

Approved 2-20-91  
Date

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS

The meeting was called to order by Representative Don Rezac at  
Chairperson

7:35 a.m./~~pm~~ on February 13, 1991 in room 522-S of the Capitol.

All members were present except: Representative Elaine Wells (excused)

Committee staff present: Richard Ryan - Legislative Research  
Alan Conroy - Legislative Research  
Gordon Self - Revisor's Office  
Juanita Blasdel - Committee Secretary

Conferees appearing before the committee:

Representative Carol Sader  
Helen Gill of Olathe, Kansas  
Chuck Stuart - United School Administrators  
Connie Hafenstine - Kansas Department of Transportation  
Craig Grant - Kansas National Education Association

The meeting was called to order by Chairman Rezac at 7:35 a.m. at which time he called on staff member, Richard Ryan, to present HB 2096 to the committee.

HB 2096 - relating to normal retirement date of Kansas public employees

The chairman called on the first proponent, Craig Grant of KNEA, to testify from material previously handed out (Attachment #1). The KNEA is in favor of this bill which would change the normal retirement to 60 years of age with 30 years of credited service. This would come at a time when they can enjoy retirement more.

The next proponent to testify was Chuck Stuart of United School Administrators who had a handout (Attachment #2). The USA was in favor of this bill for early retirement due to the stress associated with dealing with an ever increasing number of problems of today's pupils and parents.

Mr. Stuart then responded to questions from the Committee members.

Representative Carol Sader spoke as a proponent of the bill and had a handout (Attachment #3). Her reasons for being in favor of this bill were: it benefits teachers who suffer from burnout; prevents diminished productivity; 39 other states allow retirement at age 60; it is an incentive for young people to consider a career in teaching or public employment.

Representative Sader then responded to questions from other Committee members.

The chairman then called on Marshall Crowther of KPERS for a few comments on HB 2096. He made the point that the bill would only be applicable to those who retire after its effective date, so there would not be an adjustment of benefits for someone who had already retired. He also commented that the employees' contribution is not affected by this additional benefit. Mr. Crowther responded to a few questions from the Committee members.

The chairman told the Committee that the fiscal note for this bill was not available from the Budget Department as yet.

Hearings on HB 2096 were closed.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS,  
room 522-S Statehouse, at 7:35 a.m./p.m. on February 13, 1991

Chairman Rezac then called on Richard Ryan of Staff to present HB 2058.

HB 2058 - regarding employment after retirement for Kansas public employees

Representative Carol Sader spoke as a proponent of HB 2058 and had passed out a handout (Attachment #4). Representative Sader suggested that the bill be amended to change the figure from \$9,360 to \$9,720, i.e., "This bill provides that any retirant who retired on or prior to July 1, 1988 who is re-employed by the same participating employer for whom the retiree worked during his or her last two years before retiring may earn up to \$9,360 (she suggests \$9,720) per year, instead of the \$6,000 per year, and still continue to receive full retirement benefits." This would conform to the federal threshold.

Representative Sader then responded to questions asked.

Helen Gill of Olathe was the next proponent of this bill. She testified from material handed out (Attachment #5). She told the Committee that she is a widow and doesn't have any other support besides herself and did have to go back to work after she retired. She felt that people who are on social security need to continue working if they are able and that the limit for KPERS should be near the same as social security to keep them together, so you don't have to watch for two different amounts. She then responded to a question from Representative Cornfield.

The next person to testify as a proponent of HB 2058 was Chuck Stuart, United School Administrators, who had previously passed out a handout (Attachment #6). He cited food service people and bus drivers as an example of individuals the schools need to call on for short and long-term help after they have retired. This allows them to supplement their income at a time it is needed. He answered questions asked by the Committee members.

Connie Hafenstine, KDOT, testified from material handed out (Attachment #7) as a proponent of this bill. She stated they have a need for some of these retirees to help with the comprehensive highway program on a temporary basis. If the amount allowed would be raised, they would be able to have their services and expertise longer.

The chairman called on Marshall Crowther of KPERS for a comment on this bill. He stated that this is strictly a policy issue.

