

MINUTES OF THE HOUSE PENSIONS & BENEFITS COMMITTEE

The meeting was called to order by Chairman Mitch Holmes at 9:05 a.m. on March 9, 2011, in Room 142-S of the Capitol.

All members were present.

Committee staff present:

Gordon Self, Office of the Revisor of Statutes
David Wiese, Office of the Revisor of Statutes
Julian Efird, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Darla Conner, Committee Assistant

Conferees appearing before the Committee:

Glenn Deck, Executive Director KPERS

Others attending:

See attached list.

Discussion and action on:

HB 2333 - Normal retirement date under KPERS.

Representative Charlie Roth moved to pass HB 2333 favorably. Seconded by Representative Steven Johnson.

Back on the bill. Chairman Holmes informed the committee that the intent was to have balloons ready for the bill. Due to conflicts with other committee meetings in the Revisors office, these balloons were not ready. An outline of amendments was given to the committee (Attachment 1).

Representative John Grange move to amend HB 2333 to link KPERS normal retirement age to social security full retirement age, to be implemented July 1, 2016, and to strike language that creates a one point increase per year for ten years. This coupling would apply to both Tier I and Tier II. Those members eligible to retire prior to July 1, 2016, remain eligible. Early retirement rules would remain unchanged for both Tier I and Tier II. The Corrections sub group would be exempted from this change and would continue under their current rules. Seconded by Representative Louis Ruiz. Division was called. Five in favor and four opposed. Motion passed.

Representatives Geraldine Flaharty and Louis Ruiz requested their vote be recorded in opposition to this amendment.

Glenn Deck, Executive Director KPERS, (Attachment 2) discussed full retirement eligibility and early retirement eligibility. He also supplied information on Social Security frequently asked questions on full retirement age (Attachment 3). Discussion followed.

Representative Steven Johnson moved to amend HB 2333 to contain a provision that would increase the annual cap on employer contributions to .8% per year rather than the current .6% per year, for the 2013 fiscal year. Seconded by Representative Charlie Roth. The motion carried.

Representative Steven Johnson moved to amend HB 2333 to change the multiplier for future service from 1.75 to 1.4 This would apply to both Tier I and Tier II. This would be effective for service in the 2013 fiscal year and following. Seconded by Representative Charlie Roth. The motion carried.

Representative Geraldine Flaharty requested her vote be recorded in opposition to this amendment.

Representative James Kelly moved to amend HB 2333 to direct net proceeds from the sale of excess state real property to KPERS to pay down the state and school group unfunded liability. This would be effective starting in the 2013 fiscal year. Seconded by Representative Don Hill. The motion carried.

Representative James Kelly moved to amend HB 2333 to direct 50% of the annual net savings, limited to state general fund, generated by each department or agency be transferred to KPERS and 50% of year

CONTINUATION SHEET

The minutes of the House Pensions & Benefits Committee at 9:05 a.m. on March 9 , 2011, in Room 142-S of the Capitol.

end balances of each department or agency be transferred to KPERS to pay down the state and school group unfunded liability. Seconded by Representative Charlie Roth.

After discussion:

Representative James Kelly moved to amend his amendment to **HB 2333** by striking *and 50% of year end balances of each depart or agency be transferred to KPERS and adding commencing in FY 2012 for five years.* Courtesy second by Representative Charlie Roth. The motion failed.

Representative Steven Johnson, (Attachment 4), had an outline for another amendment for **HB 2333**.

Representative Steven Johnson moved to amend **HB 2333** to base the final average salary calculation on the highest seven years excluding any additional compensation for both Tier I and Tier II effective for the 2013 fiscal year. Seconded by Representative John Grange. The motion failed.

Representative John Grange moved to pass **HB 2333** favorably as a substitute bill. Seconded by Representative Charlie Roth. The motion carried.

Chairman Mitch Holmes directed staff to make **HB 2333** a substitute bill.

The next meeting is scheduled for March 14, 2011.

The meeting was adjourned at 10:28 a.m.