

March 21, 2013

To: Kansas Senate Committee on Ways and Means

I am in support of House Bill No. 2352. This bill would allow those employees affected to work longer to increase the pension benefit they would be eligible for. While on the surface increasing the maximum percentage an employee may earn for a pension seems to be cost prohibitive, it is not. If employees work longer to earn the higher percentage, they are paying into the fund for a longer period of time and receiving their pension benefit for a shorter period of time.

In my department, most employees maximize their pension benefit prior to reaching mandatory retirement age. Once this occurs, there is no benefit to them continuing to work. They have to continue to pay in at a 2% rate, yet they are unable to increase their benefit. This causes a large number of employees to retire earlier than they probably would, and requires the pension fund to pay the benefit for a longer period of time. Additionally, this can lead to fire and police departments losing highly qualified, experienced employees sooner rather than later.

I would also recognize that according to the proposed language employees who are currently maxed at the 80% would have to pay an additional amount to accrue the 90% maximum proposed. If an employee is paying the 2% currently required once an employee reaches 80%, he or she would have to pay the 7.15% to receive the increased benefit. This would add revenue to the pension fund while decreasing the instances where departments are losing experienced, qualified employees. This is a win-win situation. I hope you will approve this bill as I feel it would be a positive for all those involved. Thank you.

Sincerely,

Randall Phillips
President, IAFF Local 83

Senate Ways and Means Committee
Date: 03-21-2013
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