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4 **HOUSE Substitute for**  
5 **Substitute for SENATE BILL No. 330**

6  
7 By Committee on Appropriations

8  
9  
10 3-23

11  
12 AN ACT concerning retirement and pensions; relating to the Kansas  
13 public employees retirement system and systems thereunder; benefits;  
14 employer certification of member contributions; purchase of service  
15 credit; postretirement benefit increase; lump-sum payments; disability  
16 benefits; payments to beneficiaries; executive director; **[purchase of**  
17 **service credit;]** amending K.S.A. 74-4934, 74-4978h and 74-49,102  
18 and K.S.A. 2000 Supp. 13-14a07, 14-10a07, 20-2603, 20-2610a, 74-  
19 4902, 74-4904, 74-4908, 74-4911e, 74-4914, 74-4914e, 74-4915, 74-  
20 4915b, 74-4915c, 74-4916, 74-4918, 74-4918a, 74-4919, 74-4919b, 74-  
21 4920, 74-4921, 74-4922, 74-4927h, 74-4932, 74-4940, 74-4957,  
22 74-4957a, 74-4958, 74-4958a, 74-4959, 74-4960, 74-4960a, 74-4963,  
23 74-4963a, 74-4964, 74-4964a, 74-4965, 74-4967, 74-4989, 74-4998c  
24 and 74-49,128 and repealing the existing sections.

25  
26 *Be it enacted by the Legislature of the State of Kansas:*

27 Section 1. K.S.A. 2000 Supp. 13-14a07 is hereby amended to read  
28 as follows: 13-14a07. (a) If any officer or member of a police or fire  
29 department, while in the performance of such officer's or member's du-  
30 ties, is killed or dies as a result of an injury received, or dies of any disease  
31 contracted by reason of such officer's or member's occupation as a po-  
32 liceman or fireman, or dies after having retired and leaves a spouse, such  
33 spouse, shall receive a monthly pension in an amount equal to 50% of the  
34 monthly salary of such deceased officer or member, if such spouse was  
35 lawfully married to such policeman or fireman at the time of such po-  
36 liceman's or fireman's retirement. Commencing on the effective date of  
37 this act, any surviving spouse, who was receiving benefits pursuant to this  
38 section and who had such benefits terminated by reason of such spouse's  
39 remarriage, shall be entitled to once again receive benefits pursuant to  
40 this section, except that such surviving spouse shall not be entitled to  
41 recover any benefits not received after the termination of benefits by  
42 reason of such surviving spouse's remarriage but before the effective date  
43 of this act. In the event there is no surviving spouse, then any child or

1 children of the deceased shall receive, in equal shares a monthly amount  
2 equal to 50% of the monthly salary received at the time of retirement,  
3 such sums to be paid until such child or children attain the age of 18  
4 years or until such child or children attain the age of 23 years, if such  
5 child or children are full-time students as provided in K.S.A. 74-49,117  
6 and amendments thereto. Commencing on the effective date of this act,  
7 any child who was receiving benefits pursuant to this section and who  
8 had such benefits terminated by reason of such child's marriage, shall be  
9 entitled to once again receive benefits pursuant to this section subject to  
10 the limitations contained in this section, except that such child shall not  
11 be entitled to recover any benefits not received after the termination of  
12 benefits by reason of such child's marriage but before the effective date  
13 of this act.

14 ~~Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and~~  
15 ~~amendments thereto,~~ If any officer or member of such fire or police  
16 department, after having become eligible for retirement as provided in  
17 K.S.A. 13-14a08 and amendments thereto, is killed while not in the per-  
18 formance of such officer's or member's official duties, or dies, an amount  
19 equal to 50% of such officer's or member's monthly salary shall be paid  
20 to such persons for the periods of time provided in subsection (a) and  
21 shall be subject to all the limitations provided in subsection (a).

22 (c) Payments to the surviving spouse, child or children under the  
23 provisions of subsection (a) or (b) shall begin no later than December 31  
24 of the calendar year immediately following the calendar year in which the  
25 member died.

26 Sec. 2. K.S.A. 2000 Supp. 14-10a07 is hereby amended to read as  
27 follows: 14-10a07. (a) If any officer or member of a police or fire de-  
28 partment, while in the performance of such officer's or member's duties,  
29 is killed or dies as a result of an injury received, or dies of any disease  
30 contracted by reason of such officer's or member's occupation as a po-  
31 liceman or fireman, or dies after having retired and leaves a spouse, such  
32 spouse, shall receive a monthly pension in an amount equal to 50% of the  
33 monthly salary of such deceased officer or member, if such spouse was  
34 lawfully married to such policeman or fireman at the time of such po-  
35 liceman's or fireman's retirement. Commencing on the effective date of  
36 this act, any surviving spouse, who was receiving benefits pursuant to this  
37 section and who had such benefits terminated by reason of such spouse's  
38 remarriage, shall be entitled to once again receive benefits pursuant to  
39 this section, except that such surviving spouse shall not be entitled to  
40 recover any benefits not received after the termination of benefits by  
41 reason of such surviving spouse's remarriage but before the effective date  
42 of this act. In the event there is no surviving spouse, then any child or  
43 children of the deceased, shall receive, in equal shares a monthly amount

1 equal to 50% of the monthly salary received at the time of death, such  
2 sums to be paid until such child or children attain the age of 18 years or  
3 until such child or children attain the age of 23 years, if such child or  
4 children are full-time students as provided in K.S.A. 74-49,117 and  
5 amendments thereto. Commencing on the effective date of this act, any  
6 child who was receiving benefits pursuant to this section and who had  
7 such benefits terminated by reason of such child's marriage, shall be en-  
8 titled to once again receive benefits pursuant to this section subject to  
9 the limitations contained in this section, except that such child shall not  
10 be entitled to recover any benefits not received after the termination of  
11 benefits by reason of such child's marriage but before the effective date  
12 of this act.

13 ~~Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and~~  
14 ~~amendments thereto,~~ If any officer or member of such fire or police  
15 department, after having become eligible for retirement as provided in  
16 K.S.A. 14-10a08 and amendments thereto, is killed while not in the per-  
17 formance of such officer's or member's official duties, or dies, an amount  
18 equal to 50% of such officer's or member's monthly salary shall be paid  
19 to such persons for the periods of time provided in subsection (a) and  
20 shall be subject to all the limitations provided in subsection (a).

21 (c) Payments to the surviving spouse, child or children under the  
22 provisions of subsection (a) or (b) must begin no later than December 31  
23 of the calendar year immediately following the calendar year in which the  
24 member died.

25 Sec. 3. K.S.A. 2000 Supp. 20-2603 is hereby amended to read as  
26 follows: 20-2603. (a) Except as otherwise provided in this section, each  
27 judge shall contribute 6% of the judge's salary for each payroll period to  
28 the fund. Commencing with the first payroll period after 20 years of  
29 service by the judge and after the judge reaches 65 years of age, and for  
30 each payroll period thereafter, such judge shall contribute 2% of such  
31 judge's salary to the fund. Commencing with the first payroll period after  
32 the judge has enough years of service to entitle such judge upon retire-  
33 ment to the maximum monthly retirement benefit of 70% of the final  
34 average salary of such judge provided under the provisions of K.S.A. 20-  
35 2610 and amendments thereto, and for each payroll period thereafter,  
36 each judge shall contribute 4% of such judge's salary to the fund or,  
37 commencing on and after the effective date of this act, each such judge  
38 shall contribute 2% of such judge's salary to the fund.

39 (b) The director of accounts and reports shall deduct the amount  
40 each judge is to contribute to the fund on the payroll of each judge for  
41 each payroll period showing the amount deducted and its credit to the  
42 fund. Such deductions shall be remitted quarterly, or as the board may  
43 otherwise provide, to the executive ~~secretary~~ *director* of the Kansas public

1 employees retirement system for credit to the fund to the credit of the  
2 judge's individual account therein.

3 (c) Interest on each judge's accumulated contributions at the rate  
4 determined under subsection (a) of K.S.A. 74-4922 and amendments  
5 thereto shall be added annually to the judge's individual account in the  
6 fund.

7 (d) No member who has retired under the retirement system for  
8 judges shall make contributions to that system or receive any service  
9 credit under that system for any service after the date of such retirement.

10 (e) (1) Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and  
11 amendments thereto, each participating employer, pursuant to the pro-  
12 visions of section 414(h)(2) of the federal internal revenue code, shall  
13 pick up and pay the contributions which would otherwise be payable by  
14 members as prescribed in subsection (a). The contributions so picked up  
15 shall be treated as employer contributions for purposes of determining  
16 the amounts of federal income taxes to withhold from the member's  
17 compensation.

18 (2) Member contributions picked up by the employer shall be paid  
19 from the same source of funds used for the payment of compensation to  
20 a member. A deduction shall be made from each member's compensation  
21 equal to the amount of the member's contributions picked up by the  
22 employer, provided that such deduction shall not reduce the member's  
23 compensation for purposes of computing benefits under the retirement  
24 system for judges.

25 (3) Member contributions picked up by the employer shall be re-  
26 mitted quarterly, or as the board may otherwise provide, to the executive  
27 ~~secretary~~ *director* for credit to the Kansas public employees retirement  
28 fund. Such contributions shall be credited to a separate account within  
29 the member's individual account so that amounts contributed by the  
30 member may be distinguished from the member contributions picked up  
31 by the employer. Interest shall be added annually to members' individual  
32 accounts.

33 Sec. 4. K.S.A. 2000 Supp. 20-2610a is hereby amended to read as  
34 follows: 20-2610a. (a) A judge may elect to have such judge's retirement  
35 annuity paid under one of the options provided in this section in lieu of  
36 having it paid in the form stated in K.S.A. 20-2610 and amendments  
37 thereto. Such election shall be made before the date of actual retirement.  
38 A specific person shall be designated as joint annuitant at the time of  
39 election of the joint and  $\frac{1}{2}$  to joint annuitant survivor option, joint and  
40 survivor option and the joint and  $\frac{3}{4}$  to joint annuitant survivor option.  
41 Under no circumstances may an option be changed or canceled nor the  
42 named joint annuitant changed after the date of actual retirement of the  
43 judge.

1 (b) The amount of retirement annuity payable under an option shall  
2 be based on the age of the judge and, if applicable, the age of the joint  
3 annuitant, and shall be such amount as to be the actuarial equivalent of  
4 the retirement annuity otherwise payable under K.S.A. 20-2610 and  
5 amendments thereto as prescribed in subsection (c). Whenever the  
6 amount of any benefit is to be determined on the basis of actuarial as-  
7 sumptions, the assumptions shall be specified in a way that precludes  
8 employer discretion. In no case shall the total amount of retirement an-  
9 nuity payable under any option provided in this section be more than  
10 100% of the retirement annuity which would have been otherwise payable  
11 if no option had been elected under this section.

12 (c) The following retirement options, which are subject to the pro-  
13 visions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, are  
14 available:

15 (1) *Joint and ½ to joint annuitant survivor.* A reduced retirement  
16 annuity payable to the judge during the judge's lifetime in a monthly  
17 amount equal to the product of (A) the monthly payment of the retire-  
18 ment annuity otherwise payable under K.S.A. 20-2610 and amendments  
19 thereto and (B) the percentage equal to 91% minus .4% for each year by  
20 which the age of the judge's joint annuitant is less than the judge's age,  
21 computed to the nearest whole year, or plus .4% for each year by which  
22 the age of the judge's joint annuitant is more than the judge's age, com-  
23 puted to the nearest whole year, with ½ of that monthly amount contin-  
24 ued to the judge's joint annuitant during such joint annuitant's remaining  
25 lifetime, if any, after the death of the judge. In the event that the desig-  
26 nated joint annuitant under this option predeceases the retired judge, the  
27 amount of the retirement annuity otherwise payable to the judge under  
28 this option shall be adjusted automatically to the retirement annuity which  
29 the judge would have received if no option had been elected under this  
30 section.

31 (2) *Joint and survivor.* A reduced retirement annuity payable to the  
32 judge during the judge's lifetime in a monthly amount equal to the prod-  
33 uct of (A) the monthly payment of the retirement annuity otherwise pay-  
34 able under K.S.A. 20-2610 and amendments thereto and (B) the per-  
35 centage equal to 83% minus .6% for each year by which the age of the  
36 judge's joint annuitant is less than the judge's age, computed to the near-  
37 est whole year, or plus .6% for each year by which the age of the judge's  
38 joint annuitant is more than the judge's age, computed to the nearest  
39 whole year, with that monthly amount continued to the joint annuitant  
40 during the joint annuitant's remaining lifetime, if any, after the death of  
41 judge. In the event that the designated joint annuitant under this option  
42 predeceases the retired judge, the amount of the retirement annuity oth-  
43 erwise payable to the judge under this option shall be adjusted automat-

1 ically to the retirement annuity which the judge would have received if  
2 no option had been elected under this section.

