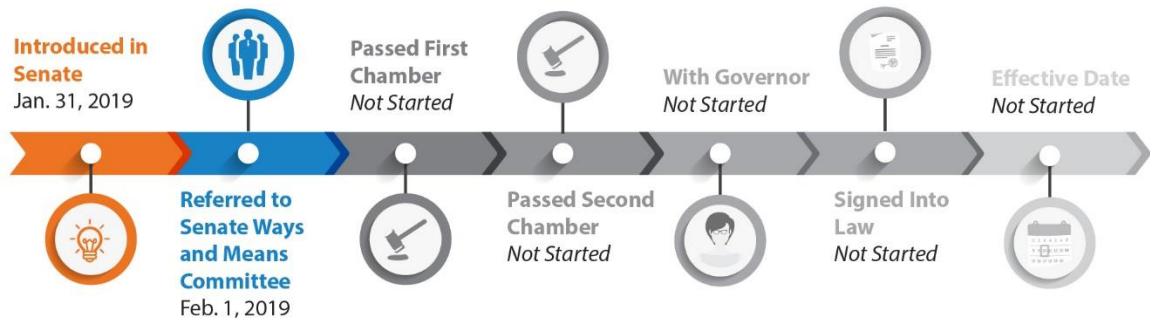


## 2019 Legislative Session | KPERS Bill Recap

### Senate Bill 74: Cost-of-living-adjustment (COLA) for retirees

#### Where It's At



#### Quick Look

SB 74 provides a cost-of-living adjustment (COLA) for retirees who retired on or before July 1, 2014.

#### Hearings

No hearings have been scheduled.

#### The Fine Print

SB 74 creates a one-time, tiered cost-of-living adjustment (COLA). The COLA is based on years since retirement. The COLA is a permanent adjustment, not just a one-year increase. The increased benefit payments begin in July 2019.

The tiers included in SB 74 are:

- A 1% increase for all members who retired on or before July 1, 2014.
- A 2% increase for all members who retired on or before July 1, 2009.
- A 3% increase for all members who retired on or before July 1, 2004.

The maximum increase in the monthly benefit allowed under SB 74 is \$150.

By law, changes to benefits, like a COLA, must be funded in addition to regular employer contributions since the COLA was not pre-funded during the working years of the retirees. The actuarial cost estimate looks at two funding options:

- Pre-funding the COLA with a one-time payment of \$135.7 million for the State/School group
- Amortizing the funding over 15 years (\$12.64 million for the State/School group in the first year)