



Kansas Police and Fire Retirement

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Joint Committee on Pensions, Investments, and Benefits

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Covering Today

Member demographics

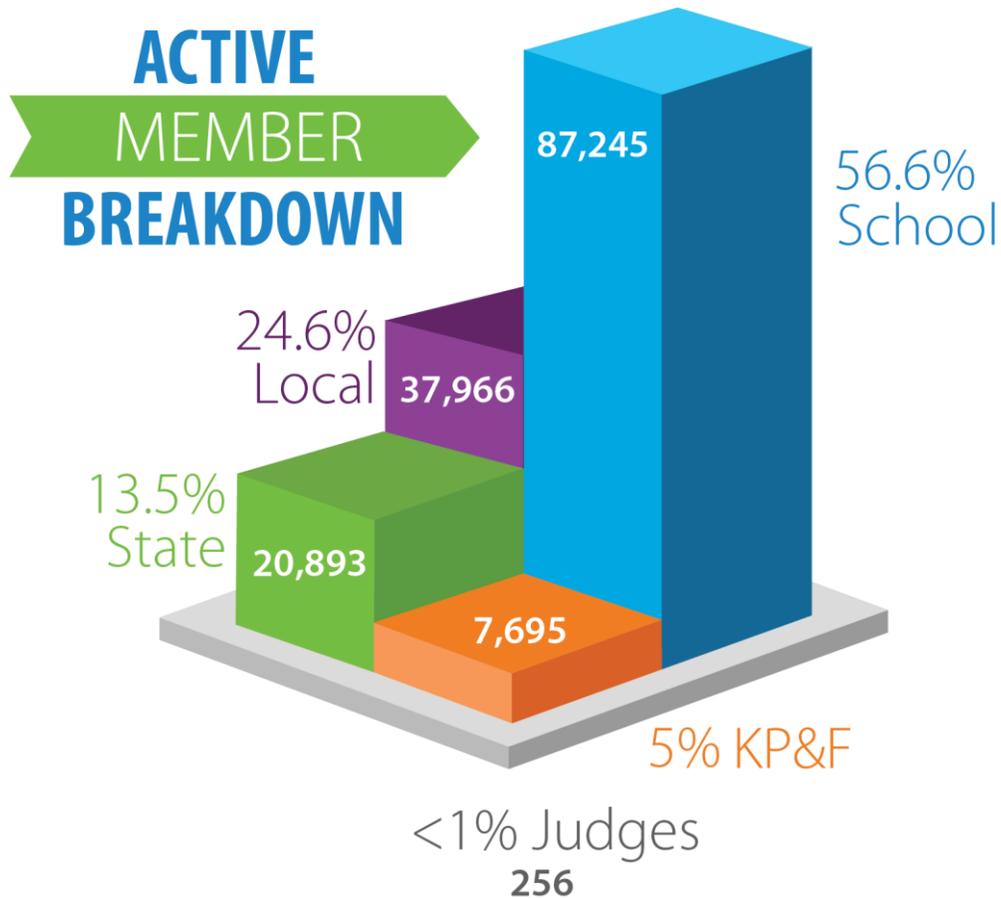
KPERS, KPERS-Correctional and KP&F Plan Design

KP&F Eligibility

2019 Legislation and Estimated Costs



Member Demographics



Total Active Members – 154,055

- KP&F makes up about 5% of the total active membership.
- KPERS-Correctional is a subgroup of the State
 - Correctional Age 55 (C55)
 - Generally corrections officers
 - About 1,800 members
 - Correctional Age 60 (C60)
 - Other employees with inmate contact.
 - About 200 members
 - Juvenile Justice employees in similar positions are not eligible for KPERS-Correctional



Member Demographics

	KPERS	KPERS-Correctional	KP&F
Active Members	144,071	2,033	7,695
Average Age	45.2	40.0	38.8
Average Service	11.0	9.2	11.0
Average Salary	\$41,988	\$43,462	\$65,318
Retired Members	88,685	1,106	4,175
Average Retirement Age	62.0	59.9	54.6
Average Benefit	\$15,203	\$13,001	\$39,183



Major Plan Provisions

	KPERS 3	KPERS-Correctional	KP&F
Plan Design	Cash Balance	Traditional Pension	Traditional Pension
Vesting	5 years	5 years	15 years
Benefit Calculation	Benefit is calculated using member account balances accumulated during career	Years of Service X Final Average Salary X 1.85%	Years of Service X Final Average Salary X 2.5%
Normal Retirement	65 with 5 years of service 60 with 30 years of service	C55: 55 with 10 years of service C60: 60 with 10 years of service	50 with 25 years of service 55 with 20 years of service 60 with 15 years of service
Employee Contribution	6%	6%	7.15%
Employer Contribution	14.41% in FY 2020	C55: 14.51% in FY 2020 C60: 15.37% in FY 2020	22.13% in FY 2020



Impact on Contributions

An active member making \$40,000 in FY 2020 would have contributions of:

