

Approved July 6, 1990
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR AUGUST "GUS" BOGINA at
Chairperson

11:15 a.m./~~XXX~~ on APRIL 26, 1990 in room 123-S of the Capitol.

All members were present except:

Senator Joseph Harder who was excused

Committee staff present:

Research Department - Diane Duffy, Leah Robinson, Ellen Piekalkiewicz, Alan Conroy
Revisors Office - Gordon Self, Jim Wilson
Committee Office - Judy Bromich, Pam Parker

Conferees appearing before the committee:

HB 2405 - KPERS, optional death benefit plan

Staff reviewed the Senate Subcommittee Report on Retirement Bills and Issues. (Attachment 1)

Senator Parish moved, Senator Winter seconded, amend the Committee Report to allow anyone who is an inactive member and not vested within the five year protected period to make purchases of prior employment time. The motion carried.

Senator Gaines moved, Senator Winter seconded, to amend the Committee Report to enable in-state public television employees eligible for benefits under KPERS. The motion passed.

Senator Gaines moved, Senator Winter seconded, to amend the Committee Report to sunset the disability provision of the Corrections KPERS for one year, until after the interim committee has had an opportunity to study the Corrections KPERS Program as contained in HB 2402. The motion carried.

Senator Gaines moved, Senator Winter seconded, to request an investigation of the investment policies at KPERS through an interim study. The motion carried.

Senator Johnston moved, Senator Feleciano seconded, to amend the section of the law dealing with health care benefits to provide that the employee health care commission could, if they so choose, designate public school districts as employers to give school districts the option of joining the state's health care system. The motion carried.

Senator Gaines moved, Senator Winter seconded, the adoption of the Senate Subcommittee Report regarding Retirement Bills and Issues. The motion carried.

Senator Gaines moved, Senator Winter seconded, to recommend favorably HB 2405 as amended. The motion carried on a roll call vote.

HB 3085 - Social welfare, payment schedules for health care providers

Senator Gaines moved, Senator Doyen seconded, to report HB 3085 favorably. During discussion, Senator Gaines and Senator Doyen withdrew their motion and second respectively.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,
room 123-S, Statehouse, at 11:15 a.m. ~~XXX~~ on APRIL 26, 1990

Senator Winter moved, Senator Gaines seconded, to amend HB 3085 to ensure that the regulations would require compliance with state law as well as the federal law in the amended language on page five, sections (x) and (1). The motion carried.

Senator Johnston moved, Senator Parrish seconded, to amend HB 3085 by deleting section (3) on page five. Following discussion, the motion carried.

Senator Doyen moved, Senator Allen seconded, to report HB 3085 favorably as amended. The motion carried on a roll call vote.

SB 770 - Examination and reinstatement fees for drivers' licenses

Senator Doyen moved, Senator Johnston seconded, to amend SB 770 by changing line 6 on page three to read ".... subsection (e) of K.S.A. 8-247" The motion carried.

Concern was expressed regarding the expense of having several convictions, i.e., no seat belt, speeding, etc. and the possibility that those not appearing for court dates were those who were unable to pay their fines.

Senator Doyen moved, Senator Hayden seconded, to recommend favorably the passage of SB 770 as amended.

During discussion, Senator Parish moved to delete Section 4 of the bill. The motion died for a lack of a second.

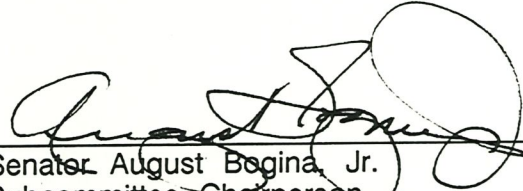
The primary motion by Senator Doyen, seconded by Senator Hayden, passed on a roll call vote.

INTRODUCTION OF BILLS

Senator Doyen moved, Senator Winter seconded, the introduction of bill draft 9 RS 2955, an act relating to the information network of Kansas, Inc.; amending sections 1, 3 and 4 of 1990 Senate Bill No. 678 and repealing the existing sections. The motion carried.

SENATE SUBCOMMITTEE REPORT

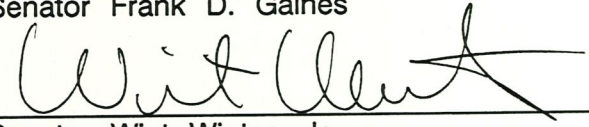
RETIREMENT BILLS AND ISSUES



Senator August Bogina, Jr.
Subcommittee Chairperson



Senator Frank D. Gaines



Senator Wint Winter, Jr.

