



KANSAS BOARD OF REGENTS

Joint Committee on Pensions, Investments and Benefits September 12, 2016

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Good afternoon Chairman King and Members of the Committee. This testimony is submitted on behalf of the Kansas Board of Regents and the state universities it governs. Legislation enacted in 2015 and 2016 regarding KPERS working after retirement has impacted the Regents system in a manner we believe was not intended.

Although the Board Office and Regents universities are designated as participating KPERS employers, the majority of our employees are not in KPERS, but rather are members of the Regents Mandatory Retirement Plan, as provided for in state law¹. When we hire a new faculty or professional staff member, that individual joins the Regents Retirement Plan, and does not become a KPERS member unless the new employee is hired directly from an active KPERS position and makes the irrevocable decision to remain in KPERS. When taking a position in the Regents system as university support staff or in a classified position, the employee joins the State group under KPERS.

The Board of Regents seeks an exemption to K.S.A. 2016 Supp. 74-4914 so that if a KPERS retiree is hired into a Regents Mandatory Retirement Plan position, the employee is not impacted by the compensation limitation and the employer is not impacted by the new KPERS contribution requirement. These positions are not and have not been connected in any way to KPERS. To clarify, we do not seek any change to the 60-day waiting period or to the prohibition against pre-arrangement. Nor do we seek an exemption for those Regents employees who are in KPERS-covered positions.

¹ K.S.A. 2016 Supp. 74-4925

We and KPERS staff are in agreement that the suggested language below would carry out the requested change. This amendatory language could read as follows²:

(b) The provisions of this subsection shall not apply, except as specifically provided in this subsection, to retirants that are:

- (iv) members of the Kansas police and firemen's retirement system pursuant to K.S.A. 74-4951 et seq., and amendments thereto, ~~or~~ members of the retirement system for judges pursuant to K.S.A. 20-2601 et seq., and amendments thereto, ***or members of the Kansas board of regents retirement plan pursuant to K.S.A. 74-4925 et seq., and amendments thereto. The participating employer of such retirant shall certify that the hired retirant has not been employed by the participating employer within 60 days of such retirant's retirement and that there was no prearranged agreement for employment between the participating employer and the hired retirant;***

To give context to our request, our system currently employs 17,787 benefits eligible faculty and staff. Of those, 140 are KPERS retirees and 3,730 are active members in KPERS—primarily our university support staff. While we cannot predict how many KPERS retirees the Regents system may hire in the future, we do not believe the number to be substantial relative to the size of our workforce. There are particular instances, such as with our Schools of Education, that find hiring faculty experienced in elementary and secondary education to be of tremendous value. This exemption would be helpful to them in retaining or recruiting such faculty members.

The Kansas Board of Regents welcomes the opportunity to discuss this issue further, and greatly appreciates the efforts by Alan Conroy and his staff who have worked on our behalf to clarify how these new rules are to be implemented under current law and how we might enact a legislative change.

Thank you for the opportunity to appear before you on this issue.

² Excerpt from K.S.A. 2016 Supp. 74-4914, Section 7.