

A KPERS PLAN SUBMITTED BY KCPR

Some of the rationale has been included as part of the individual ideas.

Point 1: Make KPERS a priority!

- A. There is wisdom from the past that states: "You can do anything you want, you just can't do everything you want!"
- B. Attempt to look at the present KPERS plan in a positive light! Be an advocate for the 90% who continue to live in Kansas following retirement. Advocate for those still working in public service that make Kansas a great State in which to live and retire.
- C. Note the incredibly positive impact that pension benefits inject into the State's economy on a monthly basis. (See attached.)

Point 2: First and foremost, address the UAL by allowing the Tier II plan, effective July 1, 2009, to work.

- A. The Tier II enactment has already had a positive effect on the employee contribution rate.
- B. The employee contribution has risen to an average of 4.17%. Under the present system, the employee contribution WILL ultimately rise to 6%.
- C. Remaining with the present plan allows for the maximum amount of investment return on the maximum pool of money for the greater period of time.

Point 3: Remove the cap on State contribution so that a quicker positive impact can be made on the UAL.

- A. If retiree benefits become a higher priority, the State funding should reflect that and the cap could be removed.

Point 4: Begin bonding in incremental amounts the indebtedness at a reasonable amount and as rates are feasible.

- A. These decisions should be placed in the hands of the KPERS Board and staff.
- B. This has a positive impact on the UAL and hastens the day that the State contribution can be reduced.
- D. Bonding would show the desire of the State to compensate for past neglected funding.

Point 5: This approach will be less expensive because the State will be "funding" one plan instead of two and it has also become apparent that the expenses which evolve from conversion are greatly reduced.

- A. The only legal question left remaining over the entire retirement system is the number of years allowed to erase the UAL. With this more aggressive approach to reducing the UAL, this question also likely becomes a moot point.

Point 6: The argument that the original KPERS plan is not sustainable is a philosophical argument at best. **THIS IS NOT AN ABSOLUTE FACT!**

- A. We note that numerous conferees in the past have repeatedly stated that if the proper employer funding had been in place, these present discussions would have never taken place.

Point 7: With a 401K type plan, the initial employer contribution cannot be reduced. In fact, in the examples we have seen, the State contribution starts at 1% and goes up to a maximum number. Once that contribution amount is reached, it can never go down. That is a mathematical fact!

Point 8: Any plan must be based on the State's ability to keep it's commitment to the plan. This has not only been expressed by employee groups, but also by commission members and individual legislators.

- A. It will be more difficult for future legislatures to underfund a plan in the future because of the considerable focus brought to this problem.
- B. We believe it is far too easy for an employer not to fund a 401K, as we have seen time after time in the private sector.

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Kansas Public Employees Retirement System
Monthly Retirement Benefit Payments to Kansas Residents by County
Ranked by Total Monthly Retirement Benefits Paid in June 2011

Rank	Kansas County	Benefit Recipients		Monthly Retirement Benefits	
		Number	Percent of Total	Amount	Percent of Total
1	Johnson	7,363	10.81%	\$ 10,750,610	13.94%
2	Shawnee	7,610	11.17%	\$ 10,017,088	12.99%
3	Sedgwick	7,178	10.54%	\$ 8,238,624	10.68%
4	Wyandotte	3,140	4.61%	\$ 4,283,053	5.55%
5	Douglas	2,598	3.81%	\$ 3,359,873	4.36%
6	Reno	2,087	3.06%	\$ 2,240,836	2.91%
7	Saline	1,512	2.22%	\$ 1,746,176	2.26%
8	Leavenworth	1,405	2.06%	\$ 1,680,128	2.18%
9	Riley	1,514	2.22%	\$ 1,655,961	2.15%
10	Butler	1,374	2.02%	\$ 1,519,280	1.97%
11	Cowley	1,368	2.01%	\$ 1,394,830	1.81%
12	Crawford	1,125	1.65%	\$ 1,191,654	1.55%
13	Lyon	1,082	1.59%	\$ 1,125,964	1.46%
14	Montgomery	1,034	1.52%	\$ 1,046,209	1.36%
15	Harvey	972	1.43%	\$ 1,039,807	1.35%
16	Miami	799	1.17%	\$ 936,911	1.21%
17	Ellis	870	1.28%	\$ 890,816	1.16%
18	McPherson	866	1.27%	\$ 875,012	1.13%
19	Labette	808	1.19%	\$ 809,893	1.05%
20	Sumner	784	1.15%	\$ 783,471	1.02%
21	Jefferson	696	1.02%	\$ 751,252	0.97%
22	Franklin	687	1.01%	\$ 739,404	0.96%
23	Barton	709	1.04%	\$ 699,926	0.91%
24	Osage	635	0.93%	\$ 683,846	0.89%
25	Neosha	632	0.93%	\$ 671,982	0.87%
26	Pottawatomie	620	0.91%	\$ 626,753	0.81%
27	Dickinson	653	0.96%	\$ 604,764	0.78%
28	Finney	558	0.82%	\$ 580,635	0.75%
29	Ford	596	0.88%	\$ 577,099	0.75%
30	Cherokee	543	0.80%	\$ 547,569	0.71%
31	Jackson	490	0.72%	\$ 531,798	0.69%
32	Geary	516	0.76%	\$ 522,264	0.68%
33	Allen	499	0.73%	\$ 509,139	0.66%
34	Pawnee	512	0.75%	\$ 505,005	0.65%
35	Atchison	466	0.68%	\$ 479,224	0.62%
36	Bourbon	441	0.65%	\$ 424,180	0.55%
37	Pratt	343	0.50%	\$ 373,001	0.48%
38	Coffey	351	0.52%	\$ 356,288	0.46%

