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TOPEKA

SENATE CHAMBER

March 12, 2019

Chairperson Olson and Committee Members:

I appear before you today to correct an unintended consequences when the Legislature made significant changes to the KPERS working after retirement rules a couple of years ago. SB 202 will correct that unintended consequence.

The working after retirement changes were necessary to make sure the KPERS Trust Fund was not adversely affected by retirees returning to work. The changes included a penalty for retirees who break the required waiting period, the first time such a penalty existed.

With so many changes to the law in a relatively short window there has been some confusion for people who were close to retirement and some unintended consequences for retirees.

An example from my district, a retiree returned to work in a part-time position for the State Fair, not realizing that the fair is also a state agency covered by KPERS. After working for a several weeks and earning a few hundred dollars it was discovered that the retiree had broken the waiting period. Under current law, this retiree will lose six months of KPERS benefits, a penalty of approximately \$25,000 for a few weeks of part-time work at the State Fair.

The intention of SB 202 is reset the clock on the new penalty for retirees. This will allow additional time for KPERS to communicate with the members to make sure all retirees are fully aware of the requirements. The bill will also remove the additional six month penalty on retirees to avoid penalties that are far greater than the money a retiree might earn.

SB 202 keeps the requirement that a retiree who returns to work for KPERS employer before the end of their waiting period cannot receive both a benefit and receive a paycheck from a KPERS employer.

SB 202 takes care of the unintended consequences that was created by all of the recent legislative changes to working after retirement and I appreciate your favorable consideration of the bill.

A handwritten signature in black ink, appearing to read "Ed Berger", with a long horizontal line extending to the right.

**Senator Ed Berger
Senate District No. 34**