



To: Senate Select Committee on KPERS

From: Nicole Proulx Aiken, Legal Counsel

Date: April 29, 2015

Re: Written neutral testimony on Working After Retirement Substitute Bill

Thank you for allowing the League of Kansas Municipalities to submit written neutral testimony. This bill would prohibit many retired employees returning to work for a KPERS employer from collecting their KPERS' benefits while working. The League's 2015 Statement of Municipal Policy, approved by our members at our annual conference in October 2014, states: "We support the current statutory framework regarding KPERS. The local KPERS system should remain separate from the state and school retirement system. Changes to the KPERS system should consider the impact on cities' ability to hire and retain qualified public employees."

The League and its member cities understand the importance of maintaining a well-funded KPERS system. We support the changes the legislature has made in the last few years and have seen the positive effects to the unfunded actuarial liability that resulted from these changes. Preventing retired employees from collecting KPERS while working for a KPERS eligible employer should have further positive effects on the unfunded actuarial liability.

The League also appreciates that this new legislation addresses some of our previous concerns. Cities that have a difficult time finding an employee to fill a position will be able to file for a hardship. Moreover, current retired employees that have returned to work will be exempt from these provisions. The League believes these changes will make it easier for cities to hire and retain qualified public employees.

Thank you again for allowing the League to provide written neutral testimony.