

FEDERAL AND STATE AFFAIRS COMMITTEE

February 12, 1969

The meeting was called to order by the Chairman and Rep. Hughes introduced to discuss HB 1173. He stated that this is an individual bill and concerned a college faculty man who was drafted into the military service and when he returned, there was no place on the staff for him, but upon retirement of the head of the department where he had been, within a few months, he would become the head. Those involved were not aware of the rule that the individual must be employed again in his old position within three months after the discharge from military service, and this is an individual bill to give him credit for his previous employment and military service under the Public Employees Retirement Act. Mr. Corkhill made a further explanation as to what would be involved (see exhibit file).

Senator Ball appeared to discuss SB 70, stating that this is another individual bill for the benefit of Mrs. Jackson who is Secretary to the Judicial Council; that she has worked for the state over 23 years but that she just didn't happen to fall under the dates for coverage; that Justice Schroeder has worked with Mr. Corkhill and under this bill Mrs. Jackson would make a contribution of something over \$1,000 and the Council would contribute something over \$1,300.00, making her eligible for a pension. (See Mr. Corkhill's fiscal note in exhibit file)

Rep. Meek stated that H.B. 1152 seems almost a companion bill to Dr. Hughes' except that the individual involved was elected to the City Commission in Ottawa County, not realizing that he forfeited his retirement, and that there is an overpayment involved, and this bill provides a way he can be taken care of in the way of repayment. (Mr. Corkhill's memo in exhibit file)

Mr. Corkhill discussed H.B. 1160, which seeks to assist a county engineer in Wilson County who was employed over 25 years but was moved on the wrong date and therefore gets no credit for all 25 years as county engineer. This is drafted so it would be applicable to only one individual. (See memo in exhibit file)

Mr. Keenan inquired why in 1152 it wasn't drafted to make a claim against the man's estate instead of a lien. Mr. Buchele stated he thought it should be a first class claim. Mr. Corkhill stated he would have no objection.

Mr. Everett stated that Senator Rogers has introduced SB 18 repealing 17-703, and introduced Hart Workman from the Secretary of State's office to discuss this. Mr. Workman said that the law

8-20-69
10-10-69

had been on the books since 1923 and required that all corporations file and pay a tax every year, and that even though it was paid by check, it still provided that the Secretary still had to return a receipt; that in postage, personnel and other costs, the office would be able to save some \$15,000 by eliminating this requirement.

Rep. Brown discussed HB 1206 which would permit state employees to serve on non-partisan boards or commissions; that a great many talented people are wasted because of this rule saying that civil service people cannot so participate. Mr. Everett stated this is a splendid idea; that it could be amended to say where compensation did not exceed \$150.00 per year, and Mr. Keenan said they could waive compensation. Mr. Turner stated that he is not interested in classified persons getting on school boards and commissions. That democrats and republicans are not the only kind of politics involved and that the whole theory of civil service is that they stay out of politics. Mr. Winteres said that in his area nobody would be elected unless they were approved anyway, and Mr. Andrews expressed the opinion that it is different in smaller communities.

The Chairman announces that on Monday, vote would be taken on HB 1152; 1160; 1173; and SB 18 and 70. He stated that further discussion would be had on 1206 if it was desired.

The Chairman then displayed a newspaper article in which he was quoted as saying that the question of liquor by the drink would never get out of his committee. He assured members that he had never made any such statement; that he would never commit them to anything; that he knew there was a fairly even split on this question, but he didn't know what might happen and would make no predictions. He assured the committee that he is not going around making statements of this kind.

The meeting was adjourned.

HOUSE BILL No. 1152

By Mr. Meek

AN ACT relating to benefit payments to retirants under the Kansas public employees retirement system serving as elected officials; providing time and manner of recovery of overpayments; and providing for certain claims against the estate.

