

SESSION OF 2002

SUPPLEMENTAL NOTE ON SENATE BILL NO. 658

As Recommended by Senate Committee on
Ways and Means

Brief*

SB 658 would implement the Governor's recommended six-month moratorium in FY 2003 on death and disability contributions paid by participating employers to the Kansas Public Employees Retirement System (KPERs). The effective dates would be July 1, 2002, until December 31, 2002.

Background

A seven-quarter moratorium on the employer contributions to the Death and Long-Term Disability Benefits plan administered by KPERs ended on December 31, 2001. Employer payments resumed January 1, 2002, and those payments are deposited into the KPERs Group Insurance Reserve Fund. The Governor's proposal for FY 2003 would result in savings of approximately \$14.23 million, with \$11.12 million attributed to state savings and \$3.11 million attributed to local units of government and other KPERs participating employers.

The fiscal note from the Budget Division indicated state and local savings due to the six-month's moratorium would be as follows:

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org/cgi-bin/fulltext/bills.cgi>

**Financial Impact
KPERs Employer Contributions
for Death and Disability
(In Millions)**

Employer Payments	Six Months Estimated FY 2003
State/School/Regents/Other	\$ 11.12
Local Units	3.11
Total	\$ 14.23
State General Fund	\$ 9.30
State All Other Funds	\$ 1.82

KPERs staff estimates the ending balance in the Group Insurance Reserve Fund will be \$121 million on June 30, 2002, and will decrease to \$92 million on June 30, 2003, if a six-month moratorium were enacted in FY 2003.