



Update

Dear Friends,

May 13, 2020

Since my election to the KPERS Board of Trustees I have a new disclaimer that I must include in these updates from now on: "The views expressed in this update represent my views and/or the views of the Coalition. They do not in any way represent the views of KPERS Board of Trustees nor do I speak for them." (Ernie Claudel)

Today's Meeting

Today's meeting was held on Zoom with 14 attending! The final wrap up of this year's legislative session will be held on May 21, 2020. One day only we are told. We will have another KCPR Zoom meeting on Friday the 27th at 9:30. If you are interested in being involved in this way, please let me know and I will make sure you are included! At this time, we will be able to summarize what happened on the 21st and see if we need to adjust our strategies.

General discussions were held on several topics. Following is a summary and some suggestions that came out of the meeting:

Regarding the Pandemic

Whenever 'revenue receipts' get tight at the State level, we always fear that the short funding (under funding) of KPERS will be the result. It has been our argument against the re-amortization ideas submitted by the Governor which amounted to just that. We doubt that topic will surface again because of the one-day KS legislative wrap up on the 21st. We hope our assumptions are correct. We sincerely hope that the legislators will not begin underfunding KPERS again, as you recall, the underfunding is the biggest reason for the UAL (Underfunded Actuarial Liability) in the first place. We still are in hopes that the corrections to the KP&F death and disability benefits will be corrected.

Personal Note

Ernie's email was hacked. The two things you need to know about that are: 1) I do not need help with an Amazon account and, 2) I do not have a Hotmail account! Please ignore any wild requests!!

Supporting Funding for Losses Directly Related to Corvid

The consensus of the assembled, suggests that you contact your Federal Senators and Representatives and encourage the additional round of national stimulus dollars that is presently be negotiated in DC. This is suggested because we believe that if the State revenues are drastically reduced by the pandemic responses, KPERS funding will be once again targeted for reduction.

Other Suggestions

1. Be sure that you let your State Representatives and Senators know that you expect KPERS to be funded at the recommended rate this year. The reason for the UAL is past underfunding. We need to continue the recommended funding level, and not slide into the under-funding habit once again. *KPERS funding needs to be a priority!!*
2. One State organization which is largely in favor of our funding and COLA positions is the League of Women Voters. From the information previously provided, you are aware that we still need to elect more people who will vote for KPERS funding and COLA positions!

I received the following information and suggestion from them last week: "Recently I was told by the League of Women Voters Legislative Consultant that 30 to 40 legislators ran unopposed in the last election." This resulted in a super majority for the Republican Party. Members of your organization could encourage some of our members to run for those unopposed seats or encourage citizens who support our positions on KPERS to run against the unopposed. Please consider this!

3. I have attached a copy of the voting in the House that occurred when the two attempts were made to amend KPERS bills with COLA suggestions. I have also attached the explanation of the scenario which occurred prior to the vote. (We have no reference on a Senate vote because no relative vote was ever taken.)
4. It is obviously also important that we all vote in November. Because of the concerns around the virus and poll voting by many, we suggest that you contact your local Election Office (in Sedgwick, Johnson, Wyandotte, Shawnee) or in most counties, the County Clerk, to see what options might be available to you to satisfy your personal need for voting safely.

Suggested Rebuttal for COLA or Funding Push Back

I am often asked what response/rebuttal should be used when excuses are offered for no final action on a COLA. **Suggested responses to these excuses are as follows:** KPERS never had a COLA built into the statute. (In my opinion, this response is a condescending answer, and I will indicate those thoughts to those who use it!) Response: Nor did the Statute have a prohibition against a COLA.

1. KPERS benefits are 'earned' benefits. Benefits are paid an amount calculated using a formula, therefore, the benefit is in proportion to what was paid in.
2. ALL employees have paid in every dollar they were required. They have received not contribution variance; in fact, the employee contribution was raised from 4 to 6% per the 2012 legislation.
3. KPERS is not like Social Security! The KPERS Trust Fund balance is derived from three sources: Employee Contribution, Employer Contribution and Investment Returns. Without the proper employer contribution, proper investment returns are not possible!
4. Approximately 87% of KPERS retirees still reside in Kansas.
5. As of July 1, 2020, it will be 23 years without a COLA.
6. All US retirement systems are approved by the IRS, therefore, the KPERS retirement system is NOT a Ponzi scheme!

Coming Soon

You will recall that two areas of interest I have written about in the past are:

1. If you are female and you are supporting those who do not support KPERS, you are voting against yourself.
2. Small towns and rural areas are more heavily dependent on pension benefits, than metropolitan areas. Capital cities are also often positively impacted by pension benefits because of the large number of State employees who live locally and remain in the area in retirement.
3. Within the last few days new studies have been released that relate to these issues. Be on the lookout for information on these subjects which have been strengthened by the recently released studies.

If you have any questions, please call me at the number listed at the end of the Update.

- Remember to send us your updated email address...also if for any reason you should no longer wish to receive this update, let me know at the address(es) listed at the end of this "update," and we will contact you and remove you from the official mailing lists.
- Just a reminder, that this email is an official report of the Kansas Coalition of Public Retirees. If I editorialize, I will indicate that fact.
- Remember that we want you to forward this to other retirees and the "working" who will benefit from this information.
- The KCPR website is www.ksretirees.org

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