

Approved: February 18, 2011

MINUTES OF THE HOUSE PENSIONS & BENEFITS COMMITTEE

The meeting was called to order by Chairman Mitch Holmes at 9:02 a.m. on February 7, 2011, in Room 142-S of the Capitol.

All members were present except:

Representative Louis Ruiz - Excused

Committee staff present:

Gordon Self, Office of the Revisor of Statutes

David Wiese, Office of the Revisor of Statutes

Julian Efird, Kansas Legislative Research Department

Darla Conner, Committee Assistant

Conferees appearing before the Committee:

Jon Prescott, Chief Marketing Officer of CPI Qualified Plan Consultants, Inc.

Others attending:

See attached list.

Introduction of Bills:

Representative Steve Johnson, District #108, made a motion for a bill concerning guidelines for working after retirement. Without objections, the motion was adopted.

Representative Steve Johnson, District #108, made a motion for a bill concerning the structure and possible re- structure of KPERS including re-amortization. Without objections, the motion was adopted.

Representative Steve Johnson, District #108, made a motion for a bill to consider shifting funding for the school group to the school budget by a sliding scale over 10 years. Without objections, the motion was adopted.

Representative Steve Johnson, District #108, made a motion for a bill to review the funding and benefit levels of the life and disability insurance provided to KPERS members. Without objections, the motion was adopted.

Representative John Grange, District # 75, made a motion to reintroduce **HB2751**. Without objections, the motion was adopted.

Chairman Holmes announced that the committee meeting date of February 14, 2011 would be available for any stakeholders or persons with interest to address the committee.

Chairman Holmes introduced Jon Prescott, (Attachment 1), of CPI Qualified Plan Consultants, LLC. He gave a presentation on various pension plans.

The next meeting is scheduled for February 9, 2011.

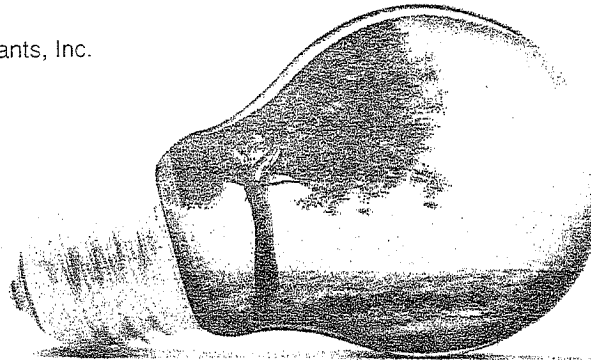
The meeting was adjourned at 10:00 a.m.

**HOUSE PENSIONS & BENEFITS
COMMITTEE GUEST LIST
DATE: February 7, 2011**

NAME	REPRESENTING
Nicole Proulx Aiken	LKM
John Faber	PEAK
Brian Thompson	PEAK
Kelly Navinsky-Wenzl	Kearney & Assoc.
Michelle Butler	Cap Strategies
Tom Iuker	KRSB
Jeff Arpin	Division of the Budget
Dennis Phillips	KSCFF
Ed Redman	KSCFF
Paje Routhier	Hein Law Firm
Nate Lindsey	Kearney + Assoc.
Pat Cosy	GIA
Stephanie Bunter	Judicial Branch

State of Employer Sponsored Retirement Plans – DB and/or DC

Presented by
Jon L. Prescott
Chief Marketing Officer
CPI Qualified Plan Consultants, Inc.



Providing Retirement Services since 1972

Your Business ... POWERed by CPI



Who is CPI Qualified Plan Consultants, Inc?



Business Overview

- ▲ Incorporated in Kansas – 1972
- ▲ 437 Kansas Employees
- ▲ 17 Regional Offices through out the United States
- ▲ DB Services 1972 to 2002 and now again 2009 to present
- ▲ DC Services 1972 to Current
- ▲ 403(b), 457(b) Gov. & Tax Exempt plans since 1991
- ▲ Largest independent Common Remitter/Compliance provider in the K-12 market
- ▲ 3906 Retirement Plans under Administration in Great Bend
- ▲ \$5.7 Billion in Plan Assets under Administration in Great Bend



House Pensions & Benefits

Date: 2/7/2011

Attachment # 1

Who is CPI Qualified Plan Consultants, Inc?



