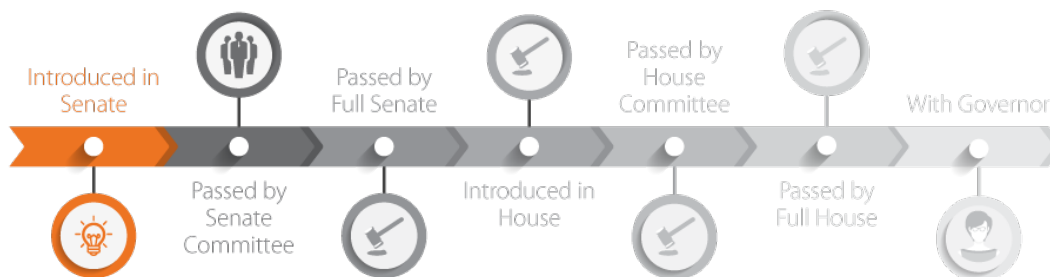


## 2023 Legislative Session | KPERS Bill Recap

### Senate Bill 198: Ad Hoc Cost-of-Living Adjustment

#### Where It's At



#### Quick Look

SB 198 provides a permanent cost-of-living adjustment (COLA) to retirement and disability benefits for most retirees and beneficiaries.

#### Hearings

No hearings scheduled.

#### The Fine Print

The KPERS, KP&F and Judges retirement plans do not include a COLA. The Legislature has the authority grant COLAs on an ad hoc basis, but there are no requirements for COLAs to occur.

SB 198 proposes a permanent increase to retiree benefits paid each year in the future, capped at \$200 per month.

The COLA amount depends on the years since retirement or disability:

- Retired before July 1, 2018 – 1% increase
- Retired before July 1, 2015 – 2% increase
- Retired before July 1, 2012 – 3% increase
- Retired before July 1, 2009 – 4% increase
- Retired before July 1, 2006 – 5% increase

KPERS is a prefunded system. Employer and employee contributions are invested during a member's career to pay their retirement benefits.

Unfunded benefit changes, like COLAs, increase the unfunded actuarial liability. The increase must be funded through additional contributions, either in a lump sum payment when the changes are made or amortized over a reasonable amount of time.