Chairman Rezac then closed hearings on HB 2058.

The chairman asked for some action on HB 2042; it needs to be amended and passed out favorable. Representative McKechnie made a motion to amend HB 2042, to require that savings banks and savings and loans who bid on state fee agency accounts must meet the minimum capital requirements for a commercial bank as required by the Federal Deposit Insurance Corporation, and to recommend the bill favorable for passage. Seconded by Representative Ensminger; motion carried.

The chairman asked for any discussion. Representative Wisdom stated that in the title of the bill there appears to be a mis-statement where it refers to "certain active accounts"; he did not think the agency accounts would be considered as active accounts and the Revisor should take a look at that title. After some discussion, Representative McKechnie made a motion that the Revisors be authorized to amend the title, seconded by Representative Grotewiel, motion carried.

Representative McKechnie made a motion to pass HB 2042 as amended; seconded by Representative Sader; motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS,  
room 522-S, Statehouse, at 7:35 a.m./~~p.m.~~ on February 13, 1991.

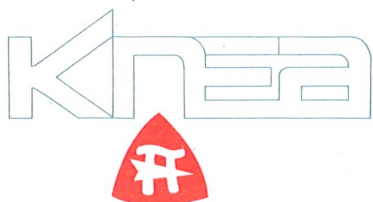
Chairman Rezac asked for a motion on HB 2058 that had been discussed earlier. Representative Sader made a motion to amend HB 2058 to insert \$9,720 instead of \$9,360 per year, seconded by Representative Amos, motion carried.

Representative Sader made a motion to pass HB 2058 as amended; Representative Wisdom seconded; motion carried with Representative Cornfield voting against the bill.

The next meeting will be Wednesday, February 20, at 7:30 a.m. in Room 526-S for hearings on HB 2197, which is the pension bill.

Meeting adjourned at 8:20 a.m.





Craig Grant Testimony Before The House  
Pensions, Investments & Benefits Committee  
Wednesday, February 13, 1991

Thank you, Mr. Chairman. I am Craig Grant and I represent Kansas-NEA. I appreciate this opportunity to visit with the committee about HB 2096.

Kansas-NEA supports HB 2096 which would change the normal retirement to 60 years of age with 30 years of credited service. We believe that educators (and other employees affected) who have devoted that much of their lives to public service should be able to retire at a time when they can enjoy retirement rather than working longer than they should, which would cause a troubled retirement.

The stress that educators suffer affects different people in different ways. It is important for those who have "burned out" to have a dignified way to retire after the many years of dedicated service. We would prefer even more a "90 and out" provision in which the age and years of service adding up to 90 would allow full retirement; however HB 2096 is a step toward that goal and we would urge its favorable consideration.

Thank you for listening to the concerns of our 24,000 members.



## HB 2096

Testimony presented before the House Committee  
on Pensions, Investments and Benefits  
by Charles L. "Chuck" Stuart, Legislative Liaison  
United School Administrators of Kansas

February 13, 1991

Mr. Chairman and members of the committee, United School Administrators of Kansas supports HB 2096 which would change normal school employee retirement to age 60 with 30 years of credited service.

One only has to read the newspaper, listen to the radio or watch television to be aware that changes in our society bring children to school with problems unknown a generation ago. If one really wants to get information first hand about the effects of social change on today's children, visit with a teacher or an administrator who has been in the profession the last 25 years.

Some will tell you that changes have happened, but they still have enthusiasm for dealing with the problems of their chosen profession. We salute these dedicated teachers and administrators who have been able to adjust and still face each day with enthusiasm.

But I assure you that in virtually any group of teachers and administrators with whom you visit, you will find a significant number upon whom time has taken its toll. Unless you have been in a like situation, you might not realize the stress associated with dealing with an ever increasing number of problems of today's pupils and parents.

Although there are those who choose to continue in the profession until the age of 65 years or older, there are many more who hope to retire at the earliest possible time. Seeking early retirement does not mean that these people have not done a good job, it is just that they have run out of gas.

Administrators and teachers faced with a variety of new concepts of educational reform need to have a very high degree of enthusiasm and flexibility. Being burdened with administrators and other staff members who cannot call on a reserve supply of energy and enthusiasm will inevitably slow the process in many of our school districts.

