

Approved: 3/11/98  
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Phil Kline at 1:30 p.m. on March 4, 1998 in Room 514-S of the Capitol.

All members were present except: Representative Ed McKechnie - Excused  
Representative JoAnn Pottorff - Excused

Committee staff present: Shannon Nichols, Julian Efird, Gordon Self, Legislative Research Department;  
Jim Wilson, Mike Corrigan, Revisor of Statutes Office;  
Helen Abramson, Administrative Aide; Linda Swain, Appropriations Secretary

Conferees appearing before the committee:

Meredith Williams, Kansas Public Employees Retirement System (KPERS)  
Craig Grant, Kansas National Education Association (KNEA)  
Edwin H. Pavey, Assistant Director, Kansas Law Enforcement Training Center (KLETC)  
Nancy Lindberg, Assistant to the Attorney General  
Barbara Hinton, Legislative Post Auditor  
Helen Stephens, lobbyist for Kansas Peace Officers Association and lobbyist for Kansas Sheriffs' Association  
Donald E. Boggs, Corrections Officer, Shawnee County Corrections Facility  
Ben Weber, Corrections Officer, Shawnee County Corrections Facility  
Kevin Lashley, Corrections Officer, Shawnee County Corrections Facility

Others attending: See attached list

Julian Efird, Legislative Research Department, introduced the public hearings on the KPERS related bills. Because the Subcommittee did not conduct public hearings on some of the KPERS matters it was reviewing, the report was written in a manner that it would trigger a series of hearings on those issues.

Meredith Williams, Kansas Public Employees Retirement System (KPERS), presented a report (Attachment 1) which summarized the proposals that have been considered by KPERS on COLA cost estimates. The presentation included: the Governor's proposal, two Joint Committee proposals and an annual Ad Hoc proposal. Mr. Williams pointed out the automatic COLAs are less expensive than an annual Ad Hoc COLA over a period of time, at the same levels.

An extensive discussion followed.

**Hearing on SB 382 - KPERS, federal compliance issues.**

There was no one to speak on this bill. The hearing on **SB 382** was closed.

**Hearing on SB 618 - KPERS, relating to criminal penalty for making false statements.**

There was no one to speak on this bill. The hearing on **SB 618** was closed.

**Hearing on HB 2542 - KPERS, real estate investment standards.**

There was no one to speak on this bill. The hearing on **HB 2542** was closed.

**Hearing on HB 2874 - Kansas police and firemen's employees retirement system (KP&F)**

There was no one to speak on this bill. Written testimony was distributed from Dan Stanley, Secretary of Administration, in opposition to the bill (Attachment 2). The hearing on **HB 2874** was closed.

**Hearing on HB 2963 - Retirement and pensions; relating to certain retirants under the state school retirement system; providing for post retirement benefits.**

Craig Grant, KNEA, spoke as a proponent of **HB 2963** as well as **SB 619**. He stated **HB 2963** would help the pensions of a few educators who retired under the old Kansas Department of Social and Rehabilitation Services (SRS) system during a time when salaries and pensions were low (Attachment 3).

A brief discussion followed. The hearing was closed on **HB 2963**.

**Hearing on SB 617 - KPERS and systems thereunder; relating to retirement benefits**

Edwin H. Pavey, Assistant Director, KLETC, spoke on behalf of the **SB 617**. He related his personal experience of 21 years with the Sedgwick County Police Department before being asked to become Assistant Director of the KLETC. Before doing so he verified with KPERS that after meeting certain requirements he would be able to combine 21 years with KP&F with 4 years from KLETC to become vested for retirement at age 50 based on previous service. He was told that beyond 50 years of age, anything he accrued at KPERS would be available for a future retirement under the KPERS program. He stressed he made his career move and personal family decisions based on this information. In 1995 KSA 74-4988 was amended to say that if credit is used from two different systems to meet the vesting requirements it is necessary to retire from both systems at the same time, which means he would have to be able to draw from KPERS in order to draw anything from his KP&F retirement. He urged the committee to pass **SB 617** to correct the situation.

(NO Attachment 4)

Nancy Lindberg, Assistant to the Attorney General, testified on behalf of **SB 617**, in the place of Attorney General Stovall (Attachment 5).

There were no questions. The hearing was closed on **SB 617**.

**Hearing on SB 619 - KPERS, relating to purchase of service credit.**

There was no one to speak on this bill. The hearing on **SB 619** was closed.

**Hearing on SB 620 - KPERS, relating to benefits, elections, prior service.**

There was no one to speak on this bill. The hearing on **SB 620** was closed.

**Hearing on HB 2612 - KPERS, annual audit requirements.**

Barbara Hinton, Legislative Post Auditor, appeared as a proponent on behalf of the Legislative Post Audit Committee. If **HB 2612** is passed there would no longer be an annual performance audit from Legislative Post Audit of KPERS (Attachment 6). There would still be annual performance audits through a financial compliance audit that would allow for legislative oversight but Post Audit's staff would be freed to do additional audits requested by the Legislative Post Audit Committee.

After the brief comment by Chair Kline that passage of this bill would save money, the hearing on **HB 2612** was closed.

**Hearing on HB 2615 - KPERS; retirement for judges.**

There was no one to speak on this bill. The hearing was closed on **HB 2615**.

**Hearing on HB 2873 - KPERS, relating to long-term disability benefits.**

There was no one to speak on this bill. The hearing was closed on **HB 2873**.

**Hearing on HB 2889 - KPERS, assignment of offices.**

There was no one to speak on this bill. The hearing was closed on **HB 2889**.

**Hearing on HB 2890 - Kansas police and firemen's retirement system**

Helen Stephens, lobbyist for Kansas Peace Officers' Association, spoke in favor of **HB 2890** and COLA options (Attachment 7). A brief discussion followed.

Helen Stephens, also a lobbyist for Kansas Sheriffs' Association, spoke against **HB 2890** (Attachment 8). A brief discussion followed.

Mr. Donald E. Boggs, Corrections Officer, Shawnee County Corrections Facility, gave testimony against **HB 2890** (Attachment 9) because it would place county detention officers under KPERS. He also distributed a copy of the program of instruction used at the Basic Correctional Officer's Academy (Attachment 10).

Mr. Ben Weber, Corrections officer, representing the Shawnee County Jail employees and the employees of the Youth Center of Topeka, spoke against **HB 2890** (Attachment 11).

Mr. Lashley, Corrections Officer, Shawnee County Corrections Facility, requested the committee include the corrections officers in the final bill relating to the workers who will be included in the eligibility for Police and Fire Pensions (Attachment 12). They are not asking that the coverage be mandated for the County nor paid for by the state, but rather that the legislation leaves the option of inclusion of the jail and youth center officers in the Police and Fire Pension System, should the County Commissioners elect to do so.

A discussion followed. Representative Farmer had concerns as to whether the Officers Union was in a meet

and confer process with the Department of Administration concerning HB 2874. A request would be made to Bill Moore, the business agent for their union, for an answer to that question.

The hearing was closed on HB 2890.

**Hearing on HB 2937 - Retirement System for judges, service credit purchase.**

There was no one to speak on this bill. The hearing was closed on HB 2937.

**Hearing on HB 2938 - Retirement system for judges, purchase of service credit.**

There was no one to speak on this bill. The hearing was closed on HB 2938.

**Hearing on HB 2952 - KPERS, increasing limits on employment after retirement.**

There was no one to speak on this bill. The hearing was closed on HB 2952.

The Subcommittee report on KPERS COLA was deferred to a later date.

The meeting was adjourned at 3:05 p.m. The next meeting is scheduled for March 4, 1998.

# APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 3/4/98

NAME	REPRESENTING
Laurie McKinnon	KPERS
Joan Hancock	KPERS
Ben J. Miller	Shawnee County Jail.
Stacy Farmer	KASB
Greg Tugman	DOB
Lulu Bruden	KPERS
Meredith Williams	"
Jack Hanna	KPERS
Jim GARONER	DoFA
Jerry Sloan	OJA
Pat Lehman	KS Fire Service Alliance
Barb Hinton	Legislative Post Audit
Tracey Karst	Visitor
Chad Zalt	Shawnee Co. Jail
Doug Anderson	LEADERSHIP OF OVERLAND P.
Ed Pavey	KLETC

# APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 3/4/98

NAME	REPRESENTING
Susan Lamb	Kearney Law Office
Basil Covey	KRTA
Marjorie Walsh	Visitor Wichita Senior Center
Pat Walsh	KAPE
Pat Walsh	Visitor Wichita Senior Center
ARDINA Schroeder	Senior Center, Wichita
Jim Schroeder	" " " " " "
Helen Stephens	KPOA/KSA
Donna Ard (Wichita)	Sq Co Council on Aging # a second grader in USD 259
Keith Haxton	SEAK
Don Rezac	S. E. A. K.
Josh Shuman	Leadership Office
Dwight Boggs	Shawnee Co. Jail
Bill Moore	Shawnee Co. Local 696
JAY YINGER	Shawnee Co. Jail
Roger Brazier	Office of the State Treasurer
Kevin Lashley	Shawnee Co Jail
Craig Grant	ITWNA
Robert Woodard	KPERS

# HOUSE APPROPRIATIONS COMMITTEE

## COLA COST ESTIMATES

KANSAS PUBLIC EMPLOYEES  
RETIREMENT SYSTEM



March 4, 1998

*Appropriations  
3-4-98  
Attachment 1*

# COLA COST ESTIMATES

## Tab A--Governor's Proposal

### **3.0 percent; Ad Hoc**

- 15-year amortization; State/School combined
- 15-year amortization; State/School split
- 35-year amortization; State/School combined
- 35-year amortization; State/School split

## Tab B--Joint Committee's Proposal

### **Two-thirds CPI, capped at 2.0 percent; State/School split; employee contribution rate to 5.0 percent;**

- age 70; 5-year wait
- age 70; 1-year wait
- 5-year wait; no age constraint
- 1-year wait; no age constraint
- age 65; 5-year wait
- age 60; 5-year wait

## Tab C--Joint Committee's Proposal

### **Two-thirds CPI, capped at 3.0 percent (2.67%); employee contribution rate to 5.0 percent; State/School split**

- age 65; 5-year wait
- age 60; 5-year wait

## Tab D--Annual Ad Hoc

### **3.0 percent**

- 1-year wait

3% - All retirants  
15 year amortization

1-3

**AD HOC (ONE-TIME) COLA ESTIMATES**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate</u>	<u>Additional First Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>				
State/School	80,000,000	0.27%	8,300,000	166,200,000
Local	13,000,000	0.17%	1,460,000	29,190,000
TIAA	1,000,000	0.12%	560,000	1,750,000
<b>Judges</b>				
Judges	1,000,000	0.65%	130,000	2,560,000
<b>KP&amp;F</b>				
KP&F-State	1,600,000	0.54%	180,000	3,690,000
KP&F-Local	11,400,000	0.54%	1,260,000	25,310,000
<b>Totals</b>	<b>108,000,000</b>		<b>11,890,000</b>	<b>228,700,000</b>

Notes: •COLA applied to all members retired on or before June 30, 1997  
•Additional actuarial liability amortized over a 15-year period

1-3



3% - All retirants  
 15 year amortization

**AD HOC (ONE-TIME) COLA ESTIMATES**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate</u>	<u>Additional First Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>				
State	25,000,000	0.32%	2,630,000	52,650,000
School	55,000,000	0.25%	5,670,000	113,550,000
Local	13,000,000	0.17%	1,460,000	29,190,000
TIAA	1,000,000	0.12%	560,000	1,750,000
<b>Judges</b>				
Judges	1,000,000	0.65%	130,000	2,560,000
<b>KP&amp;F</b>				
KP&F-State	1,600,000	0.54%	180,000	3,690,000
KP&F-Local	11,400,000	0.54%	1,260,000	25,310,000
<b>Totals</b>	<b>108,000,000</b>		<b>11,890,000</b>	<b>228,700,000</b>

Notes: •COLA applied to all members retired on or before June 30, 1997  
 •Additional actuarial liability amortized over a 15-year period

4-1

4  
 governor

3% - All retirants  
 15 year amortization

1-3

**AD HOC (ONE-TIME) COLA ESTIMATES**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate</u>	<u>Additional First Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>				
State/School	80,000,000	0.27%	8,300,000	166,200,000
Local	13,000,000	0.17%	1,460,000	29,190,000
TIAA	1,000,000	0.12%	560,000	1,750,000
<b>Judges</b>				
Judges	1,000,000	0.65%	130,000	2,560,000
<b>KP&amp;F</b>				
KP&F-State	1,600,000	0.54%	180,000	3,690,000
KP&F-Local	11,400,000	0.54%	1,260,000	25,310,000
<b>Totals</b>	<b>108,000,000</b>		<b>11,890,000</b>	<b>228,700,000</b>

Notes: •COLA applied to all members retired on or before June 30, 1997  
 •Additional actuarial liability amortized over a 15-year period

1-3

3% - All retirants  
15 year amortization

AD HOC (ONE-TIME) COLA ESTIMATES

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate</u>	<u>Additional First Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>				
State	25,000,000	0.32%	2,630,000	52,650,000
School	55,000,000	0.25%	5,670,000	113,550,000
Local	13,000,000	0.17%	1,460,000	29,190,000
TIAA	1,000,000	0.12%	560,000	1,750,000
<b>Judges</b>				
Judges	1,000,000	0.65%	130,000	2,560,000
<b>KP&amp;F</b>				
KP&F-State	1,600,000	0.54%	180,000	3,690,000
KP&F-Local	11,400,000	0.54%	1,260,000	25,310,000
<b>Totals</b>	<b>108,000,000</b>		<b>11,890,000</b>	<b>228,700,000</b>

Notes: •COLA applied to all members retired on or before June 30, 1997  
•Additional actuarial liability amortized over a 15-year period

4-1

4  
governor

3% - All retirants  
Amortization through 2033

1-5

**AD HOC (ONE-TIME) COLA ESTIMATES**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate</u>	<u>Additional First Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>				
State/School	80,000,000	0.17%	5,120,000	357,480,000
Local	13,000,000	0.10%	860,000	59,910,000
TIAA	1,000,000	0.12%	560,000	1,750,000
<b>Judges</b>				
Judges	1,000,000	0.49%	100,000	6,740,000
<b>KP&amp;F</b>				
KP&F-State	1,600,000	0.34%	120,000	8,100,000
KP&F-Local	11,400,000	0.34%	800,000	55,600,000
<b>Totals</b>	<b>108,000,000</b>		<b>7,560,000</b>	<b>489,580,000</b>

Notes: •COLA applied to all members retired on or before June 30, 1997  
•Additional actuarial liability amortized through 2033

3% - All retirants  
Amortization through 2033

1-5

**AD HOC (ONE-TIME) COLA ESTIMATES**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate</u>	<u>Additional First Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>				
State/School	80,000,000	0.17%	5,120,000	357,480,000
Local	13,000,000	0.10%	860,000	59,910,000
TIAA	1,000,000	0.12%	560,000	1,750,000
<b>Judges</b>				
Judges	1,000,000	0.49%	100,000	6,740,000
<b>KP&amp;F</b>				
KP&F-State	1,600,000	0.34%	120,000	8,100,000
KP&F-Local	11,400,000	0.34%	800,000	55,600,000
<b>Totals</b>	<b>108,000,000</b>		<b>7,560,000</b>	<b>489,580,000</b>

Notes: •COLA applied to all members retired on or before June 30, 1997  
•Additional actuarial liability amortized through 2033

3% - All retirants  
Amortization through 2033

9-1

**AD HOC (ONE-TIME) COLA ESTIMATES**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate</u>	<u>Additional First Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>				
State	25,000,000	0.20%	1,620,000	113,050,000
School	55,000,000	0.15%	3,500,000	244,430,000
Local	13,000,000	0.10%	860,000	59,910,000
TIAA	1,000,000	0.12%	560,000	1,750,000
<b>Judges</b>				
Judges	1,000,000	0.49%	100,000	6,740,000
<b>KP&amp;F</b>				
KP&F-State	1,600,000	0.34%	120,000	8,100,000
KP&F-Local	11,400,000	0.34%	800,000	55,600,000
<b>Totals</b>	<b>108,000,000</b>		<b>7,560,000</b>	<b>489,580,000</b>

Notes: •COLA applied to all members retired on or before June 30, 1997  
•Additional actuarial liability amortized through 2033

2% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 70

**AUTOMATIC COLA ESTIMATES  
EMPLOYER**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>						
State	117,000,000	0.86%	6,540,000	0.89%	7,920,000	201,480,000
School	288,000,000	0.86%	18,040,000	0.89%	21,840,000	555,730,000
Local (1)	73,000,000	1.92%	15,830,000	2.18%	21,030,000	406,430,000
TIAA	2,500,000	0.00%	-	0.13%	660,000	1,580,000
<b>Judges</b>						
Judges	5,000,000	0.00%	-	2.79%	590,000	10,440,000
<b>KP&amp;F</b>						
KP&F-State	4,750,000	0.00%	-	1.39%	510,000	9,510,000
KP&F-Local	32,250,000	0.00%	-	1.39%	3,520,000	65,320,000
<b>Totals</b>	<b>522,500,000</b>		<b>40,410,000</b>		<b>56,070,000</b>	<b>1,250,490,000</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

2% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 70

8-1

AUTOMATIC COLA ESTIMATES  
EMPLOYEE

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	117,000,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	288,000,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local	73,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	2,500,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	5,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	4,750,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	32,250,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>522,500,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>



An automatic COLA of 2/3 of CPI,  
 not to exceed 2%, payable to all current  
 and future retirants commencing at age 70.  
 Employee rate would increase 25% over the next four years.  
 Employer rate would never be less than the employee rate.

