



Update

Dear Friends,

February 2, 2022

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)

Friends,

We supply the following information on what is going on at the Capitol regarding KPERS in the 2022 Kansas Legislature.

1. HB2561 which calls for \$ 1 Billion of the surplus Kansas revenue to be transferred to KPERS.
2. The identical House and Senate Bills regarding a COLA for KPERS retirees and beneficiaries are as follows:

Two bills, as you likely know, were introduced in both the KS House and KS Senate. The bill we are supporting are HB 2584 and SB402 are 'step' bills. They are also known as 1,2,3,4,5 % cola bills. You may also run across other bill numbers which will be explained at the bottom of this document in smaller print. This is done so there is not confusion over the various bills. The versions of KCPR presented bills introduced in the House and Senate are identical!

Our Sense of Where we Stand in this Legislative Session

We have set up a KPERS support committee in KCPR, and we have assigned specific individuals to contact various legislators regarding COLA issues in general and the COLA in specific. Because of COVID and the weather we have not completed the strategy, but we are making progress and have more meetings scheduled.

1. In the past you will recall we have been rebuffed with the latest excuse "we cannot afford it".
2. We also know that last year the suggestion of an added billion-dollar bond issue was pared back to \$500 million.
3. This year we have heard a lot of..." We should have gone for a \$ Billion and not reduced it.
4. There is more of a feeling that a benefit increase is needed. The comments are if the cost is not too high rather than the flat out "we can't afford it!"
5. There is also interest in HB2561 which calls for the transfer of \$ 1 Billion in surplus revenue to KPERS. The goal is to get the UAL (Unfunded Actuarial Liability) reduced and the funded ratio above 80%.
6. In general, when we talk to people, the exchange is more positive than in past years.

What we would ask you to do!

1. Without lengthy explanation, our time is short on getting these bills heard and passed out of the committees. We will get a hearing in the House Committee I believe.
2. I will be working on the House Leadership to let the bills at least be "heard". (This means that we will be allowed to testify in support of the bill.)
3. Please write your Representative, Senator and the Governor if you like.
 - A. If you have never done so, do it this week.
 - B. If you have already done so, do it again!! 😊
 - C. PLEASE!!!
4. We would also appreciate it if you would contact the members of the following two committees. Their addresses are on the KCPR website.
 - A. House Committee on Insurance and Pensions, Representative Steven Johnson is Chair.
 - B. Senate Committee on Financial Institutions, Senator Jeff Longbine is Chair.
5. Address any or all of the following.
 - A. Need for a COLA.
 - B. Added funding for KPERS. (Example, HB2561)
 - C. Passage of the bills in particular.

Information Promised Above

The identical indexed bills which have also been introduced are tied to the CPI (Consumer Price Index). Since cost is such a concern, these will be way toooooo expensive to be considered. The cost of SB401/HB2583 have not been completed, but the estimate is a MINIMUM of \$1 Billion and possibly as high as \$3Billion. Obviously, this cost would not fly.

Information Provided Below

We have provided at the end of this document the following:

1. Ideas on how to compose an effective email.
2. Information on the need for a COLA.
3. How to find your legislators if you do not know who they are.

If you have questions, call me! Time is of the essence! (Just trust me on this one! The next time I speak somewhere I will explain!)

Thanks in advance for your help in this matter!

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Facts Related to the Need for KPERS COLA February 2, 2022 Created by KCPR

1. 50% of KPERS retirees receive less than \$1,000 in monthly benefits. The average monthly retirement benefit provided by KPERS is \$1,580.00 or \$18,960 annually. The average retirement and survivor benefit is \$1,528.00 or \$18,336.00, and the average KPERS Survivor Benefit is \$900.00 or \$10,800.00 annually. Compare these to the 2021 US poverty level for a 2-person household of \$17,420.