Kansas Recognition

- ▲ 1997 & 2008 Kansas Works "Successful Workforce Practices"
- ▲ 2000, 2002 & 2003 Kansas Dept. of Commerce Merit Award
- ▲ 2002 SBA Kansas Entrepreneurial Success Award
- ▲ 2007 Kansas Public Education Task Force Certificate of Merit



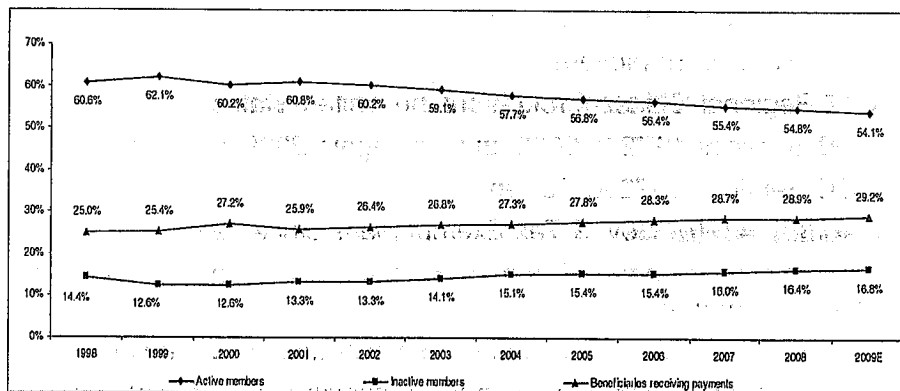
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Exhibit 6.14

State and Local Government Retirement Participants by Status, 1998-2009E

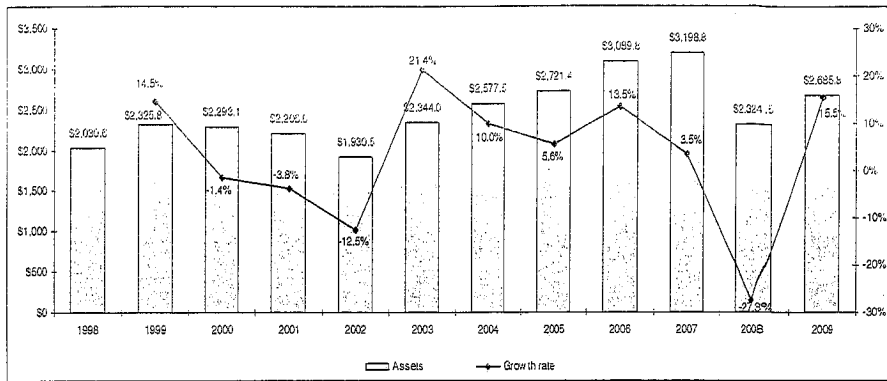
Sources: U.S. Census,



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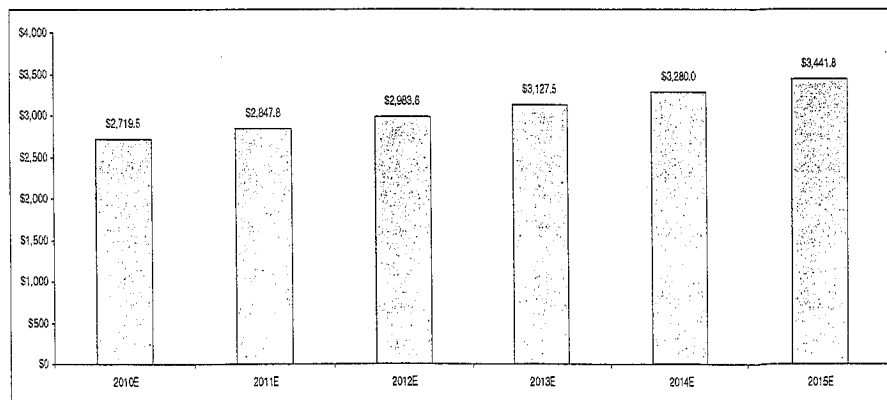
Exhibit 6.01
State and Local Government Retirement Assets and Growth, 1998-2009
 Sources: Federal Reserve, Cerulli Associates



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POWER RANKING

Exhibit 6.02
State and Local Government Retirement Assets, 2010E-2015E
 Sources: Federal Reserve, Cerulli Associates



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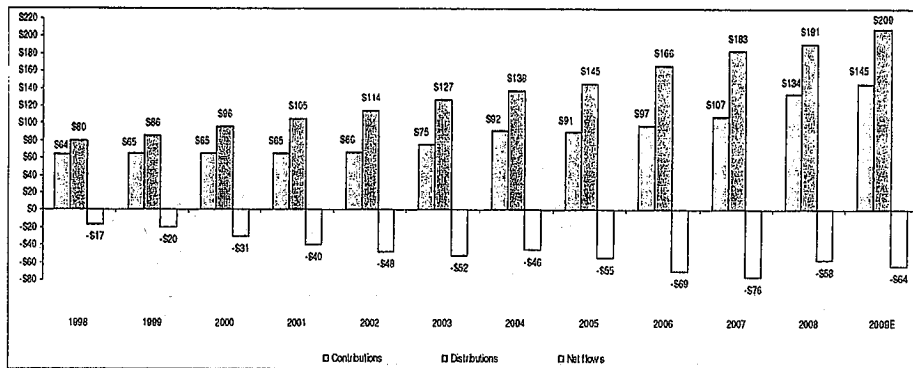
POWER RANKING

