amended; seconded by Representative Sand. The motion failed.

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Minutes were approved for meetings of February 19 and February 27.
The meeting adjourned at 10:15 a.m.



Please PRINT Name, Address, the organization you represent, and the Number of the Bill in which you are interested. Thank you.

Thurs. 3-6-86

NAME	ADDRESS	ORGANIZATION	BILL NO.
TROOPER Bill Brockman	3815 Canterbury Tw. Rd. (Topeka)	K.H.P.	3092
TROOPER CHARLES KOHLER	6328 Cleveland, KCK	KHP	3092
DETECTIVE Keith Wright	2405 So. 103 rd St.	KCKPD F.O.P.	3092
KEN GORMAN	204 W 8 th Topeka	KS FOP	"
TERRY STEVENS	TOPEKA	TOPEKA P.D.	"
RAY BAILEFF	R2 Box 111-54 Lyks.	KSTA	3092
PAT O'ROURKE	4944 Lusuen RD	KSTA	3092
George S. [unclear]	1620 Tyler Topeka	KPOA	3092
James J. [unclear]	2946 So. E. Wichita	KSTA	3092
JAMES E. McCUBBIN	Atchison, KS	KBI	3092
Vernon Humphrey	Emporia, KS	KBI	3092
MAJOR Richard Dvorak	7542 sw. Robinhood ct.	KHP	3092
DARRELL McNEIL	6 th Floor [unclear]	SRS	3045
HAROLD PITTS	Topeka	TARTA	
LT. BILL JACOBS	TOPEKA	K.H.P.	3092
Jack [unclear]	"	KPERS	
Marshall [unclear]	[unclear]	"	



KANSAS STATE TROOPERS ASSOCIATION

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DIVISION NINE
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IMPROVEMENTS NEEDED IN KP&F BENEFITS

January-1986

Twenty years ago KP&F benefits were equal to and in some cases better than benefits available to state and local employees under the KPERS plan. Over the last few years, KPERS benefits have improved and KP&F benefits have stagnated. KP&F members now have alarmingly less death and disability income protection benefits than state and local employees who are under the KPERS plan.

The following Death, Disability and Retirement improvements will update and bring parity and equality to KP&F benefits. These recommended improvements will provide fair and impartial income security for KP&F members and their families.

Ray Bailiff

President-Kansas State Troopers Association

*Atch. 1.
3/6/86
H.P.I.B*

Attachment I

KPERs MEMBERS & KP&F MEMBERS BENEFIT COMPARISON
KP&F IMPROVEMENTS NEEDED
DEATH BENEFIT (NOT SERVICE-CONNECTED)

KPERs Benefits Provide:

100% of annual salary as a death benefit, plus a return of all the member's contributions to the beneficiary. Social Security would provide spousal and dependent benefits up to \$1700 based on the member's time and contributions to Social Security.

KP&F Benefits Provide:

50% of member's final average salary as a lump sum death benefit. Spouse would receive 2% of members final average salary multiplied by the number of years of service as long as there are unmarried children under 18. If there are no children under 18, the spouse receives no monthly benefit until age 50. If the member has less than five years of service there is no benefits, the member's contributions are returned to the beneficiary.

The Following Improvements Are Needed In The (Not Service-Connected) Death Benefits. Needed improvements outlined.

If a member dies from causes not service-connected, the surviving spouse or dependents will receive a lump sum benefit of 100% of the members final salary. When the spouse attains age 50 an annual benefit of 2% of the member's final average salary multiplied by the number of years of credited service accrued to the date of death will be payable. This benefit continues until the spouse's death or remarriage.

If there are unmarried children of the member under the age of 18 who are in the care of the surviving spouse, an annual benefit of at least 60% of the members average salary will become payable until the youngest child reaches age 18 or until their earlier death or remarriage. The benefit then cease until the spouse reaches age 50. If there is no eligible spouse or if after the spouse's death or remarriage there remains unmarried children of the member under age 18, the spouse's annual benefit will be paid in equal shares to the children until they reach age 18 or until their earlier death or marriage.

EXAMPLE

A KP&F member and a KPERs member are both killed in a car accident while they are off-duty. Both members make \$1800 per month. Both have at least one dependent child under 18. Both members have five years of credited service.

KPERs Benefits Would Provide:

A \$21,600 lump sum death benefit. Social Security spousal and dependent benefits of up to 1700 dollars per month.

KP&F Benefits Would Provide:

Less than \$10,600 in lump sum death benefits. Less than \$180 per month in spousal and dependent benefits.

NOTE: A KP&F member with less than five years of service would not be eligible for the above benefits.

Recommended Improvements In KP&F Would Provide(using above example):

A \$21,600 lump sum death benefit. Less than \$1080 in spousal and dependent benefit per month.

