

SESSION OF 2007

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2077

As Amended by House Committee on
Appropriations

Brief*

HB 2077, as amended, includes provisions that would:

- Increase the annual earnings limitation from \$10,000 to \$20,000 beginning in calendar year 2007 for Tier II members of the Kansas Police and Fireman's (KP&F) Retirement System who are disabled and receiving disability payments.
- Authorize the Kansas Public Employees Retirement System (KPERS) to implement provisions of the federal Pension Protection Act of 2006 for federal tax-free distributions from pension payments for retired public safety officers to pay health and long-term care insurance premiums.
- Add two KPERS technical amendments. First, the bill would provide that members retain the funds from improper withdrawals and forfeit service credit related to the withdrawal. Members would have the option of reinvesting withdrawn funds by purchasing the withdrawn service. Second, the bill would permit members retiring with credit from two different plans to access any funds left in one plan during the month immediately following retirement from the other plan.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Background

The bill as introduced contained KPERS technical amendments. The bill, as amended by the House Committee on Appropriations, contains provisions of two other bills, HB 2076 as introduced and HB 2078 as introduced, in addition to HB 2077 as introduced. All three bills were recommended by the Joint Committee on Pensions, Investments and Benefits at the request of the Kansas Public Employees Retirement System (KPERS) Board of Trustees.

A House Subcommittee on KPERS reviewed 2007 KPERS-related legislation and recommended HB 2076, HB 2077 and HB 2078. Conferees favoring each bill in the House Subcommittee hearings for HB 2076 included representatives of the Kansas Association of Chiefs of Police, the Kansas State Council of Firefighters, the Kansas Peace Officers Association, and KPERS; for HB 2077 included the KPERS Executive Director; and for HB 2078 included representatives of the Kansas Association of Chiefs of Police, the Kansas State Council of Firefighters, and KPERS. No opponents were heard on any of the bills.

The House Committee on Appropriations adopted the Subcommittee report and combined the three bills into HB 2077.

The fiscal note for each bill as introduced indicates HB 2076 would result in additional KP&F Tier II annual disability benefits payments of approximately \$160,000. HB 2077 would have no cost. HB 2078 would benefit approximately 5,000 to 10,000 qualified retired public safety officers in Kansas. There would be one-time KPERS costs of \$442,000 for information system changes and estimated annual KPERS operating costs of \$35,000 and 1.0 FTE new position for benefits processing.