

SESSION OF 2022

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2481

As Recommended by House Committee on
Insurance and Pensions

Brief*

HB 2481 would authorize, on and after July 1, 2022, members of the Kansas Police and Firemen's Retirement System (KP&F) to purchase service time credited as KP&F service for eligible prior in-state, non-federal governmental employment.

Under the bill, eligible members would not be able to purchase service that is already credited as service time in another pension plan. The bill would allow the purchase to be paid through a single, lump-sum payment or through payroll deductions. Costs would be determined by an actuarial calculation based on the member's current age and salary, the number of years being purchased, and the actuarial assumptions in place at the time of purchase.

[*Note:* Under current law, members of the Kansas Public Employees Retirement System (KPERs) may purchase service time for prior in-state, non-federal governmental employment. In addition, while current law allows members of KP&F to purchase service time for prior military service, these members cannot purchase service time for prior in-state, non-federal governmental employment.]

Background

The bill was introduced by the House Committee on Insurance and Pensions at the request of a representative of

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

the Kansas Sheriffs' Association, Kansas Association of Chiefs of Police, and Kansas Peace Officers Association ("Kansas Law Enforcement Associations").

House Committee on Insurance and Pensions

In the House Committee hearing on January 24, 2022, a representative of Kansas Law Enforcement Associations testified as a **proponent**, indicating the bill would align options to purchase prior in-state, non-federal governmental employment currently available to KPERS members to KP&F members. The representative noted current law creates discrepancies within Kansas Law Enforcement Associations, with approximately one-third of officers included in KPERS and the remaining two-thirds of officers included in KP&F. **Proponent** testimony also was provided by a representative of the Olathe Police Department. The sergeant commented on the fairness of the current buy-back provisions in law for service credit, noting his prior service with the Wichita Police Department cannot be purchased as KP&F service credit because that law enforcement agency uses a separate pension system and is not included in KP&F.

Representatives of the Johnson County Sheriff's Office, the Kansas State Council of Fire Fighters, and Kansas State Fraternal Order of Police provided written-only proponent testimony.

A representative of KPERS provided informational testimony, indicating the bill would offer another option for KP&F members to purchase service credits. The representative also clarified there are no actuarial costs expected if the bill is enacted and administrative costs can be accomplished within existing appropriations.

No **opponent** testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, KPERS indicates enactment of the bill would require additional programming to the KPERS pension administration database but that such costs are negligible and can be accomplished without supplemental appropriations. Enactment of the bill would not have an actuarial cost to the KP&F system. Any fiscal effect associated with the bill is not reflected in *The FY 2023 Governor's Budget Report*.

Retirement System; KP&F; service credit