

MINUTES OF THE HOUSE PENSIONS & BENEFITS COMMITTEE

The meeting was called to order by Chairman Mitch Holmes at 9:04 a.m. on March 9, 2012, 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 Efirid, Kansas Legislative Research Department
Darla Conner, Committee Assistant

Conferees appearing before the committee:

Rick Poccia, Member of the Kansas Employees Retirement System Study Commission

Others attending:

See attached list:

Rick Poccia, Member of the Kansas Employees Retirement System Study Commission, (Attachment 1), appeared before the committee to present his thoughts as a member of the commission who voted in favor of the majority plan, as to why the plan provides the framework for a viable approach to providing pension benefits to our state public sector employees, while at the same time dealing with economic realities being faced.

Action on:

SB 259 – KPERS; employment after retirement for certain school employees.

Representative Grange moved to pass out SB 259 favorably for passage. Seconded by Representative Roth.

Representative Roth moved to amend the cash balance plan conceptual design on the worksheet dated March 2, 2012 into 2012 SB 259, with the following modifications: only corrections officers will continue to enter Tier 2; in addition to the spouse being eligible for a 100 % annuitized benefit upon death of the other spouse, if there is no surviving spouse, then the estate should receive a lump sum distribution. Seconded by Representative Hill. Motion passed.

Representative Ruiz and Representative Flaharty having voted “ no” wished to have their votes recorded.

It was recommended to have an interim study on the inclusion of new “public safety officers” in Tier 2, developing a plan similar to that of corrections officers.

Representative Hill moved to include the following requirements as suggested by Security Benefit. (Attachment 2), “All electronic and written account statements provided to the members, or accessible to the members through electronic account access, shall include: 1) The anticipated monthly benefit from the account based on a retirement age of 65, 2) The anticipated percentage of income replacement

CONTINUATION SHEET

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provided by the plan based upon a retirement age of 65, and 3) The hypothetical/notional account balance. All electronic and written account statements provided to the members, or accessible to the members through electronic account access, shall clearly state that additional personal savings in programs like a 403 (b) plan or a 457 plan will likely be necessary to insure adequate retirement savings and address cost of living increases. KPERS shall develop and make available to all members an electronic benefits estimate calculator for the cash balance plan. Seconded by Representative Grange. Motion passed.

Representative Grange moved to add the contents of 2011 **HB 2311 – Enacting the Kansas public employees retirement system defined contribution act**, with the following modifications: establish a six month waiting period for new hires to have an election for either the cash balance plan to the defined contribution plan alternative in **HB 2311**; employee will contribute 6% and on a four year graduated scale, have the employer contribution increasing from 1% to 4%; no retirement contributions made for the first six months. Seconded by Representative Johnson.

Discussion.

Representative Hill moved to table **SB 259** to a certain date; Monday, March 12, 2012. Seconded by Representative Ruiz.

The next meeting is scheduled for March 12, 2012.

At 10:51 a.m. the meeting recessed until 9:00 a.m. March 12, 2012