

# KANSAS PUBLIC EMPLOYEES RETIREMENTS SYSTEM

## LEGISLATIVE SUMMARY

2017 Session

### House Bill 2323 (As Introduced)

**Summary** HB 2323, as introduced, would provide an ad hoc cost of living adjustment (COLA) for retirees who have been retired for at least 5 years as of July 1, 2017. The COLA is structured to provide the following increases:

Years Since Retirement	Amount of ad hoc COLA*
0 - 5 years	No Adjustment
5 - 10 years	1.0% increase
10 - 15 years	2.0% increase
15 or more years	3.0% increase

\*Increases in the monthly benefit due to the cost of living adjustment cannot exceed \$150 per month.

**Sponsor:** House Committee on Appropriations

**Location:** House Committee on Appropriations

**Cost:** KPERS' consulting actuary completed a cost study on HB 2323 and projected the increase to the unfunded actuarial liability that would occur if HB 2323 was passed as introduced. The projected increase to the unfunded actuarial liability totals \$164.2 million for all KPERS retirement plans.

HB 2323 does not specify the length of the amortization period to fund the cost of living adjustment. For the cost analysis, the actuary assumed the increase in the unfunded actuarial liability would be amortized over 15 years.

Under a 15-year amortization period, HB 2323, as introduced, is projected to cost \$15.31 million in FY 2018 (\$11.71 million from all funds in State contributions) and \$15.77 million in FY 2019 (\$12.06 million from all funds in State contributions).

**Notes:** *HB 2323, as introduced, is identical to SB 227, as introduced.*