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**HOUSE BILL No. 2025**

By Representative Myers  
(By request)

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10 AN ACT concerning retirement; relating to the Kansas public employees  
11 retirement system and systems related thereto; retirement benefits  
12 and certain increases thereof; amending K.S.A. 2000 Supp. 74-4922  
13 and repealing the existing section.  
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15 *Be it enacted by the Legislature of the State of Kansas:*

16 Section 1. K.S.A. 2000 Supp. 74-4922 is hereby amended to read as  
17 follows: 74-4922. The executive secretary shall maintain such records as  
18 are necessary to determine the following reserves.

19 (a) *Member's accumulated contribution reserve.* This reserve shall be  
20 maintained within the fund for each member and for each member having  
21 a vested benefit. Each such reserve account shall be credited with the  
22 employee's contributions upon receipt thereof and shall be credited on  
23 June 30 each year with interest: (1) At the actuarial assumption rate  
24 adopted by the board on the balance in the employee's account as of the  
25 preceding December 31 for those who first became members prior to  
26 July 1, 1993; and (2) 4% for those who first became members on and  
27 after July 1, 1993. For the purposes of crediting interest upon accumu-  
28 lated contributions, the term member shall include the beneficiary of a  
29 member during the twelve-month period following the death of a mem-  
30 ber and the beneficiary of a member pursuant to subsection (6) of K.S.A.  
31 74-4918 and amendments thereto during any period commencing on the  
32 date of death of such member and ending on the date that the member  
33 would have attained retirement age. Refunds of employee's accumulated  
34 contributions prior to retirement shall be made from this reserve. Upon  
35 commencement of payments of the retirement benefit, the amount in  
36 this reserve account for the retiring member or members, shall be trans-  
37 ferred to the retirement benefit payment reserve.

38 (b) *Retirement benefit accumulation reserve.* This reserve within the  
39 fund shall be credited with the portion of employer contributions for  
40 retirement benefits both for prior service and for participating service  
41 and with income of the fund not otherwise directed by law to a different  
42 reserve. The board shall credit interest to all other reserves and reserve  
43 accounts as provided by law at rates determined by the board. Interest

1 so credited shall be transferred from the retirement benefit accumulation  
2 reserve. Separate reserve accounts shall not be maintained for each par-  
3 ticipating employer joining the system on the first entry date. The board  
4 shall determine whether or not separate reserve accounts shall be main-  
5 tained for each participating employer joining the system after the first  
6 entry date.

7 (c) *Retirement benefit payment reserve.* (i) This reserve within the  
8 fund will be credited with the amount transferred from the member's  
9 accumulated contributions reserve and from the retirement benefit ac-  
10 cumulation reserve and with interest allocated to this reserve at the rate  
11 determined each year by the board. This reserve shall be charged with  
12 payments of retirement benefits including payments upon death of the  
13 excess of member's accumulated contributions over retirement benefit  
14 payments paid to date of death. Annually, upon receipt of the actuarial  
15 valuation as of the end of the previous fiscal year the board shall cause  
16 certain adjustments to be made which shall be made prior to the end of  
17 the fiscal year immediately following the fiscal year for which the actuarial  
18 valuation is applicable.

19 (ii) The amount of these adjustments shall be the difference between  
20 the amount required by the current actuarial valuation and the amount  
21 required by the previous year's actuarial valuation plus amounts trans-  
22 ferred to this reserve less amounts paid out of this reserve during the  
23 fiscal year to be adjusted. Such adjustments required to maintain this  
24 reserve on an actuarial reserve basis as of June 30 of the previous fiscal  
25 year shall be accomplished by transfers to or from, as applicable, the  
26 retirement benefit accumulation reserve.

27 (d) *Expense reserve.* This reserve within the fund shall be credited  
28 with interest allocated to this reserve at the rate determined each year by  
29 the board. It shall be charged with payments of all expenses incurred in  
30 connection with the administration of the system.

31 (e) *Shared earnings reserve.* Each year prior to October 1, this reserve  
32 shall be credited with an amount equal to  $\frac{1}{2}$  of 1% of the total market  
33 value of the fund as of the immediately preceding June 30, if the time-  
34 weighted rate of return rounded to one decimal point is equal to or greater  
35 than 10%. This reserve shall be charged with payments of any additional  
36 retirement payment as provided in section 2 and amendments thereto. No  
37 interest shall be credited to this reserve.

38 New Sec. 2. (a) Each retirant shall be entitled to receive an addi-  
39 tional retirant payment as specified in this section. Such additional retir-  
40 ant payment shall be paid in addition to the amount of the retirement  
41 benefit, pension or annuity payment to which the retirant is otherwise  
42 entitled, and shall be paid in the form of an additional one-time warrant  
43 which shall be issued on October 1, 2001, and each October 1 thereafter.

1 (b) Each such additional retirant payment shall be payable to the  
2 retirant in an amount equal to the amount determined by: (1) Multiplying  
3 the amount equal to  $\frac{1}{2}$  of the total amount credited to the shared earnings  
4 reserve under subsection (f) of K.S.A. 74-4922 and amendments thereto  
5 by the monthly payment amount of the annual retirement benefit, pen-  
6 sion or annuity payment to such retirant at the rate in effect on July 1 of  
7 the year of payment; and (2) dividing the product obtained by the total  
8 amount of all monthly benefits, pensions or annuities payable to all retir-  
9 ants at the rate in effect on July 1 of the year of payment. The amount  
10 so determined for each retirant shall be the additional retirant payment  
11 for such retirant. In no event shall the payment to a retirant be more than  
12 8.33% of such retirant's annual benefit.

13 (c) As used in this section:

14 (1) "Retirant" means (A) any person who is a member of a retirement  
15 system and who retired prior to July 1 of the year preceding the year of  
16 payment, (B) any person who is a special member of a retirement system  
17 and who retired prior to July 1 of the year preceding the year of payment,  
18 (C) any person who is a joint annuitant or beneficiary of any member  
19 described in clause (A) or any special member described in clause (B),  
20 and (D) any insured disability benefit recipient.

21 (2) "Retirement system" means the Kansas public employees retire-  
22 ment system, the Kansas police and firemen's retirement system, the state  
23 school retirement system and the retirement system for judges.

24 (3) "Insured disability benefit recipient" means any person receiving  
25 an insured disability benefit under K.S.A. 74-4927 and amendments  
26 thereto, prior to July 1 of the year preceding the year of payment.

27 (d) The board of trustees of the Kansas public employees retirement  
28 system shall determine annually the amount necessary to finance the ad-  
29 ditional retirant payment to insured disability benefit recipients and shall  
30 transfer that amount from the retirant dividend payment reserve to the  
31 group insurance reserve of the Kansas public employees retirement fund.  
32 The board of trustees shall contract with the insurance company providing  
33 the insured disability benefits under K.S.A. 74-4927 and amendments  
34 thereto to pay the retirant dividend payments payable to insured disability  
35 benefit recipients under this act and the cost of such contract shall be  
36 paid from the group insurance reserve of the Kansas public employees  
37 retirement fund.

38 Sec. 3. K.S.A. 2000 Supp. 74-4922 is hereby repealed.

39 Sec. 4. This act shall take effect and be in force from and after its  
40 publication in the statute book.

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