3 (3) *Joint and  $\frac{3}{4}$  to joint annuitant survivor.* A reduced retirement  
4 annuity payable to the judge during the judge's lifetime in a monthly  
5 amount equal to the product of (A) the monthly payment of the retire-  
6 ment annuity otherwise payable under K.S.A. 20-2610 and amendments  
7 thereto and (B) the percentage equal to 87% minus .5% for each year by  
8 which the age of the judge's joint annuitant is less than the judge's age,  
9 computed to the nearest whole year, or plus .5% for each year by which  
10 the age of the judge's joint annuitant is more than the judge's age, com-  
11 puted to the nearest whole year, with  $\frac{3}{4}$  of that monthly amount contin-  
12 ued to the judge's joint annuitant during such joint annuitant's remaining  
13 lifetime, if any, after the death of the judge. In the event that the desig-  
14 nated joint annuitant under this option predeceases the retired judge, the  
15 amount of the retirement annuity otherwise payable to the judge under  
16 this option shall be adjusted automatically to the retirement annuity which  
17 the judge would have received if no option had been elected under this  
18 section.

19 (4) *Life with 5 years certain.* A reduced retirement annuity payable  
20 to the judge during the judge's lifetime in a monthly amount equal to  
21 98% of the monthly payment of the retirement annuity otherwise payable  
22 under K.S.A. 20-2610 and amendments thereto and if the judge dies  
23 within the five-year certain period, measured from the commencement  
24 of retirement annuity payments, such monthly payments shall be contin-  
25 ued to such judge's beneficiary during the balance of the five-year certain  
26 period.

27 (5) *Life with 10 years certain.* A reduced retirement annuity payable  
28 to the judge during the judge's lifetime in a monthly amount equal to  
29 95% of the monthly payment of the retirement annuity otherwise payable  
30 under K.S.A. 20-2610 and amendments thereto and if the judge dies  
31 within the ten-year certain period, measured from the commencement  
32 of retirement annuity payments, such monthly payments shall be contin-  
33 ued to such judge's beneficiary during the balance of the ten-year certain  
34 period.

35 (6) *Life with 15 years certain.* A reduced retirement annuity payable  
36 to the judge during the judge's lifetime in a monthly amount equal to  
37 88% of the monthly payment of the retirement annuity otherwise payable  
38 under K.S.A. 20-2610 and amendments thereto and if the judge dies  
39 within the fifteen-year certain period, measured from the commence-  
40 ment of retirement annuity payments, such monthly payments shall be  
41 continued to such judge's beneficiary during the balance of the fifteen-  
42 year certain period.

43 (7) *Lump sum payment at retirement.* (A) Pursuant to this option,

1 the judge must specify a lump sum amount to be paid to the judge upon  
2 the judge's retirement. The lump sum amount will be based on the ac-  
3 tual present value of the benefit as provided in K.S.A. 20-2610, and  
4 amendments thereto. The lump sum amount designated by the judge  
5 must be in 10% increments and shall not exceed  $\frac{1}{2}$  of the actuarial present  
6 value of the benefit provided in K.S.A. 20-2610, and amendments thereto.

7 (B) Pursuant to this option, the judge must elect to have the remain-  
8 ing actuarial present value paid in a monthly amount under the provisions  
9 of K.S.A. 20-2610, and amendments thereto, or subsections (c)(1)  
10 through (c)(6) of this section.

11 (C) ~~The amount of any retirement benefit payable pursuant to this~~  
12 ~~subsection shall remain as provided in this subsection even in the event~~  
13 ~~that the designated joint annuitant pursuant to subsections (c)(1), (c)(2)~~  
14 ~~or (c)(3) predeceases the retirant. In the event that the designated joint~~  
15 ~~annuitant pursuant to subsection (c)(1), (c)(2) or (c)(3), under this option~~  
16 ~~predeceases the retirant, the amount of the retirement benefit otherwise~~  
17 ~~payable to the retirant under the option shall be adjusted automatically~~  
18 ~~to the retirement benefit which the retirant would have received if no~~  
19 ~~option had been elected under this section.~~

20 (D) The provisions of this subsection shall be effective on and after  
21 July 1, 2001.

22 (d) If a judge, who is eligible to retire, dies without having actually  
23 retired, the judge's spouse, if the spouse is the sole beneficiary for the  
24 judge's accumulated contributions, may elect to receive benefits as a joint  
25 annuitant under one of the options provided in this section in lieu of  
26 receiving the judge's accumulated contributions.

27 (e) On and after July 1, 1993, if a judge with 15 or more years of  
28 credited service dies before attaining retirement age, the judge's spouse,  
29 if the spouse is the sole beneficiary for the judge's accumulated contri-  
30 butions, may elect to receive benefits under one of the options provided  
31 in this section in lieu of receiving the judge's accumulated contributions.  
32 Payments under one of the options provided in this section to the judge's  
33 spouse if so elected, shall commence on the date that the judge would  
34 have first attained retirement age.

35 (f) Benefits payable to a joint annuitant shall accrue from the first  
36 day of the month following the death of a member or retirant and, in the  
37 case of the joint and  $\frac{1}{2}$  to joint annuitant survivor option, the joint and  
38 survivor option and the joint and  $\frac{3}{4}$  to joint annuitant survivor option,  
39 shall end on the last day of the month in which the joint annuitant dies.

40 (g) The provisions of the law in effect on the retirement date of a  
41 judge under the retirement system for judges shall govern the retirement  
42 annuity payable to the retired judge and any joint annuitant, except, for  
43 retirement benefits payable after July 1, 1993, for judges who retired prior

1 to July 1, 1982, in the event that the designated joint annuitant under the  
2 option provided in subsection (c)(1), (2) or (3), as applicable, predeceased  
3 the judge, the amount of the retirement benefit otherwise payable to the  
4 judge under the option provided in subsection (c)(1), (2) or (3), as appli-  
5 cable, shall be adjusted automatically to the retirement benefit which the  
6 judge would have received if no option had been elected under this  
7 section.

8 (h) Upon the death of a joint annuitant who is receiving a retirement  
9 benefit under the provisions of this section, there shall be paid to such  
10 joint annuitant's beneficiary an amount equal to the excess, if any, of the  
11 accumulated contributions of the retired judge over the sum of all retire-  
12 ment benefit payments made to such retired judge and such joint annu-  
13 itant. Such joint annuitant shall designate a beneficiary by filing in the  
14 office of the retirement system such designation at the time of death of  
15 the retired judge. If there is no named beneficiary of such joint annuitant  
16 living at the time of death of such joint annuitant, any amount provided  
17 for by this section shall be paid to, in order of preference as follows:

- 18 (1) The joint annuitant's surviving spouse;
- 19 (2) the joint annuitant's dependent child or children;
- 20 (3) the joint annuitant's dependent parent or parents;
- 21 (4) the joint annuitant's nondependent child or children;
- 22 (5) the joint annuitant's nondependent parent or parents; or
- 23 (6) the estate of the deceased joint annuitant.

24 (i) In any event, benefits shall be adjusted as necessary to satisfy the  
25 incidental death benefits regulations under the federal internal revenue  
26 code.

27 Sec. 5. K.S.A. 2000 Supp. 74-4902 is hereby amended to read as  
28 follows: 74-4902. As used in articles 49 and 49a of chapter 74 and amend-  
29 ments thereto, unless otherwise provided or the context otherwise  
30 requires:

31 (1) "Accumulated contributions" means the sum of all contributions  
32 by a member to the system which are credited to the member's account,  
33 with interest allowed thereon;

34 (2) "acts" means the provisions of articles 49 and 49a of the Kansas  
35 Statutes Annotated and amendments thereto;

36 (3) "actuarial equivalent" means an annuity or benefit of equal value  
37 to the accumulated contributions, annuity or benefit, when computed  
38 upon the basis of the actuarial tables in use by the system. Whenever the  
39 amount of any benefit is to be determined on the basis of actuarial as-  
40 sumptions, the assumptions shall be specified in a way that precludes  
41 employer discretion;

42 (4) "actuarial tables" means the actuarial tables approved and in use  
43 by the board at any given time;



1 (5) “actuary” means the actuary or firm of actuaries employed or  
2 retained by the board at any given time;

3 (6) “agent” means the individual designated by each participating em-  
4 ployer through whom system transactions and communication are  
5 directed;

6 (7) “beneficiary” means any natural person or persons or estate  
7 named by a member to receive any benefits as provided for by this act.  
8 Designations of beneficiaries by a member who is a member of more  
9 than one retirement system made on or after July 1, 1987, shall be the  
10 basis of any benefits payable under all systems unless otherwise provided  
11 by law. Except as otherwise provided by subsection (33) of this section,  
12 if there is no named beneficiary living at time of member’s death, any  
13 benefits provided for by this act shall be paid to: (A) The member’s sur-  
14 viving spouse; (B) the member’s dependent child or children; (C) the  
15 member’s dependent parent or parents; (D) the member’s nondependent  
16 child or children; (E) the member’s nondependent parent or parents; (F)  
17 the estate of the deceased member; in the order of preference as specified  
18 in this subsection.

19 (8) “board of trustees,” “board” or “trustees” means the managing  
20 body of the system which is known as the Kansas public employees re-  
21 tirement system board of trustees;

22 (9) “compensation” means, except as otherwise provided, all salary,  
23 wages and other remuneration payable to a member for personal services  
24 performed for a participating employer, including maintenance or any  
25 allowance in lieu thereof provided a member as part of compensation,  
26 but not including reimbursement for travel or moving expenses or on and  
27 after July 1, 1994, payment pursuant to an early retirement incentive  
28 program made prior to the retirement of the member. Beginning with  
29 the employer’s fiscal year which begins in calendar year 1991 or for em-  
30 ployers other than the state of Kansas, beginning with the fiscal year  
31 which begins in calendar year 1992, when the compensation of a member  
32 who remains in substantially the same position during any two consecutive  
33 years of participating service used in calculating final average salary is  
34 increased by an amount which exceeds 15%, then the amount of such  
35 increase which exceeds 15% shall not be included in compensation, ex-  
36 cept that (A) any amount of compensation for accumulated sick leave or  
37 vacation or annual leave paid to the member, (B) any increase in com-  
38 pensation for any member due to a reclassification or reallocation of such  
39 member’s position or a reassignment of such member’s job classification  
40 to a higher range or level and (C) any increase in compensation as pro-  
41 vided in any contract entered into prior to January 1, 1991, and still in  
42 force on the effective date of this act, pursuant to an early retirement  
43 incentive program as provided in K.S.A. 72-5395 *et seq.* and amendments

1 thereto, shall be included in the amount of compensation of such member  
2 used in determining such member's final average salary and shall not be  
3 subject to the 15% limitation provided in this subsection. Any contribu-  
4 tions by such member on the amount of such increase which exceeds  
5 15% which is not included in compensation shall be returned to the mem-  
6 ber. Unless otherwise provided by law, beginning with the employer's  
7 fiscal year coinciding with or following July 1, 1985, compensation shall  
8 include any amounts for tax sheltered annuities or deferred compensation  
9 plans. Beginning with the employer's fiscal year which begins in calendar  
10 year 1991, compensation shall include amounts under sections 403b, 457  
11 and 125 of the federal internal revenue code of 1986 and, as the board  
12 deems appropriate, any other section of the federal internal revenue code  
13 of 1986 which defers or excludes amounts from inclusion in income. For  
14 purposes of applying limits under the federal internal revenue code "com-  
15 pensation" shall have the meaning as provided in K.S.A. 2000 Supp. 74-  
16 49,123 and amendments thereto;

17 (10) "credited service" means the sum of participating service and  
18 prior service and in no event shall credited service include any service  
19 which is credited under another retirement plan authorized under any  
20 law of this state;

21 (11) "dependent" means a parent or child of a member who is de-  
22 pendent upon the member for at least ½ of such parent or child's support;

23 (12) "effective date" means the date upon which the system becomes  
24 effective by operation of law;

25 (13) "eligible employer" means the state of Kansas, and any county,  
26 city, township, special district or any instrumentality of any one or several  
27 of the aforementioned or any noncommercial public television or radio  
28 station located in this state which receives state funds allocated by the  
29 Kansas public broadcasting commission whose employees are covered by  
30 social security. If a class or several classes of employees of any above  
31 defined employer are not covered by social security, such employer shall  
32 be deemed an eligible employer only with respect to such class or those  
33 classes of employees who are covered by social security;

34 (14) "employee" means any appointed or elective officer or employee  
35 of a participating employer whose employment is not seasonal or tem-  
36 porary and whose employment requires at least 1,000 hours of work per  
37 year, but not including: (A) Any employee who is a contributing member  
38 of the United States civil service retirement system; (B) any employee  
39 who is a contributing member of the federal employees retirement sys-  
40 tem; (C) any employee who is a leased employee of a participating em-  
41 ployer. "Leased employee" means the same as provided in section 414 of  
42 the federal internal revenue code; and (D) any employee or class of em-  
43 ployees specifically exempted by law. After June 30, 1975, no person who

