



# Update

Dear Friends,

February 14, 2025

*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)*

Remember:

*When you talk to people about the "Pack the Capitol for a COLA Day," February 25, 2025, remember, "You are promoting the event and their attendance! You are not just announcing the event!"*

**The next KCPR gathering will be on February the 25th<sup>th</sup>! See you at "Pack the Capitol for a COLA Day."**

*Our next Regularly Scheduled KCPR ZOOM meeting will be on March 12<sup>th</sup> at 9:00 AM.*

## KCPR February 14, 2025

Happy Valentine's Day to all. As you probably know, we had to postpone the original 'Pack the Capitol' day because of the weather. It should be noted that the Capitol also ended up being closed that day.

1. ALSO: KARSP (Kansas Association of Retired School Personnel) is one of the prime supporters of KCPR. We often refer to KARSP as our sister organization and will offer the following in support of "Pack the Capitol."
  - A. *KARSP is offering, to any active KARSP member, \$100 to any member who transports 4 members (themselves and 3 others) in a vehicle to the February 25<sup>th</sup>, 2025, event, "Pack the Capitol for a COLA Day."*
  - B. *[Again, to qualify for this travel reimbursement, the recipient MUST be an active KARSP member!]*
  - C. *Upon arrival at the Capitol on that day, there will be a form available for the driver to fill out for reimbursement and to be given \$100.00 in gas money.*
  
2. We do have some COLA Bills in the hopper. There are 13 as of this morning. As explained previously, KCPR and KARSP are focusing on bills that propose a benefit for the KPERS retired and beneficiaries. (See Tier III comments below.) These are the ones that have the most promise in my opinion:
  - A. House Bill 2298  
2% cost-of-living adjustment for retirees who retired on or before July 1, 2020, Creating the Unfunded Actuarial Liability Reduction Fund and establishing requirements of the fund.

A permanent 2% benefit increase would be less than the 1998 3% increase, but 2% is looked on more favorably than 3%. Additionally, this addresses a new way of funding a benefit increase which may create some interest. This was submitted by Rep. Helgeson and Rep. Weigel.

B. House Bill 2380

\$150 monthly cost-of-living adjustment for retirees aged 85 and older as of July 1, 2025. I came up with this approach because I have heard a lot of concern from the legislators about those who don't receive much. After all, they retired long ago at lower salaries than today. Rep. Carlin introduced this bill to the House Committee on Taxation at the urging of one of her constituents.

C. Senate Bill 238

Providing a COLA to members who retired on or before July 1, 2015. Senator Francisco introduced this bill in the Senate Committee on Financial Institutions and Insurance. (This is the main Senate committee for KPERS business.) It also contains the following proposals:

a. Senate Bill 238 each benefit increase is capped a \$100.00 a month.

Providing a COLA to members retired on or before July 1, 2015 – 1% Increase

Providing a COLA to members retired on or before July 1, 2011 – 2% Increase

Providing a COLA to members retired on or before July 1, 2007 – 3% Increase

Providing a COLA to members retired on or before July 1, 2003 – 4% Increase

Providing a COLA to members retired on or before July 1, 1999 – 5% Increase

D. These last two bills may have a chance because of their estimated cost.

E. Regarding Tier III bill not listed:

Many groups are interested in improving this plan. The only groups who are promoting a benefit increase are KARSP, KCPR, and to a lesser extent the Silver Haired legislature.

3. On a serious note: It appears that a reason/excuse you may receive when asking for a COLA is that you know when you signed up for KPERS you knew KPERS did not contain COLA. While perhaps not as big an exaggeration as Defined Benefit Plans don't have COLAs. It may not be too much of an exaggeration to say the level of misinformation is close!

A. Anyone who enrolled in KPERS through December 31, 2014, did have reason to expect a COLA for the following reasons:

a. There were 16 benefit permanent benefit increases, from 1972 through 1998.

b. With the original Tier II, which was in effect from July 1, 2009, through December 31, 2014, did include a COLA. (In fact, 5 retirees receive a COLA under this plan.)

c. As late as the KPERS 2005 Pre-Retirement Brochure suggested that a benefit increase might be forthcoming.

d. And finally, the legislators weren't promised a raise when they agreed to run either, as the present raise concept did not exist before the 2023 session. One of

the rationales used by the committee charged with making the present salary recommendation was that the legislators had not received a raise since 2008, or 13 years. The lack of a benefit increase for the KPERS retired and their beneficiaries have been since 1998, or 27 years.

**4. With so much interest in KPERS this session, we cannot emphasize how important it is for you to attend if at all possible.**

5. I have NOT included/attached the materials announcing the 'Pack the Capitol.' You received it last UPDATE. There will need to be updates, but the *basic concept* will be the same. We plan to provide more information in the days to come. All the previous information is on the KCPR Website at [www.ksretirees.org](http://www.ksretirees.org).
6. The website also includes the primary committees previously mentioned, and it will also shortly include the new committee in 'play' which is attached here as well!

**7. Please continue to contact the committees listed and your personal Kansas Representative and Senator!**

8. There is a HUGE *new* mural on the first floor East across from the 'Classic, operator run elevator,' championing *Women's Suffrage!* It is awesome!
9. Be sure you watch our FB page and/or regularly check your email for updates as I am sure there will be additional changes. Our FB Page is 'Kansas Coalition of Public Retirees.'

**10. Bitcoin Response to SB34**

I have received questions about this bill. This response does not violate my KPERS disclaimer as this information presented is either publicly published policy or my thoughts. Additionally, a 'KPERS Senate Bill 34 Overview' is to be found on the KPERS website.

As indicated in the bill description below:

- A. The KPERS Board of Trustees has been given the task of investing Trust Fund assets by the Kansas Legislature.
- B. The Legislature has established parameters for investing in the past, but the Board of Trustees is assigned the task of investing these assets.
- C. Every three to five years the investment procedures and parameters are studied by the Board weighing returns versus risk. The Board's general investment philosophy is to try to maximize returns while minimizing risk. This study has just been completed.
- D. The possibility of Bitcoin investment was never considered in the recently completed publicly determined investment strategies.
- E. On a personal note, I would never consider such an investment.
  - a. There is no history of long-term returns.
  - b. To my knowledge there are no controls on this product.
- F. SB34 would allow the KPERS Board of Trustees to invest up to 10% of KPERS Trust Fund Assets in Bitcoin exchange-traded products.

Stay Warm and Safe!!!

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