MEMORANDUM

To: House Financial Institutions and Pensions Committee

From: Alan D. Conroy, Executive Director

Date: March 4, 2026

Subject: Proponent Testimony on Senate Bill 435

Senate Bill 435 is an administrative clean-up bill requested by the KPERS Board of Trustees. It does not make changes to the retirement plan design. Instead, it updates and aligns existing statutes to reflect current administrative practice, eliminate conflicting provisions, and improve governance clarity. We request your favorable recommendation of SB 435.

Conflicting Statutes
Current law contains three separate statutes governing working after retirement for state and local elected officials. Two of those statutes (K.S.A. 74-4915b and K.S.A. 74-4915c) were enacted in 2000 and establish rules that differ from the comprehensive provisions in K.S.A. 74-4914 passed in 2017. As a result, the same group of members is subject to multiple, inconsistent statutory rules regarding working after retirement.

SB 435 repeals the redundant sections.

KP&F Contributions
Under current law, employers that affiliate with KP&F for both past and future service are required to pay a fixed 16% contribution rate in their first year. This provision dates back to 1965, when actuarial valuations took longer and contribution rates could not always be certified in time for new affiliations. Today, actuarial contribution rates are calculated and available on a consistent schedule.

In addition, employers that affiliate for future service only already pay the actuarially required rate in their first year.

SB 435 updates K.S.A. 74-4967 to apply the actuarially determined contribution rate to all newly affiliating KP&F employers, regardless of whether they affiliate for future service only or for both past and future service.

Board Vice-Chairperson Election
Current law requires the Board to elect a Chairperson, who then appoints the Vice-Chairperson. The proposed change in SB 435 has the Board elect both the Chairperson and Vice-Chairperson. This change is requested by the Board of Trustees.

In closing, SB 435 is technical in nature, narrowly focused, and intended to improve statutory clarity and consistency. The bill does not impact actuarial funding, benefits or contributions. We request the Committee recommend SB 435 favorably for passage.

KPERS

Senate Actions
The Senate made no amendments during their review of SB 435 and passed the bill 40-0 on February 11.

We appreciate your consideration of SB 435 and request the bill be recommended favorably for passage. I would be pleased to answer any questions the Committee may have.