

King's KPERS Coal for Christmas!

From KNEA

“We were told to come up with a plan that makes KPERS sustainable and what little we’ve suggested doesn’t make it sustainable. It will cost more than our current law, not reduce the unfunded liability.”

The above statement by Senator Laura Kelly sums up the recommendation of the KPERS Study Commission which was stacked with anti-public employee ideologues. Kelly and other dissenting members of the Commission will file a minority report pointing out that the Commission chose to ignore the problem of the unfunded liability in favor of stripping public employees of a stable retirement system.

The Commission's decision was not unexpected. After all, when the group was stacked with “financial planners” who stand to benefit personally by the elimination of KPERS as it is today, what choice did they have?

Here's what the Commission voted to do:

No new KPERS member will have a defined benefit retirement system. These new employees will pay 6% of salary into a 401k program (the kind of retirement system that collapsed by 40% or more in 2008). The state will contribute 0.5% as a “match.” For each year worked they will increase the match another 0.5% for 10 years. So by one's 11th year of employment, the state will be contributing 5% of salary. This total contribution of 11% after 10 years is significantly less than the 14% contributed every year to the Regent's system employees.

For non-vested KPERS active members (all of you with less than 5 years of experience), they are stripping you of the benefit you have been paying into for those years. You will get the same 401k plan as new employees.

For current active KPERS members who are already vested in the system (five years of experience or more), there is no change except that with the move to put all non-vested members and new members in a defined contribution system, funding of the current defined benefit system will decline making it difficult to meet long term obligations. In other words, the further one is from retirement, the more likely it is that there will not be enough funding to meet your earned benefit. If you trust the legislature which has rarely met their KPERS obligation to change their behavior in the future, then you won't worry. If you believe the legislature will continue to underfund their obligation, then you should worry.

Then, in a transparent attempt to make themselves look responsible, the Commission voted unanimously to eliminate the super-funded golden parachute retirement system that the legislature gave itself years ago. But not for current legislators – for future legislators.

Legislators like Senator Jeff King, who made the motion to strip teachers and other public employees of a fair retirement system in favor of a woefully underfunded savings account, will see their own golden parachute KPERS plan protected.

We will be calling for your help on actions to take after the holidays as the legislature prepares to return to Topeka. Watch you inbox and www.knea.org for more information. To keep abreast on the latest KPERS issues, visit www.keepingthekansaspromise.com.