

## HOUSE BILL No. 2523

By Committee on Appropriations

2-16

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AN ACT concerning retirement; relating to the Kansas police and firemen's retirement system; purchase of service credit; amending K.S.A. 2000 Supp. 74-4963 and 74-4963a and repealing the existing sections.

*Be it enacted by the Legislature of the State of Kansas:*

Section 1. K.S.A. 2000 Supp. 74-4963 is hereby amended to read as follows: 74-4963. (1) Upon termination of employment prior to the completion of 20 years of credited service, after 30 days after such termination a member may withdraw such member's accumulated contributions or elect to leave such accumulated contributions on deposit with the system. If the member elects to leave the accumulated contributions on deposit with the system and if the member returns to employment with the same or another participating employer within five years, such member shall receive credit for such member's service prior to such termination. If the member does not elect to leave the accumulated contributions on deposit or if the member does not return to covered employment within five years, such member shall no longer be a member of the system and the sum of such member's accumulated contributions then on deposit with this system shall be paid to such member after making application in a form prescribed by the board and after the system has a reasonable time to process the application for withdrawal. Upon proper notification by the system, member contributions not on deposit with the system shall be paid to the member by the participating employer.

(2) If, after termination and withdrawal of accumulated contributions, a former member returns to covered employment, except as otherwise provided in subsection (1), the former member shall become a member of the system as provided in subsection (2) of K.S.A. 74-4955 and amendments thereto. Any former member returning to covered employment may, at the former member's option, ~~pay to the system within 31 days of the former member's return to covered employment, the total of the former member's withdrawn accumulated contributions plus interest at a rate specified by the board, in which case the member shall receive full credit for the member's service prior to the member's termination. Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, members who do not elect to repay within 31 days~~

1 ~~of return to covered employment may elect to purchase previously for-~~  
2 ~~feited service any time prior to retirement. Such purchase shall be made~~  
3 ~~by a lump-sum payment equal to 1.75% of the member's current annual~~  
4 ~~salary for each quarter of previously forfeited participating service which~~  
5 ~~the member elects to repurchase. purchase service credit for such pre-~~  
6 ~~viously forfeited service credit, subject to the provisions of K.S.A. 2000~~  
7 ~~Supp. 74-49,123, and amendments thereto, at an additional rate of con-~~  
8 ~~tribution, in addition to the employee's rate of contribution as provided~~  
9 ~~in K.S.A. 74-4919, and amendments thereto, based upon the member's~~  
10 ~~attained age at the time of purchase and using actuarial assumptions and~~  
11 ~~tables in use by the retirement system at such time of purchase for such~~  
12 ~~periods of service. Such additional rate of contribution shall commence~~  
13 ~~at the beginning of the quarter following such election and shall remain~~  
14 ~~in effect until all quarters of such service have been purchased. Subject~~  
15 ~~to the provisions of K.S.A. 2000 Supp. 74-49,123, and amendments~~  
16 ~~thereto, such member may elect to effect such purchase by means of a~~  
17 ~~single lump-sum payment in lieu of the increased amount of the em-~~  
18 ~~ployee's contribution rate otherwise provided for in this act in an amount~~  
19 ~~equal to the then present value of the benefits being purchased determined~~  
20 ~~by the actuary using the member's attained age, annual compensation at~~  
21 ~~the time of purchase and the actuarial assumptions and tables then in use~~  
22 ~~by the retirement system. The lump-sum payment shall be made imme-~~  
23 ~~diately upon being notified of the amount due. Upon receipt of such pay-~~  
24 ~~ment by the system the member shall receive full credit for the number~~  
25 ~~of previously forfeited quarters of participating service which the member~~  
26 ~~has elected to repurchase. Any member who repurchases all of the mem-~~  
27 ~~ber's previously forfeited participating service credit shall also receive all~~  
28 ~~of the member's previously forfeited prior service credit.~~

29 (3) Upon termination and withdrawal of accumulated contributions,  
30 any member whose employment was, up to the member's employer's  
31 entry date, covered by a pension system established under the provisions  
32 of K.S.A. 13-14a01 through 13-14a14, and amendments thereto, or K.S.A.  
33 14-10a01 through 14-10a15, and amendments thereto, shall be entitled  
34 to receive from the member's employer the sum of the member's accu-  
35 mulated contributions to the previous pension system.

