

February 13, 2017

The Honorable Jim Kelly, Chairperson
House Committee on Financial Institutions & Pensions
Statehouse, Room 581-W
Topeka, Kansas 66612

Dear Representative Kelly:

SUBJECT: Fiscal Note for HB 2289 by House Committee on Financial Institutions & Pensions

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2289 is respectfully submitted to your committee.

HB 2289 would amend the definition of participating service under the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Participating service would include any period of time away from work or normal duties while in a paid status including, without limitation, any administrative leave with pay and any paid vacation leave, sick leave, personal leave, worker's compensation leave, light duty or temporary duty assignment. The provisions would apply to any leave occurring on or after July 1, 2014.

KPERS states that, under current law, there are limited circumstances in which a member's service credit might be adversely affected due to administrative leave. Currently, both KPERS and KP&F members receive service credit for periods of time spent on vacation and sick leave, and for up to 10 days on administrative leave, so long as the employer is reporting at least 50.0 percent of the member's normal pay. Members earn one quarter of service for every quarter of service in which he or she works. Additionally, members who qualify for disability benefits are automatically credited with service back to the date of the disability.

For any type of approved leave, KPERS notes that as long as a member and his or her employer continue to make contributions on the full amount of the employee's compensation the cost to the retirement system would likely be negligible. Any fiscal effect associated with HB 2289 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Faith Loretto, KPERS