Exhibit 6.03

State and Local Government Retirement Plan Contributions, Distributions, and Net Flows, 1998-2009E (\$ billions)

Sources: U.S. Census, Public Funds Survey, Cerulli Associates

Analyst Note: According to GASB 45 accounting rules, the annual required contribution (ARC) is an actuarial calculation



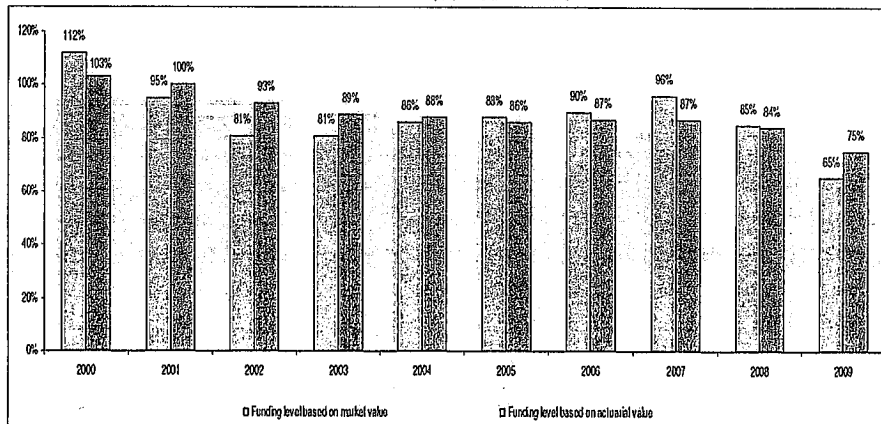
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Exhibit 6.04

Funding Levels of Public DB Systems, 2000-2009

Sources: Wilshire Associates, Cerulli Associates



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SEC Probing Illinois Pension Accounting and Disclosures

January 25, 2011 (PLANSponsor.com) - The Securities and Exchange Commission has launched an inquiry into public statements by Illinois officials about the state's underfunded pension fund, the Wall Street Journal reports.

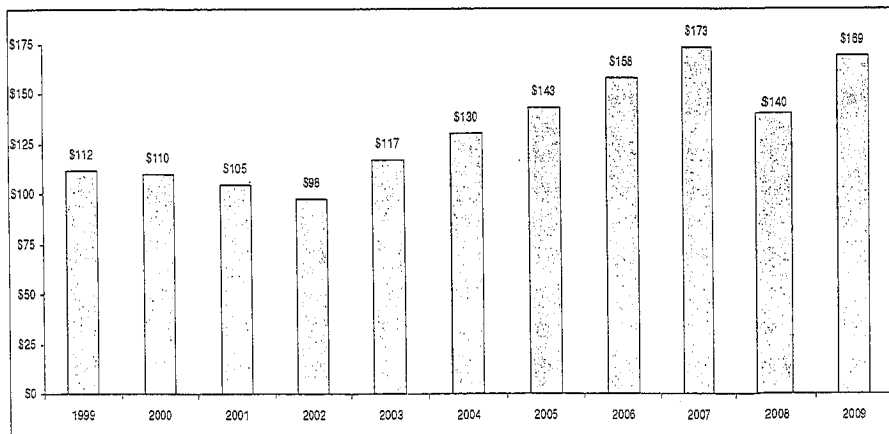
The state's governor's office confirmed to the Journal that the Illinois inquiry is focused on public statements concerning an overhaul measure passed in 2010 meant to help shore up the retirement system. The governor's spokeswoman, Kelly Kraft said the state is cooperating with the inquiry and feels its "disclosure was always accurate and complete."

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Association of Company Pension Actuaries

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Exhibit 4.01
Total 457 Plan Assets, 1999-2009 (\$ billions)
Sources: Investment Company Institute



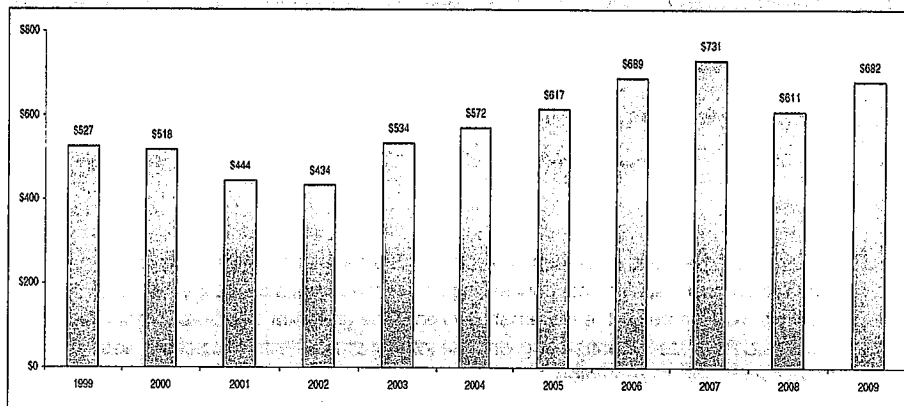
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Exhibit 4.06
403(b) Plan Assets, 1999-2009 (\$ billions)
Sources: Investment Company Institute

