Approved: May 12, 2015

# MINUTES OF THE HOUSE PENSIONS AND BENEFITS COMMITTEE

The meeting was called to order by Chairperson Steven Johnson at 2:15pm on Wednesday, May 06, 2015, 152-S of the Capitol.

All members were present except:
- Representative John Alcala – Excused
- Representative John Carmichael, appointed substitute member to the committee

Committee staff present:
- Reed Holwegner, Legislative Research Department
- David Wiese, Office of Revisor of Statutes
- Gordon Self, Office of Revisor of Statutes
- Lea Gerard, Kansas Legislative Committee Assistant
- Mark Dapp, Legislative Research Department

Conferees appearing before the Committee:
- Alan Conroy, Executive Director, KPERS
- Dodie Wellshear, United School Administrators
- Kevin Flory, President, State of Kansas Firefighters Association
- Ron Estes, Kansas State Treasurer

Others in attendance:
- See Attached List

**Informational briefing:**
Chairperson Johnson opened the meeting for the purpose of an informational briefing **Senate Substitute for HB2095.**

David Wiese, Assistant Revisor, provided an overview of **Senate Substitute for HB2095**, Working after Retirement (Attachment 1). The bill makes requirements for working after retirement and amends the duties of the Joint Committee on Pensions, Investments and Benefits. David Wiese stood for questions from the committee.

Chairperson Johnson recognized Alan Conroy, Executive Director KPERS who presented the following two documents based on **Senate Substitute for HB2095** as passed by the Senate Committee.
- Working After Retirement Flowchart (Attachment 2)
- Summary of **Senate Substitute for HB2095**. (Attachment 3).

Dodie Wellshear, United School Administrators spoke on prearrangement and IRS regulations, the provision for the five hard to fill positions and the emergency hardship position. Ms. Wellshear stated her recommendation would be to offer a fairly agile process where an emergency meeting could be held electronically when there is a need to fill an emergency hardship position. She also stated Special Education teachers and personnel are more and more difficult to maintain and suggested for this position it would be five years without earnings limitations instead of three years. Dodie Wellshear stood for questions from the committee.

Kevin Flory, Kansas State Firefighters Association stated not all fire service personnel in Kansas are in the KP&F system. Many of the small rural areas are KPERS and this legislation will start limiting the pool of candidates the rural areas could draw on to hire as their Fire Safety or Public Safety Director. In the rural areas, the candidates are typically already public service employees working for KDOT, cities and/or counties in the KPERS system and this legislation will cut down on candidates who will come into the small rural areas and continue their service. Mr. Flory stood for questions from the committee.

Ron Estes, Kansas State Treasurer made the following recommendations for **Senate Substitute HB2095**:

- Make sure we have a good definition of local and county positions.
- Under the current law, depending on where you work, your previous employer, new employer and if over or under $20,000. limit, retirant may not qualify for benefit payment.
- Regarding cash flow into the system and looking at the 3 categories across the chart, two of them the employer is paying actuary plus 8% into the KPERS system to cover funding for KPERS for the hardships and hard-to-fill positions. For the normal working after retirement person, the employer will pay just the statutory rate. At this point, the cash flow into the KPERS system would be less than if the employer hired someone out of college. Recommendation would be to make all of them actuary plus 8%

Ron Estes stood for questions from the committee.

Representative Trimmer requested the committee make a motion to not concur when we bring up on the floor and send **Senate Substitute HB2095** to a conference committee to address the issues instead of making a motion to concur.

Representative Kelly advised since the effective date of the new portion is a year away, there is still time to look at issues before it come into effect.

Meeting adjourned.
No date set for any further meetings.