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MEMORANDUM

To: Chair Dietrich and the Senate Committee on Financial Institutions and Insurance

From: Office of Revisor of Statutes

Date: March 5, 2025

Subject: **HB 2086 – Adjusting the KPERS 3 dividend interest credit by lowering the dividend interest credit threshold to 5% and increasing the dividend share to 80%.**

House Bill 2086 adjusts the KPERS 3 dividend interest credit by lowering the dividend interest credit threshold to 5% and increasing the dividend share to 80%.

Section 1 amends K.S.A. 74-49,306, pertaining to a KPERS 3 member's annuity savings account, by adjusting the investment return threshold for the dividend interest credit calculation from 6% to 5% and increasing the dividend share from 75% to 80%.

Section 2 makes the same change to K.S.A. 74-49,308, pertaining to a KPERS 3 member's retirement annuity account.

The House Committee on Financial Institutions and Pensions passed the bill out of committee with no amendments. The House Committee of the Whole passed the bill on a vote of 116-5, on February 14, 2025.