Attachment 1
SWAM
April 26, 1990

SUBCOMMITTEE REPORT

Agency: Retirement Issues

Bill No. 2405

Bill Sec. --

Analyst: Conroy/Ryan

Analysis Pg. No. --

Budget Pg. No. --

The Senate Subcommittee on retirement consisting of Senators Bogina, Gaines and Winter conducted meetings to review the Kansas Public Employees Retirement SYstem (KPERS) budget, specific retirement bills, and general policy issues. Information was received from Mr. Marshall Crowther, Executive Secretary of KPERS and from other various interested parties concerning the retirement issues. Based on the available information, the Subcommittee recommends the following changes and enhancements for retirants and active members of KPERS, Kansas Police and Fire (KP&F), and the Judge's Retirement System. The changes do not have any actuarial cost. The Subcommittee recommends that the current provisions of H.B. 2405 be deleted and all of the following enhancements be placed into H.B. 2405 to form an omnibus retirement bill:

Kansas Public Employees Retirement System

1. Increase the allowable insured disability benefit from 65 percent to 66 2/3 percent of the employee's annual rate of compensation. The increased level of payment would continue to be at the discretion of the KPERS Board of Trustees if funds are available. (H.B. 2952)*
2. Provide that payments from KPERS would be subject to legal process for child support. Action would be required to be made through Shawnee County District Court and KPERS could not be named as a party to any suit for child support. Currently KPERS payments are exempt from legal process. (H.B. 2955)*
3. Provide for two changes in the special state elected official class. The changes would provide: (1) the salary level selected for employee contributions cannot be decreased once selected; and, (2) if an elected official is a member of KPERS, KP&F or Judges any benefits under those systems will not include elected official salary for periods of overlapping service. Members of the special state elected official class currently have the option to decrease the salary level that employee contributions are based upon for retirement purposes.
4. Make a technical adjustment that would provide that school employees electing to retire prior to September 1 would not have add-on payments included for purposes of final average salary calculation. Currently, school employees who retire on July 1 have add-on payments excluded and those individuals who retire on August 1 have add-on payments included for purposes of final average salary.
5. Provide statutory authority for employer/employee contributions to be remitted to KPERS by wire transfer. Current law does not permit the wire transfer of the contributions to the agency.

* References to House Bills indicates only that the subject is contained in the bill. Subjects above may or may not reflect the actual provisions of the bills.

6. Expand double and triple deductions to all purchase of service credit except benefits for out-of-state school service. Currently double or triple deductions for purchase of service credit for "barred service" or service after age 59 is not permitted as well as out-of-state school service.
7. Provide a minimum \$100 a month disability benefit for security officers (selected Department of Corrections employees) under the special KPERS-Correctional class and also bring the early retirement reduction factor between age 60 and 65 from 0.3 percent to 0.2 percent for each month the KPERS-Correctional employee is less than age 65. This action would provide the same benefits to KPERS-Correctional employees as regular KPERS members.

Kansas Police and Fire Retirement System

1. Provide that payments from KP&F would be subject to legal process for child support. Action would be required to be made through Shawnee County District Court and KP&F could not be named as a party to any suit for child support. Currently KP&F payments are exempt from legal process. (H.B. 2955)*
2. Provide statutory authority for employer/employee contributions to be remitted to KPERS by wire transfer. Current law does not permit the wire transfer of the contributions to the agency.
3. Provide a salary adjustment for computation of final average salary for KP&F members employed after July 1, 1989 or those who elected special provisions and are disabled five or more years before retirement. The action would reflect actuarial salary increases for the disabled member during the period of disability.
4. Provide a three month election period for those members who were eligible, but did not elect special KP&F provisions between July 1, 1989 and January 1, 1990. The special provisions include normal and minimum retirement age and disability benefits.

Judges' Retirement System

1. Provide that payments from the Judges' Retirement System would be subject to legal process for child support. Action would be required to be made through Shawnee County District Court and the Judges' Retirement System could not be made as a party to any legal suit for child support. Currently the Judges' Retirement System payments are exempt from legal process. (H.B. 2955)*
2. Provide the statutory authority for employer/employee contributions to be remitted to the Judges' Retirement System by wire transfer. Current law does not permit the wire transfer of the contributions to the agency.

* References to House Bills indicates only that the subject is contained in the bill. Subjects above may or may not reflect the actual provisions of the bills.

Interim Studies

The Subcommittee recommends that authorization for interim studies concerning several retirement related issues be sought for the 1990 interim period. The topics include the following:

- A. Review of the current post-retirement earnings limitations for KPERS members to see if any modifications are warranted. The current limitations only apply if the retiree is employed by the same employer for whom he worked during the last two years of KPERS participation. In such cases, retirees could receive benefits until earnings equal \$6,000 in a calendar year. At that point, retirees may elect to terminate employment and continue to receive benefits; continue employment and have benefits suspended; or revoke their retirement and again become a participating member of KPERS. This exception applies only to people who retire after June 30, 1988, but substitute teachers, elected officials, and officers, employees, appointees, and members of the Legislature are exempt.
- B. Review separate maintenance and mandatory splitting of benefits as a result of legal process action. Current law exempts KPERS payments from legal process.
- C. Review the request of several employee groups that would like to transfer from KPERS to KP&F. The Subcommittee notes that there is a great number of groups that for various reasons would like to affiliate with KP&F. The interim period would allow the opportunity to review those requests in greater detail.