

HB 2184 -- KANSAS CITY PUBLIC SCHOOL RETIREMENT

SPONSOR: Bondon

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Pensions by a vote of 9 to 1. Voted "Do Pass" by the Rules-Administrative Oversight Committee by a vote of 13 to 0.

This bill modifies provisions relating to the Public School Retirement System of Kansas City.

The retirement system's funded ratio as of January 1st of the year preceding the year of a proposed increase shall be at least 100% before adjusting for the effect of the proposed increase.

The member contribution rate for 2019 and subsequent periods shall be 9% of compensation unless a lower member contribution rate applies as set forth in the bill.

Currently, the actuary for the retirement system determines the rate of contribution payable by employers each year. For calendar year 2019, the employer contribution rate shall be 10.5%. From January 1, 2020, through June 30, 2021, the rate shall be 12%. For the 12-month period beginning July 1, 2021, and for each subsequent 12-month period beginning July 1 of each year, the employer contribution rate shall be determined as set forth in the bill.

The Board of Trustees shall certify to the employers the contribution rate to be effective for July 1, 2021, and for each following July 1st no later than six months prior to the date such rate is to be effective.

Starting January 1, 2019, each employer shall transfer its employer contributions to the retirement system promptly following the end of each payroll period at the time the employer transfers member contributions.

This bill is similar to SB 856 (2018).

PROPOSERS: Supporters say that this bill will help ensure that our retirement system stays solvent. We are currently at the maximum contribution rate allowed by law and we need to be funding the plan at the actuarially required contribution rate. This bill will allow us to increase contributions to get the plan back to proper funding levels.

Testifying for the bill were Representative Bondon; Christine Gierer, Kansas City Public School Retirement System; and the American Federation of Teachers, Missouri.

OPPONENTS: There was no opposition voiced to the committee.