Brief*

HB 2596, as amended, would make a change in law concerning 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 Firemen’s 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.

The bill also would prevent credited service from being earned during any leave of absence by an employee who is not working for a KPERS participating employer during the break in service when not serving in a covered position.

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

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at http://www.kslegislature.org
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 10 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.