

MINUTES OF THE HOUSE KANSAS 2000 SELECT COMMITTEE.

The meeting was called to order by Chairperson Kenny Wilk at 1:30 p.m. on February 3, 2000 in Room 526-S of the Capitol.

All members were present except: Representative Susan Wagle - excused

Committee staff present: Alan Conroy, Legislative Research Department  
Julian Efird, Legislative Research Department  
Gordon Self, Revisor of Statutes  
Janet Mosser, Committee Secretary

Conferees appearing before the committee:  
Representative Tim Carmody

Others attending: See attached list.

Chairperson Wilk recognized Representative Gene O'Brien who welcomed students from Parsons High School video production class to the meeting. Unless the committee objects, the students will film today's meeting. There were no objections.

Chairperson Wilk continued the hearing on **HB 2718 - Defined contribution plan for state employees.**

Representative Tim Carmody, sponsor and proponent, continued his testimony from the previous meeting beginning with Question 7 (Attachment 1). Discussion and questions followed. Issues identified for consideration for the next draft of the bill were: the entire employer contribution should go to the employee who can put it in the defined contribution plan; put a "floor" on the withdrawal guaranteeing the employee their contribution plus some percentage; give KPERS authority to do calculations and contact each employee; the effect of the bill on legislators retirement plans and the bill sponsored by Representative Jenkins; decide on the percent the employee must contribute; consider graduated vesting to encourage continued employment with the state; decide on the "floor" percent the employer must contribute below which the employer cannot go; possible need for subsequent tax bill on how the new plan will be taxed; improve KPERS by giving the employee a lump sum option; and the options to defuse fear about converting to a defined contribution plan and the stability of the defined benefit plan (e.g., extend the window of time the employee has to decide to change to the defined contribution plan, provide dollar comparisons on what the plans provide, determine a date on which all current employees in the defined benefit plan stay in the defined benefit plan and after this date all new employees, and current employees who choose to do so, convert to a defined contribution plan).

Questions and discussion followed testimony.

Chairperson Wilk expressed his appreciation to Representative Carmody for the information he prepared and shared with the committee. The extent and detail of the information presented indicate the complexity and importance of the issue.

Chairperson Wilk closed the hearing on **HB 2718.**

Chairperson Wilk adjourned the meeting at 3:08 p.m.

The next meeting is scheduled for February 8, 2000.

## CONTINUATION SHEET