36 (4) If a member has completed 20 years of credited service at date  
37 of termination, the member shall be granted automatically a vested re-  
38 tirement benefit in the system, but any time prior to the commencement  
39 of retirement benefit payments and before attaining age 55 the member  
40 may withdraw the member's accumulated contributions, whereupon the  
41 member's membership in this system ceases and no other amounts shall  
42 be payable for the member's prior and participating service credit. Eli-  
43 gibility of such member, who has not withdrawn the member's accumu-

1 lated contributions, for retirement benefits and procedures for making  
2 application for retirement benefits shall be in accordance with K.S.A. 74-  
3 4957 and amendments thereto, except that in lieu of the three-month  
4 notice of intention to retire being made to the employer, such member  
5 shall make application for retirement in a form prescribed by the board  
6 and retirement benefits shall accrue from the first day of the month fol-  
7 lowing receipt of such application. The amount of the retirement benefit  
8 shall be determined as provided in K.S.A. 74-4958 and amendments  
9 thereto.

10 (5) If a member, who has a vested retirement benefit, again becomes  
11 an employee of a participating employer, the amount of the member's  
12 vested retirement benefit shall remain in effect, and any retirement ben-  
13 efit such member subsequently accrues shall be calculated separately  
14 based on credited service after again becoming an employee and shall be  
15 added to that which had been vested by virtue of previous service. Eli-  
16 gibility of such member for retirement benefits and procedures for mak-  
17 ing application for retirement benefits shall be in accordance with K.S.A.  
18 74-4957 and amendments thereto.

19 (6) Any member of this system who was previously a member of the  
20 Kansas public employees retirement system or the retirement system for  
21 judges and who forfeited service credit under either of those systems by  
22 reason of termination of employment and withdrawal of their contribu-  
23 tions to that system, may elect, subject to the provisions of K.S.A. 2000  
24 Supp. 74-49,123 and amendments thereto, to purchase service credit for  
25 the previously forfeited service credit by means of a single lump-sum  
26 payment and such service shall be recredited to that system. The amount  
27 of the lump-sum payment shall be determined by the actuary using the  
28 member's then current annual rate of compensation and the actuarial  
29 assumptions and tables then currently in use by that retirement system.

30 (7) The provisions of this section shall apply only to members who  
31 were appointed or employed prior to July 1, 1989, and who did not make  
32 an election pursuant to K.S.A. 74-4955a and amendments thereto.

33 Sec. 2. K.S.A. 2000 Supp. 74-4963a is hereby amended to read as  
34 follows: 74-4963a. (1) Upon termination of employment prior to the com-  
35 pletion of 15 years of credited service, after 30 days after such termination  
36 a member may withdraw such member's accumulated contributions or  
37 elect to leave such accumulated contributions on deposit with the system.  
38 If the member elects to leave the accumulated contributions on deposit  
39 with the system and if the member returns to employment with the same  
40 or another participating employer within five years, such member shall  
41 receive credit for such member's service prior to such termination. If the  
42 member does not elect to leave the accumulated contributions on deposit  
43 or if the member does not return to covered employment within five

1 years, such member shall no longer be a member of the system and the  
2 sum of such member's accumulated contributions then on deposit with  
3 this system shall be paid to such member after making application in a  
4 form prescribed by the board and after the system has a reasonable time  
5 to process the application for withdrawal. Upon proper notification by  
6 the system, member contributions not on deposit with the system shall  
7 be paid to the member by the participating employer.

8 (2) If, after termination and withdrawal of accumulated contribu-  
9 tions, a former member returns to covered employment, except as oth-  
10 erwise provided in subsection (1), the former member shall become a  
11 member of the system as provided in subsection (2) of K.S.A. 74-4955  
12 and amendments thereto. Any former member returning to covered em-  
13 ployment may, at the former member's option, ~~pay to the system within~~  
14 ~~31 days of the former member's return to covered employment, the total~~  
15 ~~of the former member's withdrawn accumulated contributions plus in-~~  
16 ~~terest at a rate specified by the board, in which case the member shall~~  
17 ~~receive full credit for the member's service prior to the member's ter-~~  
18 ~~mination. Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and~~  
19 ~~amendments thereto, members who do not elect to repay within 31 days~~  
20 ~~of return to covered employment may elect to purchase previously for-~~  
21 ~~feited service any time prior to retirement. Such purchase shall be made~~  
22 ~~by a lump-sum payment equal to 1.75% of the member's current annual~~  
23 ~~salary for each quarter of previously forfeited participating service which~~  
24 ~~the member elects to repurchase. purchase service credit for such pre-~~  
25 ~~viously forfeited service credit, subject to the provisions of K.S.A. 2000~~  
26 ~~Supp. 74-49,123, and amendments thereto, at an additional rate of con-~~  
27 ~~tribution, in addition to the employee's rate of contribution as provided~~  
28 ~~in K.S.A. 74-4919, and amendments thereto, based upon the member's~~  
29 ~~attained age at the time of purchase and using actuarial assumptions and~~  
30 ~~tables in use by the retirement system at such time of purchase for such~~  
31 ~~periods of service. Such additional rate of contribution shall commence~~  
32 ~~at the beginning of the quarter following such election and shall remain~~  
33 ~~in effect until all quarters of such service have been purchased. Subject~~  
34 ~~to the provisions of K.S.A. 2000 Supp. 74-49,123, and amendments~~  
35 ~~thereto, such member may elect to effect such purchase by means of a~~  
36 ~~single lump-sum payment in lieu of the increased amount of the em-~~  
37 ~~ployee's contribution rate otherwise provided for in this act in an amount~~  
38 ~~equal to the then present value of the benefits being purchased determined~~  
39 ~~by the actuary using the member's attained age, annual compensation at~~  
40 ~~the time of purchase and the actuarial assumptions and tables then in use~~  
41 ~~by the retirement system. The lump-sum payment shall be made imme-~~  
42 ~~diately upon being notified of the amount due. Upon receipt of such pay-~~  
43 ~~ment by the system the member shall receive full credit for the number~~