**AUTOMATIC COLA ESTIMATES  
 EMPLOYER**

6-1

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Employer Contribution Equilibrium Rate</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>							
State	122,000,000	0.86%	6,540,000	0.89%	5.51%	7,920,000	201,480,000
School	299,000,000	0.86%	18,040,000	0.89%	5.51%	21,840,000	555,730,000
Local (1)	76,000,000	1.92%	15,830,000	2.18%	3.85%	21,030,000	406,430,000
TIAA	3,000,000	0.14%	610,000	0.16%	1.75%	810,000	3,660,000
<b>Judges</b>							
Judges	5,000,000	0.00%	-	2.92%	17.30%	620,000	11,960,000
<b>KP&amp;F</b>							
KP&F-State	5,070,000	0.00%	-	1.39%	7.88%	510,000	9,510,000
KP&F-Local	33,930,000	0.00%	-	1.39%	7.88%	3,520,000	65,290,000
<b>Totals</b>	<b>544,000,000</b>		<b>41,020,000</b>			<b>56,250,000</b>	<b>1,254,060,000</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

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An automatic COLA of 2/3 of CPI,  
 not to exceed 2%, payable to all current  
 and future retirants commencing at age 70.  
 Employee rate would increase 25% over the next four years.  
 Employer rate would never be less than the employee rate.

1-10

**AUTOMATIC COLA ESTIMATES  
 EMPLOYEE**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	122,000,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	299,000,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local	76,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	3,000,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	5,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	5,070,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	33,930,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>544,000,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>

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An automatic COLA of 2/3 of CPI, not to exceed 2%, payable to all current and future retirants, commencing 5 years after retirement. Employee rate would increase 25% over the next four years. Employer rate would never be less than the employee rate.

**AUTOMATIC COLA ESTIMATES  
EMPLOYER**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Employer Contribution Equilibrium Rate</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>							
State	181,000,000	0.86%	6,540,000	1.96%	6.67%	17,440,000	359,810,000
School	445,000,000	0.86%	18,050,000	1.96%	6.67%	48,100,000	992,390,000
Local (1)	111,000,000	1.92%	15,830,000	2.18%	4.03%	21,030,000	406,460,000
TIAA	3,000,000	0.14%	600,000	0.16%	1.75%	810,000	3,650,000
<b>Judges</b>							
Judges	6,000,000	2.13%	390,000	3.42%	17.80%	730,000	14,500,000
<b>KP&amp;F</b>							
KP&F-State	16,510,000	2.84%	890,000	4.93%	12.29%	1,820,000	36,160,000
KP&F-Local	110,490,000	2.84%	6,150,000	4.93%	12.29%	12,490,000	248,330,000
<b>Totals</b>	<b>873,000,000</b>		<b>48,450,000</b>			<b>102,420,000</b>	<b>2,061,300,000</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

An automatic COLA of 2/3 of CPI, not to exceed 2%, payable to all current and future retirants, commencing 5 years after retirement. Employee rate would increase 25% over the next four years. Employer rate would never be less than the employee rate.

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**AUTOMATIC COLA ESTIMATES  
EMPLOYEE**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	181,000,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	445,000,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local	111,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	3,000,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	6,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	16,510,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	110,490,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>873,000,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>

1-12  
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An automatic COLA of 2/3 of CPI,  
 not to exceed 2%, payable to all current  
 and future retirees .  
 Employee rate would increase 25% over the next four years.  
 Employer rate would never be less than the employee rate.

**AUTOMATIC COLA ESTIMATES  
 EMPLOYER**

1-13

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Employer Contribution Equilibrium Rate</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>							
State	280,000,000	0.86%	6,540,000	3.61%	8.32%	32,120,000	603,920,000
School	689,000,000	0.86%	18,040,000	3.61%	8.32%	88,610,000	1,665,770,000
Local (1)	158,000,000	1.92%	15,830,000	2.18%	5.31%	21,030,000	406,430,000
TIAA	3,000,000	0.19%	820,000	0.19%	1.78%	960,000	4,450,000
<b>Judges</b>							
Judges	8,000,000	0.00%	-	5.29%	19.67%	1,130,000	22,580,000
<b>KP&amp;F</b>							
KP&F-State	24,780,000	5.84%	1,840,000	7.93%	15.29%	2,920,000	58,560,000
KP&F-Local	152,220,000	5.84%	12,640,000	7.93%	15.29%	20,080,000	402,180,000
<b>Totals</b>	<b>1,315,000,000</b>		<b>55,710,000</b>			<b>166,850,000</b>	<b>3,163,890,000</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

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An automatic COLA of 2/3 of CPI,  
 not to exceed 2%, payable to all current  
 and future retirants .  
 Employee rate would increase 25% over the next four years.  
 Employer rate would never be less than the employee rate.

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**AUTOMATIC COLA ESTIMATES  
 EMPLOYEE**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	280,000,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	689,000,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local (1)	158,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	3,000,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	8,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	24,780,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	152,220,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>1,315,000,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

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Kansas Public Employees Retirement System  
Automatic Cost of Living Adjustments  
Projections

1-15

	Expected Payroll (in millions)	Current Plan	Current Projections Employer Contribution	Proposed Cola	Proposed Plan	Proposed Employer Contribution	Add'l Dollars	Employee Current Contribution	Current Projections Employee Contribution	Proposed Cola	Proposed Plan	Proposed Employee Contribution	Additional Employee Dollars	Total Additional Contribution
<b>STATE</b>														
1997	\$ 731.40	3.79%	\$ 27.72	0.00%	3.79%	\$ 27.72	\$ 0.00	4.00%	\$ 29.26	0.00%	4.00%	\$ 29.26	\$ -	\$ 0.00
1998	760.66	3.99%	30.35	0.86%	4.85%	36.89	6.54	4.00%	30.43	0.25%	4.25%	32.33	1.90	8.44
1999	791.08	4.19%	33.15	0.91%	5.10%	40.35	7.20	4.00%	31.64	0.50%	4.50%	35.60	3.96	11.15
2000	822.73	4.39%	36.12	0.96%	5.35%	44.02	7.90	4.00%	32.91	0.75%	4.75%	39.08	6.17	14.07
2001	855.63	4.59%	39.27	1.01%	5.60%	47.92	8.64	4.00%	34.23	1.00%	5.00%	42.78	8.56	17.20
2002	889.86	4.71%	41.91	3.61%	8.32%	74.04	32.12	4.00%	35.59	1.00%	5.00%	44.49	8.90	12
2003	925.45	4.61%	42.66	3.71%	8.32%	77.00	34.33	4.00%	37.02	1.00%	5.00%	46.27	9.25	5.59
2004	962.47	4.54%	43.70	3.78%	8.32%	80.08	36.38	4.00%	38.50	1.00%	5.00%	48.12	9.62	46.01
2005	1,000.97	4.48%	44.84	3.84%	8.32%	83.28	38.44	4.00%	40.04	1.00%	5.00%	50.05	10.01	48.45
2006	1,041.01	4.44%	46.22	3.88%	8.32%	86.61	40.39	4.00%	41.64	1.00%	5.00%	52.05	10.41	50.80
2007	1,082.65	4.41%	47.74	3.91%	8.32%	90.08	42.33	4.00%	43.31	1.00%	5.00%	54.13	10.83	53.16
2008	1,125.96	4.40%	49.54	3.92%	8.32%	93.68	44.14	4.00%	45.04	1.00%	5.00%	56.30	11.26	55.40
2009	1,170.99	4.39%	51.41	3.93%	8.32%	97.43	46.02	4.00%	46.84	1.00%	5.00%	58.55	11.71	57.73
2010	1,217.83	4.38%	53.34	3.94%	8.32%	101.32	47.98	4.00%	48.71	1.00%	5.00%	60.89	12.18	60.16
2011	1,266.55	4.38%	55.47	3.94%	8.32%	105.38	49.90	4.00%	50.66	1.00%	5.00%	63.33	12.67	62.57
2012	1,317.21	4.39%	57.83	3.93%	8.32%	109.59	51.77	4.00%	52.69	1.00%	5.00%	65.86	13.17	64.94
2013	1,369.90	4.39%	60.14	3.93%	8.32%	113.98	53.84	4.00%	54.80	1.00%	5.00%	68.49	13.70	67.54
2014	1,424.69	4.39%	62.54	3.93%	8.32%	118.53	55.99	4.00%	56.99	1.00%	5.00%	71.23	14.25	70.24
<b>Total</b>			<b>\$ 823.96</b>			<b>\$ 1,427.88</b>	<b>\$ 603.92</b>		<b>\$ 750.28</b>			<b>\$ 918.82</b>	<b>\$ 168.54</b>	<b>\$ 772.46</b>
<b>SCHOOL</b>														
1997	\$ 2,017.40	3.79%	\$ 76.46	0.00%	3.79%	\$ 76.46	\$ 0.00	4.00%	\$ 80.70	0.00%	4.00%	\$ 80.70	\$ -	\$ 0.00
1998	2,098.10	3.99%	83.71	0.86%	4.85%	101.76	18.04	4.00%	83.92	0.25%	4.25%	89.17	5.25	23.29
1999	2,182.02	4.19%	91.43	0.91%	5.10%	111.28	19.86	4.00%	87.28	0.50%	4.50%	98.19	10.91	30.77
2000	2,269.30	4.39%	99.62	0.96%	5.35%	121.41	21.79	4.00%	90.77	0.75%	4.75%	107.79	17.02	38.81
2001	2,360.07	4.59%	108.33	1.01%	5.60%	132.16	23.84	4.00%	94.40	1.00%	5.00%	118.00	23.60	47.44
2002	2,454.48	4.71%	115.61	3.61%	8.32%	204.21	88.61	4.00%	98.18	1.00%	5.00%	122.72	24.54	15
2003	2,552.65	4.61%	117.68	3.71%	8.32%	212.38	94.70	4.00%	102.11	1.00%	5.00%	127.63	25.53	120.23
2004	2,654.76	4.54%	120.53	3.78%	8.32%	220.88	100.35	4.00%	106.19	1.00%	5.00%	132.74	26.55	126.90
2005	2,760.95	4.48%	123.69	3.84%	8.32%	229.71	106.02	4.00%	110.44	1.00%	5.00%	138.05	27.61	133.63
2006	2,871.39	4.44%	127.49	3.88%	8.32%	238.90	111.41	4.00%	114.86	1.00%	5.00%	143.57	28.71	140.12
2007	2,986.24	4.41%	131.69	3.91%	8.32%	248.46	116.76	4.00%	119.45	1.00%	5.00%	149.31	29.86	146.62
2008	3,105.69	4.40%	136.65	3.92%	8.32%	258.39	121.74	4.00%	124.23	1.00%	5.00%	155.28	31.06	152.80
2009	3,229.92	4.39%	141.79	3.93%	8.32%	268.73	126.94	4.00%	129.20	1.00%	5.00%	161.50	32.30	159.24
2010	3,359.12	4.38%	147.13	3.94%	8.32%	279.48	132.35	4.00%	134.36	1.00%	5.00%	167.96	33.59	165.94
2011	3,493.48	4.38%	153.01	3.94%	8.32%	290.66	137.64	4.00%	139.74	1.00%	5.00%	174.67	34.93	172.58
2012	3,633.22	4.39%	159.50	3.93%	8.32%	302.28	142.79	4.00%	145.33	1.00%	5.00%	181.66	36.33	179.12
2013	3,778.55	4.39%	165.88	3.93%	8.32%	314.38	148.50	4.00%	151.14	1.00%	5.00%	188.93	37.79	186.28
2014	3,929.69	4.39%	172.51	3.93%	8.32%	326.95	154.44	4.00%	157.19	1.00%	5.00%	196.48	39.30	193.73
<b>Total</b>			<b>\$ 2,272.71</b>			<b>\$ 3,938.48</b>	<b>\$ 1,665.77</b>		<b>\$ 2,069.48</b>			<b>\$ 2,534.36</b>	<b>\$ 464.88</b>	<b>\$ 2,130.64</b>

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Kansas Public Employees Retirement System  
Automatic Cost of Living Adjustments  
Projections

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	Expected Payroll (in millions)	Current Plan	Current Projections Employer Contribution	Proposed Cola	Proposed Plan	Proposed Employer Contribution	Add'l Dollars	Employee Current Contribution	Current Projections Employee Contribution	Proposed Cola	Proposed Plan	Proposed Employee Contribution	Additional Employee Dollars	Total Additional Contribution
<b>LOCAL</b>														
1997	\$ 762.40	2.63%	\$ 20.05	0.00%	2.63%	\$ 20.05	\$ (0.00)	4.00%	\$ 30.50	0.00%	4.00%	\$ 30.50	\$ -	(\$ 0.00)
1998	792.90	2.78%	22.04	0.00%	2.78%	22.04	(0.00)	4.00%	31.72	0.00%	4.00%	31.72	-	(0.00)
1999	824.61	2.93%	24.16	1.92%	4.85%	39.99	15.83	4.00%	32.98	0.25%	4.25%	35.05	2.06	17.89
2000	857.60	3.08%	26.41	2.02%	5.10%	43.74	17.32	4.00%	34.30	0.50%	4.50%	38.59	4.29	21.61
2001	891.90	3.23%	28.81	2.12%	5.35%	47.72	18.91	4.00%	35.68	0.75%	4.75%	42.37	6.69	25.60
2002	927.58	3.38%	31.35	2.22%	5.60%	51.94	20.59	4.00%	37.10	1.00%	5.00%	46.38	9.28	17
2003	964.68	3.42%	32.99	2.18%	5.60%	54.02	21.03	4.00%	38.59	1.00%	5.00%	48.23	9.65	68
2004	1,003.27	3.37%	33.81	2.23%	5.60%	56.18	22.37	4.00%	40.13	1.00%	5.00%	50.16	10.03	32.41
2005	1,043.40	3.34%	34.85	2.26%	5.60%	58.43	23.58	4.00%	41.74	1.00%	5.00%	52.17	10.43	34.01
2006	1,085.13	3.31%	35.92	2.29%	5.60%	60.77	24.85	4.00%	43.41	1.00%	5.00%	54.26	10.85	35.70
2007	1,128.54	3.29%	37.13	2.31%	5.60%	63.20	26.07	4.00%	45.14	1.00%	5.00%	56.43	11.29	37.35
2008	1,173.68	3.28%	38.50	2.32%	5.60%	65.73	27.23	4.00%	46.95	1.00%	5.00%	58.68	11.74	38.97
2009	1,220.63	3.27%	39.91	2.33%	5.60%	68.36	28.44	4.00%	48.83	1.00%	5.00%	61.03	12.21	40.65
2010	1,269.45	3.27%	41.51	2.33%	5.60%	71.09	29.58	4.00%	50.78	1.00%	5.00%	63.47	12.69	42.27
2011	1,320.23	3.27%	43.17	2.33%	5.60%	73.93	30.76	4.00%	52.81	1.00%	5.00%	66.01	13.20	43.96
2012	1,373.04	3.27%	44.90	2.33%	5.60%	76.89	31.99	4.00%	54.92	1.00%	5.00%	68.65	13.73	45.72
2013	1,427.96	3.27%	46.69	2.33%	5.60%	79.97	33.27	4.00%	57.12	1.00%	5.00%	71.40	14.28	47.55
2014	1,485.08	3.27%	48.56	2.33%	<del>5.60%</del>	83.16	34.60	4.00%	59.40	1.00%	5.00%	74.25	14.85	49.45
<b>Total</b>			<b>\$ 630.78</b>			<b>\$ 1,037.21</b>	<b>\$ 406.43</b>		<b>\$ 782.08</b>			<b>\$ 949.35</b>	<b>\$ 167.27</b>	<b>\$ 573.70</b>
<b>KPF STATE</b>														
1997	\$ 30.30	9.73%	\$ 2.95	0.00%	9.73%	\$ 2.95	\$ -	7.00%	\$ 2.12	0.00%	7.00%	\$ 2.12	\$ -	\$ 0.00
1998	31.51	9.45%	2.98	5.84%	15.29%	4.82	1.84	7.00%	2.21	0.44%	7.44%	2.34	0.14	1.98
1999	32.77	7.36%	2.41	7.93%	15.29%	5.01	2.60	7.00%	2.29	0.88%	7.88%	2.58	0.29	2.89
2000	34.08	7.36%	2.51	7.93%	15.29%	5.21	2.70	7.00%	2.39	1.31%	8.31%	2.83	0.45	3.15
2001	35.45	7.36%	2.61	7.93%	15.29%	5.42	2.81	7.00%	2.48	1.75%	8.75%	3.10	0.62	43
2002	36.86	7.36%	2.71	7.93%	15.29%	5.64	2.92	7.00%	2.58	1.75%	8.75%	3.23	0.65	3.57
2003	38.34	7.36%	2.82	7.93%	15.29%	5.86	3.04	7.00%	2.68	1.75%	8.75%	3.35	0.67	3.71
2004	39.87	7.36%	2.93	7.93%	15.29%	6.10	3.16	7.00%	2.79	1.75%	8.75%	3.49	0.70	3.86
2005	41.47	7.36%	3.05	7.93%	15.29%	6.34	3.29	7.00%	2.90	1.75%	8.75%	3.63	0.73	4.01
2006	43.13	7.36%	3.17	7.93%	15.29%	6.59	3.42	7.00%	3.02	1.75%	8.75%	3.77	0.75	4.17
2007	44.85	7.36%	3.30	7.93%	15.29%	6.86	3.56	7.00%	3.14	1.75%	8.75%	3.92	0.78	4.34
2008	46.65	7.36%	3.43	7.93%	15.29%	7.13	3.70	7.00%	3.27	1.75%	8.75%	4.08	0.82	4.52
2009	48.51	7.36%	3.57	7.93%	15.29%	7.42	3.85	7.00%	3.40	1.75%	8.75%	4.24	0.85	4.70
2010	50.45	7.36%	3.71	7.93%	15.29%	7.71	4.00	7.00%	3.53	1.75%	8.75%	4.41	0.88	4.88
2011	52.47	7.36%	3.86	7.93%	15.29%	8.02	4.16	7.00%	3.67	1.75%	8.75%	4.59	0.92	5.08
2012	54.57	7.36%	4.02	7.93%	15.29%	8.34	4.33	7.00%	3.82	1.75%	8.75%	4.77	0.95	5.28
2013	56.75	7.36%	4.18	7.93%	15.29%	8.68	4.50	7.00%	3.97	1.75%	8.75%	4.97	0.99	5.49
2014	59.02	7.36%	4.34	7.93%	15.29%	9.02	4.68	7.00%	4.13	1.75%	8.75%	5.16	1.03	5.71
<b>Total</b>			<b>\$ 58.57</b>			<b>\$ 117.13</b>	<b>\$ 58.56</b>		<b>\$ 54.39</b>			<b>\$ 66.61</b>	<b>\$ 12.22/27/98</b>	<b>\$ 70.78</b>

