

SESSION OF 2010

SUPPLEMENTAL NOTE ON SENATE BILL NO. 568

As Recommended by Senate Committee on
Ways and Means

Brief*

SB 568 would suspend all employer contributions to the Kansas Public Employees Retirement System (KPERs) Group Insurance Fund, or Death and Disability Fund, for a three-month period, beginning April 1, 2010, and ending on June 30, 2010. Under current law, each KPERs participating state and local employer must pay an amount equal to 1.0 percent of the amount of compensation on which members' contributions to the System are based. The employer contributions are deposited in the Group Insurance Reserve Fund, from which the death and disability benefits are paid.

The bill would be in effect upon the publication in the *Kansas Register*.

Background

The bill was introduced as part of the Governor's plan to balance the FY 2010 budget. Secretary Goossen testified in favor the bill.

Neutral testimony was provided by Glenn Deck, Executive Director, Kansas Public Employees Retirement System.

There were no opponents of the bill.

The agency has indicated that the KPERs Group Insurance Reserve Fund has a sufficient balance to allow

*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>

suspension of payments on a temporary basis without affecting employee benefits. Following the three-month moratorium, the FY 2010 year-end balance of the Fund is projected to be \$5.1 million.

The fiscal note indicates that total savings for the three-month period for state and local governments will total approximately \$16.4 million in budget savings from not having to make statutory employer contributions. State contributions will be reduced \$12.8 million and local contributions will be reduce \$3.5 million