Be it enacted by the Legislature of the State of Kansas:

- 1 Section 1. Notwithstanding the provisions of K. S. A. 1968 Supp.
2 74-4914 to the contrary, the board of trustees of the Kansas public
3 employees retirement system, upon presentation of satisfactory evi-
4 dence, may delay the recovery of any benefits inadvertently paid
5 to a retirant while serving as an elected official of any county of
6 the state of Kansas if there is no evidence of fraud or misconduct
7 on the part of the retirant. The recovery may be delayed until the
8 retirant is no longer serving as an elected official. Such repayment
9 may be made by the reduction of future benefits, upon the advice
10 of the actuary, to an amount which is the actuarial equivalent of
11 the amount which would be payable to said retirant after he is no
12 longer an elected official. If the retirant should die before the
13 amount of overpayment is recovered the balance due shall consti-
14 tute a valid claim against the estate of said deceased retirant.
- 15 Sec. 2. This act shall take effect and be in force from and after
16 its publication in the official state paper.

2-12-69
Exhibit

EXPLANATION OF HOUSE BILL NO. 1152

Subsection (2) of K.S.A. 1968 Supp. 74-4914 provides that if a retirant of the Kansas public employees retirement system is elected to an office in the county, city or even the state for which he receives pay he must not continue to receive his retirement benefit for any month that he serves in such office.

In 1962 he retired after many years of service with the state. He then went to Ottawa County and ran for county commissioner and was elected and took office in 1967 and is serving as county commissioner to this date. He did not realize that he wasn't supposed to get his retirement benefit payment and he did not let the Retirement System know that he had been elected county commissioner. As a result, last month he discovered that he had been over paid by \$2,838.21.

The Trustees of the Retirement System, of course, have stopped the payments. They have also made demand on him for repayment of the overpayments for the past two (2) years in accordance with their duties under the Retirement Act. This bill will allow a delay in the recovery of the benefits inadvertently paid if there is no evidence of fraud or misconduct on the part of the retirant.

It also provides that the repayment can be recovered by reducing any future retirement benefits he will be receiving after he leaves the office of county commissioner.

The bill also provides that in the event that the retirant should die before the amount of the overpayment is reduced the balance shall constitute a valid claim against the estate of the retirant.

HOUSE BILL No. 1160

By Mr. Hill

AN ACT concerning county engineers in certain counties; providing for prior service credit with the Kansas public employees retirement system under certain circumstances and conditions.

Be it enacted by the Legislature of the State of Kansas:

1 Section 1. Notwithstanding the provisions of K. S. A. 1968 Supp.
2 74-4913 to the contrary, a county engineer of any county who first
3 became a member of the Kansas public employees retirement sys-
4 tem on February 1, 1963, while in the service of a participating em-
5 ployer with which he had served over twenty-five (25) years prior
6 to becoming a member shall receive prior service credit for employ-
7 ment with a participating employer for any employment preformed
8 before January 1, 1962, whether such employment was continuous or
9 not. The prior service annual salary in such case shall be the highest
10 annual salary (not including any amounts received as payment for
11 overtime or as reimbursement for traveling or moving expense)
12 received for personal services by the member from the current
13 employer in any one of the three (3) calendar years immediately
14 preceding January 1, 1962.

15 Sec. 2. This act shall take effect and be in force from and after
16 its publication in the statute book.

Name Carl H. Diepenbrock

Social Security Number 515-22-1643

Additional Annual Benefit

\$ 1,980.00

Additional Monthly Benefit

\$165.00

Present Monthly Benefit (if any)

*NONE

Additional Reserve Figure

\$20,300

Comments: *Member not presently retired.

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SENATE BILL No. 70

By Committee on Judiciary

AN ACT concerning certain employees of participating employers of the Kansas public employees retirement system; providing for eligibility for membership, prior service salary, payment of contributions and crediting of service.

Be it enacted by the Legislature of the State of Kansas:

1 Section 1. Notwithstanding the provisions of K. S. A. 1968 Supp.
2 74-4902, 74-4911 and 74-4913 to the contrary, an employee of a
3 participating employer who was employed by the legislature on
4 January 15, 1962, and was employed on July 1, 1943, and July 1,
5 1962, by the participating employer by whom said employee is
6 employed on the effective date of this act, shall be an eligible mem-
7 ber of the Kansas public employees retirement system as of July 1,
8 1962, upon the payment of appropriate employer and employee
9 contributions, and shall be entitled to receive full credit for employ-
10 ment with said participating employer prior to said participating
11 employer's entry date. The prior service annual salary in such case
12 shall be the compensation (not including any amount received as
13 payment for overtime or as reimbursement for travel or moving
14 expense) received for personal services by the employee from the
15 employer during the last twelve (12) months of employment prior
16 to January 1, 1962.