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Kansas Public Employees Retirement System  
Automatic Cost of Living Adjustments  
Projections

4-17  
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	Expected Payroll (in millions)	Current Plan	Current Projections Employer Contribution	Proposed Cola	Proposed Plan	Proposed Employer Contribution	Add'l Dollars	Employee Current Contribution	Current Projections Employee Contribution	Proposed Cola	Proposed Plan	Proposed Employee Contribution	Additional Employee Dollars	Total Additional Contribution
<b>KPF LOCAL</b>														
1997	\$ 208.10	9.73%	\$ 20.25	0.00%	9.73%	\$ 20.25	\$ -	7.00%	\$ 14.57	0.00%	7.00%	\$ 14.57	\$ -	\$ 0.00
1998	216.42	9.45%	20.45	5.84%	15.29%	33.09	12.64	7.00%	15.15	0.44%	7.44%	16.10	0.95	13.59
1999	225.08	7.36%	16.57	7.93%	15.29%	34.41	17.85	7.00%	15.76	0.88%	7.88%	17.73	1.97	19.82
2000	234.08	7.36%	17.23	7.93%	15.29%	35.79	18.56	7.00%	16.39	1.31%	8.31%	19.46	3.07	21.64
2001	243.45	7.36%	17.92	7.93%	15.29%	37.22	19.31	7.00%	17.04	1.75%	8.75%	21.30	4.26	57
2002	253.19	7.36%	18.63	7.93%	15.29%	38.71	20.08	7.00%	17.72	1.75%	8.75%	22.15	4.43	51
2003	263.31	7.36%	19.38	7.93%	15.29%	40.26	20.88	7.00%	18.43	1.75%	8.75%	23.04	4.61	25.49
2004	273.85	7.36%	20.16	7.93%	15.29%	41.87	21.72	7.00%	19.17	1.75%	8.75%	23.96	4.79	26.51
2005	284.80	7.36%	20.96	7.93%	15.29%	43.55	22.58	7.00%	19.94	1.75%	8.75%	24.92	4.98	27.57
2006	296.19	7.36%	21.80	7.93%	15.29%	45.29	23.49	7.00%	20.73	1.75%	8.75%	25.92	5.18	28.67
2007	308.04	7.36%	22.67	7.93%	15.29%	47.10	24.43	7.00%	21.56	1.75%	8.75%	26.95	5.39	29.82
2008	320.36	7.36%	23.58	7.93%	15.29%	48.98	25.40	7.00%	22.43	1.75%	8.75%	28.03	5.61	31.01
2009	333.17	7.36%	24.52	7.93%	15.29%	50.94	26.42	7.00%	23.32	1.75%	8.75%	29.15	5.83	32.25
2010	346.50	7.36%	25.50	7.93%	15.29%	52.98	27.48	7.00%	24.26	1.75%	8.75%	30.32	6.06	33.54
2011	360.36	7.36%	26.52	7.93%	15.29%	55.10	28.58	7.00%	25.23	1.75%	8.75%	31.53	6.31	34.88
2012	374.78	7.36%	27.58	7.93%	15.29%	57.30	29.72	7.00%	26.23	1.75%	8.75%	32.79	6.56	36.28
2013	389.77	7.36%	28.69	7.93%	15.29%	59.60	30.91	7.00%	27.28	1.75%	8.75%	34.10	6.82	37.73
2014	405.36	7.36%	29.83	7.93%	15.29%	61.98	32.14	7.00%	28.38	1.75%	8.75%	35.47	7.09	39.24
<b>Total</b>			<b>\$ 402.24</b>			<b>\$ 804.43</b>	<b>\$ 402.18</b>		<b>\$ 373.58</b>			<b>\$ 457.50</b>	<b>\$ 83.92</b>	<b>\$ 486.10</b>
<b>JUDGES</b>														
1997	\$ 17.50	15.60%	\$ 2.73	0.00%	15.60%	\$ 2.73	\$ -	6.00%	\$ 1.05	0.00%	6.00%	\$ 1.05	\$ -	\$ 0.00
1998	18.20	15.67%	2.85	4.00%	19.67%	3.58	0.73	6.00%	1.09	0.38%	6.38%	1.16	0.07	0.80
1999	18.93	14.38%	2.72	5.29%	19.67%	3.72	1.00	6.00%	1.14	0.75%	6.75%	1.28	0.14	1.14
2000	19.69	14.38%	2.83	5.29%	19.67%	3.87	1.04	6.00%	1.18	1.13%	7.13%	1.40	0.22	1.26
2001	20.47	14.38%	2.94	5.29%	19.67%	4.03	1.08	6.00%	1.23	1.50%	7.50%	1.54	0.31	1.39
2002	21.29	14.38%	3.06	5.29%	19.67%	4.19	1.13	6.00%	1.28	1.50%	7.50%	1.60	0.32	1.45
2003	22.14	14.38%	3.18	5.29%	19.67%	4.36	1.17	6.00%	1.33	1.50%	7.50%	1.66	0.33	1.50
2004	23.03	14.38%	3.31	5.29%	19.67%	4.53	1.22	6.00%	1.38	1.50%	7.50%	1.73	0.35	1.56
2005	23.95	14.38%	3.44	5.29%	19.67%	4.71	1.27	6.00%	1.44	1.50%	7.50%	1.80	0.36	1.63
2006	24.91	14.38%	3.58	5.29%	19.67%	4.90	1.32	6.00%	1.49	1.50%	7.50%	1.87	0.37	1.69
2007	25.90	14.38%	3.73	5.29%	19.67%	5.10	1.37	6.00%	1.55	1.50%	7.50%	1.94	0.39	1.76
2008	26.94	14.38%	3.87	5.29%	19.67%	5.30	1.43	6.00%	1.62	1.50%	7.50%	2.02	0.40	1.83
2009	28.02	14.38%	4.03	5.29%	19.67%	5.51	1.48	6.00%	1.68	1.50%	7.50%	2.10	0.42	1.90
2010	29.14	14.38%	4.19	5.29%	19.67%	5.73	1.54	6.00%	1.75	1.50%	7.50%	2.19	0.44	1.98
2011	30.30	14.38%	4.36	5.29%	19.67%	5.96	1.60	6.00%	1.82	1.50%	7.50%	2.27	0.45	2.06
2012	31.52	14.38%	4.53	5.29%	19.67%	6.20	1.67	6.00%	1.89	1.50%	7.50%	2.36	0.47	2.14
2013	32.78	14.38%	4.71	5.29%	19.67%	6.45	1.73	6.00%	1.97	1.50%	7.50%	2.46	0.49	2.23
2014	34.09	14.38%	4.90	5.29%	19.67%	6.71	1.80	6.00%	2.05	1.50%	7.50%	2.56	0.51	2.31
<b>Total</b>			<b>\$ 64.98</b>			<b>\$ 87.57</b>	<b>\$ 22.58</b>		<b>\$ 26.93</b>			<b>\$ 32.98</b>	<b>\$ 6.05</b>	<b>\$ 28.63</b>

12/27/98

1-17

B

Kansas Public Employees Retirement System  
Automatic Cost of Living Adjustments  
Projections

8/11 e

	Expected Payroll (in millions)	Current Plan	Current Projections Employer Contribution	Proposed Cola	Proposed Plan	Proposed Employer Contribution	Add'l Dollars	Employee Current Contribution	Current Projections Employee Contribution	Proposed Cola	Proposed Plan	Proposed Employee Contribution	Additional Employee Dollars	Total Additional Contribution
<b>TIAA</b>														
1997	\$ 415.90	1.68%	\$ 6.99	0.00%	1.68%	\$ 6.99	\$ -	N/A						\$ 0.00
1998	432.54	1.59%	6.88	0.19%	1.78%	7.70	0.82							0.82
1999	449.84	1.59%	7.15	0.19%	1.78%	8.01	0.85							0.85
2000	467.83	1.59%	7.44	0.19%	1.78%	8.33	0.89							0.89
2001	486.54	1.59%	7.74	0.19%	1.78%	8.66	0.92							0.92
2002	506.01	1.59%	8.05	0.19%	1.78%	9.01	0.96							0.96
<b>Total</b>			<b>\$ 44.24</b>			<b>\$ 48.69</b>	<b>\$ 4.45</b>							<b>\$ 4.45</b>

8/11 e

B

2% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 65

61-19

**AUTOMATIC COLA ESTIMATES  
EMPLOYER**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>						
State	166,170,000	0.86%	6,541,642	1.77%	15,750,521	331,678,371
School	406,830,000	0.86%	18,043,626	1.77%	43,444,218	914,859,101
Local (1)	102,000,000	1.92%	15,832,547	2.18%	21,030,007	406,434,093
TIAA	3,000,000	0.15%	648,804	0.15%	759,009	3,514,132
<b>Judges</b>						
Judges	6,000,000	1.79%	325,780	3.08%	655,776	13,049,098
<b>KP&amp;F</b>						
KP&F-State	14,336,000	2.12%	668,054	4.21%	1,551,999	30,779,827
KP&F-Local	97,664,000	2.12%	4,588,189	4.21%	10,659,108	211,395,447
<b>Totals</b>	<b>796,000,000</b>		<b>46,648,642</b>		<b>93,850,637</b>	<b>1,911,710,069</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

61-19

3

2% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 65

1-20

**AUTOMATIC COLA ESTIMATES  
EMPLOYEE**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	166,170,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	406,830,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local	102,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	3,000,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	6,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	14,336,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	97,664,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>796,000,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>

1-20

2% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 60

1-21

**AUTOMATIC COLA ESTIMATES  
EMPLOYER**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>						
State	179,800,000	0.86%	6,540,000	1.91%	16,996,000	352,392,151
School	440,200,000	0.86%	18,040,000	1.91%	46,880,000	971,993,334
Local (1)	109,000,000	1.92%	15,830,000	2.18%	21,030,007	406,434,093
TIAA	3,000,000	0.00%	-	0.16%	809,610	3,748,407
<b>Judges</b>						
Judges	6,000,000	1.82%	331,000	3.11%	670,000	13,180,000
<b>KP&amp;F</b>						
KP&F-State	16,000,000	2.67%	841,000	4.76%	1,754,754	34,886,985
KP&F-Local	109,000,000	2.67%	5,778,000	4.76%	12,051,628	239,603,354
<b>Totals</b>	<b>863,000,000</b>		<b>47,360,000</b>		<b>100,191,999</b>	<b>2,022,238,325</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

1-21

B

2% Automatic COLA to all current and future retirees commencing five years after retirement, but not before age 60

1-22

**AUTOMATIC COLA ESTIMATES  
EMPLOYEE**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	179,800,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	440,200,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local	109,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	3,000,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	6,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	16,000,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	109,000,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>863,000,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>

1-22

3% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 65

1-23

**AUTOMATIC COLA ESTIMATES  
EMPLOYER**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>						
State	221,850,000	0.86%	6,540,000	2.72%	24,200,000	472,240,000
School	543,150,000	0.86%	18,040,000	2.72%	66,760,000	1,302,560,000
Local (1)	136,000,000	1.92%	15,830,000	2.18%	21,030,000	406,430,000
TIAA	4,000,000	0.00%	-	0.20%	1,000,000	4,690,000
<b>Judges</b>						
Judges	8,000,000	3.24%	590,000	4.53%	960,000	19,300,000
<b>KP&amp;F</b>						
KP&F-State	19,200,000	4.11%	1,300,000	6.20%	2,290,000	45,640,000
KP&F-Local	130,800,000	4.11%	8,900,000	6.20%	15,700,000	313,460,000
<b>Totals</b>	<b>1,063,000,000</b>		<b>51,200,000</b>		<b>131,940,000</b>	<b>2,564,320,000</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

1-23

3% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 65

1-24

AUTOMATIC COLA ESTIMATES  
EMPLOYEE

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	221,850,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	543,150,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local	136,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	4,000,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	8,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	19,200,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	130,800,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>1,063,000,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>

1-24



3% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 60

1-25

**AUTOMATIC COLA ESTIMATES  
EMPLOYER**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>						
State	239,250,000	0.86%	6,540,000	2.92%	25,980,000	501,830,000
School	585,750,000	0.86%	18,040,000	2.92%	71,670,000	1,384,180,000
Local (1)	146,000,000	1.92%	15,830,000	2.18%	21,030,000	406,430,000
TIAA	4,000,000	0.00%	-	0.20%	1,000,000	4,690,000
<b>Judges</b>						
Judges	8,000,000	3.28%	600,000	4.57%	970,000	19,480,000
<b>KP&amp;F</b>						
KP&F-State	21,376,000	4.84%	1,530,000	6.93%	2,550,000	51,090,000
KP&F-Local	145,624,000	4.84%	10,470,000	6.93%	17,550,000	350,900,000
<b>Totals</b>	<b>1,150,000,000</b>		<b>53,010,000</b>		<b>140,750,000</b>	<b>2,718,600,000</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

1-25

3% - All retirants  
15 year amortization

1-3

**AD HOC (ONE-TIME) COLA ESTIMATES**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate</u>	<u>Additional First Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>				
State/School	80,000,000	0.27%	8,300,000	166,200,000
Local	13,000,000	0.17%	1,460,000	29,190,000
TIAA	1,000,000	0.12%	560,000	1,750,000
<b>Judges</b>				
Judges	1,000,000	0.65%	130,000	2,560,000
<b>KP&amp;F</b>				
KP&F-State	1,600,000	0.54%	180,000	3,690,000
KP&F-Local	11,400,000	0.54%	1,260,000	25,310,000
<b>Totals</b>	<b>108,000,000</b>		<b>11,890,000</b>	<b>228,700,000</b>