1 is otherwise eligible for membership in the Kansas public employees re-  
2 tirement system shall be barred from such membership by reason of  
3 coverage by, eligibility for or future eligibility for a retirement annuity  
4 under the provisions of K.S.A. 74-4925 and amendments thereto, except  
5 that no person shall receive service credit under the Kansas public em-  
6 ployees retirement system for any period of service for which benefits  
7 accrue or are granted under a retirement annuity plan under the provi-  
8 sions of K.S.A. 74-4925 and amendments thereto. After June 30, 1982,  
9 no person who is otherwise eligible for membership in the Kansas public  
10 employees retirement system shall be barred from such membership by  
11 reason of coverage by, eligibility for or future eligibility for any benefit  
12 under another retirement plan authorized under any law of this state,  
13 except that no such person shall receive service credit under the Kansas  
14 public employees retirement system for any period of service for which  
15 any benefit accrues or is granted under any such retirement plan. Em-  
16 ployee shall include persons who are in training at or employed by, or  
17 both, a sheltered workshop for the blind operated by the secretary of  
18 social and rehabilitation services. The entry date for such persons shall  
19 be the beginning of the first pay period of the fiscal year commencing in  
20 calendar year 1986. Such persons shall be granted prior service credit in  
21 accordance with K.S.A. 74-4913 and amendments thereto. However, such  
22 persons classified as home industry employees shall not be covered by  
23 the retirement system. Employees shall include any member of a board  
24 of county commissioners of any county and any council member or com-  
25 missioner of a city whose compensation is equal to or exceeds \$5,000 per  
26 year;

27 (15) “entry date” means the date as of which an eligible employer  
28 joins the system. The first entry date pursuant to this act is January 1,  
29 1962;

30 (16) “~~executive secretary~~ *director*” means the managing officer of the  
31 system employed by the board under this act;

32 (17) “final average salary” means in the case of a member who retires  
33 prior to January 1, 1977, and in the case of a member who retires after  
34 January 1, 1977, and who has less than five years of participating service  
35 after January 1, 1967, the average highest annual compensation paid to  
36 such member for any five years of the last 10 years of participating service  
37 immediately preceding retirement or termination of employment, or in  
38 the case of a member who retires on or after January 1, 1977, and who  
39 has five or more years of participating service after January 1, 1967, the  
40 average highest annual compensation paid to such member on or after  
41 January 1, 1967, for any five years of participating service preceding re-  
42 tirement or termination of employment, or, in any case, if participating  
43 service is less than five years, then the average annual compensation paid

1 to the member during the full period of participating service, or, in any  
2 case, if the member has less than one calendar year of participating service  
3 such member's final average salary shall be computed by multiplying such  
4 member's highest monthly salary received in that year by 12; in the case  
5 of a member who became a member under subsection (3) of K.S.A. 74-  
6 4925 and amendments thereto, or who became a member with a partic-  
7 ipating employer as defined in subsection (3) of K.S.A. 74-4931 and  
8 amendments thereto and who elects to have compensation paid in other  
9 than 12 equal installments, such compensation shall be annualized as if  
10 the member had elected to receive 12 equal installments for any such  
11 periods preceding retirement; in the case of a member who retires after  
12 July 1, 1987, the average highest annual compensation paid to such mem-  
13 ber for any four years of participating service preceding retirement or  
14 termination of employment; in the case of a member who retires on or  
15 after July 1, 1993, who was first hired as an employee, as defined in  
16 subsection (14) of K.S.A. 74-4902 and amendments thereto, prior to July  
17 1, 1993, the average highest annual compensation, as defined in subsec-  
18 tion (9), paid to such member for any four years of participating service  
19 preceding retirement or termination of employment or the average high-  
20 est annual salary, as defined in subsection (34), paid to such member for  
21 any three years of participating service preceding retirement or termi-  
22 nation of employment, whichever is greater; and in the case of a member  
23 who retires on or after July 1, 1993, and who is first hired as an employee,  
24 as defined in subsection (14) of K.S.A. 74-4902 and amendments thereto,  
25 on or after July 1, 1993, the average highest annual salary, as defined in  
26 subsection (34), paid to such member for any three years of participating  
27 service preceding retirement or termination of employment. Final aver-  
28 age salary shall not include any purchase of participating service credit  
29 by a member as provided in subsection (2) of K.S.A. 74-4919h and  
30 amendments thereto which is completed within five years of retirement.  
31 For any application to purchase or repurchase service credit for a certain  
32 period of service as provided by law received by the system after May 17,  
33 1994, for any member who will have contributions deducted from such  
34 member's compensation at a percentage rate equal to two or three times  
35 the employee's rate of contribution or will begin paying to the system a  
36 lump-sum amount for such member's purchase or repurchase and such  
37 deductions or lump-sum payment commences after the commencement  
38 of the first payroll period in the third quarter, "final average salary" shall  
39 not include any amount of compensation or salary which is based on such  
40 member's purchase or repurchase. Any application to purchase or repur-  
41 chase multiple periods of service shall be treated as multiple applications.  
42 For purposes of this subsection, the date that such member is first hired  
43 as an employee for members who are employees of employers that

1 elected to participate in the system on or after January 1, 1994, shall be  
2 the date that such employee's employer elected to participate in the sys-  
3 tem. In the case of any former member who was eligible for assistance  
4 pursuant to K.S.A. 74-4925 and amendments thereto prior to July 1, 1998,  
5 for the purpose of calculating final average salary of such member, such  
6 member's final average salary shall be based on such member's salary  
7 while a member of the system or while eligible for assistance pursuant to  
8 K.S.A. 74-4925 and amendments thereto, whichever is greater;

9 (18) "fiscal year" means, for the Kansas public employees retirement  
10 system, the period commencing July 1 of any year and ending June 30 of  
11 the next;

12 (19) "Kansas public employees retirement fund" means the fund cre-  
13 ated by this act for payment of expenses and benefits under the system  
14 and referred to as the fund;

15 (20) "leave of absence" means a period of absence from employment  
16 without pay, authorized and approved by the employer, and which after  
17 the effective date does not exceed one year;

18 (21) "member" means an eligible employee who is in the system and  
19 is making the required employee contributions; any former employee who  
20 has made the required contributions to the system and has not received  
21 a refund if such member is within five years of termination of employment  
22 with a participating employer; or any former employee who has made the  
23 required contributions to the system, has not yet received a refund and  
24 has been granted a vested benefit;

25 (22) "military service" means service in the uniformed forces of the  
26 United States, for which retirement benefit credit must be given under  
27 the provisions of USERRA or service in the armed forces of the United  
28 States or in the commissioned corps of the United States public health  
29 service, which service is immediately preceded by a period of employ-  
30 ment as an employee or by the entering into of an employment contract  
31 with a participating employer and is followed by return to employment  
32 as an employee with the same or another participating employer within  
33 12 months immediately following discharge from such military service,  
34 except that if the board determines that such return within 12 months  
35 was made impossible by reason of a service-connected disability, the pe-  
36 riod within which the employee must return to employment with a par-  
37 ticipating employer shall be extended not more than two years from the  
38 date of discharge or separation from military service;

39 (23) "normal retirement date" means the date on or after which a  
40 member may retire with full retirement benefits pursuant to K.S.A. 74-  
41 4914 and amendments thereto;

42 (24) "participating employer" means an eligible employer who has  
43 agreed to make contributions to the system on behalf of its employees;

1 (25) “participating service” means the period of employment after  
2 the entry date for which credit is granted a member;

3 (26) “prior service” means the period of employment of a member  
4 prior to the entry date for which credit is granted a member under this  
5 act;

6 (27) “prior service annual salary” means the highest annual salary,  
7 not including any amounts received as payment for overtime or as re-  
8 imbursement for travel or moving expense, received for personal services  
9 by the member from the current employer in any one of the three cal-  
10 endar years immediately preceding January 1, 1962, or the entry date of  
11 the employer, whichever is later, except that if a member entered the  
12 employment of the state during the calendar year 1961, the prior service  
13 annual salary shall be computed by multiplying such member’s highest  
14 monthly salary received in that year by 12;

15 (28) “retirant” means a member who has retired under this system;

16 (29) “retirement benefit” means a monthly income or the actuarial  
17 equivalent thereof paid in such manner as specified by the member pur-  
18 suant to this act or as otherwise allowed to be paid at the discretion of  
19 the board, with benefits accruing from the first day of the month coin-  
20 ciding with or following retirement and ending on the last day of the  
21 month in which death occurs. Upon proper identification a surviving  
22 spouse may negotiate the warrant issued in the name of the retirant. *If*  
23 *there is no surviving spouse, the last warrant shall be payable to the*  
24 *designated beneficiary;*

25 (30) “retirement system” or “system” means the Kansas public em-  
26 ployees retirement system as established by this act and as it may be  
27 amended;

28 (31) “social security” means the old age, survivors and disability in-  
29 surance section of the federal social security act;

30 (32) “total disability” means a physical or mental disability which pre-  
31 vents the member from engaging, for remuneration or profit, in any oc-  
32 cupation for which the member is reasonably suited by education, training  
33 or experience;

34 (33) “trust” means an express trust, created by a trust instrument,  
35 including a will, designated by a member to receive payment of the in-  
36 sured death benefit under K.S.A. 74-4927 and amendments thereto and  
37 payment of the member’s accumulated contributions under subsection  
38 (1) of K.S.A. 74-4916 and amendments thereto. A designation of a trust  
39 shall be filed with the board. If there is a designated trust at the time of  
40 the member’s death, the insured death benefit for the member under  
41 K.S.A. 74-4927 and amendments thereto and the member’s accumulated  
42 contributions under subsection (1) of K.S.A. 74-4916 and amendments  
43 thereto shall be paid to the trust in lieu of the member’s beneficiary. If

1 no will is admitted to probate within six months after the death of the  
2 member or no trustee qualifies within such six months or if the designated  
3 trust fails, for any reason whatsoever, the insured death benefit under  
4 K.S.A. 74-4927 and amendments thereto and the member's accumulated  
5 contributions under subsection (1) of K.S.A. 74-4916 and amendments  
6 thereto shall be paid in accordance with the provisions of subsection (7)  
7 of this section as in other cases where there is no named beneficiary living  
8 at the time of the member's death and any payments so made shall be a  
9 full discharge and release to the system from any further claims;

10 (34) "salary" means all salary and wages payable to a member for  
11 personal services performed for a participating employer, including main-  
12 tenance or any allowance in lieu thereof provided a member as part of  
13 salary. Salary shall not include reimbursement for travel or moving ex-  
14 penses, payment for accumulated sick leave or vacation or annual leave,  
15 severance pay or any other payments to the member determined by the  
16 board to not be payments for personal services performed for a partici-  
17 pating employer constituting salary or on and after July 1, 1994, payment  
18 pursuant to an early retirement incentive program made prior to the  
19 retirement of the member. When the salary of a member who remains  
20 in substantially the same position during any two consecutive years of  
21 participating service used in calculating final average salary is increased  
22 by an amount which exceeds 15%, then the amount of such increase  
23 which exceeds 15% shall not be included in salary. Any contributions by  
24 such member on the amount of such increase which exceeds 15% which  
25 is not included in compensation shall be returned to the member. Unless  
26 otherwise provided by law, salary shall include any amounts for tax shel-  
27 tered annuities or deferred compensation plans. Salary shall include  
28 amounts under sections 403b, 457 and 125 of the federal internal revenue  
29 code of 1986 and, as the board deems appropriate, any other section of  
30 the federal internal revenue code of 1986 which defers or excludes  
31 amounts from inclusion in income. For purposes of applying limits under  
32 the federal internal revenue code "salary" shall have the meaning as pro-  
33 vided in K.S.A. 2000 Supp. 74-49,123 and amendments thereto. In any  
34 case, if participating service is less than three years, then the average  
35 annual salary paid to the member during the full period of participating  
36 service, or, in any case, if the member has less than one calendar year of  
37 participating service such member's final average salary shall be com-  
38 puted by multiplying such member's highest monthly salary received in  
39 that year by 12;

40 (35) "federal internal revenue code" means the federal internal rev-  
41 enue code of 1954 or 1986, as in effect on July 1, 1998, and as applicable  
42 to a governmental plan; and

43 (36) "USERRA" means the federal uniformed services employment

1 and reemployment rights act of 1994 as in effect on July 1, 1998.

2 Sec. 6. K.S.A. 2000 Supp. 74-4904 is hereby amended to read as  
3 follows: 74-4904. (1) The system may sue and be sued in its official name,  
4 but its trustees, officers, employees and agents shall not be personally  
5 liable for acts of the system unless such person acted with willful, wanton  
6 or fraudulent misconduct or intentionally tortious conduct. Any agree-  
7 ment in settlement of litigation involving the system and the investment  
8 of moneys of the fund is a public record as provided in K.S.A. 45-215 *et*  
9 *seq.* and amendments thereto and subject to the provisions of that act.  
10 The service of all legal process and of all notices which may be required  
11 to be in writing, whether legal proceedings or otherwise, shall be had on  
12 the executive ~~secretary~~ *director* at such executive ~~secretary's~~ *director's*  
13 office. All actions or proceedings directly or indirectly against the system  
14 shall be brought in Shawnee county.