Allowing school employees of this age and service credit an opportunity to retire will have a positive effect upon the profession. This is why United School Administrators strongly support the proposed change in normal retirement from 60 years of age and 35 years of credited service, to 60 years of age and 30 years of credited service.

We urge you to report HB 2096 favorably.

Pensions, Investments & Benefits  
Attachment #2  
2-13-91

**CAROL H. SADER**  
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TOPEKA

HOUSE OF  
REPRESENTATIVES

TESTIMONY ON HB 2096

PENSIONS, INVESTMENTS AND BENEFITS COMMITTEE

February 13, 1991

COMMITTEE ASSIGNMENTS  
CHAIRPERSON: PUBLIC HEALTH AND WELFARE  
VICE-CHAIRPERSON: ECONOMIC DEVELOPMENT  
VICE-CHAIRPERSON: JOINT COMMITTEE ON HEALTH  
CARE DECISIONS FOR THE  
1990'S  
RANKING DEMOCRATIC MEMBER: SRS TASK FORCE  
MEMBER: PENSIONS, INVESTMENTS AND BENEFITS  
JOINT COMMITTEE ON ECONOMIC  
DEVELOPMENT

Mr. Chairman and Members of the Committee:

I speak as a proponent of HB 2096. This bill would permit members of KPERS to retire with full benefits after 40 years of service regardless of age or at age 60 with 30 years of service. It modifies the existing law providing full retirement benefits at age 60 with 35 years of service to age 60 with 30 years of service.

The following are a number of compelling reasons for passing this bill:

1) In the school setting, the early retirement option benefits teachers who suffer from burn-out; it benefits students by relieving them from exposure to the "burned-out" teachers; and it benefits the school districts when staffs reductions are required.

2) To force people who have worked at a given job for 30 years to continue to work at that job until they are 65 years old can lead to diminished productivity when the individual no longer finds the job satisfying.

3) Most other states (at least 39) allow retirement at age 60 with a minimum service requirement of 30 years. Only seven states require employees to work for 35 years before becoming eligible for retirement with full benefits. If this change is not made, Kansas will remain less competitive than most other states.

4) An early retirement option is a significant incentive for young people to consider a career in teaching or public employment in Kansas.

Representative Carol H. Sader

**TESTIMONY ON HB 2096**

Pensions, Investments and Benefits Committee

February 13, 1991

Page 2.

Our state's public policy should encourage, not discourage, the brightest and the best to work as teachers and public employees in Kansas. HB 2096 is an important statement in support of this policy and I urge its favorable passage.

Thank you.



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RANKING DEMOCRATIC MEMBER: SRS TASK FORCE  
MEMBER: PENSIONS, INVESTMENTS AND BENEFITS  
JOINT COMMITTEE ON ECONOMIC  
DEVELOPMENT

**TESTIMONY ON HB2058**  
**PENSIONS, INVESTMENTS AND BENEFITS COMMITTEE**  
**February 14, 1991**

Mr. Chairman and Members of the Committee:

I speak as a proponent of HB2058. This bill provides that any retirant who retired on or prior to July 1, 1988 who is re-employed by the same participating employer for whom the retiree worked during his or her last two years before retiring may earn up to \$9,360 per year, instead of \$6,000 per year, and still continue to receive full retirement benefits. The \$9,360 figure is the maximum allowed at the federal level for social security. The change from \$6,000, which most KPERS retirees are now restricted to, would simply raise the KPERS threshhold amount of earnings to conform to the federal threshhold.

An interim committee considered this matter this summer and recommended this change. It appears as a provision in SB28 along with another provision which might be somewhat controversial. HB2058 would accomplish the recommended change without being jeopardized by an accompanying controversial provision.

The bill has minimal fiscal impact. The estimated actuarial impact is expected to be negligibile and it will not affect employer contribution rates.