Notes: •COLA applied to all members retired on or before June 30, 1997  
•Additional actuarial liability amortized over a 15-year period

1-3

3% - All retirants  
15 year amortization

AD HOC (ONE-TIME) COLA ESTIMATES

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate</u>	<u>Additional First Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>				
State	25,000,000	0.32%	2,630,000	52,650,000
School	55,000,000	0.25%	5,670,000	113,550,000
Local	13,000,000	0.17%	1,460,000	29,190,000
TIAA	1,000,000	0.12%	560,000	1,750,000
<b>Judges</b>				
Judges	1,000,000	0.65%	130,000	2,560,000
<b>KP&amp;F</b>				
KP&F-State	1,600,000	0.54%	180,000	3,690,000
KP&F-Local	11,400,000	0.54%	1,260,000	25,310,000
<b>Totals</b>	<b>108,000,000</b>		<b>11,890,000</b>	<b>228,700,000</b>

Notes: •COLA applied to all members retired on or before June 30, 1997  
•Additional actuarial liability amortized over a 15-year period

4-1

4  
governor

3% - All retirants  
 15 year amortization

1-3

**AD HOC (ONE-TIME) COLA ESTIMATES**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate</u>	<u>Additional First Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>				
State/School	80,000,000	0.27%	8,300,000	166,200,000
Local	13,000,000	0.17%	1,460,000	29,190,000
TIAA	1,000,000	0.12%	560,000	1,750,000
<b>Judges</b>				
Judges	1,000,000	0.65%	130,000	2,560,000
<b>KP&amp;F</b>				
KP&F-State	1,600,000	0.54%	180,000	3,690,000
KP&F-Local	11,400,000	0.54%	1,260,000	25,310,000
<b>Totals</b>	<b>108,000,000</b>		<b>11,890,000</b>	<b>228,700,000</b>

Notes: •COLA applied to all members retired on or before June 30, 1997  
 •Additional actuarial liability amortized over a 15-year period

1-3

3% - All retirants  
15 year amortization

AD HOC (ONE-TIME) COLA ESTIMATES

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate</u>	<u>Additional First Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>				
State	25,000,000	0.32%	2,630,000	52,650,000
School	55,000,000	0.25%	5,670,000	113,550,000
Local	13,000,000	0.17%	1,460,000	29,190,000
TIAA	1,000,000	0.12%	560,000	1,750,000
<b>Judges</b>				
Judges	1,000,000	0.65%	130,000	2,560,000
<b>KP&amp;F</b>				
KP&F-State	1,600,000	0.54%	180,000	3,690,000
KP&F-Local	11,400,000	0.54%	1,260,000	25,310,000
<b>Totals</b>	<b>108,000,000</b>		<b>11,890,000</b>	<b>228,700,000</b>

Notes: •COLA applied to all members retired on or before June 30, 1997  
•Additional actuarial liability amortized over a 15-year period

4-1

4  
governor

3% - All retirants  
Amortization through 2033

1-5

**AD HOC (ONE-TIME) COLA ESTIMATES**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate</u>	<u>Additional First Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>				
State/School	80,000,000	0.17%	5,120,000	357,480,000
Local	13,000,000	0.10%	860,000	59,910,000
TIAA	1,000,000	0.12%	560,000	1,750,000
<b>Judges</b>				
Judges	1,000,000	0.49%	100,000	6,740,000
<b>KP&amp;F</b>				
KP&F-State	1,600,000	0.34%	120,000	8,100,000
KP&F-Local	11,400,000	0.34%	800,000	55,600,000
<b>Totals</b>	<b>108,000,000</b>		<b>7,560,000</b>	<b>489,580,000</b>

Notes: •COLA applied to all members retired on or before June 30, 1997  
•Additional actuarial liability amortized through 2033

3% - All retirants  
Amortization through 2033

1-5

**AD HOC (ONE-TIME) COLA ESTIMATES**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate</u>	<u>Additional First Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>				
State/School	80,000,000	0.17%	5,120,000	357,480,000
Local	13,000,000	0.10%	860,000	59,910,000
TIAA	1,000,000	0.12%	560,000	1,750,000
<b>Judges</b>				
Judges	1,000,000	0.49%	100,000	6,740,000
<b>KP&amp;F</b>				
KP&F-State	1,600,000	0.34%	120,000	8,100,000
KP&F-Local	11,400,000	0.34%	800,000	55,600,000
<b>Totals</b>	<b>108,000,000</b>		<b>7,560,000</b>	<b>489,580,000</b>

Notes: •COLA applied to all members retired on or before June 30, 1997  
•Additional actuarial liability amortized through 2033

3% - All retirants  
Amortization through 2033

**AD HOC (ONE-TIME) COLA ESTIMATES**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate</u>	<u>Additional First Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>				
State	25,000,000	0.20%	1,620,000	113,050,000
School	55,000,000	0.15%	3,500,000	244,430,000
Local	13,000,000	0.10%	860,000	59,910,000
TIAA	1,000,000	0.12%	560,000	1,750,000
<b>Judges</b>				
Judges	1,000,000	0.49%	100,000	6,740,000
<b>KP&amp;F</b>				
KP&F-State	1,600,000	0.34%	120,000	8,100,000
KP&F-Local	11,400,000	0.34%	800,000	55,600,000
<b>Totals</b>	<b>108,000,000</b>		<b>7,560,000</b>	<b>489,580,000</b>

Notes: •COLA applied to all members retired on or before June 30, 1997  
•Additional actuarial liability amortized through 2033

9-1



2% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 70

**AUTOMATIC COLA ESTIMATES  
EMPLOYER**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>						
State	117,000,000	0.86%	6,540,000	0.89%	7,920,000	201,480,000
School	288,000,000	0.86%	18,040,000	0.89%	21,840,000	555,730,000
Local (1)	73,000,000	1.92%	15,830,000	2.18%	21,030,000	406,430,000
TIAA	2,500,000	0.00%	-	0.13%	660,000	1,580,000
<b>Judges</b>						
Judges	5,000,000	0.00%	-	2.79%	590,000	10,440,000
<b>KP&amp;F</b>						
KP&F-State	4,750,000	0.00%	-	1.39%	510,000	9,510,000
KP&F-Local	32,250,000	0.00%	-	1.39%	3,520,000	65,320,000
<b>Totals</b>	<b>522,500,000</b>		<b>40,410,000</b>		<b>56,070,000</b>	<b>1,250,490,000</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

2% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 70

8-1

**AUTOMATIC COLA ESTIMATES  
EMPLOYEE**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	117,000,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	288,000,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local	73,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	2,500,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	5,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	4,750,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	32,250,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>522,500,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>

An automatic COLA of 2/3 of CPI,  
not to exceed 2%, payable to all current  
and future retirants commencing at age 70.  
Employee rate would increase 25% over the next four years.  
Employer rate would never be less than the employee rate.

**AUTOMATIC COLA ESTIMATES  
EMPLOYER**

6-1

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Employer Contribution Equilibrium Rate</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>							
State	122,000,000	0.86%	6,540,000	0.89%	5.51%	7,920,000	201,480,000
School	299,000,000	0.86%	18,040,000	0.89%	5.51%	21,840,000	555,730,000
Local (1)	76,000,000	1.92%	15,830,000	2.18%	3.85%	21,030,000	406,430,000
TIAA	3,000,000	0.14%	610,000	0.16%	1.75%	810,000	3,660,000
<b>Judges</b>							
Judges	5,000,000	0.00%	-	2.92%	17.30%	620,000	11,960,000
<b>KP&amp;F</b>							
KP&F-State	5,070,000	0.00%	-	1.39%	7.88%	510,000	9,510,000
KP&F-Local	33,930,000	0.00%	-	1.39%	7.88%	3,520,000	65,290,000
<b>Totals</b>	<b>544,000,000</b>		<b>41,020,000</b>			<b>56,250,000</b>	<b>1,254,060,000</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

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An automatic COLA of 2/3 of CPI,  
 not to exceed 2%, payable to all current  
 and future retirants commencing at age 70.  
 Employee rate would increase 25% over the next four years.  
 Employer rate would never be less than the employee rate.

1-10

**AUTOMATIC COLA ESTIMATES  
 EMPLOYEE**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	122,000,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	299,000,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local	76,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	3,000,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	5,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	5,070,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	33,930,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>544,000,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>

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An automatic COLA of 2/3 of CPI, not to exceed 2%, payable to all current and future retirants, commencing 5 years after retirement. Employee rate would increase 25% over the next four years. Employer rate would never be less than the employee rate.

**AUTOMATIC COLA ESTIMATES  
EMPLOYER**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Employer Contribution Equilibrium Rate</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>							
State	181,000,000	0.86%	6,540,000	1.96%	6.67%	17,440,000	359,810,000
School	445,000,000	0.86%	18,050,000	1.96%	6.67%	48,100,000	992,390,000
Local (1)	111,000,000	1.92%	15,830,000	2.18%	4.03%	21,030,000	406,460,000
TIAA	3,000,000	0.14%	600,000	0.16%	1.75%	810,000	3,650,000
<b>Judges</b>							
Judges	6,000,000	2.13%	390,000	3.42%	17.80%	730,000	14,500,000
<b>KP&amp;F</b>							
KP&F-State	16,510,000	2.84%	890,000	4.93%	12.29%	1,820,000	36,160,000
KP&F-Local	110,490,000	2.84%	6,150,000	4.93%	12.29%	12,490,000	248,330,000
<b>Totals</b>	<b>873,000,000</b>		<b>48,450,000</b>			<b>102,420,000</b>	<b>2,061,300,000</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

An automatic COLA of 2/3 of CPI, not to exceed 2%, payable to all current and future retirants, commencing 5 years after retirement. Employee rate would increase 25% over the next four years. Employer rate would never be less than the employee rate.

1-12

**AUTOMATIC COLA ESTIMATES  
EMPLOYEE**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	181,000,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	445,000,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local	111,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	3,000,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	6,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	16,510,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	110,490,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>873,000,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>

1-12  
b

B 2/26/98

An automatic COLA of 2/3 of CPI,  
 not to exceed 2%, payable to all current  
 and future retirees .  
 Employee rate would increase 25% over the next four years.  
 Employer rate would never be less than the employee rate.

1-13

**AUTOMATIC COLA ESTIMATES  
 EMPLOYER**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Employer Contribution Equilibrium Rate</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>							
State	280,000,000	0.86%	6,540,000	3.61%	8.32%	32,120,000	603,920,000
School	689,000,000	0.86%	18,040,000	3.61%	8.32%	88,610,000	1,665,770,000
Local (1)	158,000,000	1.92%	15,830,000	2.18%	5.31%	21,030,000	406,430,000
TIAA	3,000,000	0.19%	820,000	0.19%	1.78%	960,000	4,450,000
<b>Judges</b>							
Judges	8,000,000	0.00%	-	5.29%	19.67%	1,130,000	22,580,000
<b>KP&amp;F</b>							
KP&F-State	24,780,000	5.84%	1,840,000	7.93%	15.29%	2,920,000	58,560,000
KP&F-Local	152,220,000	5.84%	12,640,000	7.93%	15.29%	20,080,000	402,180,000
<b>Totals</b>	<b>1,315,000,000</b>		<b>55,710,000</b>			<b>166,850,000</b>	<b>3,163,890,000</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

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B 2/25/98

An automatic COLA of 2/3 of CPI,  
not to exceed 2%, payable to all current  
and future retirants .  
Employee rate would increase 25% over the next four years.  
Employer rate would never be less than the employee rate.

1-1-1

**AUTOMATIC COLA ESTIMATES  
EMPLOYEE**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	280,000,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	689,000,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local (1)	158,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	3,000,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	8,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	24,780,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	152,220,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>1,315,000,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

1-1-1  
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Kansas Public Employees Retirement System  
Automatic Cost of Living Adjustments  
Projections

1-15

	Expected Payroll (in millions)	Current Plan	Current Projections Employer Contribution	Proposed Cola	Proposed Plan	Proposed Employer Contribution	Add'l Dollars	Employee Current Contribution	Current Projections Employee Contribution	Proposed Cola	Proposed Plan	Proposed Employee Contribution	Additional Employee Dollars	Total Additional Contribution
<b>STATE</b>														
1997	\$ 731.40	3.79%	\$ 27.72	0.00%	3.79%	\$ 27.72	\$ 0.00	4.00%	\$ 29.26	0.00%	4.00%	\$ 29.26	\$ -	\$ 0.00
1998	760.66	3.99%	30.35	0.86%	4.85%	36.89	6.54	4.00%	30.43	0.25%	4.25%	32.33	1.90	8.44
1999	791.08	4.19%	33.15	0.91%	5.10%	40.35	7.20	4.00%	31.64	0.50%	4.50%	35.60	3.96	11.15
2000	822.73	4.39%	36.12	0.96%	5.35%	44.02	7.90	4.00%	32.91	0.75%	4.75%	39.08	6.17	14.07
2001	855.63	4.59%	39.27	1.01%	5.60%	47.92	8.64	4.00%	34.23	1.00%	5.00%	42.78	8.56	17.20
2002	889.86	4.71%	41.91	3.61%	8.32%	74.04	32.12	4.00%	35.59	1.00%	5.00%	44.49	8.90	12
2003	925.45	4.61%	42.66	3.71%	8.32%	77.00	34.33	4.00%	37.02	1.00%	5.00%	46.27	9.25	5.59
2004	962.47	4.54%	43.70	3.78%	8.32%	80.08	36.38	4.00%	38.50	1.00%	5.00%	48.12	9.62	46.01
2005	1,000.97	4.48%	44.84	3.84%	8.32%	83.28	38.44	4.00%	40.04	1.00%	5.00%	50.05	10.01	48.45
2006	1,041.01	4.44%	46.22	3.88%	8.32%	86.61	40.39	4.00%	41.64	1.00%	5.00%	52.05	10.41	50.80
2007	1,082.65	4.41%	47.74	3.91%	8.32%	90.08	42.33	4.00%	43.31	1.00%	5.00%	54.13	10.83	53.16
2008	1,125.96	4.40%	49.54	3.92%	8.32%	93.68	44.14	4.00%	45.04	1.00%	5.00%	56.30	11.26	55.40
2009	1,170.99	4.39%	51.41	3.93%	8.32%	97.43	46.02	4.00%	46.84	1.00%	5.00%	58.55	11.71	57.73
2010	1,217.83	4.38%	53.34	3.94%	8.32%	101.32	47.98	4.00%	48.71	1.00%	5.00%	60.89	12.18	60.16
2011	1,266.55	4.38%	55.47	3.94%	8.32%	105.38	49.90	4.00%	50.66	1.00%	5.00%	63.33	12.67	62.57
2012	1,317.21	4.39%	57.83	3.93%	8.32%	109.59	51.77	4.00%	52.69	1.00%	5.00%	65.86	13.17	64.94
2013	1,369.90	4.39%	60.14	3.93%	8.32%	113.98	53.84	4.00%	54.80	1.00%	5.00%	68.49	13.70	67.54
2014	1,424.69	4.39%	62.54	3.93%	8.32%	118.53	55.99	4.00%	56.99	1.00%	5.00%	71.23	14.25	70.24
<b>Total</b>			<b>\$ 823.96</b>			<b>\$ 1,427.88</b>	<b>\$ 603.92</b>		<b>\$ 750.28</b>			<b>\$ 918.82</b>	<b>\$ 168.54</b>	<b>\$ 772.46</b>
<b>SCHOOL</b>														
1997	\$ 2,017.40	3.79%	\$ 76.46	0.00%	3.79%	\$ 76.46	\$ 0.00	4.00%	\$ 80.70	0.00%	4.00%	\$ 80.70	\$ -	\$ 0.00
1998	2,098.10	3.99%	83.71	0.86%	4.85%	101.76	18.04	4.00%	83.92	0.25%	4.25%	89.17	5.25	23.29
1999	2,182.02	4.19%	91.43	0.91%	5.10%	111.28	19.86	4.00%	87.28	0.50%	4.50%	98.19	10.91	30.77
2000	2,269.30	4.39%	99.62	0.96%	5.35%	121.41	21.79	4.00%	90.77	0.75%	4.75%	107.79	17.02	38.81
2001	2,360.07	4.59%	108.33	1.01%	5.60%	132.16	23.84	4.00%	94.40	1.00%	5.00%	118.00	23.60	47.44
2002	2,454.48	4.71%	115.61	3.61%	8.32%	204.21	88.61	4.00%	98.18	1.00%	5.00%	122.72	24.54	15
2003	2,552.65	4.61%	117.68	3.71%	8.32%	212.38	94.70	4.00%	102.11	1.00%	5.00%	127.63	25.53	120.23
2004	2,654.76	4.54%	120.53	3.78%	8.32%	220.88	100.35	4.00%	106.19	1.00%	5.00%	132.74	26.55	126.90
2005	2,760.95	4.48%	123.69	3.84%	8.32%	229.71	106.02	4.00%	110.44	1.00%	5.00%	138.05	27.61	133.63
2006	2,871.39	4.44%	127.49	3.88%	8.32%	238.90	111.41	4.00%	114.86	1.00%	5.00%	143.57	28.71	140.12
2007	2,986.24	4.41%	131.69	3.91%	8.32%	248.46	116.76	4.00%	119.45	1.00%	5.00%	149.31	29.86	146.62
2008	3,105.69	4.40%	136.65	3.92%	8.32%	258.39	121.74	4.00%	124.23	1.00%	5.00%	155.28	31.06	152.80
2009	3,229.92	4.39%	141.79	3.93%	8.32%	268.73	126.94	4.00%	129.20	1.00%	5.00%	161.50	32.30	159.24
2010	3,359.12	4.38%	147.13	3.94%	8.32%	279.48	132.35	4.00%	134.36	1.00%	5.00%	167.96	33.59	165.94
2011	3,493.48	4.38%	153.01	3.94%	8.32%	290.66	137.64	4.00%	139.74	1.00%	5.00%	174.67	34.93	172.58
2012	3,633.22	4.39%	159.50	3.93%	8.32%	302.28	142.79	4.00%	145.33	1.00%	5.00%	181.66	36.33	179.12
2013	3,778.55	4.39%	165.88	3.93%	8.32%	314.38	148.50	4.00%	151.14	1.00%	5.00%	188.93	37.79	186.28
2014	3,929.69	4.39%	172.51	3.93%	8.32%	326.95	154.44	4.00%	157.19	1.00%	5.00%	196.48	39.30	193.73
<b>Total</b>			<b>\$ 2,272.71</b>			<b>\$ 3,938.48</b>	<b>\$ 1,665.77</b>		<b>\$ 2,069.48</b>			<b>\$ 2,534.36</b>	<b>\$ 464.88</b>	<b>\$ 2,130.64</b>

