

FI&P subcommittee – January 30, 2017 – 281-N

Topic: *Working-After-Retirement (WAR)*

Convened @ 9:00am.

Present:

- Representatives Eplee, Hawkins (co-chair), Kelly (co-chair), Thompson, Trimmer
- Staff: Mark Dapp, Melissa Renick, David Wiese, Reed Holwegner, Anne Sawyer

Chairperson Kelly: this is informal meeting. The intent is not to change the *structure* of the working-after-retirement policy, but to reach consensus to identify ways to *make it simpler*.

Presentation by: Alan Conroy, Director, KPERS

- Need to be aware of legal issues and not impact the tax status of fund
- Funding of WAR
- Minimize complexity
- Workforce management (help districts in bind w/shortages in some teaching positions)
- Public perception (“double dipping”)
- The “no pre-arrangement” agreement addresses potential IRS questions
- Daily subs are exempt, in part due to desire to not disadvantage participants when changes came in 2015-16.

Diane Gjerstad (Wichita public schools):

1. Daily call subs
 - a. If filling in for KPERS-covered position, salary is paid into KPERS system for person who is out sick; therefore, system is being kept whole. Suggestion: Wants subs totally exempt
 - b. Teachers/certified staff treated differently than classified staff
2. Open positions

Brock Ingmire (Kansas League of Municipalities)

- Municipalities sometimes need to fill vacancies with a retiree, e.g., pool of applicants of those with experience w/municipal law is very small.
- Using 3rd parties like using private contractors.

Smaller surcharge v larger surcharge

- Surcharge is different depending on how long teacher has been retired
- Need to address situation where retiree has a life change and is compelled to return to work full-time and they want to start paying in again: AC says this can be arranged.

Elaine Frisbie (KBOR):

Informational hearing on bill introduced. Want universities to not have to pay the additional.

Rep. Trimmer: Definition of “compensation:” Representatives/Senator reimbursement counts as part of the \$25,000 cap.

Comments from Gallery:

- Keep in mind that attracting new people to teaching profession is part of the solution to the shortage.

- KP&F positions: 60-day waiting period causing difficulties in transition for those moving to small town and serving as chief of police. Waiting period problematic. However, subcommittee consensus at this point is can't lower it. Speaker will draft reasoning behind the waiting period.

Terry Forsyth (KNEA):

- Supports simplification of the process

Other issues:

- Alan Conroy to get back w/info on the 2-way door and elections made if teacher comes back
- Rep. Trimmer: If retirees just pay the surcharge (in addition to being dis-incentivized from early retirement), it would simplify things.
- As of 2020, no more special things like grandfathering, hardship, etc., everyone will be under the \$25,000 max allowable earnings
- Can plug suggestions into the KBOR bill (HB 2005).
- Rep. Trimmer: If it would help, would like to consider introduction of a separate bill if it would help.
- Brock Ingmire will pass ideas on re: 3rd party, independent contractors
- Send ideas to Rep. Kelly or Rep. Hawkins (co-chairs)

Next subcommittee meeting TBA.

Next meeting of the committee will be 9:00 AM on Wednesday, February 1.

Adjourned @ 10:25am.

Subcommittee notes taken by Anne Sawyer Committee Assistant.

1/30/17