

SESSION OF 2014

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2596**

As Agreed to April 3, 2014

Brief*

HB 2596, as amended, would make a change in law concerning state employee retirement and disability benefits. The bill would revive a provision that previously expired on June 30, 2007, and permanently reinstate the provision.

The provision would hold harmless both the retirement and disability benefits calculations for any state employee member of the Kansas Public Employees Retirement System (KPERS), the Kansas Police and Fireman's (KP&F) Retirement System, or the Retirement System for Judges, if the employee is furloughed or accepted a voluntary reduction in pay during the period of time used for determining benefits.

Conference Committee Action

The Conference Committee accepted the bill, as introduced, and further agreed to accept the Senate amendment that would make permanent the provision holding state employees harmless, rather than having a sunset date for the provision to expire. The Conference Committee agreed to remove the Senate amendment that would address leaves of absence and accruing of KPERS service credit during such periods.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/kldr>

(The Conference Committee recognizes a Legislative Post Audit study on the leave of absence issue was authorized and a report is anticipated for review during the 2015 Session.)

Background

Before the House Committee on Pensions and Benefits, a representative from the Office of Judicial Administration spoke in favor of the bill. A representative from KPERS offered neutral testimony. No opponents offered testimony.

In the Senate Select Committee, a representative of the Office of Judicial Administration supported the bill. The KPERS Executive Director provided neutral testimony and a history of the provision's application from 2003 to 2007, when the provision was in effect.

The Senate Select Committee removed a reference in the bill to a specified effective period from July 1, 2014, to June 30, 2017, making the revived provision a permanent statute without expiration.

The Senate Committee of the Whole amendment would suspend the eligibility of any public employee from KPERS coverage during periods when the employee is on leave of absence and not working for a participating KPERS employer in a covered position. The effect of this amendment would be to eliminate accumulating credited service during such leave of absence periods. It also would make an employee ineligible for KPERS death and disability benefits as well as accruing service credit used in computing retirement benefits.

The fiscal note prepared by the Division of the Budget indicated passage could result in additional costs for state agencies. However, those costs are unknown as any such reductions and furloughs were unplanned when the fiscal note was prepared.

KPERS staff provided additional information about the period when the hold harmless provision previously was in effect. From FY 2003 through FY 2007, the provision applied to fewer than ten members who retired or became disabled in a year that otherwise would have been included in the member's computation of either retirement or disability benefits.

retirement; KPERS; state government; KP&F; judges; state employees; furlough; disability benefits

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