1-15

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Kansas Public Employees Retirement System  
Automatic Cost of Living Adjustments  
Projections

1-16

	Expected Payroll (in millions)	Current Plan	Current Projections Employer Contribution	Proposed Cola	Proposed Plan	Proposed Employer Contribution	Add'l Dollars	Employee Current Contribution	Current Projections Employee Contribution	Proposed Cola	Proposed Plan	Proposed Employee Contribution	Additional Employee Dollars	Total Additional Contribution
<b>LOCAL</b>														
1997	\$ 762.40	2.63%	\$ 20.05	0.00%	2.63%	\$ 20.05	\$ (0.00)	4.00%	\$ 30.50	0.00%	4.00%	\$ 30.50	\$ -	(\$ 0.00)
1998	792.90	2.78%	22.04	0.00%	2.78%	22.04	(0.00)	4.00%	31.72	0.00%	4.00%	31.72	-	(0.00)
1999	824.61	2.93%	24.16	1.92%	4.85%	39.99	15.83	4.00%	32.98	0.25%	4.25%	35.05	2.06	17.89
2000	857.60	3.08%	26.41	2.02%	5.10%	43.74	17.32	4.00%	34.30	0.50%	4.50%	38.59	4.29	21.61
2001	891.90	3.23%	28.81	2.12%	5.35%	47.72	18.91	4.00%	35.68	0.75%	4.75%	42.37	6.69	25.60
2002	927.58	3.38%	31.35	2.22%	5.60%	51.94	20.59	4.00%	37.10	1.00%	5.00%	46.38	9.28	17
2003	964.68	3.42%	32.99	2.18%	5.60%	54.02	21.03	4.00%	38.59	1.00%	5.00%	48.23	9.65	68
2004	1,003.27	3.37%	33.81	2.23%	5.60%	56.18	22.37	4.00%	40.13	1.00%	5.00%	50.16	10.03	32.41
2005	1,043.40	3.34%	34.85	2.26%	5.60%	58.43	23.58	4.00%	41.74	1.00%	5.00%	52.17	10.43	34.01
2006	1,085.13	3.31%	35.92	2.29%	5.60%	60.77	24.85	4.00%	43.41	1.00%	5.00%	54.26	10.85	35.70
2007	1,128.54	3.29%	37.13	2.31%	5.60%	63.20	26.07	4.00%	45.14	1.00%	5.00%	56.43	11.29	37.35
2008	1,173.68	3.28%	38.50	2.32%	5.60%	65.73	27.23	4.00%	46.95	1.00%	5.00%	58.68	11.74	38.97
2009	1,220.63	3.27%	39.91	2.33%	5.60%	68.36	28.44	4.00%	48.83	1.00%	5.00%	61.03	12.21	40.65
2010	1,269.45	3.27%	41.51	2.33%	5.60%	71.09	29.58	4.00%	50.78	1.00%	5.00%	63.47	12.69	42.27
2011	1,320.23	3.27%	43.17	2.33%	5.60%	73.93	30.76	4.00%	52.81	1.00%	5.00%	66.01	13.20	43.96
2012	1,373.04	3.27%	44.90	2.33%	5.60%	76.89	31.99	4.00%	54.92	1.00%	5.00%	68.65	13.73	45.72
2013	1,427.96	3.27%	46.69	2.33%	5.60%	79.97	33.27	4.00%	57.12	1.00%	5.00%	71.40	14.28	47.55
2014	1,485.08	3.27%	48.56	2.33%	<del>5.60%</del>	83.16	34.60	4.00%	59.40	1.00%	5.00%	74.25	14.85	49.45
<b>Total</b>			<b>\$ 630.78</b>			<b>\$ 1,037.21</b>	<b>\$ 406.43</b>		<b>\$ 782.08</b>			<b>\$ 949.35</b>	<b>\$ 167.27</b>	<b>\$ 573.70</b>
<b>KPF STATE</b>														
1997	\$ 30.30	9.73%	\$ 2.95	0.00%	9.73%	\$ 2.95	\$ -	7.00%	\$ 2.12	0.00%	7.00%	\$ 2.12	\$ -	\$ 0.00
1998	31.51	9.45%	2.98	5.84%	15.29%	4.82	1.84	7.00%	2.21	0.44%	7.44%	2.34	0.14	1.98
1999	32.77	7.36%	2.41	7.93%	15.29%	5.01	2.60	7.00%	2.29	0.88%	7.88%	2.58	0.29	2.89
2000	34.08	7.36%	2.51	7.93%	15.29%	5.21	2.70	7.00%	2.39	1.31%	8.31%	2.83	0.45	3.15
2001	35.45	7.36%	2.61	7.93%	15.29%	5.42	2.81	7.00%	2.48	1.75%	8.75%	3.10	0.62	43
2002	36.86	7.36%	2.71	7.93%	15.29%	5.64	2.92	7.00%	2.58	1.75%	8.75%	3.23	0.65	3.57
2003	38.34	7.36%	2.82	7.93%	15.29%	5.86	3.04	7.00%	2.68	1.75%	8.75%	3.35	0.67	3.71
2004	39.87	7.36%	2.93	7.93%	15.29%	6.10	3.16	7.00%	2.79	1.75%	8.75%	3.49	0.70	3.86
2005	41.47	7.36%	3.05	7.93%	15.29%	6.34	3.29	7.00%	2.90	1.75%	8.75%	3.63	0.73	4.01
2006	43.13	7.36%	3.17	7.93%	15.29%	6.59	3.42	7.00%	3.02	1.75%	8.75%	3.77	0.75	4.17
2007	44.85	7.36%	3.30	7.93%	15.29%	6.86	3.56	7.00%	3.14	1.75%	8.75%	3.92	0.78	4.34
2008	46.65	7.36%	3.43	7.93%	15.29%	7.13	3.70	7.00%	3.27	1.75%	8.75%	4.08	0.82	4.52
2009	48.51	7.36%	3.57	7.93%	15.29%	7.42	3.85	7.00%	3.40	1.75%	8.75%	4.24	0.85	4.70
2010	50.45	7.36%	3.71	7.93%	15.29%	7.71	4.00	7.00%	3.53	1.75%	8.75%	4.41	0.88	4.88
2011	52.47	7.36%	3.86	7.93%	15.29%	8.02	4.16	7.00%	3.67	1.75%	8.75%	4.59	0.92	5.08
2012	54.57	7.36%	4.02	7.93%	15.29%	8.34	4.33	7.00%	3.82	1.75%	8.75%	4.77	0.95	5.28
2013	56.75	7.36%	4.18	7.93%	15.29%	8.68	4.50	7.00%	3.97	1.75%	8.75%	4.97	0.99	5.49
2014	59.02	7.36%	4.34	7.93%	15.29%	9.02	4.68	7.00%	4.13	1.75%	8.75%	5.16	1.03	5.71
<b>Total</b>			<b>\$ 58.57</b>			<b>\$ 117.13</b>	<b>\$ 58.56</b>		<b>\$ 54.39</b>			<b>\$ 66.61</b>	<b>\$ 12.22/27/98</b>	<b>\$ 70.78</b>

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B

Kansas Public Employees Retirement System  
Automatic Cost of Living Adjustments  
Projections

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e

	Expected Payroll (in millions)	Current Plan	Current Projections Employer Contribution	Proposed Cola	Proposed Plan	Proposed Employer Contribution	Add'l Dollars	Employee Current Contribution	Current Projections Employee Contribution	Proposed Cola	Proposed Plan	Proposed Employee Contribution	Additional Employee Dollars	Total Additional Contribution
<b>KPF LOCAL</b>														
1997	\$ 208.10	9.73%	\$ 20.25	0.00%	9.73%	\$ 20.25	\$ -	7.00%	\$ 14.57	0.00%	7.00%	\$ 14.57	\$ -	\$ 0.00
1998	216.42	9.45%	20.45	5.84%	15.29%	33.09	12.64	7.00%	15.15	0.44%	7.44%	16.10	0.95	13.59
1999	225.08	7.36%	16.57	7.93%	15.29%	34.41	17.85	7.00%	15.76	0.88%	7.88%	17.73	1.97	19.82
2000	234.08	7.36%	17.23	7.93%	15.29%	35.79	18.56	7.00%	16.39	1.31%	8.31%	19.46	3.07	21.64
2001	243.45	7.36%	17.92	7.93%	15.29%	37.22	19.31	7.00%	17.04	1.75%	8.75%	21.30	4.26	57
2002	253.19	7.36%	18.63	7.93%	15.29%	38.71	20.08	7.00%	17.72	1.75%	8.75%	22.15	4.43	51
2003	263.31	7.36%	19.38	7.93%	15.29%	40.26	20.88	7.00%	18.43	1.75%	8.75%	23.04	4.61	25.49
2004	273.85	7.36%	20.16	7.93%	15.29%	41.87	21.72	7.00%	19.17	1.75%	8.75%	23.96	4.79	26.51
2005	284.80	7.36%	20.96	7.93%	15.29%	43.55	22.58	7.00%	19.94	1.75%	8.75%	24.92	4.98	27.57
2006	296.19	7.36%	21.80	7.93%	15.29%	45.29	23.49	7.00%	20.73	1.75%	8.75%	25.92	5.18	28.67
2007	308.04	7.36%	22.67	7.93%	15.29%	47.10	24.43	7.00%	21.56	1.75%	8.75%	26.95	5.39	29.82
2008	320.36	7.36%	23.58	7.93%	15.29%	48.98	25.40	7.00%	22.43	1.75%	8.75%	28.03	5.61	31.01
2009	333.17	7.36%	24.52	7.93%	15.29%	50.94	26.42	7.00%	23.32	1.75%	8.75%	29.15	5.83	32.25
2010	346.50	7.36%	25.50	7.93%	15.29%	52.98	27.48	7.00%	24.26	1.75%	8.75%	30.32	6.06	33.54
2011	360.36	7.36%	26.52	7.93%	15.29%	55.10	28.58	7.00%	25.23	1.75%	8.75%	31.53	6.31	34.88
2012	374.78	7.36%	27.58	7.93%	15.29%	57.30	29.72	7.00%	26.23	1.75%	8.75%	32.79	6.56	36.28
2013	389.77	7.36%	28.69	7.93%	15.29%	59.60	30.91	7.00%	27.28	1.75%	8.75%	34.10	6.82	37.73
2014	405.36	7.36%	29.83	7.93%	15.29%	61.98	32.14	7.00%	28.38	1.75%	8.75%	35.47	7.09	39.24
<b>Total</b>			<b>\$ 402.24</b>			<b>\$ 804.43</b>	<b>\$ 402.18</b>		<b>\$ 373.58</b>			<b>\$ 457.50</b>	<b>\$ 83.92</b>	<b>\$ 486.10</b>
<b>JUDGES</b>														
1997	\$ 17.50	15.60%	\$ 2.73	0.00%	15.60%	\$ 2.73	\$ -	6.00%	\$ 1.05	0.00%	6.00%	\$ 1.05	\$ -	\$ 0.00
1998	18.20	15.67%	2.85	4.00%	19.67%	3.58	0.73	6.00%	1.09	0.38%	6.38%	1.16	0.07	0.80
1999	18.93	14.38%	2.72	5.29%	19.67%	3.72	1.00	6.00%	1.14	0.75%	6.75%	1.28	0.14	1.14
2000	19.69	14.38%	2.83	5.29%	19.67%	3.87	1.04	6.00%	1.18	1.13%	7.13%	1.40	0.22	1.26
2001	20.47	14.38%	2.94	5.29%	19.67%	4.03	1.08	6.00%	1.23	1.50%	7.50%	1.54	0.31	1.39
2002	21.29	14.38%	3.06	5.29%	19.67%	4.19	1.13	6.00%	1.28	1.50%	7.50%	1.60	0.32	1.45
2003	22.14	14.38%	3.18	5.29%	19.67%	4.36	1.17	6.00%	1.33	1.50%	7.50%	1.66	0.33	1.50
2004	23.03	14.38%	3.31	5.29%	19.67%	4.53	1.22	6.00%	1.38	1.50%	7.50%	1.73	0.35	1.56
2005	23.95	14.38%	3.44	5.29%	19.67%	4.71	1.27	6.00%	1.44	1.50%	7.50%	1.80	0.36	1.63
2006	24.91	14.38%	3.58	5.29%	19.67%	4.90	1.32	6.00%	1.49	1.50%	7.50%	1.87	0.37	1.69
2007	25.90	14.38%	3.73	5.29%	19.67%	5.10	1.37	6.00%	1.55	1.50%	7.50%	1.94	0.39	1.76
2008	26.94	14.38%	3.87	5.29%	19.67%	5.30	1.43	6.00%	1.62	1.50%	7.50%	2.02	0.40	1.83
2009	28.02	14.38%	4.03	5.29%	19.67%	5.51	1.48	6.00%	1.68	1.50%	7.50%	2.10	0.42	1.90
2010	29.14	14.38%	4.19	5.29%	19.67%	5.73	1.54	6.00%	1.75	1.50%	7.50%	2.19	0.44	1.98
2011	30.30	14.38%	4.36	5.29%	19.67%	5.96	1.60	6.00%	1.82	1.50%	7.50%	2.27	0.45	2.06
2012	31.52	14.38%	4.53	5.29%	19.67%	6.20	1.67	6.00%	1.89	1.50%	7.50%	2.36	0.47	2.14
2013	32.78	14.38%	4.71	5.29%	19.67%	6.45	1.73	6.00%	1.97	1.50%	7.50%	2.46	0.49	2.23
2014	34.09	14.38%	4.90	5.29%	19.67%	6.71	1.80	6.00%	2.05	1.50%	7.50%	2.56	0.51	2.31
<b>Total</b>			<b>\$ 64.98</b>			<b>\$ 87.57</b>	<b>\$ 22.58</b>		<b>\$ 26.93</b>			<b>\$ 32.98</b>	<b>\$ 6.05</b>	<b>\$ 28.63</b>

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B

12/27/98

Kansas Public Employees Retirement System  
Automatic Cost of Living Adjustments  
Projections