17 Sec. 2. This act shall take effect and be in force from and after
18 its publication in the statute book.

Name Ruth W. (Drake) Jackson

Social Security Number 513-03-3285

Senate Bill 70

Additional Annual Benefit

\$ 1,074.00

Additional Monthly Benefit

\$ 89.50

Present Monthly Benefit (if any)

*None

Additional Reserve Figure

\$11,706.60

Comments: *This bill would make the employee a member of KPERS, there-
fore there is no present benefit.

HOUSE BILL No. 1173

By Messrs. Hughes and Masovero

AN ACT concerning the Kansas public employees retirement system providing for prior service credit under certain circumstances and conditions.

Be it enacted by the Legislature of the State of Kansas:

1 Section 1. Notwithstanding the provisions of K. S. A. 1968 Supp.
2 74-4913 to the contrary, if an employee of a participating employer
3 became a member of the Kansas public employees retirement
4 system on January 1, 1962, was first employed by the participating
5 employer on September 1, 1926, was granted military leave without
6 pay commencing in March of 1943, and served with the United
7 States Navy until March, 1946, and upon reporting for duty with
8 the participating employer within the same month and year was
9 requested to take a further leave without pay for the purpose of
10 studying for an advanced degree to return to service with the
11 participating employer on September 1, 1946, and said employee
12 did return to the employ of the participating employer on September
13 1, 1946, and has been continuously in the service of said partici-
14 pating employer to the effective date of this act, said employee
15 shall be granted prior service credit for said military service.

16 Sec. 2. This act shall take effect and be in force from and after
17 its publication in the statute book.

Name Prentice Gudgen

Social Security Number 512-30-1516

Additional Annual Benefit

\$308.88

Additional Monthly Benefit

\$ 25.74

Present Monthly Benefit (if any)

*None

Additional Reserve Figure

\$3,413.12

Comments: *Member not presently retired.

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MARTIN E. SEGAL COMPANY

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STEVEN E. SCHANES
PRESIDENT

November 2, 1968

Mr. John K. Corkhill
Executive Secretary
Kansas Public Employees' Retirement System
State Office Building - Twelfth Floor
Topeka, Kansas 66612

Re: County Engineer Legislation

Dear John:

We have reviewed draft legislation which you forwarded, permitting the acquiring of prior service credit in the case of a county engineer who has had twenty-five years of service with a participating employer, but who first became a member on February 1, 1963.

By way of background, the Retirement Act establishes the employer's entry date and March 15, 1961 as "test dates" for determining the eligibility of the employee for credit for all employment prior to the employer's entry date, whether continuous or not. This was done in order to establish the initial prior service liabilities of the participating employers. It is not at all unusual for a new retirement system to have a number of restrictions such as this: the general feeling being that it is preferable to establish a sound system with "closed" liabilities at the outset. Elsewhere, as inequities have been demonstrated and costs analyzed, the provisions have become more liberal.

The pattern which has been developed in the Kansas System, of analyzing each of the situations as they are presented in light of equities and costs, has produced a prudent approach to liberalization. In the captioned legislation, the equity (over twenty-five years of employment with a participating employer) exists. The likelihood of another employee qualifying under the terms of the proposed bill is extremely small. Since the cost is spread among all participating employers, this added liability produces no determinable effect upon the employer's contribution rate which is carried to the hundredths of a percentage of covered payroll.

If you have any questions concerning this matter, please let us know.

Sincerely,


Steven E. Schanes

SES:cm

EXPLANATION OF SENATE BILL NO. 70

Senate Bill No. 70 is another special bill relating to the Public Employees Retirement System. This bill provides the employee contribute approximately \$1,300 and the agency-employer contribute approximately \$1,500; these being the contributions which should have been made from July 1, 1962. The employee's membership then is established by the Act as July 1, 1962 and provides for prior service credit in such case under the Retirement System.