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MEMORANDUM

To: House Committee on Financial Institutions and Pensions

From: Office of Revisor of Statutes

Date: February 15, 2023

Subject: **HB 2195: Increasing the amount of retirant compensation subject to the statutory employer contribution rate to the first \$35,000 of compensation earned by a retirant in a calendar year and for a period commencing July 1, 2023, and ending December 31, 2024, requiring participating employers to pay only the statutory employer contribution rate on all compensation of a retirant employed in a covered position.**

House Bill No. 2195 makes two changes to KPERS working after retirement provisions relating to employer contributions.

(1) The bill would require participating employers to pay only the statutory employer contribution rate on all retirant compensation earned during a period beginning July 1, 2023, and ending December 31, 2024. No 30% rate would be assessed during this window.

(2) The bill also increases the retirant compensation threshold amount subject to the statutory KPERS employer contribution rate from the first \$25,000 of compensation earned by a retirant in a calendar year to \$35,000. This increase in the compensation threshold amount is not subject to the December 31, 2024, end date and would continue at the \$35,000 amount unless changed by the legislature.

The bill also removes from statute previous working after retirement exceptions that expired January 1, 2018.