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e

	Expected Payroll (in millions)	Current Plan	Current Projections Employer Contribution	Proposed Cola	Proposed Plan	Proposed Employer Contribution	Add'l Dollars	Employee Current Contribution	Current Projections Employee Contribution	Proposed Cola	Proposed Plan	Proposed Employee Contribution	Additional Employee Dollars	Total Additional Contribution
<b>TIAA</b>														
1997	\$ 415.90	1.68%	\$ 6.99	0.00%	1.68%	\$ 6.99	\$ -	N/A						\$ 0.00
1998	432.54	1.59%	6.88	0.19%	1.78%	7.70	0.82							0.82
1999	449.84	1.59%	7.15	0.19%	1.78%	8.01	0.85							0.85
2000	467.83	1.59%	7.44	0.19%	1.78%	8.33	0.89							0.89
2001	486.54	1.59%	7.74	0.19%	1.78%	8.66	0.92							0.92
2002	506.01	1.59%	8.05	0.19%	1.78%	9.01	0.96							0.96
<b>Total</b>			<b>\$ 44.24</b>			<b>\$ 48.69</b>	<b>\$ 4.45</b>							<b>\$ 4.45</b>

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e

B

2% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 65

61-19

**AUTOMATIC COLA ESTIMATES  
EMPLOYER**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>						
State	166,170,000	0.86%	6,541,642	1.77%	15,750,521	331,678,371
School	406,830,000	0.86%	18,043,626	1.77%	43,444,218	914,859,101
Local (1)	102,000,000	1.92%	15,832,547	2.18%	21,030,007	406,434,093
TIAA	3,000,000	0.15%	648,804	0.15%	759,009	3,514,132
<b>Judges</b>						
Judges	6,000,000	1.79%	325,780	3.08%	655,776	13,049,098
<b>KP&amp;F</b>						
KP&F-State	14,336,000	2.12%	668,054	4.21%	1,551,999	30,779,827
KP&F-Local	97,664,000	2.12%	4,588,189	4.21%	10,659,108	211,395,447
<b>Totals</b>	<b>796,000,000</b>		<b>46,648,642</b>		<b>93,850,637</b>	<b>1,911,710,069</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

61-19

3

2% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 65

1-20

**AUTOMATIC COLA ESTIMATES  
EMPLOYEE**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	166,170,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	406,830,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local	102,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	3,000,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	6,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	14,336,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	97,664,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>796,000,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>

1-20

2% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 60

1-21

**AUTOMATIC COLA ESTIMATES  
EMPLOYER**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>						
State	179,800,000	0.86%	6,540,000	1.91%	16,996,000	352,392,151
School	440,200,000	0.86%	18,040,000	1.91%	46,880,000	971,993,334
Local (1)	109,000,000	1.92%	15,830,000	2.18%	21,030,007	406,434,093
TIAA	3,000,000	0.00%	-	0.16%	809,610	3,748,407
<b>Judges</b>						
Judges	6,000,000	1.82%	331,000	3.11%	670,000	13,180,000
<b>KP&amp;F</b>						
KP&F-State	16,000,000	2.67%	841,000	4.76%	1,754,754	34,886,985
KP&F-Local	109,000,000	2.67%	5,778,000	4.76%	12,051,628	239,603,354
<b>Totals</b>	<b>863,000,000</b>		<b>47,360,000</b>		<b>100,191,999</b>	<b>2,022,238,325</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

1-21

B

2% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 60

1-22

AUTOMATIC COLA ESTIMATES  
EMPLOYEE

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	179,800,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	440,200,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local	109,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	3,000,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	6,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	16,000,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	109,000,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>863,000,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>

1-22



3% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 65

1-23

**AUTOMATIC COLA ESTIMATES  
EMPLOYER**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>						
State	221,850,000	0.86%	6,540,000	2.72%	24,200,000	472,240,000
School	543,150,000	0.86%	18,040,000	2.72%	66,760,000	1,302,560,000
Local (1)	136,000,000	1.92%	15,830,000	2.18%	21,030,000	406,430,000
TIAA	4,000,000	0.00%	-	0.20%	1,000,000	4,690,000
<b>Judges</b>						
Judges	8,000,000	3.24%	590,000	4.53%	960,000	19,300,000
<b>KP&amp;F</b>						
KP&F-State	19,200,000	4.11%	1,300,000	6.20%	2,290,000	45,640,000
KP&F-Local	130,800,000	4.11%	8,900,000	6.20%	15,700,000	313,460,000
<b>Totals</b>	<b>1,063,000,000</b>		<b>51,200,000</b>		<b>131,940,000</b>	<b>2,564,320,000</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

1-23

3% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 65

1-24

AUTOMATIC COLA ESTIMATES  
EMPLOYEE

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	221,850,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	543,150,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local	136,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	4,000,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	8,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	19,200,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	130,800,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>1,063,000,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>

1-24

3% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 60

1-25

**AUTOMATIC COLA ESTIMATES  
EMPLOYER**

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employer Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employer Contribution</u>	<u>Total Additional Employer Contributions Through 2014</u>
<b>KPERS</b>						
State	239,250,000	0.86%	6,540,000	2.92%	25,980,000	501,830,000
School	585,750,000	0.86%	18,040,000	2.92%	71,670,000	1,384,180,000
Local (1)	146,000,000	1.92%	15,830,000	2.18%	21,030,000	406,430,000
TIAA	4,000,000	0.00%	-	0.20%	1,000,000	4,690,000
<b>Judges</b>						
Judges	8,000,000	3.28%	600,000	4.57%	970,000	19,480,000
<b>KP&amp;F</b>						
KP&F-State	21,376,000	4.84%	1,530,000	6.93%	2,550,000	51,090,000
KP&F-Local	145,624,000	4.84%	10,470,000	6.93%	17,550,000	350,900,000
<b>Totals</b>	<b>1,150,000,000</b>		<b>53,010,000</b>		<b>140,750,000</b>	<b>2,718,600,000</b>

(1) Local KPERS first year will be calendar year 1999; fifth year will be 2003. The remaining groups first year will begin in calendar year 1998.

1-25

3% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 60

1-26

AUTOMATIC COLA ESTIMATES  
EMPLOYEE

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	239,250,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	585,750,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local	146,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	4,000,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	8,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	21,376,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	145,624,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>1,150,000,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>

1-26

D

3% Automatic COLA to all current and future retirants commencing five years after retirement, but not before age 60

1-26

AUTOMATIC COLA ESTIMATES  
EMPLOYEE

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Employee Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Employee Contribution</u>	<u>Total Additional Employee Contributions Through 2014</u>
<b>KPERS</b>						
State	239,250,000	0.25%	1,900,000	1.00%	8,900,000	168,540,000
School	585,750,000	0.25%	5,250,000	1.00%	24,540,000	464,880,000
Local	146,000,000	0.25%	2,060,000	1.00%	9,650,000	167,270,000
TIAA	4,000,000	0.00%	-	0.00%	-	-
<b>Judges</b>						
Judges	8,000,000	0.38%	70,000	1.50%	320,000	6,050,000
<b>KP&amp;F</b>						
KP&F-State	21,376,000	0.44%	140,000	1.75%	650,000	12,220,000
KP&F-Local	145,624,000	0.44%	950,000	1.75%	4,430,000	83,920,000
<b>Totals</b>	<b>1,150,000,000</b>		<b>10,370,000</b>		<b>48,490,000</b>	<b>902,880,000</b>

1-26

D

1-27

3% - Annual AD Hoc for all retirants  
15 year amortization

AD HOC (ANNUAL) COLA ESTIMATES

	<u>Increase in Actuarial Liability</u>	<u>Increase in Contribution Rate Year 1</u>	<u>Additional First Year Contribution</u>	<u>Increase in Contribution Rate Year 5</u>	<u>Additional Fifth Year Contribution</u>	<u>Total Additional Contributions</u>
<b>KPERS</b>						
State/School	1,453,500,000	0.27%	8,300,000	1.58%	56,520,000	2,160,800,000
Local	237,000,000	0.17%	1,460,000	0.92%	9,250,000	325,050,000
TIAA	4,500,000	0.12%	560,000	0.12%	610,000	1,750,000
<b>Judges</b>						
Judges	12,000,000	0.65%	130,000	3.73%	860,000	32,120,000
<b>KP&amp;F</b>						
KP&F-State	37,170,000	0.54%	180,000	3.01%	1,200,000	42,530,000
KP&F-Local	228,330,000	0.54%	1,260,000	3.01%	8,250,000	292,120,000
<b>Totals</b>	<b>1,972,500,000</b>		<b>11,890,000</b>		<b>76,690,000</b>	<b>2,854,370,000</b>

Notes: • 3% AD Hoc COLA applied to all members retired in all future years  
• Additional actuarial liability amortized over a 15-year period

1-27

3% adhoc  
future years

D

2/26/98

KPERs AD HOC COLA  
PROJECTIONS

	Expected Payroll	Current Plan	Current Projections Employer Contributions	Proposed Cola	Increase	Revised Employer Rate	Proposed Employer Cont.	Add'l Dollars
<b>STATE SCHOOL</b>								
1997	\$2,748.80	3.79%	\$ 104.18	0.00%		3.79%	\$ 104.18	\$ 0.00
1998	2,858.75	3.99%	114.06	0.00%		3.99%	114.06	0.00
1999	2,973.10	4.19%	124.57	0.00%		4.19%	124.57	0.00
2000	3,092.03	4.39%	135.74	0.27%	0.27%	4.66%	144.04	8.30
2001	3,215.71	4.59%	147.60	0.56%	0.29%	5.15%	165.52	17.92
2002	3,344.34	4.71%	157.52	0.87%	0.31%	5.58%	186.56	29.04
2003	3,478.11	4.61%	160.34	1.20%	0.33%	5.81%	202.17	41.83
2004	3,617.23	4.54%	164.22	1.56%	0.36%	6.10%	220.75	56.52
2005	3,761.92	4.48%	168.53	1.95%	0.39%	6.43%	241.89	73.35
2006	3,912.40	4.44%	173.71	2.37%	0.42%	6.81%	266.30	92.59
2007	4,068.90	4.41%	179.44	2.81%	0.45%	7.22%	293.98	114.54
2008	4,231.65	4.40%	186.19	3.30%	0.48%	7.70%	325.73	139.53
2009	4,400.92	4.39%	193.20	3.82%	0.52%	8.21%	361.16	167.96
2010	4,576.95	4.38%	200.47	4.38%	0.56%	8.76%	400.72	200.25
2011	4,760.03	4.38%	208.49	4.98%	0.60%	9.36%	445.35	236.86
2012	4,950.43	4.38%	216.83	5.62%	0.65%	10.00%	495.18	278.35
2013	5,148.45	4.39%	226.02	6.32%	0.70%	10.71%	551.33	325.32
2014	5,354.39	4.39%	235.06	7.07%	0.75%	11.46%	613.48	378.42
<b>Total</b>			<b>\$ 3,096.18</b>				<b>\$ 5,256.97</b>	<b>\$ 2,160.80</b>
<b>LOCAL</b>								
1997	\$ 762.40	2.63%	\$ 20.05	0.00%		2.63%	\$ 20.05	\$ 0.00
1998	792.90	2.78%	22.04	0.00%		2.78%	22.04	0.00
1999	824.61	2.93%	24.16	0.00%		2.93%	24.16	0.00
2000	857.60	3.08%	26.41	0.17%	0.17%	3.25%	27.84	1.43
2001	891.90	3.23%	28.81	0.34%	0.17%	3.57%	31.85	3.04
2002	927.58	3.38%	31.35	0.53%	0.18%	3.91%	36.22	4.87
2003	964.68	3.42%	32.99	0.72%	0.19%	4.14%	39.93	6.93
2004	1,003.27	3.37%	33.81	0.92%	0.20%	4.29%	43.06	9.25
2005	1,043.40	3.34%	34.85	1.14%	0.21%	4.48%	46.70	11.85
2006	1,085.13	3.31%	35.92	1.36%	0.22%	4.67%	50.69	14.77
2007	1,128.54	3.29%	37.13	1.60%	0.24%	4.89%	55.16	18.03
2008	1,173.68	3.28%	38.50	1.85%	0.25%	5.13%	60.17	21.67
2009	1,220.63	3.27%	39.91	2.11%	0.26%	5.38%	65.65	25.73
2010	1,269.45	3.27%	41.51	2.38%	0.28%	5.65%	71.77	30.26
2011	1,320.23	3.27%	43.17	2.67%	0.29%	5.94%	78.46	35.29
2012	1,373.04	3.27%	44.90	2.98%	0.30%	6.25%	85.77	40.88
2013	1,427.96	3.27%	46.69	3.30%	0.32%	6.57%	93.77	47.08
2014	1,485.08	3.27%	48.56	3.63%	0.34%	6.90%	102.52	53.96
<b>Total</b>			<b>\$ 630.78</b>				<b>\$ 955.82</b>	<b>\$ 325.05</b>

KPERS AD HOC COLA  
 PROJECTIONS

D

	Expected Payroll	Current Plan	Current Projections Employer Contributions	Proposed Cola	Increase	Revised Employer Rate	Proposed Employer Cont.	Add'l Dollars
<b>KPF STATE</b>								
1997	\$ 30.30	9.73%	\$ 2.95	0.00%		9.73%	\$ 2.95	\$ 0.00
1998	31.51	9.45%	2.98	0.00%		9.45%	2.98	0.00
1999	32.77	7.36%	2.41	0.00%		7.36%	2.41	0.00
2000	34.08	7.36%	2.51	0.54%	0.54%	7.90%	2.69	0.18
2001	35.45	7.36%	2.61	1.11%	0.57%	8.47%	3.00	0.39
2002	36.86	7.36%	2.71	1.71%	0.60%	9.07%	3.34	0.63
2003	38.34	7.36%	2.82	2.35%	0.63%	9.71%	3.72	0.90
2004	39.87	7.36%	2.93	3.01%	0.67%	10.37%	4.14	1.20
2005	41.47	7.36%	3.05	3.72%	0.70%	11.08%	4.59	1.54
2006	43.13	7.36%	3.17	4.46%	0.74%	11.82%	5.10	1.92
2007	44.85	7.36%	3.30	5.24%	0.78%	12.60%	5.65	2.35
2008	46.65	7.36%	3.43	6.06%	0.82%	13.42%	6.26	2.83
2009	48.51	7.36%	3.57	6.93%	0.87%	14.29%	6.93	3.36
2010	50.45	7.36%	3.71	7.84%	0.91%	15.20%	7.67	3.96
2011	52.47	7.36%	3.86	8.81%	0.96%	16.17%	8.48	4.62
2012	54.57	7.36%	4.02	9.82%	1.02%	17.18%	9.38	5.36
2013	56.75	7.36%	4.18	10.90%	1.07%	18.26%	10.36	6.18
2014	59.02	7.36%	4.34	12.02%	1.13%	19.38%	11.44	7.10
<b>Total</b>			<b>\$ 58.57</b>				<b>\$ 101.10</b>	<b>\$ 42.53</b>
<b>KPF LOCAL</b>								
1997	\$ 208.10	9.73%	\$ 20.25	0.00%		9.73%	\$ 20.25	\$ 0.00
1998	216.42	9.45%	20.45	0.00%		9.45%	20.45	0.00
1999	225.08	7.36%	16.57	0.00%		7.36%	16.57	0.00
2000	234.08	7.36%	17.23	0.54%	0.54%	7.90%	18.50	1.27
2001	243.45	7.36%	17.92	1.11%	0.57%	8.47%	20.62	2.71
2002	253.19	7.36%	18.63	1.71%	0.60%	9.07%	22.97	4.34
2003	263.31	7.36%	19.38	2.35%	0.63%	9.71%	25.56	6.18
2004	273.85	7.36%	20.16	3.01%	0.67%	10.37%	28.41	8.25
2005	284.80	7.36%	20.96	3.72%	0.70%	11.08%	31.55	10.58
2006	296.19	7.36%	21.80	4.46%	0.74%	11.82%	35.00	13.20
2007	308.04	7.36%	22.67	5.24%	0.78%	12.60%	38.81	16.14
2008	320.36	7.36%	23.58	6.06%	0.82%	13.42%	43.00	19.42
2009	333.17	7.36%	24.52	6.93%	0.87%	14.29%	47.61	23.09
2010	346.50	7.36%	25.50	7.84%	0.91%	15.20%	52.69	27.18
2011	360.36	7.36%	26.52	8.81%	0.96%	16.17%	58.27	31.74
2012	374.78	7.36%	27.58	9.82%	1.02%	17.18%	64.40	36.82
2013	389.77	7.36%	28.69	10.90%	1.07%	18.26%	71.15	42.47
2014	405.36	7.36%	29.83	12.02%	1.13%	19.38%	78.57	48.74
<b>Total</b>			<b>\$ 402.24</b>				<b>\$ 694.37</b>	<b>\$ 292.12</b>