Rank	Kansas County	Benefit Recipients		Monthly Retirement Benefits	
		Number	Percent of Total	Amount	Percent of Total
39	Marion	415	0.61%	\$ 355,012	0.46%
40	Linn	340	0.50%	\$ 333,319	0.43%
41	Rice	374	0.55%	\$ 316,691	0.41%
42	Cloud	351	0.52%	\$ 313,094	0.41%
43	Wabaunsee	291	0.43%	\$ 309,787	0.40%
44	Clay	318	0.47%	\$ 307,951	0.40%
45	Norton	298	0.44%	\$ 298,521	0.39%
46	Mitchell	277	0.41%	\$ 294,892	0.38%
47	Seward	308	0.45%	\$ 287,418	0.37%
48	Wilson	326	0.48%	\$ 287,389	0.37%
49	Brown	306	0.45%	\$ 287,203	0.37%
50	Marshall	327	0.48%	\$ 285,728	0.37%
51	Anderson	320	0.47%	\$ 285,204	0.37%
52	Russell	338	0.50%	\$ 274,192	0.36%
53	Greenwood	278	0.41%	\$ 270,805	0.35%
54	Ellsworth	252	0.37%	\$ 266,308	0.35%
55	Nemaha	296	0.43%	\$ 257,455	0.33%
56	Harper	284	0.42%	\$ 254,598	0.33%
57	Kingman	239	0.35%	\$ 238,648	0.31%
58	Morris	238	0.35%	\$ 236,857	0.31%
59	Thomas	234	0.34%	\$ 217,708	0.28%
60	Rooks	251	0.37%	\$ 209,479	0.27%
61	Republic	237	0.35%	\$ 208,750	0.27%
62	Sherman	210	0.31%	\$ 205,313	0.27%
63	Doniphan	223	0.33%	\$ 193,929	0.25%
64	Ottawa	212	0.31%	\$ 193,684	0.25%
65	Phillips	193	0.28%	\$ 190,969	0.25%
66	Washington	233	0.34%	\$ 189,188	0.25%
67	Grant	190	0.28%	\$ 185,727	0.24%
68	Barber	200	0.29%	\$ 180,989	0.23%
69	Stafford	185	0.27%	\$ 149,886	0.19%
70	Graham	161	0.24%	\$ 142,453	0.18%
71	Smith	150	0.22%	\$ 142,391	0.18%
72	Meade	154	0.23%	\$ 138,880	0.18%
73	Kearney	123	0.18%	\$ 136,324	0.18%
74	Jewell	153	0.22%	\$ 133,191	0.17%
75	Gray	133	0.20%	\$ 129,975	0.17%
76	Osborne	153	0.22%	\$ 126,782	0.16%
77	Rush	143	0.21%	\$ 123,566	0.16%
78	Logan	147	0.22%	\$ 117,543	0.15%
79	Stevens	119	0.17%	\$ 115,094	0.15%
80	Chase	133	0.20%	\$ 113,232	0.15%

Rank	Kansas County	Benefit Recipients		Monthly Retirement Benefits	
		Number	Percent of Total	Amount	Percent of Total
81	Rawlins	118	0.17%	\$ 112,320	0.15%
82	Ness	146	0.21%	\$ 111,575	0.14%
83	Trego	117	0.17%	\$ 111,314	0.14%
84	Gove	130	0.19%	\$ 110,980	0.14%
85	Woodson	158	0.23%	\$ 110,709	0.14%
86	Lincoln	122	0.18%	\$ 104,316	0.14%
87	Edwards	131	0.19%	\$ 101,619	0.13%
88	Elk	157	0.23%	\$ 101,398	0.13%
89	Decatur	130	0.19%	\$ 97,418	0.13%
90	Haskell	81	0.12%	\$ 93,097	0.12%
91	Chautauqua	122	0.18%	\$ 85,467	0.11%
92	Morton	100	0.15%	\$ 83,314	0.11%
93	Scott	108	0.16%	\$ 80,455	0.10%
94	Sheridan	95	0.14%	\$ 78,620	0.10%
95	Cheyenne	106	0.16%	\$ 77,220	0.10%
96	Hamilton	79	0.12%	\$ 75,117	0.10%
97	Hodgeman	86	0.13%	\$ 75,092	0.10%
98	Kiowa	81	0.12%	\$ 71,204	0.09%
99	Clark	93	0.14%	\$ 70,828	0.09%
100	Comanche	98	0.14%	\$ 70,812	0.09%
101	Lane	71	0.10%	\$ 67,276	0.09%
102	Stanton	75	0.11%	\$ 54,721	0.07%
103	Wallace	54	0.08%	\$ 35,847	0.05%
104	Wichita	52	0.08%	\$ 35,144	0.05%
105	Greeley	44	0.06%	\$ 32,437	0.04%
	Totals	<u>68,103</u>	<u>100.00%</u>	<u>\$ 77,124,754</u>	<u>100.00%</u>

Note: Totals may not add due to rounding.