

MEMORANDUM

Questions about this Memo?
Call KPERS in Topeka toll-free at 1-888-275-5737

TO: State Agency Designated Agents

FROM: KPERS Legal and Member Services Staff

DATE: June 4, 2002

RE: **Legislation: Compensation Protection for State Employees
(Potential Furlough Situation)**

Senate Bill 509, signed by Governor Graves on May 29, 2002, and effective upon publication in the *Kansas Register*, **protects a state employee's salary for benefits purposes if the employee loses compensation because of a furlough.** The bill provides that the employees covered by this protection include "any officer or employee of the state, any member of the legislature, or any employee of an institution under the supervision of the board of regents."

The bill provides:

When the compensation for any officer or employee of the state, who retires, becomes disabled or dies during the period commencing on the effective date of this act and ending June 30, 2007, is reduced . . . when [the officer or employee] is placed on a furlough without pay, the amount of compensation that would have been paid . . . if the officer or employee had not been placed on furlough shall continue to be included as compensation for all purposes of computing retirement and pension benefits and death and disability benefits

The bill also provides that, subject to the approval of the Secretary of Administration, the Director of Accounts and Reports "shall prescribe procedures for the payment and remittance of employer and employee contributions by the state agency employing such employees." It provides further: "The board [of Trustees of KPERS] shall administer the provisions of this section, with the cooperation of the director of personnel services."

KPERS in cooperation with the Director of Accounts and Reports will develop procedures for administering this bill. To adjust the recorded compensation for the eligible employee back up to the amount it would have been without a furlough, the employing agency will remit (pursuant to specifications in the procedures to be developed) the necessary employer and employee contributions. Upon being received and recorded by KPERS, the contributions will result in the appropriate adjustment to the employee's compensation for purposes of benefit calculations.