2. 35 states have defined benefit retirement plans, and 29 of those (83%) provide annual benefit increases.
3. 88% of the KPERS retirees and beneficiaries have never received a COLA.
4. KPERS retirees have not received a benefit increase for 24 years, since 1997. In the 25 years prior to 1997, KPERS provided 16 permanent cost of living adjustments, an average of one every year-and-a-half.
5. Today it takes \$170 to buy what \$100 would buy in 1997, a 70% increase in the CPI. *
6. Over 85% of KPERS Retirees are still in Kansas. This means about 150,000 Retirees are helping the local economy.
7. Pensions are essential for the recruitment and retention of public employees.
8. Now is the time to address this issue. All KPERS funds combined are now funded at above 72% without including the \$500M bond payment to KPERS. State income was reported \$758 Million above estimates for the 2021 state fiscal year (July 1 - June 30). In FY2022, through October, revenues were \$438 Million over the estimates. **[As of today, the revenue excess is placed at roughly \$2.9 Billion. This amount is overage received in tax revenue plus moneys received from the Federal Government as a result of COVID.]**

ONE LAST POINT:

The question to ask your legislator is: Will you vote for a COLA? (Not do you support the idea of a COLA, or do you support KPERS?)

SOURCES:

1. a. KPERS Annual Report dated December 31, 2020
 - b. <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines/prior-hhs-poverty-guidelines-federal-register-references/2021-poverty-guidelines>
2. NASRA Briefing Dated 2019 - National Association of State Retirement Administrators.
3. KPERS Annual Report dated December 31, 2020.
4. Compiled list for KPERS historical data.
5. US Bureau of Labor Statistics dated September 14, 2021.
6. KPERS Annual Report dated December 31, 2020.
7. National Institute of Retirement Security (NIRS) study released on November 18, 2019.
 - a. KPERS supplied information.
 - b. Hawver's Capitol Report 7/2/21, 8/2/21, 9/2/21, 10/1/21, 11/1/21.

EMAIL IDEAS

Jerry Henn, KARSP Executive, and I recently attended an AARP/NRTA (National Retired Teacher Association) conference virtually. One of the presentations was on effective emails. I found it personally very helpful. I am sharing it with you because I believed it would be very helpful to you as well, but also because the emphasis on brevity may relieve some of your communication fear with your representative in Topeka. This information is very compatible with my comments, "Remember a dissertation is not necessary!" 😊

The Subject Line

- A. A subject line should be limited to about **30 characters**.
- B. Make it time sensitive/urgent if possible.
- C. "Will you please vote [or take some other action] for _____."
 - a. "Will you please voice your support for a COLA now!"

- b. Hopefully, you will be able to use this suggestion later! “Please vote for Bill _____ which provides the KPERS retired with a COLA.”

Email Body

- A. Make the first sentence and certainly the first paragraph a summary of the rest of the body of the email.**
- B. Remainder of the email body:**
- a. Second Level:** In some more detail, **3 to 5** sentences explain in more detail (IF NECESSARY).
If possible, communicate to the recipient what the problem is, the solution and the action needed.
- b. Third Level:** An option might be to enclose a link to something you want them to look at in greater detail. One example might be: List our website, www.ksretirees.org and what you want them to read on the site.

Three Cautions:

1. Do not try to prove your knowledge of the vocabulary of the English language. 😊
2. Keep the statistics to a minimum!
3. **Be brief and concise!!**

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9. No Benefit increase for 24 years.
 10. No COLA has greater impact on women than men.
 11. Last COLA took effect in 1997.
 12. Today it takes \$170 to buy what \$100 did in 1997.
 13. 88% of the KPERS retirees and beneficiaries have never received a COLA.
 14. Pensions are essential for the recruitment and retention of public employees.

Prepared by Ernie Claudel, KARSP Legislative Chair and KCPR and KARSP Lobbyist

Find Your Legislator

If you do not know, or are not sure, who your Kansas Senator and Representative is, go to OpenStates.org. It will ask you what you are looking for enter legislators. It will next ask for your address, and your Senator and Representative will pop up!!