15 (2) Any person aggrieved by any order or decision of the board made  
16 without a hearing, may, within 30 days after notice of the order or decision  
17 of the board make written request to the board for a hearing thereon.  
18 The board shall hear such party or parties in accordance with the provi-  
19 sions of the Kansas administrative procedure act at its next regular meet-  
20 ing or at a special meeting within 60 days after receipt of such request.  
21 For the purpose of any hearing under this section, the board may appoint  
22 one or more presiding officers. Any such presiding officer shall be a mem-  
23 ber of the board, an employee of the board or any other person designated  
24 by the board to serve as such presiding officer. Any such appointment  
25 shall apply to a particular hearing or to a set or class of hearings as spec-  
26 ified by the board in making such appointment. The board shall review  
27 an initial order resulting from a hearing under this section. Any member  
28 of the board who serves as a presiding officer shall be reimbursed for  
29 actual and necessary expenses and shall receive compensation in an  
30 amount fixed by the board not to exceed the per diem compensation  
31 allowable for members of the board. The board is hereby authorized to  
32 enter into a contract with any other person designated by the board to  
33 serve as a presiding officer who is not a member or employee of the board  
34 and to provide for reimbursement for actual and necessary expenses and  
35 compensation for such person serving as a presiding officer.

36 Sec. 7. K.S.A. 2000 Supp. 74-4908 is hereby amended to read as  
37 follows: 74-4908. (1) The board shall appoint an executive ~~secretary~~ *di-*  
38 *rector* and shall establish the compensation therefor. Subject to the di-  
39 rection of the board, the executive ~~secretary~~ *director* shall be the man-  
40 aging officer of the system and as such shall have charge of the office,  
41 records and supervision and direction of the employees of the system.  
42 The executive ~~secretary~~ *director* shall be in the unclassified service under  
43 the Kansas civil service act.



1 (2) The executive ~~secretary~~ *director* shall recommend to the board  
2 the administrative organization, the number and qualifications of em-  
3 ployees necessary to carry out the intent of this act and the directions of  
4 the board. Upon approval of the board, the executive ~~secretary~~ *director*  
5 is authorized to employ such persons in accordance with the Kansas civil  
6 service act.

7 (3) The board of trustees shall select and employ or retain a qualified  
8 actuary who shall serve at its pleasure as its technical advisor on matters  
9 regarding operation of the system. The actuary shall:

10 (a) Make an annual valuation of the liabilities and reserves of the  
11 system, and a determination of the contributions required by the system  
12 to discharge its liabilities and administrative costs under this act, and  
13 recommend to the board rates of employer contributions required to  
14 establish and maintain the system on an actuarial reserve basis. Such  
15 recommended employer contributions shall not be based on any other  
16 purpose outside of the needs of the system as prescribed by this  
17 subsection.

18 (b) As soon after the effective date as practicable and once every  
19 three years thereafter, make a general investigation of the actuarial ex-  
20 perience under the system including mortality, retirement, employment  
21 turnover and interest, and recommend actuarial tables for use in valua-  
22 tions and in calculating actuarial equivalent values based on such  
23 investigation.

24 (c) Cooperate with and provide any assistance to the actuary, the  
25 legislative coordinating council and the joint committee on pensions, in-  
26 vestments and benefits related to the independent actuarial audit and  
27 evaluation as provided in K.S.A. 2000 Supp. 74-4908a and amendments  
28 thereto.

29 (d) Perform such other duties as may be assigned by the board.

30 (4) The attorney general of the state shall furnish such legal services  
31 as may be necessary upon receipt of a request from the board, except  
32 that legal services may be furnished by other counsel as the board in its  
33 discretion deems necessary and prudent.

34 (5) The board shall employ or retain qualified investment counsel or  
35 counselors or may negotiate with a trust company to assist and advise in  
36 the judicious investment of funds as herein provided.

37 (6) The board may appoint a deputy executive ~~secretary~~ *director*, an  
38 investment officer, an investment analyst, a real estate manager, a direct  
39 placement manager, a chief fiscal officer, a member services officer, an  
40 attorney, an assistant investment officer and an information resource of-  
41 ficer to advise and assist the board in the performance of powers, duties  
42 and functions relating to the management and investment of the fund  
43 and in such other matters as may be directed by the board. Such ap-

1 pointed officers and employees shall be in the unclassified service under  
2 the Kansas civil service act. The compensation of such appointed officers  
3 and employees shall be established by the board.

4 Sec. 8. K.S.A. 2000 Supp. 74-4911e is hereby amended to read as  
5 follows: 74-4911e. (a) Each person who is an elected official on and after  
6 January 1, 1985, and who is a member of the Kansas public employees  
7 retirement system, may elect to continue to participate in the Kansas  
8 public employees retirement system under the provisions of this act after  
9 the date such person's service as an elected official terminates unless such  
10 person immediately becomes an employee of another participating em-  
11 ployer. Such person's election is valid only if such person files notice of  
12 such election in the office of the executive ~~secretary~~ *director* of the Kansas  
13 public employees retirement system, in a form acceptable to the system,  
14 within 30 days of the termination of such person's service as an elected  
15 official.

16 (b) For the purposes of contributions to and benefits under the Kan-  
17 sas public employees retirement system, compensation of such members  
18 shall be a monthly amount equal to the greater of (1) the compensation  
19 to which the elected official was entitled for services as an elected official  
20 during the period January 15 to February 14, inclusive, of the most recent  
21 year, or (2) the monthly amount of such person's compensation at the  
22 time that such person's service as an elected official terminates. The em-  
23 ployer rate of contribution for the state of Kansas and employee rate of  
24 contribution shall be applied to such amounts monthly. Such person shall  
25 remit the required employer and employee contributions to the system  
26 quarterly in advance with a report as may be required by the system.

27 (c) Any election by such person under subsection (a) shall remain in  
28 effect until revoked in writing and received by the system or such person  
29 becomes an employee of another participating employer or upon failure  
30 of such person to remit to the system the employer and employee con-  
31 tributions required under subsection (b).

32 (d) This act or acts amendatory thereof and supplemental thereto  
33 shall become a part of the Kansas public employees retirement act as  
34 defined in subsection (2) of K.S.A. 74-4902 and amendments thereto and  
35 shall be governed thereby in all respects, except if words and phrases  
36 used in this act appear to have a different meaning, the provisions of this  
37 act shall prevail.

38 (e) The provisions of subsection (2) of K.S.A. 74-4916 and amend-  
39 ments thereto are not applicable to any person making an election under  
40 subsection (a).

41 (f) No election shall be made as provided in subsection (a) after June  
42 30, 1998.

43 Sec. 9. K.S.A. 2000 Supp. 74-4914 is hereby amended to read as

1 follows: 74-4914. (1) The normal retirement date for a member of the  
2 system shall be the first day of the month coinciding with or following  
3 termination of employment with any participating employer not followed  
4 by employment with any participating employer within 30 days and the  
5 attainment of age 65 or, commencing July 1, 1993, age 62 with the com-  
6 pletion of 10 years of credited service or the first day of the month co-  
7 inciding with or following the date that the total of the number of years  
8 of credited service and the number of years of attained age of the member  
9 is equal to or more than 85. In no event shall a normal retirement date  
10 for a member be before six months after the entry date of the participating  
11 employer by whom such member is employed. A member may retire on  
12 the normal retirement date or on the first day of any month thereafter  
13 upon the filing with the office of the retirement system of an application  
14 in such form and manner as the board shall prescribe. Nothing herein  
15 shall prevent any person, member or retirant from being employed, ap-  
16 pointed or elected as an employee, appointee, officer or member of the  
17 legislature. Elected officers may retire from the system on any date on  
18 or after the attainment of the normal retirement date, but no retirement  
19 benefits payable under this act shall be paid until the member has ter-  
20 minated such member's office.

21 (2) No retirant shall make contributions to the system or receive serv-  
22 ice credit for any service after the date of retirement.

23 (3) Any member who is an employee of an affiliating employer pur-  
24 suant to K.S.A. 74-4954b and amendments thereto and has not withdrawn  
25 such member's accumulated contributions from the Kansas police and  
26 firemen's retirement system may retire before such member's normal  
27 retirement date on the first day of any month coinciding with or following  
28 the attainment of age 55.

29 (4) Any member may retire before such member's normal retirement  
30 date on the first day of any month coinciding with or following termination  
31 of employment with any participating employer not followed by employ-  
32 ment with any participating employer within 30 days and the attainment  
33 of age 55 with the completion of 10 years of credited service, but in no  
34 event before six months after the entry date, upon the filing with the  
35 office of the retirement system of an application for retirement in such  
36 form and manner as the board shall prescribe.

37 (5) If a retirant who retired on or after July 1, 1988, is employed or  
38 appointed in or to any position or office for which compensation for serv-  
39 ice is paid in an amount equal to \$15,000 or more in any one such calendar  
40 year, by any participating employer for which such retirant was employed  
41 or appointed during the final two years of such retirant's participation,  
42 such retirant shall not receive any retirement benefit for any month for  
43 which such retirant serves in such position or office. The participating

1 employer shall report to the system within 30 days of when the compen-  
2 sation paid to the retirant is equal to or exceeds any limitation provided  
3 by this section. Any retirant employed by a participating employer shall  
4 not make contributions nor receive additional credit under such system  
5 for such service except as provided by this section. Upon request of the  
6 executive ~~secretary~~ *director* of the system, the secretary of revenue shall  
7 provide such information as may be needed by the executive ~~secretary~~  
8 *director* to carry out the provisions of this act. The provisions of this  
9 subsection shall not apply to retirants employed as substitute teachers or  
10 officers, employees or appointees of the legislature. The provisions of this  
11 subsection shall not apply to members of the legislature prior to January  
12 8, 2000. The provisions of this subsection shall not apply to any other  
13 elected officials prior to the term of office of such elected official which  
14 commences on or after July 1, 2000. The provisions of this subsection  
15 shall apply to any other elected official on and after the term of office of  
16 such other elected official which commences on or after July 1, 2000.  
17 Except as otherwise provided, commencing January 8, 2001, the provi-  
18 sions of this subsection shall apply to members of the legislature. For  
19 determination of the amount of compensation paid pursuant to this sub-  
20 section, for members of the legislature, compensation shall include any  
21 amount paid as provided pursuant to subsections (a), (b), (c) and (d) of  
22 K.S.A. 46-137a, and amendments thereto, or pursuant to K.S.A. 46-137b,  
23 and amendments thereto. Notwithstanding any provision of law to the  
24 contrary, when a member of the legislature is paid an amount of com-  
25 pensation of \$15,000 or more in any one calendar year, the member may  
26 continue to receive any amount provided in subsections (b) and (d) of  
27 K.S.A. 46-137a, and amendments thereto, and still be entitled to receive  
28 such member's retirement benefit.

29 (6) For purposes of this section, any employee of a local governmental  
30 unit which has its own pension plan who becomes an employee of a  
31 participating employer as a result of a merger or consolidation of services  
32 provided by local governmental units, which occurred on January 1, 1994,  
33 may count service with such local governmental unit in determining  
34 whether such employee has met the years of credited service require-  
35 ments contained in this section.

36 Sec. 10. K.S.A. 2000 Supp. 74-4914e is hereby amended to read as  
37 follows: 74-4914e. (1) As used in this section:

38 (a) "Correctional employee" means any member of the system who  
39 is a security officer or other employee of the department of corrections  
40 and who is in a position for which the duties and responsibilities involve  
41 regular contact with inmates as certified by the secretary of corrections;

42 (b) "disability" means the total inability to perform permanently the  
43 duties of the position of a correctional employee in which the correctional

1 employee was employed at the time of disability;

2 (c) “service-connected” means any physical or mental disability re-  
3 sulting from external force, violence or disease occasioned by an act of  
4 duty as a correctional employee and includes, for any correctional em-  
5 ployee after five years of credited service, any death or disability resulting  
6 from a heart disease or disease of the lung or respiratory tract, except that  
7 in the event that the correctional employee ceases to be a contributing  
8 member except by reason of a service-connected disability for a period  
9 of six months or more and then again becomes a contributing member  
10 the provision relating to death or disability resulting from a heart disease  
11 or disease of the lung or respiratory tract shall not apply until such cor-  
12 rectional employee has again become a contributing member for a period  
13 of not less than two years or unless clear and precise evidence is presented  
14 that the heart disease or disease of the lung or respiratory tract was in  
15 fact occasioned by an act of duty as a correctional employee; and

16 (d) “final average salary” means the average highest annual compen-  
17 sation paid to a correctional employee for any three of the last five years  
18 of participating service immediately preceding the date of disability, or if  
19 participating service is less than three years, then the average annual  
20 compensation paid to the correctional employee during the full period of  
21 participating service or if a correctional employee has less than one cal-  
22 endar year of participating service the correctional employee’s final av-  
23 erage salary shall be computed by multiplying the correctional employee’s  
24 highest monthly salary received in that year by 12.