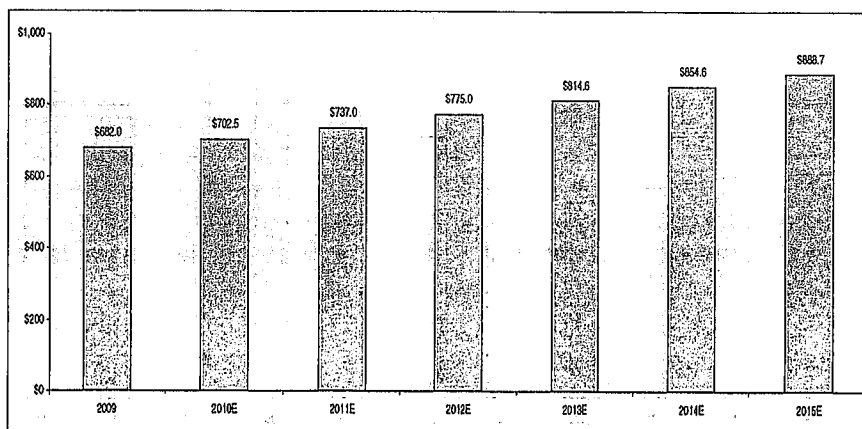


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Exhibit 4.07
403(b) Plan Assets, 2009-2015E (\$ billions)
Sources: Investment Company Institute, Cerulli Associates



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Exhibit 2.09
Private DC Participants by Type, 1999–2015E
Sources: Vanguard, Fidelity, Department of Labor

	Active	Retired and separated
1999	50.4	9.9
2000	50.9	10.8
2001	52.3	12.2
2002	52.9	12.4
2003	51.8	12.3
2004	51.4	13.6
2005	61.6	12.9
2006	64.9	13.8
2007	65.9	14.5
2008	60.5	26.2
2009	51.6	38.6
2010E	47.7	46.2
2011E	49.0	47.6
2012E	49.6	49.9
2013E	50.2	52.3
2014E	50.8	54.8
2015E	51.4	57.3

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ANALYTICAL CONSULTING PARTNERS

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Exhibit 2.10
Private DC Participants by Type, 1999–2015E
Sources: Vanguard, Fidelity, Department of Labor

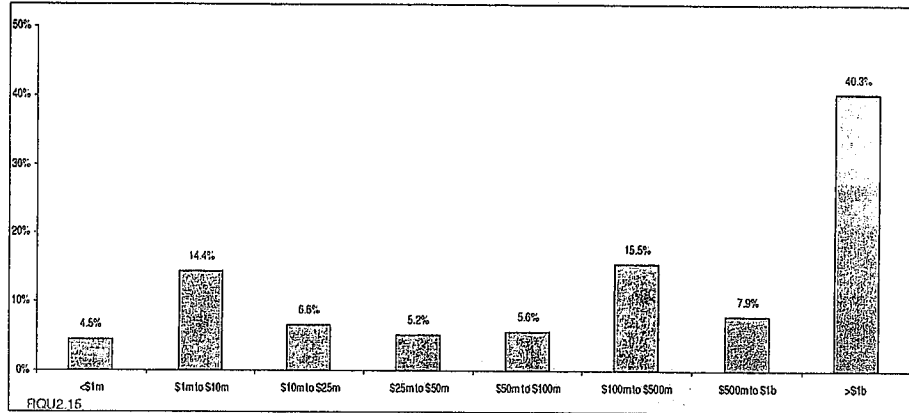
	Active	Retired & separated
1999	83.6%	16.4%
2000	82.2%	17.8%
2001	80.9%	19.1%
2002	81.0%	19.0%
2003	81.0%	19.0%
2004	80.4%	19.6%
2005	83.2%	16.8%
2006	83.0%	17.0%
2007	80.7%	19.3%
2008	70.6%	29.4%
2009	57.9%	42.1%
2010E	51.4%	48.6%
2011E	51.3%	48.7%
2012E	50.4%	49.6%
2013E	49.5%	50.5%
2014E	48.7%	51.3%
2015E	47.8%	52.2%

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Exhibit 2.15
401(k) Assets by Asset Segment, 2009
Sources: Judy Diamond



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