



Update

Dear Friends

September 14, 2016

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)

The monthly meeting of KCPR was held on September 14, 2016. September is the election month for KCPR. Dennis Phillips and Ernie Claudel were unanimously elected Co-Chair of KCPR. Donna Freel was elected Secretary and Kent Dederick was elected Treasurer.

The KCPR Communications Committee reported on their work on the KCPR 2017 Report to the Legislature. They were highly commended for their work. It was noted that there are going to be many new members of the legislature and that you as KPERS members and KCPR and its associated groups will have much work to do in educating these new members. Keep up your communication with them (candidates and those who have already won because they have no opposition in the General Election).

There continued to be discussions about the primary election and the up-coming general. We will provide additional election information later in this update.

The KPERS Actuary has recently indicated that the GASB (Governmental Accounting Standards Board) will not be pleased if these contributions do not continue to be paid in a timely manner. While the dollars in the KPERS fund would remain the same, the reporting method required might look much worse. We would also remind everyone that the "efficiency study" which was requested and authorized by the legislature went even farther in its recommendations. Their recommendation was that not only the present scheduled payment be made, but that the payment should be increased to the actuarially recommended amount rather than the scheduled statutory amount.

While many legislators in the past have been upset when we bring this up...note that since KPERS employees are required to join KPERS as a condition of employment, and are required to contribute 6% of their salary presently, and because the employer contribution is understood by contract, the money in the KPERS Trust Fund is the employee's money. (Please note that because of the anticipated shorter working time for Judges and KP&F members, their contributions are higher than 6 %.) We would also remind you that 59% of the money in the KPERS Trust Fund is interest income.

It should be noted that KCPR has received some donations recently. We want to thank all responsible for those and want you to know that you will be receiving acknowledgment of same.

Please note two possible dates for the 2017 Rally in behalf of KPERS! The two possible are January 18th and 25th. These are both Wednesdays.

Members of KCPR also attended the meeting of the Joint Committee on Pensions, Benefits and investments which was held on Monday the 12th. Included in the presentation was the good news that the UAL (Unfunded Actuarial Liability) has been reduced by \$929 million. This means that the UAL has been reduced from \$9.5 Billion to \$8.5 Billion. The funding ratio has increased from 62.3% to 67.1%. The lion's share of this positive news is the result of the \$1 billion of bond proceeds deposited into the KPERS Trust Fund. These actuarial figures will remain at this level as long as the recommended statutory rate of contribution is maintained and the \$90.7 million delayed contribution with the 8% interest is contributed in a timely fashion. As indicated in a recent article in the Topeka Capital Journal, many of the legislators on the committee have grave concerns about whether this payment can be made!

Because of the Committee's scheduled date, an update on the bond proceeds could not be made because the final annual tabulation was not completed.

The recommended changes in the State sponsored 457 plan were made. This was formally referred to as the "Deferred Comp Plan" offered to State workers. This plan is now referred to as the "KPERS 457 Plan". Legislation will need to be enacted, but KPERS is recommending that a "KPERS 457 Roth" be added to the options offered State employees.

The Committee also was given a report and heard testimony regarding the Working After Retirement Legislation which is now in effect. It turns out that the "unintended consequences theme" has reared its ugly head again. As a matter of procedure, all new KPERS related bills are passed through/by the KPERS Tax attorney. After this bill, adjusting 'working after retirement' KPERS was notified that the Regents Retirement system and KPERS were 'now' to be considered as the same retirement. Therefore, the Working After Retirement requirements has been extended to additional KPERS employees. The Kansas Universities are apparently using a number of retired KPERS School employees as instructors, especially in their schools of education. This is particularly the case at FHSU. The dilemma is that many of these instructors income would be limited to \$25,000 annually. Compounding the problem is that legislation typically becomes effective July 1st. This leaves numerous folks in limbo this year.

Ernie was allowed to make a suggestion regarding future legislation in behalf of KCPR. KCPR has noted that while the present legislation allows for emergencies for employers it does not address emergencies for employees. The question was simply posed: What if someone who had retired, because of family circumstances, was required to return to work?

The President of the Silver Haired Legislature, Jay Rowh, also testified before the Joint Committee that one of the six issues that they would bring before the legislature this year would be KPERS. They will have three proposals relating to KPERS.

