

Kansas Coalition of Public Retirees



THE HISTORY OF KPERS COLAS

We have attached two graphs that illustrate the history of KPERS benefit increases between 1974 and 2021. The graphs indicate the number of permanent cost-of-living adjustments (COLA's) as well as the frequency of one-time payments (bonuses). Sadly, it has been 23 years since a permanent increase has been granted to KPERS retirees. Kansas KPERS now leads the nation in years with no COLA increase. At 23 years, Kansas is followed by Oklahoma at a distant 13 years where a COLA was granted in 2020.

Legislation passed following the comprehensive 'KPERS Commission' study of 2011 raised only the employee contribution portion to the program from 4% to 6%, a 50% increase. As of January 22, 2021, the KPERS Trust Fund balance reached a record total of \$23.55 Billion. This record is the direct result of increased contributions mentioned, coupled with very favorable KPERS investment success.

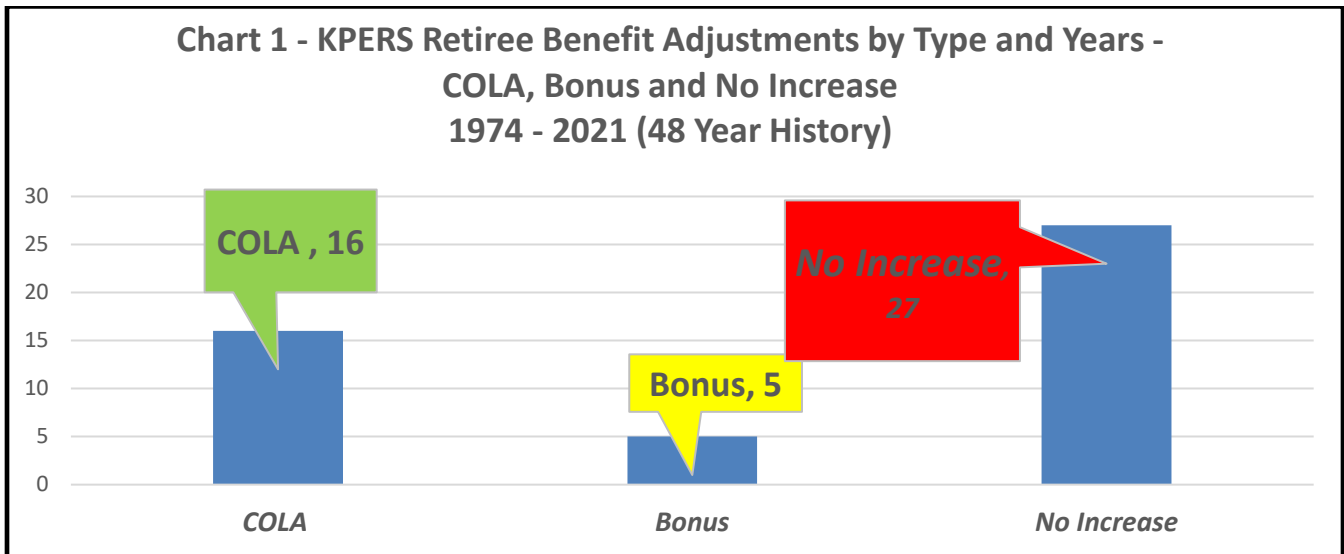
Unfortunately, KPERS retirees and beneficiaries have not been allowed to share in this added value even though they have had their contribution to the program increased by (50%). Meanwhile here are the Cost-of-Living increases documented since the last benefit increase.

The Cost of Living has increased 54% through CY 2018. Various components within the CPI have increased even more dramatically and are listed. The Consumer Price Index is a "Market Basket price of goods and services:" as measured monthly; and the source of that information is the U.S. Department of Labor, Bureau of Labor Statistics, BLS.

- a. Gasoline – 162%
- b. Food – 48%
- c. Housing – 61%
- d. Providers – 91%
- e. Physicians - 65%
- f. Medical Service – 109%
- g. Hospital Costs – 216%

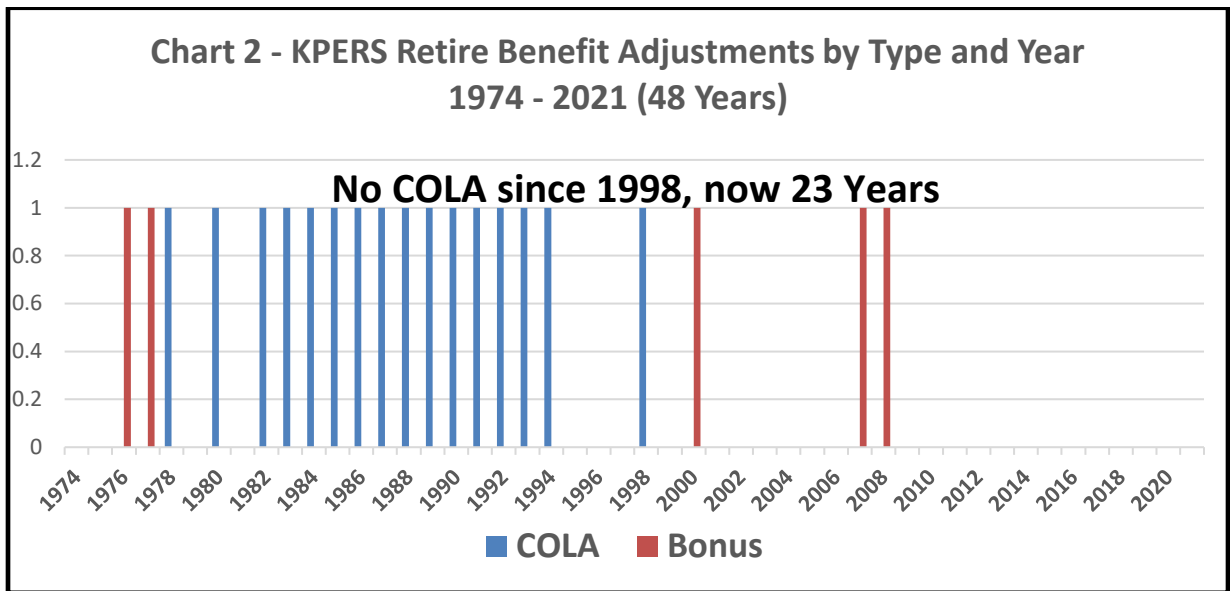
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Important facts.

1. Records for 48 years 1974 - 2021 indicate a COLA provided in 16 of those years.
2. Consumer Price Index, CPI increased from 1974 at 49.3 to 2020 at 258.811. 5 - fold increase.
3. From 1982 – 1994, 13 of the 16 COLA’s were granted to KPERS retirees
4. COLA’s represent a permanent increase, Bonus is a “one-time” adjustment for KPERS retirees meeting certain conditions.



Notes:

1. Most COLA’s (13 of 16) were granted from 1982 – 1994.
2. Bonus legislation grants a “One-time” non-permanent benefit to retiree.