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**Testimony to the House Pensions and Benefits Committee
In Support of HB2630
February 8, 2012**

Chairman Holmes and Committee Members,

The Kansas Association of Chiefs of Police, Kansas Sheriffs Association, and Kansas Peace Officers Association supports HB2630. This bill provides Kansas public safety retirees the mechanism to take advantage of a federal law that will save each retiree an estimated average of \$450 per year on their federal taxes. Federal law has been in place for several years allowing public safety retirees to have their health insurance premiums paid from their retirement benefit payments as a pre-tax expense. However, Kansas has not enacted the statutory authorization for KPERS to allow their public safety retirees the opportunity to do so.

This bill is relatively simple. It provides the mechanism for KPERS to set up a system to allow KPERS public safety retirees to take advantage of this federal tax law. Yes there is a one-time cost to set this up and there will be a cost to administer it. That one-time cost is estimated to be less than \$50 per current public safety employee and retiree under KPERS and KP&F retirement plans. The ongoing administration fee is estimated to be less than \$5 per year for each current public safety employee and retiree under KPERS and KP&F retirement plans.

Public safety retirees deserve to have Kansas honor this federal tax code by creating the mechanism to have these pre-tax payments made from their benefit payments.

We strongly encourage you to recommend this bill favorably for passage.

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