



TESTIMONY
Supporting HB 2619
HOUSE FINANCIAL INSTITUTIONS AND PENSIONS COMMITTEE
February 3, 2020

Chairman Kelly and Members of the House Financial Institutions and Pensions Committee:

As an elected member of the KPERS Board of Trustees, the positions expressed in this testimony represent my views and/or the views of the Coalition and KARSP. They do not in any way represent the views of the KPERS Board of Trustees, nor do I speak for them. My name is Ernie Claudel, and I am here today in my capacity as Lobbyist for KARSP and Co-Chair of the Kansas Coalition of Public Retirees, and the Kansas Association of Retired School Personnel, to speak in favor of HB2619 regarding the frequency of KPERS actuarial experience studies.

The support of HB2619 comes from the understanding that the following would occur:

- A. The bill would provide for the actuarial experience review frequency be moved to 4 years.
- B. The bill also contains options which further give the KPERS Board the option of modifying this frequency to either three or five years.
- C. These options seem logical to me for the following reasons:
 - a. The extending of time between experience reviews would create some savings. The latest study cost an additional \$55,000.00.
 - b. The actuary has indicated that three years is a brief sample size for many of the factors which the experience study reviews.
 - c. The evaluation of such factors such as mortality, retirement numbers, pay increases, inflation and other factors are likely better evaluated using a longer sample period. Nationally recognized tables and statistics are used for several of the actuarial calculations. Using the present three-year period doesn't allow for much change in the numerous variables which are evaluated.
 - d. The duties of the Board of Trustees are considerable. The time that would be saved by expanding the time period would provide and allow more time to spend on other projects and decisions.
- D. Having been involved in three such studies during my time on the board, it makes sense to increase the time period.

We would, therefore, urge the support of HB2619. I would be happy to stand for questions.