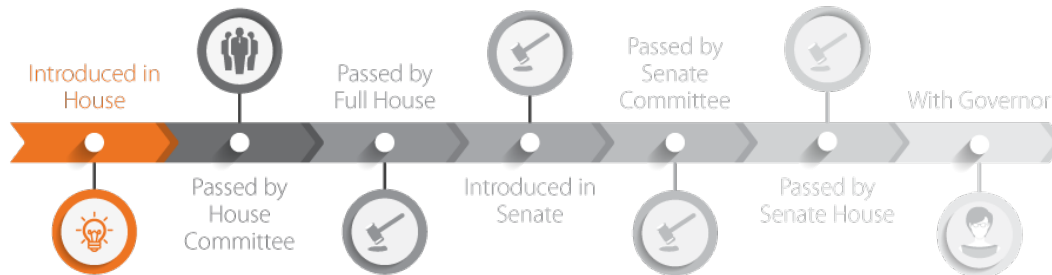


2023 Legislative Session | KPERS Bill Recap

House Bill 2025: KPERS 1 and KPERS 2 Self-Funded COLA Option

Where It's At



Quick Look

HB 2612 adds a self-funded cost-of-living adjustment (COLA) option for KPERS 1 and KPERS 2 members to select when choosing their retirement options. This is similar to self-funded COLA option included in the KPERS 3 plan.

Hearings

February 8 – House Financial Institutions and Pensions

The Fine Print

When a KPERS members retires, they may choose from several benefit options. Members can elect from a maximum monthly benefit, joint-survivor benefit or a life-certain option. The maximum monthly benefit does not have an actuarial reduction and ends when the member passes away. Both the joint-survivor and life-certain options have actuarial reductions but provide additional benefits for beneficiaries when the member dies.

Created by the Legislature in 2012, KPERS 3 members may choose either a 1% or 2% self-funded COLA. The Board of Trustees set these percentage options. If members select a COLA, their benefits will be reduced initially to fund the annual increase. The benefits will grow each year by their chosen percent.

HB 2612 adds the self-funded COLA option to the KPERS 1 and KPERS 2 plans. Members may still choose from the existing benefit options with the ability to add a COLA, funded entirely through actuarial reductions to their benefits.

This is not an employer-funded COLA.