KPERS AD HOC COLA  
PROJECTIONS

SD

	Expected Payroll	Current Plan	Current Projections Employer Contributions	Proposed Cola	Increase	Revised Employer Rate	Proposed Employer Cont.	Add'l Dollars
<b>JUDGES</b>								
1997	\$ 17.50	15.20%	\$ 2.66	0.00%		15.20%	\$ 2.66	\$ 0.00
1998	18.20	15.27%	2.78	0.00%		15.27%	2.78	0.00
1999	18.93	13.98%	2.65	0.00%		13.98%	2.65	0.00
2000	19.69	13.98%	2.75	0.65%	0.65%	14.63%	2.88	0.13
2001	20.47	13.98%	2.86	1.34%	0.69%	15.32%	3.14	0.28
2002	21.29	13.98%	2.98	2.09%	0.74%	16.07%	3.42	0.44
2003	22.14	13.98%	3.10	2.88%	0.79%	16.86%	3.73	0.64
2004	23.03	13.98%	3.22	3.73%	0.85%	17.71%	4.08	0.86
2005	23.95	13.98%	3.35	4.64%	0.91%	18.62%	4.46	1.11
2006	24.91	13.98%	3.48	5.61%	0.97%	19.59%	4.88	1.40
2007	25.90	13.98%	3.62	6.65%	1.04%	20.63%	5.35	1.72
2008	26.94	13.98%	3.77	7.77%	1.11%	21.75%	5.86	2.09
2009	28.02	13.98%	3.92	8.96%	1.19%	22.94%	6.43	2.51
2010	29.14	13.98%	4.07	10.23%	1.27%	24.21%	7.05	2.98
2011	30.30	13.98%	4.24	11.59%	1.36%	25.57%	7.75	3.51
2012	31.52	13.98%	4.41	13.05%	1.46%	27.03%	8.52	4.11
2013	32.78	13.98%	4.58	14.61%	1.56%	28.59%	9.37	4.79
2014	34.09	13.98%	4.77	16.28%	1.67%	30.26%	10.31	5.55
<b>Total</b>			\$ 63.19				\$ 95.31	\$ 32.12
<b>TIAA</b>								
1997	\$ 415.90	1.68%	\$ 6.99	0.00%		1.68%	\$ 6.99	\$ 0.00
1998	432.54	1.59%	6.88	0.00%		1.59%	6.88	0.00
1999	449.84	1.59%	7.15	0.00%		1.59%	7.15	0.00
2000	467.83	1.59%	7.44	0.12%		1.71%	8.00	0.56
2001	486.54	1.59%	7.74	0.12%		1.71%	8.32	0.58
2002	506.01	1.59%	8.05	0.12%		1.71%	8.65	0.61
<b>Total</b>			\$ 44.24				\$ 45.99	\$ 1.75

**Testimony To The  
House Committee on Appropriations  
On H.B. 2874**

**Dan Stanley, Secretary of Administration  
Wednesday March 4, 1998**

I appreciate the opportunity to present written testimony in opposition to House Bill 2874. As Secretary of Administration, I am the statutorily designated representative for the state and its agencies under the Public Employer Employee Relations Act (PEERA). This Act provides a meet and confer process for the state as the employer to discuss and address conditions of employment with duly recognized employee representatives. Retirement benefits are one of the statutorily listed conditions of employment under PEERA.

House Bill 2874 proposes to change fire investigators' retirement benefits from regular Kansas Public Employees Retirement System (KPERS) to Kansas Police & Fire (KP&F). Presently fire investigators are represented, under PEERA, by the Kansas Association of Public Employees (KAPE). This unit as established by the Public Employee Relations Board includes fire investigator, liquor control investigator II, securities special investigator I, II and III, enforcement agent, special agent-KBI, and senior special agent-KBI. These employees, through KAPE, have been meeting and conferring with the state as the employer as was requested by the employee organization under PEERA.

PEERA requires the state as the employer to meet and confer over the issue of retirement benefits and other mandatory topics. The state and the recognized employee organization for this group of employees are discussing the issue of retirement benefits as provided by KPERS. The parties are presently exchanging ideas and information regarding the recognized employee organization's proposal requesting that the state obtain retirement benefits under KP&F for the employees within the unit which includes fire investigators.

If an agreement is reached, a fiscal note would be prepared and the necessary legislation would be sought. Unilaterally imposing this legislation would create a chilling effect on the meet and confer process and would undermine PEERA.

In the current format and under the current process established under PEERA, the Department of Administration opposes House Bill 2874. Thank you for your time and consideration on this matter.

*Appropriations  
3-4-98  
Attachment 2*



KANSAS NATIONAL EDUCATION ASSOCIATION / 715 W. 10TH STREET / TOPEKA, KANSAS 66612-1686

Craig Grant Testimony Before  
House Appropriations Committee  
Wednesday, March 4, 1998

Thank you, Mr. Chairman. I am Craig Grant and I represent Kansas NEA. I appreciate this opportunity to speak on two KPERS bills today, House Bill 2963 and Senate Bill 619.

HB 2963 would help the pensions of a few educators who retired under the old KSRS system during a time when salaries and pensions were low. To qualify, an educator must have had 25 years of service under the old system and so we know that these were career people who dedicated much of their lives to the education of young people in our state. (Probably some of them taught some of us.) This would be a nice gesture of recognition for these people and I am sure it would be appreciated.

SB 619 is a bill dealing with an issue we brought up to you last year and was contained in Senate Bill 11, which did not pass. It would allow KPERS members to buy out-of-state service at the 1.75% rate, if desired. The employee would pay both the employee and employer cost of the purchase. The difference in SB 619 and SB 11 is a provision which would allow those members (not those who have retired) who have already purchased the service at the 1% level to go back and purchase the additional .75% rate. We would ask that you add this provision back into SB 619. We believe that this is a matter of equity for the employees who had service elsewhere and can be done with no cost to the state.

These are the two bills we wish to discuss today. We have already visited with the subcommittee about the COLA provisions. Thank you for listening to our concerns.

*Appropriations  
3-4-98  
Attachment 3*



State of Kansas

## Office of the Attorney General

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HOUSE COMMITTEE ON APPROPRIATIONS  
ATTORNEY GENERAL CARLA J. STOVALL'S  
TESTIMONY IN SUPPORT OF  
SENATE BILL NO. 617

Presented by Deputy Attorney General Julene L. Miller  
March 4, 1998

Mr. Chairman, members of the subcommittee, thank you for this opportunity to testify. Attorney General Stovall has asked me to appear before you in support of Senate Bill No. 617, although she believes it currently may be broader than it needs to be.

This bill was introduced by the Joint Committee on Pensions, Investments and Benefits to correct what appears to have been the unintended result of amendments made to K.S.A. 74-4988 during the 1995 Legislative Session. The Attorney General believes, and the Committee agreed, that certain persons who were detrimentally affected by the 1995 amendment should be exempted from the offending provisions because it is the "just" thing to do, and also because the detrimental affect appears to render that portion of the statute, as applied to those individuals, unconstitutional.

When Ed Pavey, Director of the Kansas Law Enforcement Training Center, made his decision to leave service with the Sedgwick County Sheriff's Department to take the Director position, he contacted representatives of the Kansas Public Employees Retirement System (KPERS) to learn how this would affect his ability to draw his Kansas Police and Firemen's Retirement System (KP&F) benefits. He was told by KPERS that he could add four years of service under the KPERS system to his 21 years under KP&F to total 25 years service credits with KP&F and begin receiving full KP&F benefits at age 50. This would be so even though he would still be employed, drawing salary and earning credits under the KPERS system. This was the law at that time; he made his career move and various financial decisions in reliance both on the law as it then existed and the advice he was given by staff at KPERS who were in the best position to know how this move would affect him. A 1995 amendment to K.S.A. 74-4988 altered the law so that, if applied to Ed, he will have to retire from both KPERS (his current Law Enforcement Training Commission position) and KP&F to begin drawing benefits from either. Ed is now being advised by KPERS that they have no authority to honor their previous advice unless the law is again amended to exempt him from its provisions. Ron Pickman, Chief of the Goodland Police Department, and a number of other KP&F members will

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experience a similar fate absent legislation.

As you may know, Attorney General Stovall was asked to render an opinion with regard to this in March of 1996. That opinion concluded that if there was no benefit in the 1995 amendments sufficient to offset the disadvantageous provisions, then the amendments would be unconstitutional under the Contracts Clause of the United States Constitution. I have attached a copy of the opinion for your convenience. As far as Ed Pavey's and Ron Pickman's circumstances in particular are concerned, there appears to have been no offsetting benefits in the 1995 amendment, thus making application of the amendment to them and others like them unconstitutional. Therefore, we ask that your Committee rectify the situation by supporting this bill to again amend the relevant statute, K.S.A. 74-4988, to grandfather in those members who, prior to 1995, would have been eligible to retire under only one system while still maintaining employment and participating in the other retirement plan. Meredith Williams, Executive Director of KPERS, has indicated that he and the KPERS Board do not oppose this amendment.

The current version of the bill, however, appears to go beyond what the Attorney General had envisioned. I have attached draft language that may be of some assistance to you in considering this issue.

I would sincerely appreciate your support of this bill. Thank you.



State of Kansas

## Office of the Attorney General

301 S.W. 10TH AVENUE, TOPEKA 66612-1597

CARLA J. STOVALL  
ATTORNEY GENERAL

March 22, 1996

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### ATTORNEY GENERAL OPINION NO. 96- 29

The Honorable Darlene Cornfield  
State Representative, 90th District  
State Capitol, Rm. 115-S  
Topeka, Kansas 66612-1504

Re: State Boards, Commissions and Authorities—Public Employees Retirement Systems; Provisions Affecting Systems Administered By KPERS Board of Trustees—Credit For Service and Compensation Under Other Systems, When; Constitutionality

Synopsis: K.S.A. 1995 Supp. 74-4988 requires when a member of the Kansas public employees retirement system (KPERS), the Kansas police and firemen's retirement system (KP&F), or the retirement system for judges combines service under more than one retirement system in order to achieve eligibility to receive benefits, the member must submit an application to retire under each retirement system before benefits become payable. A determination of whether the provision set forth in L. 1995, ch. 267, § 26 violates the vested interests of members of KPERS involves a question of fact which must be determined by a court of law. If the enactment which includes a provision requiring members to submit an application to retire from all retirement systems before being eligible to receive retirement benefits from KPERS includes offsetting or counterbalancing advantages to the effected group of members, the provision does not result in a violation of vested contractual rights of the members. Cited herein: K.S.A. 20-2601; 20-2601a; 74-4901; K.S.A. 1995 Supp. 74-4909; 74-4914; K.S.A. 74-4934; K.S.A. 1995 Supp. 74-4951; K.S.A. 74-4951a; 74-4953; 74-4978f; K.S.A. 1995 Supp. 74-4988; 74-4989; K.S.A. 74-49,100; K.S.A. 1995 Supp. 74-49,104; L. 1995, ch. 267, §§ 2, 3, 8, 22, 26, 27; U.S. Const., art. 1, § 10; U.S. Const., amend. V, XIV.

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Dear Representative Cornfield:

As representative for the ninetieth district and chairman of the joint committee on pensions, investments and benefits, you request our opinion regarding K.S.A. 1995 Supp. 74-4988. Specifically, you ask whether the statute requires a member to retire under all retirement plans administered by the board of trustees for the Kansas public employees retirement system (KPERS) before becoming eligible to receive benefits from KPERS. You also ask, if this is the proper interpretation of the statute, whether such a requirement violates section 10 of article 1 of the United States constitution, the fifth and fourteenth amendments to the United States constitution, and similar provisions in the Kansas constitution or state law.

The board of trustees for KPERS administers a number of public employee retirement systems, including the retirement system for judges, K.S.A. 20-2601 *et seq.*, the Kansas public employees retirement system (KPERS), K.S.A. 74-4901 *et seq.*, and the Kansas police and firemen's retirement system (KP&F), K.S.A. 74-4951 *et seq.* K.S.A. 20-2601a; K.S.A. 1995 Supp. 74-4909; K.S.A. 74-4953. In addition, some retirement plans for public employees were merged into KPERS, thereby becoming subject to administration by the KPERS board of trustees. See K.S.A. 74-4934 (Kansas school retirement system); 74-4978f (state highway patrol pension board); 74-49,100 (retirement system for court reporters). Benefits payable under the retirement systems administered by the KPERS board of trustees include retirement benefits, disability benefits and death benefits. Eligibility to receive benefits under any of the retirement systems is based on the age of the member, time of service with the participating employer, or a combination of the age of the member and the years of service with the participating employer. The legislature has prescribed varying age and service requirements for the benefits payable under the different systems. See K.S.A. 1995 Supp. 74-4914; 74-4951; K.S.A. 74-4951a; K.S.A. 1995 Supp. 74-49,104.

K.S.A. 1995 Supp. 74-4988 provides in part:

"(1) Each person who is a member of a retirement system and who becomes a member of another retirement system shall receive credit under each such retirement system for credited service under the other retirement system for the purpose of satisfying any requirement for such person to complete certain periods of service to become eligible to receive a retirement benefit or disability benefit or for such person's beneficiaries to receive a death benefit. The retirement benefit which a person becomes eligible to receive under a retirement system shall be based only on credited service under such retirement system, except that the determination of final average salary under such retirement system shall include the compensation received as a member of each other retirement system if such compensation is higher.

***Such retirement benefit shall become payable upon the member submitting an application to retire under each system.*** (Emphasis added.)

The interpretation of a statute is a matter of law and it is the function of the court to interpret the statute to give it the effect intended by the legislature. ***State v. Schlein***, 253 Kan. 205, 209 (1993). When a statute is plain and unambiguous, the court must give effect to the intention of the legislature as expressed, rather than determine what the law should or should not be. ***Chavez v. Markham***, 256 Kan. 859, syl. ¶ 2 (1995).

Pursuant to subsection (3)(b) of K.S.A. 1995 Supp. 74-4988, retirement system includes KPERS, KP&F, and the retirement system for judges. Under the provisions of K.S.A. 1995 Supp. 74-4988, a member of one of the three retirement systems set forth in subsection (3)(b) is permitted to combine any credited service under all three designated retirement systems in achieving the number of years of credited service necessary to receive benefits under the member's retirement system. The provision reviewed here, however, clearly requires when a member combines service under more than one retirement system in order to achieve eligibility to receive benefits, the member must submit an application to retire under each retirement system before benefits become payable.

State retirement systems create contracts between the state and its employees who are members of the systems. ***Galindo***, 256 Kan. at 468; ***Brazelton v. Kansas Public Employees Retirement System***, 227 Kan. 443, syl. ¶ 1 (1980); ***Singer v. City of Topeka***, 227 Kan. 356, 363 (1980); ***Shapiro v. Kansas Public Employees Retirement System***, 216 Kan. 353, syl. ¶ 1 (1975). As a member of the retirement plan, the employee-member gains certain rights which may not be eliminated or substantially changed by unilateral action of the government employer to the detriment of the employee-member. ***Galindo***, 256 Kan. at 468. The rights are substantial and are vested and are subject to the protection afforded by the contract clause of section 10 of article 1 of the United States constitution. ***Singer***, 227 Kan. at 365; ***Brazelton***, 227 Kan. at 451. The unilateral retroactive change of vested retirement benefits under an employment contract by a governmental employer to the disadvantage or detriment of its employees without a counterbalancing benefit violates the contract clause of the United States constitution if the change is substantial. ***Brazelton***, 227 Kan. at 451. Likewise, the contractual interests of the members are afforded statutory protection under K.S.A. 1995 Supp. 74-4923.

"(a) No alteration, amendment or repeal of this act shall affect the then existing rights of members and beneficiaries but shall be effective only as to rights which would otherwise accrue under this act as a result of services rendered by an employee after alteration, amendment or repeal." K.S.A. 1995 Supp. 74-4923.

The fact that members of a public retirement system may have vested rights in a retirement plan does not preclude modification or amendment of the plan. The state may make



reasonable changes or modifications in pension plans in which employees hold vested contract rights, but changes which result in disadvantages to employees must be accompanied by offsetting or counterbalancing advantages. *Galindo*, 256 Kan. at 468; *Singer*, 227 Kan. at 367. The reasonableness of legislative changes is to be measured by the advantage or disadvantage to the affected employees as a group or groups; the validity of a change is not dependent upon the effect on each individual employee. *Singer*, 227 Kan. at 367.

