

Kansas Department of

Social and Rehabilitation Services

Janet Schalansky, Secretary

House Select Committee on Pensions
March 19, 2004

HB 2517

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HB 2517 - Removing employment after retirement limitations for certain teachers and nurses

Mr. Chairman and members of the committee, I am George Vega, Director of Human Resources for the Department of Social and Rehabilitation Services. Thank you for the opportunity to appear today on HB 2517. We are very interested in the ability to rehire Registered Nurses after they retire without the usual \$15,000 earnings limitation. We appreciate your willingness to explore options or tools for the state hospitals and institutions to use in recruiting nurses.

Our preference is that nurses be excluded from the \$15,000 annual earnings cap without additional contributions to KPERS. This would assist the hospitals in hiring nurses with vast knowledge and experience. This idea was considered by the Legislature two years ago.

Our reading of HB2517 as written leads us to believe it actually harms our current operations. We already employ retired nurses in what we call PRN nurse positions. These nurses work, perhaps, one weekend a month or help us with infrequent gaps in nursing coverage. These nurses do not work beyond the \$15,000 annual earnings cap, and neither the hospital nor the employee contributes to KPERS. If this bill passes as written, we will be obliged to start paying the employer and employee contribution for nurses we already employ.

We know this is not the intent of the bill. We understand that KPERS is willing to explore an alternative that allows hospitals to identify positions in which the employee will not earn more than \$15,000 annually and no payment to KPERS will be made. However, the hospitals would also be able to designate a position where the employee is expected to earn more than \$15,000 annually and the hospital would then be responsible for the KPERS contribution from the date of hire. We would support this change. We would prefer to not pay for KPERS for anyone until they reach the \$15,000 cap, but we have been told this isn't possible.

With this change, the hospital will likely not use this tool unless they face severe problems in recruiting nurses. It does represent an option we do not now have.

Since we do not have any experience with this tool, we cannot state how helpful it can be. It has been suggested that we may be able to negotiate a lower salary with a nurse who already will receive retirement pay. If we can pay a nurse less after retirement, then we can make up for the increased contribution to KPERS. Our experience, however, is that when we experience severe problems in recruiting nurses, our negotiation position is weak. Currently, PRN nurses are paid up to \$30.00 an hour.

We recognize HB2517 is an attempt to respond to concerns we have raised and we appreciate the help and support.

Thank you for the opportunity to present. I would be happy to stand for questions.