

## KPERS Layering Payment and Supplemental Contribution; SB 421

**SB 421** transfers \$1.125 billion from the State General Fund (SGF) directly to the Kansas Public Employees Retirement System (KPERS) Trust Fund. Of that amount, the first \$253.9 million SGF pays off outstanding accounts receivable for KPERS-School employer contributions withheld in FY 2017 and FY 2019 (“layering payments”) while the remaining \$871.1 million SGF is applied to the KPERS-School unfunded actuarial liability.

The bill transfers \$853.9 million in FY 2022 in two installments: \$553.9 million on the effective date of the bill (*i.e.*, upon publication in the *Kansas Register*) and \$300.0 million on June 1, 2022. The remaining \$271.1 million will be transferred in FY 2023 in two installments, both subject to approval, but not modification, from the State Finance Council: \$146.1 million on August 1, 2022, and \$125.0 million on December 1, 2022.

The schedule of payments is summarized below:

<b>SB 421 Payment Schedule by Fiscal Year*</b>	
<b>FY 2022</b>	
KPERS Layering Payment (effective date of the bill)	\$ 253,866,022
KPERS-School (effective date of the bill)	300,000,000
KPERS-School (June 1, 2022)	300,000,000
<b>Subtotal–FY 2022</b>	<b>\$ 853,866,022</b>
<b>FY 2023</b>	
KPERS-School (August 1, 2022)**	\$ 146,133,978
KPERS-School (December 1, 2022)**	125,000,000
<b>Subtotal–FY 2023</b>	<b>\$ 271,133,978</b>
<b>GRAND TOTAL</b>	<b>\$ 1,125,000,000</b>

\* While the Conference Committee used rounded estimates in its discussions, the numbers represented here and in the Conference Committee Report reflect exact amounts.

\*\* The bill authorizes the State Finance Council to stop these payments upon approval of a resolution.

The bill also updates provisions in law relating to employer contributions and contribution rates for State and School employers by removing references to the repayment schedule for the delayed contributions, which previously required these contributions to be paid on a level-dollar basis over a 20-year period. [Note: These periods began in FY 2018 and FY 2020.]