

January 24, 2022

The Honorable Steven Johnson, Chairperson
House Committee on Insurance and Pensions
Statehouse, Room 218-N
Topeka, Kansas 66612

Dear Representative Johnson:

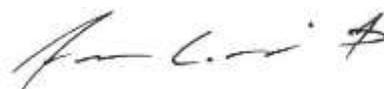
SUBJECT: Fiscal Note for HB 2481 by House Committee on Insurance and Pensions

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2481 is respectfully submitted to your committee.

Under current law, Kansas Police and Firemen's (KP&F) retirement system members have the option to purchase certain military service time credited as KP&F service. HB 2481 would add in-state, nonfederal governmental employment that would meet the requirement of an employee in the KP&F statutes as service time eligible for purchase as KP&F service. A member could not purchase service that is already credited as service time in another pension plan. The service purchase could be paid through a single, lump-sum payment or through an additional payroll deduction. The cost of the service would be calculated actuarially, which is based on the member's current age, current salary, the number of years being purchased, as well as actuarial assumptions in place at the time of service purchase.

According to KPERS, any actuarial costs associated with the enactment of HB 2481 would be borne by KP&F members who would choose to purchase credited service. Since the calculated costs would fully account for the actuarial liability of the purchased service credit, there would be no additional costs to the KP&F pension system. The bill would require some additional programming to the KPERS pension administration database; however, any costs would be negligible. Any fiscal effect associated with HB 2481 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Jarod Waltner, KPERS