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MEMORANDUM

To: Chairman Longbine and members of the Joint Committee on Pensions, Investments and Benefits.

From: David Wiese, Assistant Revisor

Date: October 29, 2018

Subject: Review of 2017-2018 bills relating to increasing maximum retirement benefits and

amending the definition of "service-connected" for KP&F members.

Bills increasing the maximum benefit cap (2017 SB 241 and 2018 HB 2720)

Senate Bill No. 241 and House Bill No. 2720 increase the cap on the maximum amount of retirement benefits for a member of the Kansas police and firemen's retirement system (KP&F) from 90% of such member's final average salary to 100% of such member's final average salary. The legislature last raised the cap in 2013 from 80% of final average salary to 90% while also increasing the employee contribution rate from 7% for all credited service less than 32 years and then 2% thereafter to 7.15% for all years of credited service.

Bills amending definition of "service-connected" (2017 SB 242 and 2018 HB 2719)

Senate Bill No. 242 and House Bill No. 2719 amend the definition of "service-connected" in K.S.A. 74-4952, the statute that defines terms relevant to KP&F, to include contraction of hepatitis C and to include specific cancers of the <u>brain</u>, <u>skin</u>, <u>digestive system</u>, <u>hematological system and</u> genitourinary system.

Under KP&F members receive certain benefits if a member dies or is disabled due to service-connected causes. Under current law a rebuttable presumption exists that certain causes of death or disability are service-connected if the member has at least five years of service. Currently, such service-connected causes include heart disease, lung or respiratory tract disease, or cancer.

In cases of exposure to hepatitis C, the bill requires the member to report exposure to hepatitis C within two days after the member reasonably should have known about the exposure. The member must also submit to a baseline test performed by the employer within five days of the report of exposure and such test must show that the member was not infected at the time of the on-the-job exposure. The member must also comply with reasonable and necessary medical procedures and testing must show that the member has hepatitis C within two years after the on-the-job exposure.

With respect to cancer, the bill strikes language requiring the cancer be of a type which generally results from exposure to heat, radiation, or a known carcinogen and replaces it with the specific types of cancers listed above. Additionally, the member must have had a prior physical examination at the time the member became a policeman or fireman, or thereafter, that failed to reveal substantial evidence of such cancer that preexisted the member's employment as a policeman or fireman.