25 (2) If any active contributing correctional employee becomes totally  
26 and permanently disabled due to service-connected causes as defined in  
27 subsection (1), such correctional employee shall be retired and the fol-  
28 lowing benefits shall become payable and shall continue until the correc-  
29 tional employee’s death or until the correctional employee recovers from  
30 the disability if a report of the event in a form acceptable to the board is  
31 filed in the office of the executive ~~secretary~~ *director* of the board within  
32 220 days after the date of the event or act of duty causing such disability  
33 and an application for such benefit, in such form and manner as the board  
34 shall prescribe, is filed by the correctional employee or the correctional  
35 employee’s authorized representative in the office of the executive ~~see-~~  
36 ~~retary~~ *director* of the board within two years of the date of disability:

37 (a) The correctional employee shall receive a retirement benefit  
38 equal to 50% of the correctional employee’s final average salary. Such  
39 benefit shall accrue from the day upon which the correctional employee  
40 ceases to draw compensation.

41 (b) Each of the correctional employee’s unmarried children under  
42 the age of 18 years or each of the correctional employee’s children under  
43 the age of 23 years who are full-time students as provided in K.S.A. 74-

1 49,117 and amendments thereto shall receive an annual benefit equal to  
2 10% of the correctional employee's final average salary. Such benefit shall  
3 accrue from the day upon which the correctional employee ceases to draw  
4 compensation and shall end on the first day of the month in which each  
5 such child or children attains the age of 18 years, die or marry, whichever  
6 occurs earlier or in which each such child or children attains the age of  
7 23 years, if such child or children are full-time students as provided in  
8 K.S.A. 74-49,117 and amendments thereto.

9 (c) In no case shall the total benefits payable under paragraphs (a)  
10 and (b) of this subsection (2) be in excess of 75% of the correctional  
11 employee's final average salary.

12 (d) In the event a correctional employee who is retired under para-  
13 graph (a) of this subsection (2), dies within two years after the date of  
14 such retirement, then benefits may be payable under subsection (2) of  
15 K.S.A. 74-4916 and amendments thereto.

16 (e) In the event a correctional employee who is retired under para-  
17 graph (a) of this subsection (2), dies more than two years after the date  
18 of such retirement, and the proximate cause of such death is the service-  
19 connected cause from which the disability resulted, then benefits may be  
20 payable under subsection (2) of K.S.A. 74-4916 and amendments thereto.

21 (f) In the event a correctional employee who is retired under sub-  
22 section (2) dies after the date of retirement and no benefits are payable  
23 under paragraphs (d) and (e) the following benefits shall be payable:

24 (i) To the correctional employee's spouse, if lawfully wedded to the  
25 correctional employee at the time of the correctional employee's death,  
26 a lump-sum benefit equal to 50% of the correctional employee's final  
27 average salary at the time of the correctional employee's retirement.

28 (ii) To the correctional employee's spouse, if lawfully wedded to the  
29 correctional employee at the time of the correctional employee's death,  
30 an annual benefit equal to 50% of the correctional employee's retirement  
31 benefit payable in monthly installments, to accrue from the first day of  
32 the month following the correctional employee's date of death and ending  
33 on the first day of the month in which the spouse dies. If there is no  
34 surviving spouse, or if after the death of the spouse there remain one or  
35 more children under the age of 18 years or one or more children under  
36 the age of 23 years who is a full-time student as provided in K.S.A. 74-  
37 49,117, and amendments thereto, the annual spouse's benefit shall be  
38 payable in equal shares to such children and each child's share shall end  
39 on the first day of the month in which such child attains the age of 18  
40 years or dies, whichever occurs earlier or in which such child attains the  
41 age of 23 years, if such child is a full-time student as provided in K.S.A.  
42 74-49,117, and amendments thereto.

43 The provisions of this subsection shall apply in all cases of such cor-

1 rectional employees who die after October 1, 1996.

2 (3) If any correctional employee who is an active contributing mem-  
3 ber prior to such correctional employee's normal retirement becomes  
4 totally and permanently disabled for a period of 180 days from causes not  
5 service-connected, and not as the result of a willfully negligent or inten-  
6 tional act of the correctional employee, such correctional employee shall  
7 be retired and the following benefit shall become payable and shall con-  
8 tinue until the correctional employee's death or until the correctional  
9 employee recovers from such disability whichever occurs first if a report  
10 of the disability in a form acceptable to the board is filed in the office of  
11 the executive ~~secretary~~ *director* of the board within 220 days after the  
12 date of the commencement of such disability and if an application for  
13 such benefit in such form and manner as the board shall prescribe is filed  
14 in the office of the executive ~~secretary~~ *director* of the board within two  
15 years of the date of disability:

16 A retirement benefit equal to 2% of the correctional employee's final  
17 average salary multiplied by the number of years of credited service, ex-  
18 cept that such retirement benefit shall be at least equal to 25% of the  
19 member's final average salary but not to exceed the amount of the re-  
20 tirement benefit provided in paragraph (a) of subsection (2). Such benefit  
21 shall not become payable until satisfactory evidence is presented to the  
22 board that the correctional employee is and has been for a period of 180  
23 days totally and permanently disabled, but benefits shall accrue from the  
24 day upon which the correctional employee ceases to draw compensation.

25 (4) Any correctional employee who is employed for compensation by  
26 an employer other than the department of corrections and whose disa-  
27 bility is incurred in the course of such other employment shall not be  
28 eligible for any of the benefits provided in subsection (3).

29 (5) If a correctional employee becomes totally and permanently dis-  
30 abled and no benefits are payable under subsections (2) or (3), the sum  
31 of the correctional employee's accumulated contributions shall be paid to  
32 the correctional employee.

33 (6) Any correctional employee receiving benefits under this section  
34 shall submit to medical examination, not oftener than annually, by one or  
35 more physicians or any other practitioners of the healing arts holding a  
36 valid license issued by Kansas state board of healing arts, as the board of  
37 trustees may direct. If upon such medical examination the examiners re-  
38 port to the board that the retirant is physically able and capable of resum-  
39 ing employment with the participating employer from whose employment  
40 the correctional employee retired, the disability benefits shall terminate.  
41 A retirant who has been receiving benefits under the provisions of this  
42 section and who returns to employment of a participating employer shall  
43 immediately commence accruing service credit which shall be added to

1 that which has been accrued by virtue of previous service.

2 (7) Any retiree who has been receiving benefits under the provisions  
3 of this section for a period of five years shall be deemed finally retired  
4 and shall not be subject to further medical examinations, except that if  
5 the board of trustees shall have reasonable grounds to question whether  
6 the retiree remains totally and permanently disabled, a further medical  
7 examination or examinations may be required.

8 (8) Refusal or neglect to submit to examination as provided in sub-  
9 section (6) shall be sufficient cause for suspending or discontinuing ben-  
10 efit payments under this section and if such refusal or neglect shall con-  
11 tinue for a period of one year, the correctional employee's rights in and  
12 to all benefits under the system may be revoked by the board.

13 (9) Any retirement benefits payable under the provisions of this sec-  
14 tion shall be in lieu of all other benefits under the system.

15 (10) Each correctional employee shall report to such member's par-  
16 ticipating employer any event or act of duty causing disability within 200  
17 days after such event or act of duty. The department of corrections shall  
18 file in the office of the executive ~~secretary~~ *director* of the board, in a form  
19 acceptable to the board, a report of the event or act of duty causing  
20 disability within 220 days after the event or act of duty.

21 (11) Benefits payable under this section shall be reduced by the orig-  
22 inal amount of any disability benefits received under the federal social  
23 security act or the workers compensation act. For any correctional em-  
24 ployee already retired on the effective date of this act, no reduction of  
25 the original social security benefits shall be applicable to benefits paid  
26 prior to the effective date of this act. In no case shall a correctional em-  
27 ployee who is entitled to receive benefits under this section receive less  
28 than \$100 per month.

29 (12) The provisions of this section shall apply to disabilities occurring  
30 after June 30, 1982, and prior to July 1, 1995. At the direction of the  
31 board of trustees, the actuary shall conduct an experience evaluation of  
32 benefits payable under this section and the board shall provide copies of  
33 such study to the governor and members of the legislature.

34 (13) The provisions of K.S.A. 74-4927 and amendments thereto re-  
35 lating to insured disability benefits shall not be applicable to correctional  
36 employees subject to the provisions of this section.

37 (14) In the event a correctional employee who is retired under sub-  
38 section (3) dies after the date of retirement and no benefits are payable  
39 under that subsection, the following benefits shall be payable:

40 (i) To the correctional employee's spouse, if lawfully wedded to the  
41 correctional employee at the time of the correctional employee's death,  
42 a lump-sum benefit equal to 50% of the correctional employee's final  
43 average salary at the time of the correctional employee's retirement.



1 (ii) To the correctional employee's spouse, if lawfully wedded to the  
2 correctional employee at the time of the correctional employee's death,  
3 an annual benefit equal to 50% of the correctional employee's retirement  
4 benefit payable in monthly installments, to accrue from the first day of  
5 the month following the correctional employee's date of death and ending  
6 on the first day of the month in which the spouse dies. If there is no  
7 surviving spouse, or if after the death of the spouse there remain one or  
8 more children under the age of 18 years or one or more children under  
9 the age of 23 years who is a full-time student as provided in K.S.A. 74-  
10 49,117, and amendments thereto, the annual spouse's benefit shall be  
11 payable in equal shares to such children and each child's share shall end  
12 on the first day of the month in which such child attains the age of 18  
13 years or dies, whichever occurs earlier or in which such child attains the  
14 age of 23 years, if such child is a full-time student as provided in K.S.A.  
15 74-49,117, and amendments thereto.

16 The provisions of this subsection shall apply in all cases of such cor-  
17 rectional employees who die after October 1, 1996.

18 Sec. 11. K.S.A. 2000 Supp. 74-4915 is hereby amended to read as  
19 follows: 74-4915. (1) Any member who retires on or after such member's  
20 normal retirement date shall be entitled to receive an annual retirement  
21 benefit equal to the sum obtained by adding an amount for participating  
22 service and an amount for prior service determined as provided in this  
23 section. The amount for prior service shall be equal to 1% of the mem-  
24 ber's prior service annual salary multiplied by the number of years of  
25 prior service entitled to credit as provided in K.S.A. 74-4913 and amend-  
26 ments thereto, except that for members retiring on or after July 1, 1981,  
27 who were last employed by a participating employer which had affiliated  
28 with the system under K.S.A. 74-4910, 74-4912, 74-4929 or 74-4991 and  
29 amendments thereto, and for the period commencing January 1, 1986,  
30 for members retiring before July 1, 1981, who were last employed by a  
31 participating employer which had affiliated with the system under K.S.A.  
32 74-4910, 74-4912, 74-4929 or 74-4991 and amendments thereto, except  
33 that any increase in benefits under this section shall be reduced by any  
34 postretirement benefit adjustments received by such member prior to  
35 July 2, 1985, the amount for prior service shall be calculated using final  
36 average salary in lieu of prior service annual salary and, in the case of any  
37 such member who became a member under subsection (3) of K.S.A. 74-  
38 4925 and amendments thereto and for whom a final average salary cannot  
39 be otherwise determined, such member's final average salary shall be  
40 based on all service for which such member received assistance in a plan  
41 under subsection (2) of K.S.A. 74-4925 and amendments thereto as cer-  
42 tified by such employer upon request of the board. For any member who  
43 retires on or after July 1, 1993, the amount for participating service shall

1 be equal to the total of 1.75% of the member's final average salary mul-  
2 tiplied by the number of years of participating service.

3 (2) (A) Any member who retires on or after July 1, 1993, but before  
4 the normal retirement date and has attained age 60 but has not attained  
5 age 62 with the completion of 10 years of credited service, shall receive  
6 an annual retirement benefit equal to the annual retirement benefit pay-  
7 able had the member retired on the normal retirement date but based  
8 upon the member's final average salary and years of participating and  
9 prior service credited to the date of actual retirement reduced by an  
10 amount equal to the product of (i) such annual retirement benefit payable  
11 had the member retired on the normal retirement date, multiplied by (ii)  
12 the product of .2% multiplied by the number of months' difference, to  
13 the nearest whole month, between the member's attained age at the time  
14 of retirement and age 62.

15 (B) Any member who retires on or after July 1, 1993, but before the  
16 normal retirement date and has attained age 55 but has not attained age  
17 60 with the completion of 10 years of credited service, shall receive an  
18 annual retirement benefit equal to the annual retirement benefit payable  
19 had the member retired on the normal retirement date but based upon  
20 the member's final average salary and years of participating and prior  
21 service credited to the date of actual retirement reduced by an amount  
22 equal to the total of: (i) (a) The product of such annual retirement benefit  
23 payable had the member retired on the normal retirement date, multi-  
24 plied by (b) the product of .6% multiplied by the number of months'  
25 difference, to the nearest whole month, between the member's attained  
26 age at the time of retirement and age 60; and

27 (ii) on and after July 1, 1993, the product of such annual retirement  
28 benefit payable had the member retired on the normal retirement date,  
29 multiplied by 4.8%.