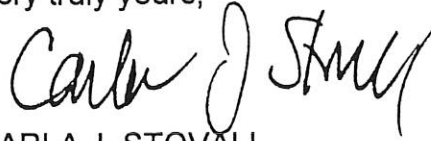
Opinions of the Attorney General in which it was determined legislation violated the vested interests of members of KPERS addressed situations in which the legislation provided only the offending provision. See Attorney General Opinions No. 95-73; 95-23; 94-59. The provision of K.S.A. 1995 Supp. 74-4988 reviewed here was enacted in a house bill containing 43 sections. See L. 1995, ch. 267. As the enactment included among its provisions sections which lowered the percentage of salary a member was required to contribute, L. 1995, ch. 267, § 2, expanded the definition of military service, L. 1995, ch. 267, § 3, increased the amount of compensation receivable before retirement benefits were affected, L. 1995, ch. 267, §§ 8, 22, and made payable to a retirant's beneficiary the death benefit payable under K.S.A. 1995 Supp. 74-4989, L. 1995, ch. 267, § 27, the enactment may have included offsetting or counterbalancing advantages to the group of affected members. A determination of whether the provision set forth in L. 1995, ch. 267, § 26 violates the vested interest of members of KPERS involves a question of fact which must be determined by a court of law. If the enactment which includes a provision requiring members to retire from all retirement systems before being eligible to receive retirement benefits from KPERS includes offsetting or counterbalancing advantages to the effected group of members, the provision does not result in a violation of vested contractual rights of the members.

In review, K.S.A. 1995 Supp. 74-4988 requires when a member of the Kansas public employees retirement system (KPERS), the Kansas police and firemen's retirement system (KP&F), or the retirement system for judges combines service under more than one retirement system in order to achieve eligibility to receive benefits, the member must submit an application to retire under each retirement system before benefits become payable. A determination of whether the provision set forth in L. 1995, ch. 267, § 26 violates the vested interests of members of KPERS involves a question of fact which must be determined by a court of law. If the enactment which includes a provision requiring members to submit an application to retire from all retirement systems before being eligible to receive retirement benefits from KPERS includes offsetting or counterbalancing

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advantages to the effected group of members, the provision does not result in a violation of vested contractual rights of the members.

Very truly yours,



CARLA J. STOVALL  
Attorney General of Kansas



Richard D. Smith  
Assistant Attorney General



CJS:JLM:RDS:jm

*Be it enacted by the Legislature of the State of Kansas:*

Section 1. K.S.A. 1996 Supp. 74-4988 is hereby amended to read as follows: 79-4988. (1) Each person who is a member of a retirement system and who becomes a member of another retirement system shall receive credit under each such retirement system for credited service under the other retirement system for the purpose of satisfying any requirement for such person to complete certain periods of service to become eligible to receive a retirement benefit or disability benefit or for such person's beneficiaries to receive a death benefit. The retirement benefit which a person becomes eligible to receive under a retirement system shall be based only on credited service under such retirement system, except that the determination of final average salary under such retirement system shall include the compensation received as a member of each other retirement system if such compensation is higher. Such retirement benefit shall become payable upon the member submitting an application to retire under each system, except that a member who is not eligible to retire under the retirement system to which such member is not currently making contributions because such member does not meet the age requirements of the earliest retirement date of such system may retire, upon meeting the requirements for retirement, under the provisions of the retirement system which the member had been most recently making contributions. No further rights and benefits will accrue under the retirement system to which the member is not currently making contributions after the date the member retires from the system from which the member had been most recently making contributions and the member will be retired and benefits shall commence on the date that the member would first have attained retirement age from the system to which the member is not currently making contributions. *The requirement that a member submit an application to retire under each system before becoming eligible to receive any retirement system benefits shall not apply to any member of the Kansas police and firemen's retirement system who had terminated employment with the Kansas police and firemen's retirement system employer and obtained employment with a Kansas public employees retirement system employer during the period of time when the law authorized retiring and drawing benefits from the Kansas police and firemen's retirement system while still employed by a Kansas public employees retirement system employer [and in reliance on that circumstance].*

(2) . . . .

**TESTIMONY BEFORE THE  
HOUSE APPROPRIATIONS COMMITTEE  
HOUSE BILL 2612**

**Barb Hinton, Legislative Post Auditor  
March 4, 1998 1:30 p.m. Room 514-S**

Mister Chairman and Members of the Committee:

Thank you for giving me the opportunity to speak before you on House Bill 2612, which deals with audits of KPERS. I'm appearing on behalf of the Legislative Post Audit Committee to provide some background information on this bill.

By law, KPERS currently is subject to a financial-compliance audit and a performance audit each year. In addition, a performance audit of KPERS was required under the Kansas Governmental Operations Accountability Law (K-GOAL) for consideration by the 1997 Legislature.

In 1996, a subcommittee of the Legislative Post Audit Committee was appointed to study options for reducing the audit requirements relating to KPERS. Besides the number of audits currently being performed of KPERS, the Subcommittee considered and discussed such factors as:

- the high level of legislative and Board of Trustees' oversight already provided over KPERS
- the ready availability of some information (i.e., rates of return comparisons against standard indices) from KPERS' in-house investment staff
- the lack of any major problems being identified in the five performance audits conducted so far.
- the ability of a contracted CPA firm to handle the narrowly defined performance audit requirements currently specified in law
- the cost-efficiency of having the auditors who conduct the financial-compliance audit also address the performance audit requirements

The Subcommittee recommended and the full Committee adopted the following actions, which in their opinion would minimize KPERS' audit requirements while still providing for sufficient legislative oversight:

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1. Continue the annual financial-compliance audit of KPERS. *(This audit is contracted to a CPA firm, and KPERS pays the cost of the audit. By law, it must include a review of "alternative investments of the system, with any estimates of permanent impairments to the value of such alternative investments reported by the system...")*
2. Eliminate the requirement to have Legislative Post Audit conduct an annual performance audit of KPERS. In its place, consolidate the performance and financial-compliance audit requirements into a single, contracted financial-compliance audit. *(Over a two-year period, those performance audit requirements now include evaluations of investment managers' performance and compensation, and evaluations of rates of return on investments, all by manager and by type of investment. They also include a comparisons of KPERS' investment practices and performance with those of other state pension programs, by asset type.)*
3. Allow the Legislative Post Audit Committee to designate the performance issues to be conducted as part of the financial-compliance audit. The performance issues would be audited once every two years, unless the Committee decided to extend that requirement to once every three years.

The Committee recognizes the need to provide adequate legislative oversight of KPERS. Committee members and staff think this bill would accomplish that goal in a cost-effective manner, while freeing up the Legislature's audit resources for what may be considered more productive work.

I'd be happy to answer any questions you may have.

## Current KPERS Audit Requirements

**Annual Financial-Compliance Audit** (K.S.A. 74-4921(12)(a)). Requires an annual financial-compliance audit, "to include, but not be limited to, a review of alternative investments of the system, with any estimates of permanent impairments to the value of such alternative investments reported by the system..."

On a three-year basis, this audit is contracted to a certified public accounting firm under contract with the Division. KPERS pays the cost of the audit.

**Annual Performance Audit** (K.S.A. 74-4921(12)(b)). Requires annual performance audits, as directed by the Legislative Post Audit Committee, "which shall include, but not be limited to, one or more of the following subjects:

- an evaluation of the performance of investment managers
- an evaluation of the rates of return of investments reported by the system
- an evaluation of the total compensation received for the planned year by investment managers, by individual investment classification
- a comparison of the system's investment practices and performance with those of other state pension programs by asset type, including all asset types described as alternative investments..."

Each of the subjects listed must be included in an audit at least once every two fiscal years. (This was done to try to limit the amount of audit work the Division was required to perform each year.)

The first year this audit was required (1992), it was conducted by a CPA firm under contract with the Division. Our staff have done the audit every year since then. The cost of this audit is paid by the Division, even when it is contracted.

# KANSAS PEACE OFFICERS ASSOCIATION

House Appropriations Committee

March 4, 1998

SUBJECT: HB 2890 and COLA options

Mr. Chairman and Members of the Committee:

I am Helen Stephens, representing the Kansas Peace Officers Association (KPOA).

We are here to support HB 2890 with the amendment stating "**that the employee holds a position that is required to be State certified to receive a permanent appointment as a law enforcement officer in the State of Kansas**". As the bill reads, an LEO must be certified before joining KP&F.

Most law enforcement are on the job, sometimes up to a year, before being certified. We would appreciate your consideration of this amendment.

We are here to oppose the COLA legislation. KPOA believes there should be no waiting period before the COLA is given to retirees. As we understand the COLA, a retiree must be 70 years of age and retired for 5 years. Members of KP&F can retire at 55, which would mean a 15-year wait for any COLA. For those law enforcement in KPERS, which is a majority, it would be a five-year wait. As a law enforcement career is not one of the higher paying careers, we believe this would put law enforcement retirees at a disadvantage when attempting to keep up with inflation, health insurance, medication, etc.

KPOA would like to see this legislature pass a permanent COLA of 2% or 3%, to be paid on a yearly or every-other-year basis. This would ensure that retirees can keep pace with inflation, health insurance, etc.; and would remove this issue from the political process on a yearly basis.

Again, we support HB 2890 with the above amendment, but must oppose the COLA legislation as we understand it.

Thank you for this opportunity. I would stand for questions.

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# KANSAS SHERIFFS ASSOCIATION

House Appropriations Committee

March 4, 1998

SUBJECT: HB 2890 and COLA options

Mr. Chairman and Members of the Committee:

I am Helen Stephens, representing the Kansas Sheriffs Association (KSA).

KSA opposes HB 2890 as it is written. Approximately 10% of the counties are in KP&F, and these are the larger counties with large numbers of detention officers that are presently in KP&F. HB 2890 would cut off membership for detention officers in KP&F after July 1. Our main concern is maintaining good, high-quality detention officers in the future.

Although there is no statute mandating training (and we are not supporting one), the majority of these counties with detention officers in KP&F do have a training program for their detention officers. Finding competent detention officers is quite difficult and offering membership in KP&F is an employment incentive. We would request an amendment that would allow future detention officers (if trained voluntarily by the county) to be eligible for membership in KP&F. If this amendment were approved, KSA would then support passage of HB 2890.

Another alternative for city and county detention officers is the KPERS Corrections, which is presently for state employees only. If this could be opened up for local detention officers when the KP&F door closes, we could then support HB 2890.

Again, KSA's main concern is the maintenance of good, quality detention officers in the future for all counties. We believe one of the alternatives mentioned above would be of great benefit.

KSA also opposes the COLA legislation. We believe there should be no waiting period before a COLA is given to retirees. As we understand the COLA, a retiree must be 70 years of age and retired for 5 years. Members of KP&F can retire at 55, which would mean a 15 year wait for any COLA. LEOs in "regular" KPERS would have the 5-year wait. Law Enforcement is not a high-paying career and the 15 or 5-year wait would be a detriment to a majority of retired law enforcement.

KSA would like to see this legislature pass a permanent COLA of 2% or 3%, to be paid on a yearly or every-other-year basis. This would ensure that retirees can keep pace with inflation, health insurance, etc.; and would remove this issue from the political process on a yearly basis.

Again, we oppose HB 2890 without one of the two alternatives mentioned above.

Thank you for this opportunity. I would stand for questions

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Presentation to the Legislative Appropriations Committee,  
Phil Kline Chairperson  
March 4, 1998

I am Don Boggs

Collectively, we have kept our Requests brief and to the point. We are simply asking that we be allowed to discuss for future approval from our County Commissioners, the inclusion in the Police and Fire Pension System.

We are not asking for any mandate. We are only asking that the opportunity not be taken away from us.

Clearly, the Correction Officer spends a lot more time, with each and every criminal, than the officers who arrest them, do. Day in Day out, 365 days a year, our Jail must deal with the groups of inmates housed in each module. These are the criminals that you read about in the Local Newspaper. These are the criminals that have created crimes that range from minor to horrendous. These are the criminals that have stolen, cheated, raped, killed and otherwise violated the laws that our Legal System operates with. We are one on 40 with these violators. That is stress. Occasionally we are injured in inmate challenges. Some have lost work opportunity for long periods of time, and even at the present, one officer awaits final determination on their ability to continue to do this work. We must be physically able to handle ourselves in disruptive situations.

As we get older, our ability to respond for ourselves and our fellow officers will diminish. Without a fair retirement system, we will be forced to quit with no income until the present KPERS kicks in, or risk injury to self and others due to our lessened ability to restrain the inmates engaged in violent behavior.

All we ask from this committee is that they leave the door open so that, if in the future our County Commission sees it's way clear to provide the benefit of Police and Fire Pensions, that they are still available. Please keep the door open for Corrections Officers.

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HERE ARE THE TOP 25 TOPICS

IN BASIC ACADEMY

PROGRAM OF INSTRUCTION (POI) BASIC CORRECTIONAL OFFICER'S ACADEMY  
120 Hours.

<u>Title</u>	<u>Instructor</u>	
Principles of Security	[REDACTED]	2 Hours
Jail Legal Issues	[REDACTED]	2 Hours
Programs	[REDACTED]	1 Hour
Patrol Procedures	[REDACTED]	2 Hours
Medical Procedures	[REDACTED]	1 Hour
Direct Supervision	[REDACTED]	24 Hours
ARC 1st Aid/CPR	[REDACTED]	8 Hours
Burdine Aikido System	[REDACTED]	20 Hours
Interpersonal Communications	[REDACTED]	16 Hours
Suicide Prevention	[REDACTED]	2 Hours
Restraint Equipment	[REDACTED]	2 Hours
Inmate Discipline	[REDACTED]	2 Hours
Report Writing	[REDACTED]	4 Hours
Sexual Harassment	[REDACTED]	2 Hours
Pat/Strip/Cell Search	[REDACTED]	2 Hours
Building & Grounds	[REDACTED]	2 Hours
Inmate Con Games	[REDACTED]	2 Hours
Ethics & Professionalism	[REDACTED]	1 Hour
Booking & Classification	[REDACTED]	3 Hours
Property Room	[REDACTED]	2 Hours
Emergency Procedures	[REDACTED]	2 Hours
Fire Training	[REDACTED]	4 Hours
Problem/Special Needs Inmates	[REDACTED]	1 Hour
Exam/Course Critique	[REDACTED]	3 Hours
Graduation	[REDACTED]	1 Hour

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Presentation to the Legislative Appropriations Committee,  
Phil Kline Chairperson  
March 4, 1998

My name is Ben Weber. I work as an Officer at the Shawnee County Jail. I am here to represent my fellow officers at Shawnee County Jail and Youth Center.

Let me first make clear that Youth Center is not the 'home for runaways or truent youth". It is as stressful and dangerous an environment as the Jail. Both house the criminals for all of the crimes committed in our County and around the State.

Our Dept. used to be with the Sheriffs Dept but we have been separated in the past. They have the Police and Fire Pension, but we do not. We are here to ask you not to close the door on us, but to leave an option in the bill wherein the County Commission may in the future, include us in the P and F.

We book, classify, and house every single inmate that the Law Enforcement Officers arrest. We do so in a 40 plus criminals to one Officer environment with no weapons for protection. We are physically LOCKED IN the Multi-cell module with the inmates. The inmates are not LOCKED DOWN in this environment but roam at will within the module.

Further, we receive 120 hours of Corrections academy training in Accordance with the American Corrections Association Standards, and the National Institute of Corrections, for our positions, similar to that of the Police and Sheriffs Officers Academy. The Attached Document outlines our training courses. We also receive yearly additional training in support of our responsibilities. Many of us also receive firearms training to pursue an escapee, should that ever occur.

We are here to ask you to HOLD THE DOOR OPEN for us, so that if and when we can gain agreement by our Commissioners, that we too can earn the Pensions that our Job dictates.

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Presentation to the Legislative Appropriations Committee,  
Phil Kline Chairperson  
March 4, 1998

Hello, My name is Kevin Lashley I am a Corrections Officer at Shawnee County Jail.

I am here today to ask you to include us in the final bill relating to the workers who will be INCLUDED in the eligibility for Police and Fire Pension.

A Majority of Sheriffs Departments have direct supervision and control responsibilities over the Jails in their Counties. This by its very nature, creates inclusion for the Jail should the Sheriffs Dept become covered by P and F.

In Shawnee County some years ago, the Commissioners put the Jail under a separate Department. The Shawnee County Sheriffs Dept is now under P and F and the Officers of the Jail/Youth Center, are not covered by P and F.

We are not asking that you mandate coverage to the County, merely that you leave the option of inclusion of our Jail/ Youth Center in the future, should the Commission elect to do so.

We serve in a Direct Supervision Module designed Jail, wherein we are in constant "dormitory" environment with 35 to 40 inmates. We are charged with their supervision, with no weapons or protection. This is a stressful situation and because of the physical nature, one that would be nearly physically impossible after 55 or so years of age.

We need the benefit of a retirement that would take us out of this environment when our age, health, and strength dictate. Please do not close the door on us. Please do not lock us out!!

We appreciate you listening to our plea and ask that you vote to include this request in the final bill.

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