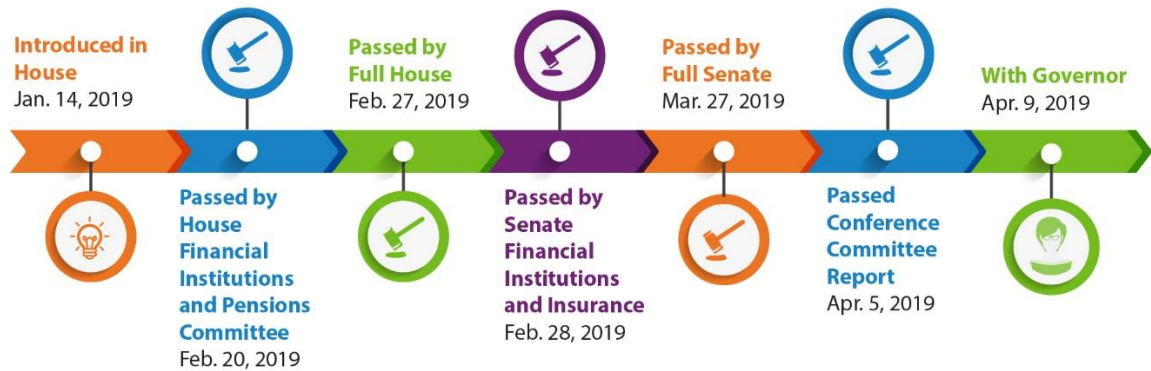


2019 Legislative Session | KPERS Bill Recap

House Bill 2031: KPERS Omnibus Legislation

Where It's At



Quick Look

HB 2031 contains all policy changes passed by the Legislature this session. The bills combined into HB 2031 include HB 2119, HB 2140, HB 2203 and SB 210.

The Fine Print

HB 2031 makes the following policy changes to KPERS:

1. **HB 2031** – Adding bloodborne pathogens and specific cancers to the definition of “service-connected” for Kansas Police and Fire (KP&F) death and disability benefits.
2. **HB 2119** – Expanding the delegated authority the KPERS Board of Trustees to enter into contracts for services when it is in the best interest of the Trust Fund.
3. **HB 2140** – Extending the Deferred Retirement Option Program (DROP) pilot for an additional 5 years (through December 2025) and adding the Kansas Bureau of Investigation to the Kansas Highway Patrol as employers included in the pilot DROP.
4. **HB 2203** – Delaying the implementation of a penalty on retirees who return to work for a KPERS employer before the end of their waiting period, restore any penalties that were initiated, and allowing the Executive Director to waive the retiree penalty in certain situations.
5. **SB 210** – Allowing Community Developmental Disability Organizations (CDDOs) to designate a two-year waiting period for direct support positions.

Additional information is provided in the following pages.

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House Bill 2031: KP&F Service-Connected Definition

Quick Look

HB 2031 adds bloodborne pathogens and specific cancers to the definition of “service-connected” for KP&F death and disability benefits.

Hearings

February 6 – Bill hearing in House Financial Institutions and Pensions Committee

February 20 – Recommend favorable for passage by House Committee

February 26 – Full House debate

February 27 – House Final Action; Passed 123-0

March 20 – Bill hearing in Senate Financial Institutions and Insurance

March 21 – Recommended favorably for passage by Senate Committee

March 27 – Senate Final Action; Passed 39-0

The Fine Print

HB 2031, as amended by the Senate Committee in Financial Institutions and Insurance, adds bloodborne pathogens and specific cancers to the list of conditions that are considered service-connected for death and disability benefits. HB 2031 includes several specific cancers that are included in the definition of service-connected, including cancers of the:

- Brain
- Skin
- Digestive system
- Hematological system
- Genitourinary system

The House Committee amendments to HB 2031 included:

1. Eliminating employer requirements for baseline medical tests of employees.
2. Adding a reference to Department of Health and Environment definitions for bloodborne pathogens.

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House Bill 2119: KPERS Administrative Language

Quick Look

HB 2119 allows the KPERS Board of Trustees to enter into contracts for services when it is in the best interest of the Trust Fund.

Hearings

February 11 – Bill hearing in House on Financial Institutions and Pensions Committee

February 20 – Recommended favorably for passage by House Committee

February 28 – House final action; Passed 123-0

March 19 – Bill hearing in Senate Financial Institutions and Insurance Committee

March 21 – Recommended favorably for passage by Senate Committee

March 27 – Senate Final Action; Passed 39-0

The Fine Print

In 2001, the Legislature amended state statute to delegate the authority for procuring professional and consultant services for the Retirement System to the Board of Trustees. Since that time, the Board has overseen the procurement of contracts for professional and consultant services, including actuarial consulting, investment management and investment consulting, and legal services.