30 (3) Upon death of a retirant, there shall be paid to such retirant's  
31 beneficiary an amount equal to the excess, if any, of such retirant's ac-  
32 cumulated contributions over the sum of all retirement benefit payments  
33 made.

34 (4) Such annual retirement benefits shall be paid in equal monthly  
35 installments except, that the board may provide for the payment of re-  
36 tirement benefits which total less than \$240 a year on other than a  
37 monthly basis.

38 (5) In the event that an application in such form as may be prescribed  
39 by the board for any amount due under the provisions of this act, is not  
40 filed with the office of the retirement system by the person entitled to  
41 same within five years of the date such amount became due and payable,  
42 an amount equal to same shall be transferred to the retirement benefit  
43 accumulation reserve and such amount shall no longer be due and pay-

1 able, except that if any such person shall present evidence satisfactory to  
2 the board that such person's failure to file such application within that  
3 time period was due to lack of knowledge or incapacity on such person's  
4 part, the amount equal to the amount originally due shall be transferred  
5 from the retirement benefit accumulation reserve to the reserve or re-  
6 serves from which such transfer was initially made and the amount orig-  
7 inally due shall be paid to such person.

8 (6) *The participating employer, when an employee files an application*  
9 *for retirement, shall certify to the system all member contributions of such*  
10 *employee which have not been reported previously. In the event the*  
11 *amount certified results in an overpayment of retirement benefits, the*  
12 *employer shall be held responsible for the contribution amount previously*  
13 *certified [from the time of commencement of the overpayment of*  
14 **retirement benefits until the time that such overpayment is dis-**  
15 **covered by the system]. [At the time that such overpayment of re-**  
16 **retirement benefits is discovered by the system, the system shall ad-**  
17 **just the amount of retirement benefits paid to the employee to the**  
18 **correct amount based on the participating employer's certification**  
19 **of member contributions which had not been previously reported.**  
20 **The participating employer of the employee who has had such**  
21 **member's retirement benefits adjusted as provided in this subsec-**  
22 **tion shall notify such employee of such overpayment and such ad-**  
23 **justment of retirement benefits.]** *If the contributions previously cer-*  
24 *tified are lower than the actual amount reported, the employer shall be*  
25 *responsible for remitting the correct amount and the member's monthly*  
26 *benefit shall be recalculated based on the amount reported by the em-*  
27 *ployer. When an employee in school employment files such an application,*  
28 *the participating employer responsible for any such amounts as provided*  
29 *in this subsection shall be the employee's eligible employer as specified in*  
30 *subsection (1), (2) or (3) of K.S.A. 74-4931, and amendments thereto, and*  
31 *shall not be the state of Kansas. The provisions of law in effect on the*  
32 *retirement date of a member under the system shall govern the retire-*  
33 *ment benefit payable to the retirant, any joint annuitant and any*  
34 *beneficiary.*

35 Sec. 12. K.S.A. 2000 Supp. 74-4915b is hereby amended to read as  
36 follows: 74-4915b. (a) Notwithstanding any provision of law to the con-  
37 trary, any member who is a member of the legislature who is also em-  
38 ployed by another participating employer of the Kansas public employees  
39 retirement system other than the legislature and is an eligible employee  
40 as defined in K.S.A. 74-4902, and amendments thereto, may retire from  
41 service from such other participating employer and may continue to serve  
42 as a member of the legislature, except that, commencing January 8, 2001,  
43 such member of the legislature shall not receive any retirement benefit

1 for any month for which such member of the legislature serves when  
2 compensation as provided in subsection (e) is paid in an amount equal to  
3 \$15,000 or more in any one such calendar year. Such member's retire-  
4 ment benefit shall be based on the final average salary of such member  
5 for service prior to service as a member of the legislature.

6 (b) No such member who is a member of the legislature who retires  
7 as provided in subsection (a) and who continues to serve as a member of  
8 the legislature shall accrue any additional service credit for such service  
9 as a member of the legislature or be entitled to any benefit provided in  
10 K.S.A. 74-4916 or 74-4927, and amendments thereto.

11 (c) When such member who is a member of the legislature retires as  
12 a member of the legislature, such member's final average salary shall be  
13 recalculated to include legislative compensation, if such inclusion of such  
14 compensation increases such member's final average salary, of the mem-  
15 ber up to the time of retirement from the participating employer other  
16 than the legislature as provided in subsection (a).

17 (d) No such member who is a member of the legislature shall accrue  
18 any additional retirement benefits for the period of time between the  
19 date the member retired from the participating employer other than the  
20 legislature and the date such member retires as a member of the  
21 legislature.

22 (e) The participating employer shall report to the system within 30  
23 days of when the compensation paid to the retirant is equal to or exceeds  
24 any limitation provided in subsection (a). Upon request of the executive  
25 ~~secretary~~ *director* of the system, the secretary of revenue shall provide  
26 such information as may be needed by the executive ~~secretary~~ *director*  
27 to carry out the provisions of this section. For determination of the  
28 amount of legislative compensation, as provided in subsection (a) and this  
29 subsection, for members of the legislature, compensation shall include  
30 any amount paid as provided pursuant to subsections (a), (b), (c) and (d)  
31 of K.S.A. 46-137a, and amendments thereto, or pursuant to K.S.A. 46-  
32 137b, and amendments thereto. Notwithstanding any provision of law to  
33 the contrary, when a member of the legislature is paid an amount of  
34 compensation of \$15,000 or more in any one calendar year, the member  
35 may continue to receive any amount provided in subsections (b) and (d)  
36 of K.S.A. 46-137a, and amendments thereto, and still be entitled to re-  
37 ceive such member's retirement benefit.

38 (f) The provisions of this section are intended to further the public  
39 policy of encouraging persons to serve in elective public office by per-  
40 mitting a member of the system, who is a member through employment  
41 with a participating employer in a nonelected position and who holds an  
42 elected office as a member of the legislature and who is also a member  
43 of the system for such elected office, to retire under the system from

1 such nonelected employment and to continue serving in such elected  
2 public office.

3 (g) The words and phrases used in this section have the meanings  
4 respectively ascribed thereto by K.S.A. 74-4902, and amendments  
5 thereto, unless a different meaning is plainly required by the context.

6 (h) The provisions of this section shall be effective on and after July 1,  
7 2000.

8 Sec. 13. K.S.A. 2000 Supp. 74-4915c is hereby amended to read as  
9 follows: 74-4915c. (a) Notwithstanding any provision of law to the con-  
10 trary, any member who is an elected local official of a municipality who  
11 is also employed by another participating employer of the Kansas public  
12 employees retirement system other than the municipality and is an eli-  
13 gible employee as defined in K.S.A. 74-4902, and amendments thereto,  
14 may retire from service from such other participating employer and may  
15 continue to serve as an elected local official, except that such local official  
16 shall not receive any retirement benefit for any month for which such  
17 local official serves in such office when compensation is paid in an amount  
18 equal to \$15,000 or more in any one such calendar year. The participating  
19 employer shall report to the system within 30 days of when the compen-  
20 sation paid to the retirant is equal to or exceeds any limitation provided  
21 in this subsection. Upon request of the executive ~~secretary~~ *director* of the  
22 system, the secretary of revenue shall provide such information as may  
23 be needed by the executive ~~secretary~~ *director* to carry out the provisions  
24 of this section.

25 (b) No such member who is an elected local official who retires as  
26 provided in subsection (a) and who continues to serve as an elected local  
27 official shall accrue any additional service credit for such service as an  
28 elected local official or be entitled to any benefit provided in K.S.A. 74-  
29 4916 or 74-4927, and amendments thereto.

30 (c) The provisions of this section are intended to further the public  
31 policy of encouraging persons to serve in elective public office by per-  
32 mitting a member of the system, who is a member through employment  
33 with a participating employer in a nonelected position and who holds an  
34 elected office as an elected local official of a municipality and who is also  
35 a member of the system for such elected office, to retire under the system  
36 from such nonelected employment and to continue serving in such  
37 elected public office.

38 (d) The words and phrases used in this section have the meanings  
39 respectively ascribed thereto by K.S.A. 74-4902, and amendments  
40 thereto, unless a different meaning is plainly required by the context.

41 Sec. 14. K.S.A. 2000 Supp. 74-4916 is hereby amended to read as  
42 follows: 74-4916. (1) Upon the death of a member before retirement, the  
43 member's accumulated contributions shall be paid to the member's

1 beneficiary.

2 (2) (a) In the event that a member dies before retirement as a result  
3 of an accident arising out of and in the course of the member's actual  
4 performance of duty in the employ of a participating employer inde-  
5 pendent of all other causes and not as a result of a willfully negligent or  
6 intentional act of the member, an accidental death benefit shall be pay-  
7 able if: (A) A report of the accident, in a form acceptable to the board, is  
8 filed in the office of the executive ~~secretary~~ *director* of the board within  
9 60 days after the date of the accident causing such death and an appli-  
10 cation for such benefit, in such form and manner as the board shall pre-  
11 scribe, is filed in the office of the executive ~~secretary~~ *director* of the board  
12 within two years of the date of the accident, but the board may waive  
13 such time limits for a reasonable period if in the judgment of the board  
14 the failure to meet these limits was due to lack of knowledge or incapacity;  
15 and (B) the board finds from such evidence as it may require, to be  
16 submitted in such form and manner as it shall prescribe, that the natural  
17 and proximate cause of death was the result of an accident arising out of  
18 and in the course of the member's employment with a participating em-  
19 ployer independent of all other causes at a definite time and place. Such  
20 accidental death benefit shall be a lump-sum amount of \$50,000 and an  
21 annual amount of  $\frac{1}{2}$  of the member's final average salary which shall  
22 accrue from the first day of the month following the date of death and  
23 which shall be payable in monthly installments or as the board may direct,  
24 but, after June 30, 1982, in no case shall the accidental death benefit be  
25 less than \$100 per month. The accidental death benefit payments shall  
26 be paid to the surviving spouse of such deceased member, such payments  
27 to continue so long as such surviving spouse lives or if there is no surviving  
28 spouse, or in the case the spouse dies before the youngest child of such  
29 deceased member attains age 18 or before the youngest child of such  
30 deceased member attains age 23 years, if such child is a full-time student  
31 as provided in K.S.A. 74-49,117 and amendments thereto or if there are  
32 one or more children of the member who are totally disabled and de-  
33 pendent on the member or spouse, then to the child or children of such  
34 member under age 18 or under age 23, if such child or children are full-  
35 time students as provided in K.S.A. 74-49,117 and amendments thereto  
36 and to the child or children of the member who are totally disabled and  
37 dependent on the member or spouse, divided in such manner as the board  
38 in its discretion shall determine, to continue until the youngest surviving  
39 child dies or attains age 18 or attains age 23 if such child is a full-time  
40 student as provided in K.S.A. 79-49,117 and amendments thereto or, in  
41 the case of the child or children who are totally disabled and dependent  
42 on the member or spouse, until death or until no longer totally disabled,  
43 or if there is no surviving spouse or child eligible for accidental death

1 benefits under this subsection (2) at the time of the member's death, then  
2 to the parent or parents of such member who are dependent on such  
3 member, to continue until the last such parent dies. All payments due  
4 under this subsection (2) to a minor shall be made to a legally appointed  
5 conservator of such minor or totally disabled child as provided in subsec-  
6 tion (7) of K.S.A. 74-4902 and amendments thereto. Commencing on the  
7 effective date of this act, any surviving spouse, who was receiving benefits  
8 pursuant to this section and who had such benefits terminated by reason  
9 of such spouse's remarriage, shall be entitled to once again receive ben-  
10 efits pursuant to this section, except that such surviving spouse shall not  
11 be entitled to recover any benefits not received after the termination of  
12 benefits by reason of such surviving spouse's remarriage but before the  
13 effective date of this act.

14 (b) In construction of this section of the act there shall be no pre-  
15 sumption that the death of the member was the result of an accident nor  
16 shall there be a liberal interpretation of the law or evidence in favor of  
17 the person claiming under this subsection (2). In the event of the death  
18 of a member resulting from a heart, circulatory or respiratory condition  
19 there must be clear and precise evidence that death was the result of an  
20 accident independent of all other causes which arose out of and in the  
21 course of the member's actual performance of duties in the employ of a  
22 participating employer.

23 (c) The annual benefit under this subsection (2) shall be reduced by  
24 any workers compensation benefit payable. If the workers compensation  
25 benefit is paid in a lump-sum, the amount of such reduction shall be  
26 calculated on a monthly basis over the period of time for which workers  
27 compensation benefits would have been payable had such lump-sum not  
28 been paid. For any recipient already in receipt of such benefits on the  
29 effective date of this act, no change in the original reduction for workers  
30 compensation benefits shall be applicable to benefits paid prior to July 1,  
31 1994. In the event that a member should die as a result of an accident as  
32 described in this subsection (2), all elections or options previously made  
33 by the deceased member shall become void and of no effect whatsoever  
34 and the retirement system shall be liable only for the accidental death  
35 benefit, refund of accumulated contributions as described in subsection  
36 (1) and any insured death benefit that may be due. The benefit payable  
37 under this subsection (2) shall be known and referred to as the "accidental  
38 death benefit."

