SESSION OF 2007

SUPPLEMENTAL NOTE ON SENATE BILL NO. 371

As Amended by Senate Committee on Ways and Means

Brief*

SB 371, as amended, would update two provisions in current law. First, the bill would allow purchase of service credit by certain members of the Kansas Public Employees Retirement System (KPERS) for breaks in service due to serving in peace-keeping missions of the United Nations. Second, the bill would allow certain Tier I members of the Kansas Police and Fireman's Retirement System with 21 or more years of service, who are disabled and who have adult children, to have retirement benefits calculated in the same manner as disabled members without children.

Background

The bill, as introduced, was to address a situation involving two state employees who took leaves of absence to serve in peace-keeping missions of the United Nations. No credit was earned toward retirement under KPERS. One of the employees who returned to work in state government appeared as a proponent of the bill. The fiscal note indicates that there would be no cost to the state agencies, and the full actuarial cost of purchasing service credit would be the responsibility of employees.

The Senate Committee amended the bill to include amendments to the Kansas Police and Fireman's (KP&F) Retirement System for Tier I members. This is a closed KP&F group. All new members of KP&F must join Tier II which has different benefit provisions. KPERS staff reported that research

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*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 had not identified why the difference in calculating benefits had been codified, but that KPERS staff believed the matter was one of equity and recommended the change to equalize benefit calculations for KP&F members of Tier I who have adult children with those who do not have adult children. The fiscal note indicates a modest actuarial cost increase in benefits based on this change. Since KP&F employer contributions are actuarially determined, any increase in cost will be reflected in future rates for FY 2009 if actuarially significant. KPERS staff estimates that approximately eight current disabled members will be affected by this change and the actuarial cost is anticipated to be insignificant.