In addition to coordinating the dollar limitation with social security, it would encourage many older adults to remain active, participating, and productive members of the work force for a longer period of time. Presently, the restrictive provisions of the existing law, passed in 1989, do not apply to substitute teachers or elected officials including officers, employees and appointees of the Legislature. HB2058 would liberalize the restrictions, in some small degree, for other KPERS retirees as well.

I urge the passage of HB2058 in the interests of equity, simplification of the process, and economic and psychological benefits to retirants who wish to remain in the workplace on a part-time basis.

Thank you.

*Carol Sader*

Pensions, Investments & Benefits  
Attachment #4  
2-13-91

HOUSE BILL NO. 2058

I would like to testify in favor of the change in House Bill No. 2058.

This change would increase the dollar amount that a retiree could make after retiring and returning to work for one of the KPERS agency work places.

I work for the District Attorney's Office in Johnson County, Olathe, Kansas. I was given a chance to continue at my regular job, part-time, after retiring in 1989. That was also the time that the rules changed for governing how much time you could work after retiring. It was changed from thirty (30) days a year to \$6000.00.

For me, that meant: that I would reach the \$6000.00 amount in the middle of August. Also, for me that would not have been a big amount of money since I only receive \$104.00 per month, but for many people it could mean quite a bit of money.

When I called the Accounting Clerk for the County to start the checks coming again after the first of the year, she mentioned to me that she had asked the person she talked to why the KPERS office didn't raise the amount you could earn so that the valued older employees, who had been allowed to continue working or return to work could also be allowed to earn more money? She was told that the legislature would have to vote to raise that amount,

I was directed to Carol Sader as the person who might be able to help me get this accomplished.

As Carol and I were talking about this matter she asked me what I thought was a more equitable amount. After thinking about it, It seemed to me that the amount that a person is allowed to earn on Social Security or \$9360.00 (for 1990) was a better amount. If both amounts were the same it would be easier to keep track and stay within the limits for both of them. This extra amount of money would help the retirees, as well as put more money back into the economy.



## HB 2058

Testimony presented before the House Committee  
on Pensions, Investments and Benefits  
by Charles L. "Chuck" Stuart, Legislative Liaison  
United School Administrators of Kansas

February 13, 1991

Mr. Chairman and members of the committee, United School Administrators supports the increase in earnings allowable for school employees who are recent retirees. The change from \$6,000 to \$9,360 allowable without jeopardizing retirement benefits could allow some hourly employees or part-time teachers to enter into a contract for employment which could be beneficial to both the employee and the school district.

United School Administrators supports the change in HB 2058 and urges a favorable report from this committee.

hb2058

Pensions, Investments & Benefits  
Attachment #6  
2-13-91



KANSAS DEPARTMENT OF TRANSPORTATION

February 13, 1991

Dr. Arland Hicks, P.E.  
Acting Secretary of Transportation

Joan Finney  
Governor of Kansas

MEMORANDUM TO: REPRESENTATIVE DON REZAC, CHAIRMAN  
HOUSE PENSIONS, INVESTMENTS & BENEFITS  
COMMITTEE

FROM: KANSAS DEPARTMENT OF TRANSPORTATION

REGARDING: HOUSE BILL 2058, RELATING TO EMPLOYMENT AFTER  
RETIREMENT

KDOT employs individuals on a temporary basis who have retired from the agency when a need for their skills exists. A temporary appointment would allow the retiree to work up to 999 hours in a one-year period. Currently K.S.A 74-4914 limits retirees to earn up to \$6,000 in a calendar year or revoke their retirement benefit. To work the maximum 999 hours and stay below the \$6,000 limit, the rate of pay would be \$6.00 per hour. We are re-employing retirees who are civil engineers who have more than 30 years of experience prior to retirement. The state pay rate for a beginning civil engineer without experience is \$11.61 per hour. On the average, we are paying \$15 - \$16 per hour for the retirees currently working. Based upon the \$15 per hour figure, a retiree could work approximately 2 1/2 months. If the limit is raised to \$9,360, the retiree could work approximately 3 1/2 months. The \$9,360 figure is the amount of yearly earnings allowed by Social Security before Social Security benefits are affected.

KDOT believes the expertise provided by our retirees is extremely beneficial to the Comprehensive Highway Program.