39 (3) (a) Upon the application of a member, or the member's appoint-  
40 ing authority acting for the member, a member who is in the employ of  
41 a participating employer and becomes totally and permanently disabled  
42 for duty in the employ of a participating employer, by reason of an acci-  
43 dent which occurred prior to July 1, 1975, may be retired by the board

1 if, (A) the board finds the total and permanent disability to be the natural  
2 and proximate result of an accident causing personal injury or disease  
3 independent of all other causes and arising out of and in the course of  
4 the member's actual performance of duties as an employee of a partici-  
5 pating employer; and (B) a report of the accident, in a form acceptable  
6 to the board is filed in the office of the executive ~~secretary~~ *director* of  
7 the board within 200 days after the date of the accident causing such  
8 injury; and (C) such application for retirement under this provision, in  
9 such form and manner as shall be prescribed by the board, is filed in the  
10 office of the executive ~~secretary~~ *director* of the board within two years of  
11 the date of the accident; and (D) after a medical examination of the  
12 member has been made by or under the direction of a medical physician  
13 or physicians or any other practitioner holding a valid license to practice  
14 a branch of the healing arts issued by the state board of healing arts  
15 designated by the board and the medical physician or physicians or any  
16 other practitioner holding a valid license to practice a branch of the heal-  
17 ing arts issued by the state board of healing arts report in writing to the  
18 board that the member is physically or mentally totally disabled for duty  
19 in the employ of a participating employer and that such disability will  
20 probably be permanent; and (E) the board finds that the member became  
21 permanently and totally disabled on a date certain based on the evidence  
22 furnished and the professional guidance obtained and that such disability  
23 was not the result of a willfully negligent or intentional act of the member.  
24 If the board shall so retire the applicant, the member shall receive an-  
25 nually an accidental total disability benefit equal to  $\frac{1}{2}$  of the member's  
26 final average salary which shall accrue from the first day of the month  
27 following the date of such accidental total and permanent disability as  
28 found by the board payable in monthly installments or as the board may  
29 direct.

30 (b) In construction of this subsection (3) there shall be no presump-  
31 tion that the disability of the member was the result of an accident nor  
32 shall there be a liberal interpretation of the law or evidence in favor of  
33 the member claiming under this subsection (3). In the event of the dis-  
34 ability of a member resulting from a heart, circulatory or respiratory con-  
35 dition there must be clear and precise evidence that disability was the  
36 result of an accident independent of all other causes which arose out of  
37 and in the course of the member's actual performance of duties in the  
38 employ of a participating employer.

39 (c) A member will continue to receive such accidental total disability  
40 benefit so long as the member is wholly and continuously disabled by  
41 such injury and prevented thereby from engaging in any gainful occu-  
42 pation or employment for which the member is reasonably qualified by  
43 reason of education, training or experience. The accidental loss of both



1 hands by actual severance through or above the wrist joint, or the acci-  
2 dental loss of both feet by actual severance through or above the ankle  
3 joint or the entire and irrecoverable accidental loss of sight of both eyes,  
4 or such severance of one hand and one foot, and such severance of one  
5 hand or one foot and such loss of sight of one eye, shall be deemed  
6 accidental total and permanent disability and accidental total disability  
7 benefits shall be paid so long as the member lives.

8 (d) Any retirant retired by reason of such accidental total and per-  
9 manent disability who has been receiving benefits under the provisions  
10 of this subsection (3) for a period of five years shall be deemed finally  
11 retired and shall not be subject to further medical examinations, except  
12 that if the board of trustees has reasonable grounds to question whether  
13 the retirant remains totally and permanently disabled, a further medical  
14 examination or examinations may be required. Refusal or neglect to sub-  
15 mit to examination shall be sufficient cause for suspending or discontin-  
16 uing the accidental total disability benefit. If the refusal or neglect con-  
17 tinues for a period of one year, all of the member's rights with respect to  
18 such accidental total disability benefit may be revoked by the board.

19 (e) In the event that a retirant who is receiving an accidental total  
20 disability benefit dies within five years after the date of the retirant's  
21 retirement, an accidental death benefit shall then be payable as provided  
22 in subsection (2) of this section.

23 (f) A member who retires under the provisions of this subsection (3)  
24 shall receive such benefits as provided in this subsection (3) in lieu of all  
25 other retirement benefits provided under the retirement system except  
26 that no member shall be entitled to receive any payments under this  
27 subsection (3) for a period for which insured disability benefits are  
28 received.

29 (g) The value, as determined by the board upon recommendation of  
30 the actuary, of any workmen's compensation benefits paid or payable to  
31 the recipient of an accidental total disability benefit shall be deducted  
32 from the amount payable under this section.

33 (h) The benefit payable under subsection (3) of this section shall be  
34 known and referred to as "accidental total disability benefit."

35 (4) The payment of benefits as provided in this section is subject to  
36 the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto.

37 Sec. 15. K.S.A. 2000 Supp. 74-4918 is hereby amended to read as  
38 follows: 74-4918. (1) A member may elect to have such member's retire-  
39 ment benefit paid under one of the options provided in this section in  
40 lieu of having it paid in the form stated in K.S.A. 74-4915 and amend-  
41 ments thereto. Such election must be made before the date of actual  
42 retirement. A specific person must be designated as joint annuitant at the  
43 time of election of the joint and ½ to joint annuitant survivor option, the

1 joint and survivor option and the joint and  $\frac{3}{4}$  to joint annuitant survivor  
2 option. Under no circumstances may an option be changed or canceled  
3 nor the named joint annuitant changed after the date of actual retirement  
4 of the member.

5 (2) The amount of retirement benefit payable under an option shall  
6 be based on the age of the member and, if applicable, the age of the joint  
7 annuitant, and shall be such amount as to be the actuarial equivalent of  
8 the retirement benefit otherwise payable under K.S.A. 74-4915 and  
9 amendments thereto, as prescribed in subsection (3). In no case shall the  
10 total amount of retirement benefit paid under any option provided in this  
11 section be more than 100% of the retirement benefit which would have  
12 been otherwise payable if no option had been elected under this section.

13 (3) The following retirement options, which are subject to the pro-  
14 visions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, are  
15 available:

16 (A) *Joint and  $\frac{1}{2}$  to joint annuitant survivor.* A reduced retirement  
17 benefit is payable to the retirant during the retirant's lifetime in a monthly  
18 amount equal to the product of (i) the monthly payment of the retirement  
19 benefit otherwise payable under K.S.A. 74-4915 and amendments thereto  
20 and (ii) the percentage equal to 91% minus .4% for each year by which  
21 the age of the retirant's joint annuitant is less than the retirant's age,  
22 computed to the nearest whole year, or plus .4% for each year by which  
23 the age of the retirant's joint annuitant is more than the retirant's age,  
24 computed to the nearest whole year, with  $\frac{1}{2}$  of that monthly amount  
25 continued to the retirant's joint annuitant during such joint annuitant's  
26 remaining lifetime, if any, after the death of the retirant. In the event that  
27 the designated joint annuitant under this option predeceases the retirant,  
28 the amount of the retirement benefit otherwise payable to the retirant  
29 under this option shall be adjusted automatically to the retirement benefit  
30 which the retirant would have received if no option had been elected  
31 under this section.

32 (B) *Joint and survivor.* A reduced retirement benefit is payable to  
33 the retirant during the retirant's lifetime in a monthly amount equal to  
34 the product of (i) the monthly payment of the retirement benefit other-  
35 wise payable under K.S.A. 74-4915 and amendments thereto and (ii) the  
36 percentage equal to 83% minus .6% for each year by which the age of  
37 the retirant's joint annuitant is less than the retirant's age, computed to  
38 the nearest whole year, or plus .6% for each year by which the age of the  
39 retirant's joint annuitant is more than the retirant's age, computed to the  
40 nearest whole year, with that amount continued to the joint annuitant  
41 during the joint annuitant's remaining lifetime, if any, after the death of  
42 the retirant. In the event that the designated joint annuitant under this  
43 option predeceases the retirant, the amount of the retirement benefit

1 otherwise payable to the retirant under this option shall be adjusted au-  
2 tomatically to the retirement benefit which the retirant would have re-  
3 ceived if no option had been elected under this section.

4 (C) *Joint and  $\frac{3}{4}$  to joint annuitant survivor.* A reduced retirement  
5 benefit is payable to the retirant during the retirant's lifetime in a monthly  
6 amount equal to the product of (i) the monthly payment of the retirement  
7 benefit otherwise payable under K.S.A. 74-4915 and amendments thereto  
8 and (ii) the percentage equal to 87% minus .5% for each year by which  
9 the age of the retirant's joint annuitant is less than the retirant's age,  
10 computed to the nearest whole year, or plus .5% for each year by which  
11 the age of the retirant's joint annuitant is more than the retirant's age,  
12 computed to the nearest whole year, with  $\frac{3}{4}$  of that monthly amount  
13 continued to the retirant's joint annuitant during such joint annuitant's  
14 remaining lifetime, if any, after the death of the retirant. In the event that  
15 the designated joint annuitant under this option predeceases the retirant,  
16 the amount of the retirement benefit otherwise payable to the retirant  
17 under this option shall be adjusted automatically to the retirement benefit  
18 which the retirant would have received if no option had been elected  
19 under this section.

20 (D) *Life with 5 years certain.* A reduced retirement benefit is payable  
21 to the retirant during the retirant's lifetime in a monthly amount equal  
22 to 98% of the monthly payment of the retirement benefit otherwise pay-  
23 able under K.S.A. 74-4915 and amendments thereto and if the retirant  
24 dies within the five-year certain period, measured from the commence-  
25 ment of retirement benefit payments, such payments shall be continued  
26 to the retirant's beneficiary during the balance of the five-year certain  
27 period.

28 (E) *Life with 10 years certain.* A reduced retirement benefit is pay-  
29 able to the retirant during the retirant's lifetime in a monthly amount  
30 equal to 95% of the monthly payment of the retirement benefit otherwise  
31 payable under K.S.A. 74-4915 and amendments thereto and if the retirant  
32 dies within the ten-year certain period, measured from the commence-  
33 ment of retirement benefit payments, such payments shall be continued  
34 to the retirant's beneficiary during the balance of the ten-year certain  
35 period.

36 (F) *Life with 15 years certain.* A reduced retirement benefit is pay-  
37 able to the retirant during the retirant's lifetime in a monthly amount  
38 equal to 88% of the monthly payment of the retirement benefit otherwise  
39 payable under K.S.A. 74-4915 and amendments thereto and if the retirant  
40 dies within the fifteen-year certain period, measured from the com-  
41 mencement of retirement benefit payments, such payments shall be con-  
42 tinued to the retirant's beneficiary during the balance of the fifteen-year  
43 certain period.

1 (G) *Lump sum payment at retirement.* (i) Pursuant to this option, the  
2 member must specify a lump sum amount to be paid to the member  
3 upon the member's retirement. The lump sum amount will be based on  
4 the actuarial present value of the benefit as provided in K.S.A. 74-4915,  
5 and amendments thereto. The lump sum amount designated by the mem-  
6 ber must be in 10% increments and shall not exceed  $\frac{1}{2}$  of the actuarial  
7 present value of the benefit provided in K.S.A. 74-4915, and amendments  
8 thereto.

9 (ii) Pursuant to this option, the member must elect to have the re-  
10 maining actuarial present value paid in a monthly amount under the pro-  
11 visions of K.S.A. 74-4915, and amendments thereto, or subsections (3)(A)  
12 through (3)(F) of this section.

13 ~~(iii) The amount of any retirement benefit payable pursuant to this~~  
14 ~~subsection shall remain as provided in this subsection even in the event~~  
15 ~~that the designated joint annuitant pursuant to subsection (3)(A), (3)(B)~~  
16 ~~or (3)(C) predeceases the retirant. In the event that the designated joint~~  
17 ~~annuitant pursuant to subsection (3)(A), (3)(B) or (3)(C) under this option~~  
18 ~~predeceases the retirant, the amount of the retirement benefit otherwise~~  
19 ~~payable to the retirant under this option shall be adjusted automatically~~  
20 ~~to the retirement benefit which the retirant would have received if no~~  
21 ~~option had been elected under this section.~~

22 (iv) The provisions of this subsection shall be effective on and after  
23 July 1, 2001.

24 (4) If a member, who is eligible to retire in accordance with the pro-  
25 visions of K.S.A. 74-4914 and amendments thereto, dies without having  
26 actually retired, the member's spouse, if the spouse is the sole beneficiary  
27 for the member's accumulated contributions, may elect to receive ben-  
28 efits under one of the options provided in this section in lieu of receiving  
29 the member's accumulated contributions.

30 (5) The benefits of subsection (4) shall be available in the case of  
31 death within the first six months after the entry date of the member's  
32 participating employer.