1. Fully fund KPERS each year.
2. The Silver Haired Legislature believes that after 20 years, it is time for a COLA.
3. Request that the Legislative and Executive Branches of the State Government cease using the KPERS pool as a source of income, or as a bank, to shore up or help balance the State General Fund.

Members of the Joint Committee stated concern about two main items related to KPERS. (It should be noted that in the past these statements have been made, but 'push back' followed. This year there was no verbal descent.)

1. The authorization of the \$Billion issue would be used as an excuse to delay or reduce further KPERS Contributions.
2. That future contributions would in fact be delayed or reduced.

ELECTION SEASON DEVELOPMENTS

1. The website listed below is sponsored by the Kansas Chamber of Commerce and The Kansas Policy Institute. The advertised website is www.getthefacts.kansas.com and is being advertised as a website to get accurate information regarding the Kansas financial condition.
2. If past elections are any indication, the registered voter is about to be bombarded with election related post cards from people some of who don't live here, raise their families here, or even work here. When the 'mudslinging' begins, the "spin & twist" will be on and if the facts aren't there to twist, lies will be used. Don't be fooled!
 - A. Some sources of this funding for above:
 1. The Kansas Chamber of Commerce

2. The Kansas Policy Institute
 3. Americans' for Prosperity
 4. The Alford Foundation out of Texas
 5. ALEC (American Legislative Exchange Council)
 6. KOCH Brothers
3. One of the ways to stop these mailings is to vote early. Once your ballot is received, your name will likely be removed from the registered, but not yet voted list. (Don't you wish this would work on the TV commercials!!? ☺)
 4. A friend has suggested that if you are not excited about voting for President, that you use the "Down Up" method of voting! Start at the bottom of the ballot and work your way up. If you get to the top and don't wish to cast a vote for one of the candidates, that is your choice!!
 5. We have found an easy way to determine who your State Representative or Senator is!! Go to www.openstates.org. You will immediately be presented with two options. Do not fill in the State box, put the complete address you wish to look up in the second option and push enter!! That's it!!
 6. Advanced voting:
 - A. With advance voting, any registered voter can vote by mail or in person before Election Day.
 - B. Contact your county election office to request an application for an Advance Voting ballot.
 - C. Complete the Advance Voting application and return it to your county election office.
 - D. Your Advance Voting ballot can be mailed to you starting 20 days before the election.
 - E. Sick, disabled or Non-English Proficient voters may receive assistance in applying for the casting of Advance Voting ballots.
 - F. All Advance Voting ballots must be received in the county election office by the close of polls on Election Day at 7:00 PM.
 - G. You may vote in person in your county election office starting the Tuesday before Election Day, or up to 20 days before the election, depending on the county.
 7. You may register to vote at your Local County Clerk Office, or in the large counties, the Election Office.
 8. If you are in need of a photo ID or Driver's License, they can be obtained at your Driver's License Bureau.
 9. Remember that if you are registering to vote, you will need a proof of citizenship which would either be a birth certificate or a passport. Check with your local election office or your county clerk on this matter soon. If you are not registered to vote, do not put this action off.
 10. "When you skip voting, it's not rebellion, its surrender!" Research makes it unclear of this quotes origin!
 11. **We do know that the responsibilities placed on each citizen by the Constitution are twofold:**
 - A. Serve on Juries**
 - B. Vote!**

Important Dates

Important Dates for General Election

Tuesday, October 18 – Deadline to register to vote

Advanced Voting by Mail begins – Wednesday, August 19

Advance Voting in person begins – Monday, October 24, Ends Monday, November 7 at noon.

Friday, November 4 – Deadline to apply for an advance ballot to be mailed

Tuesday, November 8 – General Election

Polls are open in Kansas from 7:00 AM to 7:00 PM.

Tentative Rally in support of KPERS dates are January 18th or 25th!

Have a wonderful weekend!!!! Stay Dry!!!!

- Remember to send us your updated email address...also if for any reason you should no longer wish to receive this update, let us 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 Ron and I editorialize, we 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

Ernie Claudel

eclaudel1@comcast.net

913-481-6923

Ron Gardner

rongardner1811@comcast.net.