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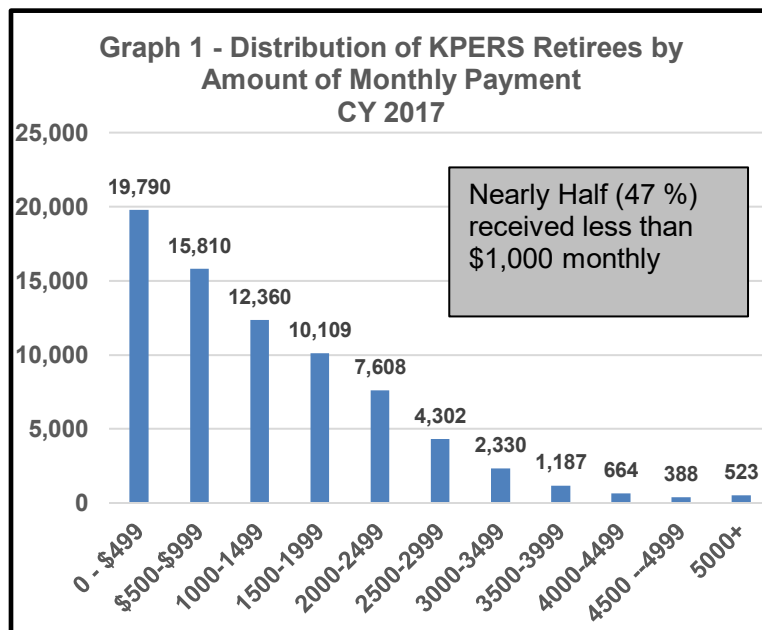
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**Testimony to the House Pensions and Benefits Committee
 In Support of HB2100
 February 11, 2019**

Chairman Kelly and Committee Members,

Our associations continue to support legislation to bring relief to thousands of KPERS retirees who have seen the buying power of their fixed retirement benefits erode. Regardless of their chosen public service profession, these retirees worked hard throughout their careers to provide important services to Kansans. A large percentage of KPERS retirees and their covered dependents continue to be Kansans, actively involved in their communities and contributing to the Kansas economy. Ninety percent of KPERS benefit payments remain in Kansas.

Unlike most government professions, law enforcement officers do not fall neatly into one single KPERS plan. There is a widespread assumption that all Kansas law enforcement is under the Kansas Police and Fire Retirement Plan (KP&F). But in reality, 77% of the Kansas law enforcement agencies are instead under regular KPERS of which a few are state agencies under state KPERS and most are small local agencies under local KPERS. Only 23% of the Kansas law enforcement agencies are under KP&F, although they employ about two-thirds of the active officers.



Another common misperception is that large numbers of KPERS retirees draw large retirements. But the data shows that is not the case. Less than 7% of the retirees draw more than \$3000 in monthly benefits, and only about 2% draw more than \$4,000 per month. **More importantly for this discussion, about 47% of all KPERS retirees receive less than \$1,000 in monthly benefits (near the Kansas poverty level) and 64% receive less than \$1500 per month.**

A third misperception is that all KPERS retirees also receive Social Security Benefits. However, many

KP&F employers elected not to participate in Social Security. A choice made by employers and not by employees. Even if the retiree otherwise qualifies for Social Security, the Social Security benefits are reduced dramatically if they are drawing a government pension for salary where Social Security contributions were not made, greatly reducing those benefits.

It has now been over 20 years since the last adjustment for inflationary losses has been provided to KPERS retirees. During that 20 years, the retirees buying power has declined significantly. The CPI has increased by nearly 50% and medical care costs have nearly doubled. Those greatly increased medical costs result in either a reduced amount for other living costs, or retirees who simply forego medical care.

HB2100 proposes a very modest benefit increase ranging from nothing for recent retirees up to 3% for those who have been retired for 15 or more years. Further, it caps that increase to no more than \$150 monthly. Together, these provisions assure the retirees with the greatest need will reap the largest benefit increase. The largest percentage increase any retiree will see is the equivalent of about 0.2% per year over their retirement period. The \$150 per month increase cap will limit those receiving the highest benefits to a smaller percentage increase.

Your consideration of this bill is appreciated. We encourage you to make every attempt to make this much needed relief for retired Kansas public servants becomes a reality.

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