- Employee contributions to KPERS
 - KPERS, C55 and C60 (6%) - \$2,400
 - KP&F (7.15%) - \$2,860 (\$460 higher)
- Employer contributions to KPERS
 - KPERS (14.41%) - \$5,764
 - C55 (14.51%) - \$5,804 (\$40 higher)
 - C60 (15.37%) - \$6,148 (\$384 higher)
 - KP&F (22.13%) - \$8,852 (\$3,088 higher)



Portability Laws

- When a member has service in both KPERS and KP&F, there are special “portability” rules in K.S.A. 74-4998.
- Any service earned prior to switching plans is maintained by the member.
- Total combined service time is used for vesting and retirement eligibility and salary from both plans is considered for final average salary.
- However, a separate benefit calculation is completed for each plan using only the actual years of service in each and the member receives two retirement checks each month.
- When a member chooses to retire from one plan they must retire from all plans if eligible or their benefit is pending until they become eligible.
 - This is not the same as working after retirement, which is allowed under certain rules.



KP&F Eligibility

- KP&F is established in K.S.A. 74-4951 *et seq.*
- Eligible employers are “any city, county, township or other political subdivision of the state employing one or more employees as firemen or policemen.” (K.S.A. 74-4952 §3)
- Eligible employees are “any policeman or fireman employed by a participating employer whose employment for police or fireman purposes is not seasonal or temporary and requires at least 1,000 hours of work per year.” (K.S.A. 74-4952 §4)
- Statute defines “fireman” as any employees whose duties include “fighting and extinguishment of fires and protection of life and property therefrom...”
 - Emergency Medical Service Technicians are considered firemen by statute (K.S.A. 74-4954a)
- Statute defines “policeman” as any employee whose duties include “the enforcement of law and maintenance of order within the state and its political subdivisions, including sheriffs and sheriffs' deputies; **who has successfully completed the required course of instruction for law enforcement officers approved by the Kansas law enforcement training center** and is certified pursuant to the provisions of K.S.A. 74-5607a...” (emphasis added)



Affiliating with KP&F

- It is most common for employers to affiliate with KP&F for future service only.
 - The cost of affiliating for past service is high.
- Current statute allows for affiliations on January 1.
- KP&F employer contributions are higher than KPERS employer contributions (21.73% vs. 14.23% in FY 2020 for State employers).
- Social security coverage does not change due to affiliation with KP&F, which is an additional 7.65% of payroll.



2019 Legislation

House Bill 2099 – Wildlife, Parks and Tourism Officers

- Affiliates the Department of Wildlife, Parks and Tourism as an eligible KP&F employer for future service only.
- Affects approximately 165 employees who are certified by the law enforcement training center and work in the parks, public lands or law enforcement divisions.
- The additional employees are estimated to lower the employer contribution rate applied to all KP&F employers slightly, but increases the cost to Wildlife, Parks and Tourism because the KP&F contribution rate is higher than the KPERS contribution rate (21.73% vs. 14.23%).
- Total cost estimate is an increase of about \$600,000 (\$700,000 increase for Wildlife, Parks and Tourism, but a decrease of \$100,000 spread across all other State KP&F employers).



House Bill 2139/Senate Bill 121 – Local Corrections Officers

- Gives the option for local employers to cover corrections officers, detention officers, or jailors in KP&F.
- The total number of affect employees depends on the number of local employers that would include this group of employees.
- Additional KP&F employees at local employers could impact the KP&F employer contribution rate, which would impact State contribution. However, it is not possible to estimate the impact without more information.



2019 Legislation

House Bill 2165 – State Corrections Officers

- Affiliates the Department Corrections as an eligible KP&F employer for future service only.
- Affects approximately 2,200 employees who meet the definition of security officer in the bill.
 - Includes equivalent Juvenile Justice Authority positions.
- Total cost estimate is an increase of about \$5.2 million (\$6.1 million increase for the Department of Corrections, but a decrease of \$900,000 spread across all other State KP&F employers).
- Moving this group out of KPERS increases the employer contribution rate for KPERS, but the total State cost for KPERS is minimally impacted.

