



Update

Dear Friends,

March 10, 2021

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! We will stay with Zoom meetings for a while, and we are changing the time to 10:00 AM. Unless further Legislative action would suggest another additional meeting, the next meeting will be regularly scheduled on Wednesday, April 14, 2021. If you are interested in being involved in this way, please let me know and I will make sure you are included!

Summary of action taken at the March 10 meeting.

Numerous items were discussed and implemented:

1. "The current KPERS Board position (Representing KPERS School) held by Ernie Claudel will be a contested election. We have attached responses provided by the candidates. The KPERS Board election for 'KPERS School' will be held throughout the month of April. The other elected KPERS Board position is presently held by Ryan Trader, an Olathe Firefighter. He is running unopposed.
2. The House Committee that is referenced here is the House Committee on Insurance and Pensions. Updates on KPERS bills are as follows:
 - A. HB2044 calls for an increase in educator pay in conjunction with a contribution increase. The rub is that the pay increase is for one year, the contribution is not limited in time. This bill was not passed out of committee. I obviously testified against it.
 - B. A new bill HB2289 calls for a 13th check funded by an additional billion-dollar bond issue. About 45,000 KPERS retirees and beneficiaries would receive this benefit. Surprisingly, this was nearly passed out of committee as an amendment to the following listed bill. This MAY signal that the House is more open to a benefit increase than in the past. (Our 3,2,1% bill would provide benefit increase for 80,109 of the approximately 105,620 KPERS retirees and beneficiaries.)
 - C. Representative Johnson introduced HB2405. This bill calls for another \$1 Billion bond issue to reduce the Unfunded Actuarial Liability. It is basically copy of the Billion Dollar Bond of 2015. It was passed out of committee with a \$500 Million option. The two options are governed by the cost of the bond purchase. Ed Klumpp (who represents several law enforcement organizations) and is a member of the KCPR Steering Committee, and I suggested, in our testimony in favor of the bill, that perhaps \$200 Million of the proposed \$1 Billion might be used to fund our long sought after 3,2,1% COLA. We were unsuccessful and Rep. Johnson did not introduce our COLA bill on its own merit. HB2405 was passed on to the House floor where it DID pass. Surprising to us, it passed by what could be considered a super majority. It now awaits Senate Action. (No amendment was attempted on the House floor.)
 - D. I testified against HB2399 on behalf of KCPR and KARSP (the Re-am Bill) for the reasons stated in previous 'Updates'. This was passed out of the committee w/o recommendation. There were statements made that indicated that several voted to pass it out of committee so that it could be hammered once and for all. (This comment is not a quote but does appear to represent the feeling of much of the committee.)
 - E. The following bills, regarding KPERS have passed the House and are headed to the Senate. We believe they are likely to pass.

- a. *HB 2243 — Adjusting the frequency of the KPERS actuarial experience study.*
 - b. *HB 2063 — Providing certain KP&F tier II spousal and children's benefits for death resulting from a service-connected disability.*
 - c. *HB 2064 — Making DROP elections revocable and allowing DROP members who first elected a DROP period of less than five years to extend such DROP period.*
3. Many of you have figured out how to look up the bills and legislative addresses. If you desire to learn how to do this and cannot find someone to help you, I will be glad to help you out.
 4. KCPR is once again sending a weekly Email Blasts to the legislature. These are available for your viewing on our updated website, www.ksretirees.org.

**Suggested Rebuttal for COLA or Funding Push Back
(This is a reprint. All information is factually correct.)**

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 no 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!

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

**Please, please be careful!
Stay Warm and Well**

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