The Board's goal is to administer benefits in the most cost effective and efficient ways, based on sound business practices. Over the past 17 years, the delegated authority to oversee procurement and negotiation of professional and consultant service contracts has been important to the System by allowing the Board to focus on the best interests of the Trust Fund in the execution of KPERS' fiduciary obligation to the members.

The Board of Trustees will continue to follow all statutory requirements for entering into contracts for services and will continue following all appropriate reporting requirements to the Legislature.

2019 Legislative Session | KPERS Bill Recap

House Bill 2140: KP&F DROP Extension

Quick Look

HB 2140 extends the pilot Deferred Retirement Option Program (DROP) to January 1, 2025 and adds the Kansas Bureau of Investigation KP&F members as eligible to participate in the DROP.

Hearings

February 18 – Bill hearing in House Financial Institutions and Pensions Committee

February 20 – Recommended favorably for passage by House Committee

February 27 – House final action; Passed 123-0

March 19 – Bill hearing in Senate Financial Institutions and Insurance Committee

March 21 – Recommended favorably for passage by Senate Committee

March 27 – Senate final action; Passed 39-0

The Fine Print

The 2015 Legislature passed a pilot Deferred Retirement Option Program. for the Kansas Highway Patrol with a sunset date of January 1, 2020.

The KP&F DROP plan design includes:

- Members may enter the DROP at normal retirement age.
- Members must select a period of 3-5 years to continue working, during which time their benefit is deposited into a DROP account, which may be credited interest when certain investment thresholds are met.
- Members and employer continue to make regular contributions to KPERS (7.15% for the employee and 22.13% in FY 2020 for employers).
- At ultimate retirement, the member receives the balance of the DROP account as a lump sum or a rollover to another qualified account.

HB 2140, as introduced, extends the DROP until January 1, 2025 and adds the Kansas Bureau of Investigation as eligible to participate in the DROP, along with the Kansas Highway Patrol.

2019 Legislative Session | KPERS Bill Recap

House Bill 2203: Working after retirement; STARBASE exemption

Quick Look

HB 2203, as amended by House Committee, adds the STARBASE employees to the list of positions exempt from working after retirement rules and delays the implementation of the employee penalty for retirees who return to work before the end of their waiting period.

Hearings

February 18-Bill hearing in House Financial Institutions and Pensions Committee

February 25-House Committee recommended favorably for passage

February 27-House final action; passed 92-32

March 12-Bill hearing in Senate Financial Institutions and Insurance Committee

March 14-Senate Committee recommended favorably for passage.

March 26-Senate final action; passed 39-0

The Fine Print

KPERS affiliated employers are required to make contributions to KPERS when they hire a KPERS retiree. Some positions (i.e. poll workers, daily call substitute teachers, local elected officials) are exempt from the required employer contribution. STARBASE would be the ninth exemption included in the working after retirement rules.

KPERS retirees have a waiting period after retirement before they can return to work for a KPERS employer. The waiting period is either 60 days (if they retired at age 62 or older) or 180 days (if they retire before age 62). If a member breaks the statutory waiting period they are subject to a statutory penalty that includes repaying any benefits they received while working and suspension of benefits for six months after leaving employment.

The House Committee amended HB 2203 to delay the implementation of the penalty until July 1, 2019. Members who have been found to have broken their waiting period since the penalty was first put in place and voluntarily left the position when they were notified will not be subject to the six month loss of benefits. The Senate Committee amended the bill so that it becomes effective when it is published in the Kansas Register.

2019 Legislative Session | KPERS Bill Recap

Senate Bill 210: Employee waiting period for certain employers

Quick Look

SB 210 creates a two-year training period for direct support positions at Community Developmental Disability Organizations (CDDO).

Hearings

March 7 – Bill hearing in Senate Ways and Means Committee

March 25 – Full Senate debate

March 26 – Senate Final Action; Passed 39-0

The Fine Print

Community Developmental Disability Organizations (CDDOs) reported high turnover in direct support positions and requested legislation allowing for a training period for these positions during which they would not be enrolled in KPERS. Neither the employer nor the employee would make contributions during the training period. No KPERS service would be earned by the employee during the training period.

Non-school KPERS members used to have a one-year waiting period prior to being enrolled in KPERS. The “year of waiting” could be purchased when the member completed their year of service and were enrolled as members. The year of waiting was removed from KPERS in 2009.

Today, all KPERS members are enrolled on the first day they are on the payroll and both the employer and employee begin contributing to KPERS.

There are approximately 18 Community Developmental Disability Organizations affiliated as KPERS employers.