Fiscal Impact: For 100% death benefit.
For 60% monthly benefit.

KPERs MEMBERS & KP&F MEMBERS BENEFIT COMPARISON
KP&F IMPROVEMENTS NEEDED
TOTAL AND PERMANENT DISABILITY BENEFIT (NOT-SERVICE-CONNECTED)

KPERs Benefits Provide:

No less than 60% of members annual rate of compensation; Plus Social Security Benefits.

KP&F Benefits Provide:

Members with less than five(5) years service receive nothing but a return of their KP&F contributions. Members with more than five(5) years service receive an annual benefit of 2% of final average salary multiplied by the number of years of service. This benefit is not to exceed 50% of final average salary.

The Following Improvements Are Needed In The (Not-Service-Connected) Disability Benefit. Needed improvements outlined.

If a KP&F member becomes totally and permanently disabled from causes not service-connected and the disability continues for a period of 180 days, an annual benefit of 2% of final average salary multiplied by the number of years of credited service will be payable, accruing from the last day on the payroll.

If the KP&F member is disabled from any job for which they were reasonably qualified, the benefit would not be less than 60% of the final salary. Benefits to members with less than five(5) years of credited service will be subject to reduction for benefits received from primary social security, one-half worker's compensation, or any other employer-provided disability benefit.

In the event a regular member receiving a not service-connected disability benefit dies following the disability, benefits are payable to the spouse and children. (See Not Service-Connected Death Benefits)

EXAMPLE

A KP&F member and a KPERs member both have 4 years of service, both make \$1800 per month, and both become disabled from any job for which they were reasonably qualified.

KPERs Benefits Would Provide:

At least \$1080 per month (Social Security may enhance benefits up to \$1413 per month) in disability income. After the death of the disabled member, Social Security would provide up to \$1700 per month in spousal and dependent benefits.

KP&F Benefits Would Provide:

A return of KP&F contributions. NO monthly benefit.

KP&F Benefits For Members With More Than Five(5) Years Provides:

2% of final average salary multiplied by the years of service. A member with 10 years of service would receive less than \$340 per month.

Recommended Improvements In KP&F Would Provide:(using above example)
\$1080 per month disability income for KP&F member with spousal and dependent benefits after the disabled members death.

Fiscal Impact: .6%

KP&F RETIREMENT COMPARISON BETWEEN KP&F TRANSFER MEMBERS
(PRE-1968) AND KP&F MEMBERS (POST-1968)

EXAMPLE

Conditions: 1. Final average salary is \$2100 per month.
2. Retiree is age 50.
3. Retiree has 25 years of service.
4. Retiree and spouse are the same age.

Transfer Member(Pre-1968) will receive: \$1050 per month in retirement benefits and the spouse would receive \$862.50 per month after the retirees death.

Regular Member (Post-1968) would receive:

Under Option A: \$734.16 per month retirement.
Spouse would receive \$367.08 after retirees death.

Under Option B: \$678.30 per month retirement.
Spouse would receive \$678.30 after retirees death.

Under Option C: \$774.06 per month retirement.
Spouse would receive \$774.06 per month until the 10th anniversary of the deceased retirees retirement date.

Under Option D: \$702.24 per month retirement.
Spouse would receive \$526.68 after retirees death.

Maximum Benefit: \$798 per month retirement.
No spousal benefit.

Recommended Retirement Improvements

All members could retire at age 50 with 25 years of service with no reduction in benefits.

SUMMARY

The above example shows that Post-1968 KP&F members will not be able to afford the option of retirement at age 50 with 25 years of service.

This means that police officers who are now retiring at age 50 because of the increased pressures and demands of police work are being replaced by officers who will still be fighting 18-20 year old drunks when they are 55 years old.

Fiscal Impact: 1.7%

HOUSE BILL 3092

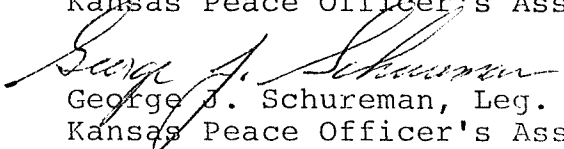
The Kansas Peace Officer's Association supports House Bill 3092.

This bill will enhance the benefits of the Kansas Police and Firemen's Retirement System. The Peace Officers and the Firemen of Kansas will benefit from the passage of this bill. The bill will bring parity and equality in death, disability and retirement benefits between the KPF and the KPER'S systems.

The Kansas Peace Officer's Association urges passage of this bill.

Thank You,

John R. Daily, President
Kansas Peace Officer's Assoc.


George J. Schureman, Leg. Comm.
Kansas Peace Officer's Assoc.