

May 1, 2019

The Honorable Jim Kelly, Chairperson
House Committee on Financial Institutions and Pensions
Statehouse, Room 581-W
Topeka, Kansas 66612

Dear Representative Kelly:

SUBJECT: Fiscal Note for HB 2328 by House Committee on Financial Institutions and Pensions

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2328 is respectfully submitted to your committee.

HB 2328 would allow military service that is served concurrently with any participating service within the same calendar year to be credited as additional participating service.

Allowing certain members to receive additional service time would increase benefits for these members and have an actuarial effect on the state retirement system. However, the Kansas State Employees Retirement System (KPERS) is unable to estimate the actuarial cost because of the variability of the members who would be eligible. KPERS estimates the actuarial effect would likely be small because of the small number of members who would be affected by the bill. KPERS indicates that each year it tracks the number of members who are eligible for participating service due to military service time. Over the last several years, the number of eligible members has ranged from a low of eight members in calendar year 2015 to as high as 70 members in calendar year 2013.

KPERS indicates that there would be administrative costs associated with the bill, but the additional expenditures would be absorbed within existing resources. Any fiscal effect associated with HB 2328 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Jarod Waltner, KPERS