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MEMORANDUM

To: Chairman Kelly and members of the House Financial Institutions and Pensions Committee

From: David Wiese, Assistant Revisor

Date: February 20, 2019

Subject: **HB 2327; Increasing retirement benefit cap and decreasing employee contribution rate for members of the Kansas police and firemen's retirement system in certain circumstances.**

House Bill No. 2327 increases the retirement benefit cap for KP&F members from 90% to 95% of the member's final average salary. Under current law a KP&F member reaches the 90% cap after 36 years of credited service, under HB 2327 a member would reach the 95% cap after 38 years of credited service.

The bill also provides that for all payroll periods commencing after July 1, 2019, the KP&F employee contribution rate of each member who has received 38 years of credited service would be decreased from the current 7.15% to 2%.

For members who had been making the 7.15% employee contribution between July 1, 2013, and July 1, 2019, and for each member who had contributed 7.15% after attaining 38 years of credited service, including members who retired on and after July 1, 2018, such members shall receive a refund for the difference between 2% and 7.15% of such member's compensation at retirement, or if retired, have such member's retirement benefit recalculated based on the 95% limit.