KARSP

For strength, we need you!

Kansas Association of Retired School Personnel

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Testimony to House Pensions and Benefits Committee

Submitted by : Dr. Harvey Ludwick, lobbyist for KARSP

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Chairman Johnson, and members of the committee, thank you for giving me the opportunity to appear before you today. I am Harvey Ludwick and I represent the Kansas Association of Retired School Personnel. Please consider us a proponent of H.B. 2253.

(Hand out copies of "WAR Scenario 2 Income Comparison" by KPERS)

Discuss the Case studies of the retires in column #1 "Member retires when first eligible for full benefits."

Discuss the Case study of "member retires when first eligible for full benefits but continues working." in column #2.

Discuss the third column "Member works until full retirement".

When the monthly benefit amount is established, there is not altering. In fact for the past 18 years that amount has not changed.

Separation from Service: The Private Letter Ruling 201147038 would seem to indicate that 60 days is acceptable to the IRS in meeting the break in service requirement.

Prearranged reemployment: As a former Superintendent, it would seem that a short form included in the Superintendents Report or Principal Report indicating that EEOC requirements were met before a retiree was rehired would put the responsibility where it belongs.

Cost to KPERS: The 6% that a new employee would be paying and the 8% interest received on that employee contribution would not be paid to KPERS for as long as the retiree reemployed. However if the retiree lives long enough he will receive less money from KPERS after age 71 than had he continued to work for an additional 3 years.

Thank you again for this opportunity.

KPERS

WAR Scenario 2

Income Comparison

		Member retires when first eligible for full benefits:			Member retires when first eligible for full benefits but continues working:				Member works until full retirement:			
	Year	Salary History	KPERS Benefit	Subtotal	Salary History	KPERS Benefit	Total Income	Subtotal	Salary History	KPERS Benefit	Total Income	Subtotal
	2011	$46,228	$0		$46,228	$0	$46,228		$46,228	$0	$46,228	
	2012	$48,077	$0		$48,077	$0	$48,077		$48,077	$0	$48,077	
55	2013	$50,000	$0		$50,000	$0	$50,000		$50,000	$0	$50,000	
56	2014	**$0**	**$25,253**		**$52,000**	**$25,253**	**$77,253**		$52,000	$0	$52,000	
57	2015	$0	$25,253		$54,080	$25,253	$79,333		$54,080	$0	$54,080	
58	2016	$0	$25,253	**$75,759**	$56,243	$25,253	$81,496	**$238,082**	$56,243	$0	$56,243	**$162,323**
59	2017	$0	$25,253		**$0**	**$25,253**	**$25,253**		**$0**	**$31,247**	**$31,247**	
60	2018	$0	$25,253		$0	$25,253	$25,253		$0	$31,247	$31,247	
61	2019	$0	$25,253		$0	$25,253	$25,253		$0	$31,247	$31,247	
62	2020	$0	$25,253		$0	$25,253	$25,253		$0	$31,247	$31,247	
63	2021	$0	$25,253		$0	$25,253	$25,253		$0	$31,247	$31,247	
64	2022	$0	$25,253		$0	$25,253	$25,253		$0	$31,247	$31,247	
65	2023	$0	$25,253		$0	$25,253	$25,253		$0	$31,247	$31,247	
66	2024	$0	$25,253		$0	$25,253	$25,253		$0	$31,247	$31,247	
67	2025	$0	$25,253		$0	$25,253	$25,253		$0	$31,247	$31,247	
68	2026	$0	$25,253	**$252,530**	$0	$25,253	$25,253	**$252,530**	$0	$31,247	$31,247	**$312,470**
	TOTAL	**$0**	**$328,289**	**$328,289**	**$162,323**	**$328,289**	**$490,612**	**$490,612**	**$162,323**	**$312,470**	**$474,793**	**$474,793**
69						$353,542.				$343,717.		
70						378,795.				374,964.		
71						404,048.				406,211.		
80						631,325.				687,434.		