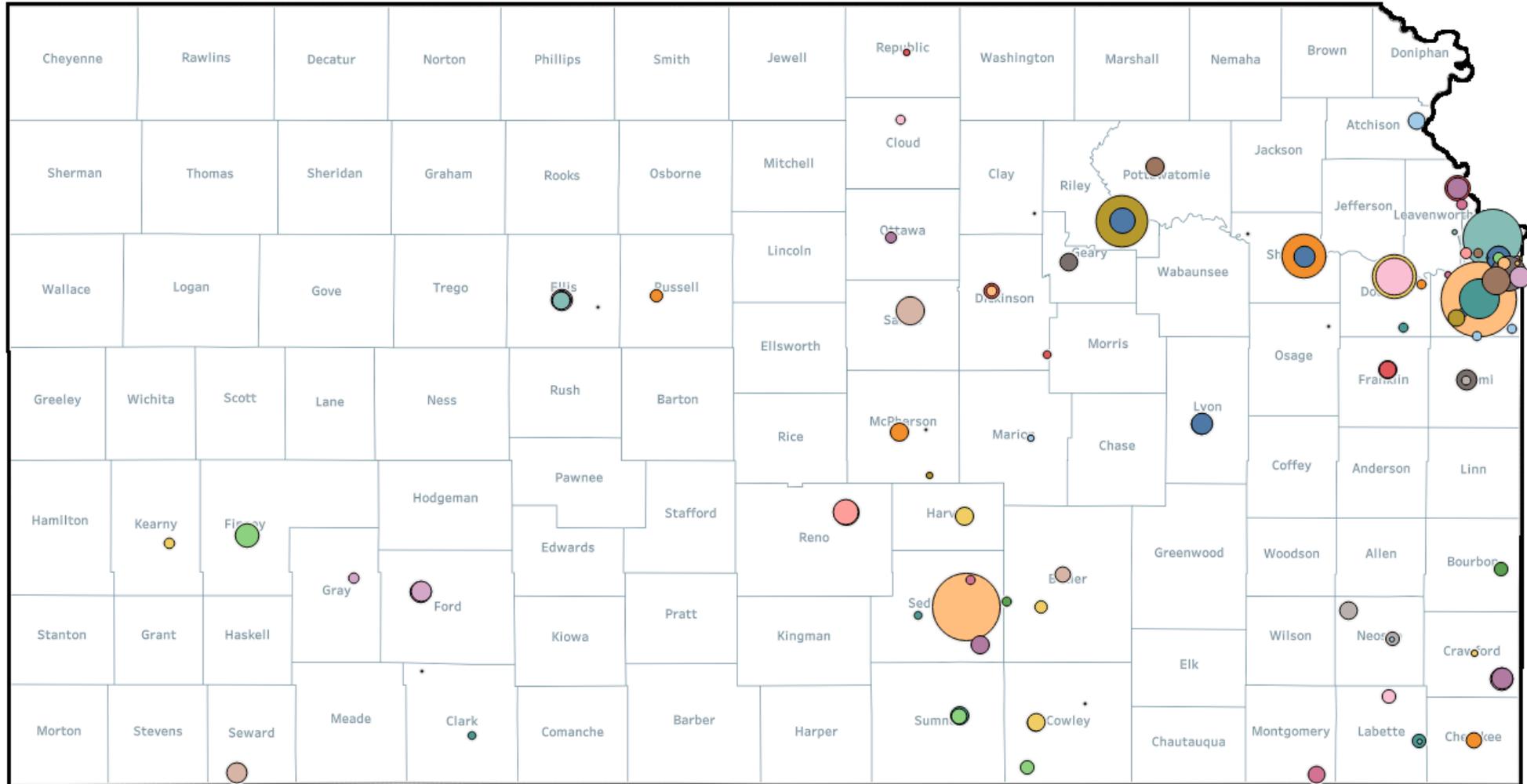


KP&F Employers

Cities							Counties	
Abilene	Chanute	Fairway	Lake Quivira	Merriam	Paola	Victoria	Atchison	Leavenworth
Andover	Coffeyville	Fort Scott	Lansing	Minneola	Park City	Wakefield	Cherokee	Miami
Arkansas City	Concordia	Garden City	Lawrence	Mission	Parsons	Wellington	Clark	Neosho
Atchison	Derby	Gardner	Leavenworth	Moundridge	Pittsburg	Westwood	Cowley	Ottawa
Augusta	Dodge City	Girard	Leawood	Newton	Roeland Park	Winfield	Dickinson	Pottawatomie
Baldwin City	Edwardsville	Goddard	Lenexa	Olathe	Rossville		Douglas	Reno
Basehor	El Dorado	Hays	Liberal	Oswego	Salina		Ellis	Riley
Belleville	Emporia	Herington	Manhattan	Ottawa	Shawnee		Ford	Russell
Bonner Springs	Erie	Hutchinson	Marion	Overbrook	Spring Hill		Franklin	Sedgwick
Burden	Eudora	Junction City	McPherson	Overland Park	Topeka		Gray	Seward
							Harvey	Shawnee
							Johnson	Sumner
							Kearny	Unified Government of Wyandotte County
							Labette	
State Agencies		Universities		Other Public Safety Districts				
Adjutant General's Office		Fort Hays State University		Johnson Co Consolidated Fire Dist No 2				
Kansas Bureau of Investigation		Kansas State University		Johnson Co Fire Dist 1				
Office of Fire Marshal		Emporia State University		Johnson Co Fire Dist No 2				
Kansas Highway Patrol		Pittsburg State University		Johnson Co Park & Recreation Dist				
		University of Kansas		Leavenworth Co Fire District # 1				
		Wichita State University		McPherson County Rural Fire Dist # 9				
		University of Kansas Medical Center		Northwest Consolidated Fire District				
				Riley County Law Enforcement Agency				
				Shawnee Heights Fire District				



KP&F Employers



Note: Circle size indicates number of active KP&F employees.



Questions?