1 of previously forfeited quarters of participating service which the member  
2 has elected to repurchase. Any member who repurchases all of the mem-  
3 ber's previously forfeited participating service credit shall also receive all  
4 of the member's previously forfeited prior service credit.

5 (3) Upon termination and withdrawal of accumulated contributions,  
6 any member whose employment was, up to the member's employer's  
7 entry date, covered by a pension system established under the provisions  
8 of K.S.A. 13-14a01 through 13-14a14, and amendments thereto, or K.S.A.  
9 14-10a01 through 14-10a15, and amendments thereto, shall be entitled  
10 to receive from the member's employer the sum of the member's accu-  
11 mulated contributions to the previous pension system.

12 (4) If a member has completed 15 years of credited service at date  
13 of termination, the member shall be granted automatically a vested re-  
14 tirement benefit in the system, but any time prior to the commencement  
15 of retirement benefit payments and before attaining age 55 the member  
16 may withdraw the member's accumulated contributions, whereupon the  
17 member's membership in this system ceases and no other amounts shall  
18 be payable for the member's prior and participating service credit. Eli-  
19 gibility of such member, who has not withdrawn the member's accumu-  
20 lated contributions, for retirement benefits and procedures for making  
21 application for retirement benefits shall be in accordance with K.S.A. 74-  
22 4957 and amendments thereto, except that in lieu of the three-month  
23 notice of intention to retire being made to the employer, such member  
24 shall make application for retirement in a form prescribed by the board  
25 and retirement benefits shall accrue from the first day of the month fol-  
26 lowing receipt of such application. The amount of the retirement benefit  
27 shall be determined as provided in K.S.A. 74-4958 and amendments  
28 thereto.

29 (5) If a member, who has a vested retirement benefit, again becomes  
30 an employee of a participating employer, the amount of the member's  
31 vested retirement benefit shall remain in effect, and any retirement ben-  
32 efit such member subsequently accrues shall be calculated separately  
33 based on credited service after again becoming an employee and shall be  
34 added to that which had been vested by virtue of previous service. Eli-  
35 gibility of such member for retirement benefits and procedures for mak-  
36 ing application for retirement benefits shall be in accordance with K.S.A.  
37 74-4957 and amendments thereto.

38 (6) Any member of this system who was previously a member of the  
39 Kansas public employees retirement system or the retirement system for  
40 judges and who forfeited service credit under either of those systems by  
41 reason of termination of employment and withdrawal of their contribu-  
42 tions to that system, may elect, subject to the provisions of K.S.A. 2000  
43 Supp. 74-49,123 and amendments thereto, to purchase service credit for

1 the previously forfeited service credit by means of a single lump-sum  
2 payment and such service shall be recredited to that system. The amount  
3 of the lump-sum payment shall be determined by the actuary using the  
4 member's then current annual rate of compensation and the actuarial  
5 assumptions and tables then currently in use by that retirement system.

6 (7) The provisions of this section shall be effective on and after July  
7 1, 1989 and shall apply only to members who were appointed or employed  
8 prior to July 1, 1989, and who made an election pursuant to K.S.A. 74-  
9 4955a and amendments thereto; and persons appointed or employed on  
10 or after July 1, 1989.

11 Sec. 3. K.S.A. 2000 Supp. 74-4963 and 74-4963a are hereby  
12 repealed.

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

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