33 (6) On and after January 1, 1991, if a member with 15 or more years  
34 of credited service dies before attaining retirement age, the member's  
35 spouse, if the spouse is the sole beneficiary for the member's accumulated  
36 contributions, may elect to receive benefits under one of the options  
37 provided in this section in lieu of receiving the member's accumulated  
38 contributions. Payments under one of the options provided in this section  
39 to the member's spouse if so elected, shall commence on the date that  
40 the member would have attained retirement age.

41 (7) Benefits payable to a joint annuitant shall accrue from the first  
42 day of the month following the death of a member or retirant and, in the  
43 case of the joint and  $\frac{1}{2}$  to joint annuitant survivor option, the joint and

1 survivor option and the joint and  $\frac{3}{4}$  to joint annuitant survivor option,  
2 shall end on the last day of the month in which the joint annuitant dies.

3 (8) The provisions of the law in effect on the retirement date of a  
4 member under the system shall govern the retirement benefit payable to  
5 the retirant and any joint annuitant, except, for retirement benefits pay-  
6 able after July 1, 1993, for retirants who retired prior to July 1, 1982, in  
7 the event that the designated joint annuitant under the option provided  
8 in subsection (3)(A), (B) or (C), as applicable, predeceased the retirant,  
9 the amount of the retirement benefit otherwise payable to the retirant  
10 under the option provided in subsection (3)(A), (B) or (C), as applicable,  
11 shall be adjusted automatically to the retirement benefit which the retir-  
12 ant would have received if no option had been elected under this section.

13 (9) Upon the death of a joint annuitant who is receiving a retirement  
14 benefit under the provisions of this section, there shall be paid to such  
15 joint annuitant's beneficiary an amount equal to the excess, if any, of the  
16 accumulated contributions of the retirant over the sum of all retirement  
17 benefit payments made to such retirant and such joint annuitant. Such  
18 joint annuitant shall designate a beneficiary by filing in the office of the  
19 retirement system such designation at the time of death of the retirant.  
20 If there is no named beneficiary of such joint annuitant living at the time  
21 of death of such joint annuitant, any amount provided for by this section  
22 shall be paid to, in order of preference as follows:

- 23 (A) The joint annuitant's surviving spouse;
- 24 (B) the joint annuitant's dependent child or children;
- 25 (C) the joint annuitant's dependent parent or parents;
- 26 (D) the joint annuitant's nondependent child or children;
- 27 (E) the joint annuitant's nondependent parent or parents; or
- 28 (F) the estate of the deceased joint annuitant.

29 Sec. 16. K.S.A. 2000 Supp. 74-4918a is hereby amended to read as  
30 follows: 74-4918a. (a) If the member who is married at the time of re-  
31 tirement selects or will receive a retirement benefit or annuity which  
32 would provide to such member's spouse upon the member's death no  
33 monthly payments or payment which is less than the payment that the  
34 spouse would receive as a joint annuitant under the joint and  $\frac{1}{2}$  to joint  
35 annuitant survivor option, as provided in K.S.A. 20-2610a, 74-4918, 74-  
36 4964 or 74-4964a and amendments thereto, *or selects the lump sum pay-*  
37 *ment at retirement benefit option as provided in subsection (3)(G) of*  
38 *K.S.A. 74-4918, and amendments thereto*, at the time of such selection of  
39 a retirement benefit or annuity the member shall submit a notarized state-  
40 ment of the marital status of the member and, if the member is currently  
41 married, a statement of the spouse's consent or objection to the member's  
42 selected retirement benefit or annuity under the provisions of this section  
43 signed by the spouse and notarized in such form and manner as provided

1 by the system.

2 (b) (i) If the spouse of the member does not consent to the member's  
3 selection of a retirement benefit or annuity under the provisions of this  
4 section before the date of actual retirement, the system shall:

5 (A) Notify the spouse that the spouse has 90 days to consent or have  
6 the member change such member's selected retirement benefit or an-  
7 nuity; and

8 (B) pay the retirement benefit or annuity at the amount as provided  
9 by the joint and ½ to joint annuitant survivor option until the spouse  
10 consents or for 90 days, whichever is less.

11 (ii) Upon consent of the spouse or at the end of 90 days, the retire-  
12 ment benefit or annuity must be recalculated and paid as provided by the  
13 terms of the member's original selected retirement benefit or annuity  
14 retroactively to the date on which the retirement became effective.

15 (iii) The system is not liable for any damages resulting from false  
16 designation of marital status by a member or retiree.

17 (c) For purposes of this section, "retirement system" or "system"  
18 means the Kansas public employees retirement system, the Kansas police  
19 and firemen's retirement system and the retirement system for judges.

20 (d) The provisions of this section shall take effect on and after July  
21 1, 1994.

22 Sec. 17. K.S.A. 2000 Supp. 74-4919 is hereby amended to read as  
23 follows: 74-4919. (1) Each participating employer, beginning with the first  
24 payroll for services performed after the entry date, shall deduct from the  
25 compensation of each member 4% of such member's compensation as  
26 employee contributions. Such deductions shall be remitted quarterly, or  
27 as the board may otherwise provide, to the executive ~~secretary~~ *director*  
28 for deposit in the Kansas public employees retirement fund. Such de-  
29 ductions shall be credited to the members' individual accounts and in-  
30 terest shall be added annually to such accounts.

31 (2) (a) Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and  
32 amendments thereto, each participating employer, pursuant to the pro-  
33 visions of section 414(h)(2) of the federal internal revenue code, shall  
34 pick up and pay the contributions which would otherwise be payable by  
35 members as prescribed in subsection (1) commencing with the third quar-  
36 ter of 1984. The contributions so picked up shall be treated as employer  
37 contributions for purposes of determining the amounts of federal income  
38 taxes to withhold from the member's compensation.

39 (b) Member contributions picked up by the employer shall be paid  
40 from the same source of funds used for the payment of compensation to  
41 a member. A deduction shall be made from each member's compensation  
42 equal to the amount of the member's contributions picked up by the  
43 employer, provided that such deduction shall not reduce the member's

1 compensation for purposes of computing benefits under the system.

2 (c) Member contributions picked up by the employer shall be remit-  
3 ted quarterly, or as the board may otherwise provide, to the executive  
4 ~~secretary~~ *director* for credit to the Kansas public employees retirement  
5 fund. Such contributions shall be credited to a separate account within  
6 the member's individual account so that amounts contributed by the  
7 member commencing with the third quarter of 1984 may be distinguished  
8 from the member contributions picked up by the employer. Interest shall  
9 be added annually to members' individual accounts.

10 Sec. 18. K.S.A. 2000 Supp. 74-4919b is hereby amended to read as  
11 follows: 74-4919b. (a) Any employee of a participating employer who  
12 becomes a member of the system as provided in K.S.A. 74-4911 or 74-  
13 4935 and amendments thereto, who has previously been a member of the  
14 system and who has forfeited participating and prior service credit by  
15 reason of termination of employment with a participating employer and  
16 withdrawal of such member's accumulated contributions, may have all or  
17 a part of such forfeited service reinstated as provided in K.S.A. 74-4901  
18 through 74-4930 and amendments thereto.

19 (b) Any member, if not actively employed, who has previously been  
20 a member of the system and who has forfeited participating and prior  
21 service credit by reason of termination of employment with a participating  
22 employer and withdrawal of such member's accumulated contributions  
23 may have all or a part of such forfeited service reinstated as provided in  
24 K.S.A. 74-4901 through 74-4930 and amendments thereto. Subject to the  
25 provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, such  
26 member may purchase such service credit by means of a single lump-  
27 sum payment. The lump-sum payment shall be an amount determined  
28 by the actuary using the member's annual rate of compensation when last  
29 participating, the actuarial assumptions and tables currently in use by the  
30 retirement system and the member's attained age. ~~The provisions of this~~  
31 ~~subsection shall not apply to repurchase of previously forfeited service~~  
32 ~~credit as provided in subsection (b) of K.S.A. 74-4911b and amendments~~  
33 ~~thereto.~~

34 Sec. 19. K.S.A. 2000 Supp. 74-4920 is hereby amended to read as  
35 follows: 74-4920. (1) (a) Upon the basis of each annual actuarial valuation  
36 and appraisal as provided for in subsection (3)(a) of K.S.A. 74-4908 and  
37 amendments thereto, the board shall certify, on or before July 15 of each  
38 year, to the division of the budget in the case of the state and to the agent  
39 for each other participating employer an actuarially determined estimate  
40 of the rate of contribution which will be required, together with all ac-  
41 cumulated contributions and other assets of the system, to be paid by  
42 each such participating employer to pay all liabilities which shall exist or  
43 accrue under the system, including amortization of the actuarial accrued

1 liability over a period of 40 years commencing on July 1, 1993, and the  
2 actuarial accrued liability for members of the faculty and other persons  
3 who are employed by the state board of regents or by educational insti-  
4 tutions under its management assisted by the state board of regents in  
5 the purchase of retirement annuities as provided in K.S.A. 74-4925 and  
6 amendments thereto, as provided in this section. The actuarial accrued  
7 liability for all participating employers other than the state board of re-  
8 gents relating to members of the faculty and other persons described in  
9 this section, shall be amortized by annual payments that increase 4% for  
10 each year remaining in the amortization period. For all participating em-  
11 ployers other than the state board of regents relating to members of the  
12 faculty and other persons described in this section, the projected unit  
13 credit actuarial cost method shall be used in annual actuarial valuations,  
14 commencing with the 1993 valuation, to determine the employer contri-  
15 bution rates that shall be certified by the board. The actuarial accrued  
16 liability for members of the faculty and other persons described in this  
17 subsection assisted by the state board of regents in the purchase of re-  
18 tirement annuities as provided in K.S.A. 74-4925 and amendments  
19 thereto shall be amortized by annual level payments over a period of 11  
20 years commencing July 1, 1993. Such certified rate of contribution shall  
21 be based on the standards set forth in subsection (3)(a) of K.S.A. 74-4908  
22 and amendments thereto and shall not be based on any other purpose  
23 outside of the needs of the system.

24 (b) (i) For employers affiliating on and after January 1, 1999, upon  
25 the basis of an annual actuarial valuation and appraisal of the system  
26 conducted in the manner provided for in K.S.A. 74-4908 and amend-  
27 ments thereto, the board shall certify, on or before July 15 of each year  
28 to each such employer an actuarially determined estimate of the rate of  
29 contribution which shall be required to be paid by each such employer  
30 to pay all of the liabilities which shall accrue under the system from and  
31 after the entry date as determined by the board, upon recommendation  
32 of the actuary. Such rate shall be termed the employer's participating  
33 service contribution and shall be uniform for all participating employers.  
34 Such additional liability shall be amortized over a period of 34 years com-  
35 mencing on July 1, 1999, by annual payments that increase 4% for each  
36 year remaining in the amortization period. For all participating employers  
37 described in this section, the projected unit credit actuarial cost method  
38 shall be used in annual actuarial valuations to determine the employer  
39 contribution rates that shall be certified by the board.

40 (ii) The board shall determine for each such employer separately an  
41 amount sufficient to amortize over a period of not to exceed 34 years  
42 commencing July 1, 1999, all liabilities for prior service costs which shall  
43 have accrued at the time of entry into the system. On the basis of such



1 determination the board shall annually certify to each such employer sep-  
2 arately an actuarially determined estimate of the rate of contribution  
3 which shall be required to be paid by that employer to pay all of the  
4 liabilities for such prior service costs. Such rate shall be termed the em-  
5 ployer's prior service contribution.

6 (2) The division of the budget and the governor shall include in the  
7 budget and in the budget request for appropriations for personal services  
8 the sum required to satisfy the state's obligation under this act as certified  
9 by the board and shall present the same to the legislature for allowance  
10 and appropriation.

11 (3) Each other participating employer shall appropriate and pay to  
12 the system a sum sufficient to satisfy the obligation under this act as  
13 certified by the board.

14 (4) Each participating employer is hereby authorized to pay the em-  
15 ployer's contribution from the same fund that the compensation for which  
16 such contribution is made is paid from or from any other funds available  
17 to it for such purpose. Each political subdivision, other than an instru-  
18 mentality of the state, which is by law authorized to levy taxes for other  
19 purposes, may levy annually at the time of its levy of taxes, a tax which  
20 may be in addition to all other taxes authorized by law for the purpose of  
21 making its contributions under this act and, in the case of cities and coun-  
22 ties, to pay a portion of the principal and interest on bonds issued under  
23 the authority of K.S.A. 12-1774 and amendments thereto by cities located  
24 in the county, which tax, together with any other fund available, shall be  
25 sufficient to enable it to make such contribution. In lieu of levying the  
26 tax authorized in this subsection, any taxing subdivision may pay such  
27 costs from any employee benefits contribution fund established pursuant  
28 to K.S.A. 12-16,102 and amendments thereto. Each participating em-  
29 ployer which is not by law authorized to levy taxes as described above,  
30 but which prepares a budget for its expenses for the ensuing year and  
31 presents the same to a governing body which is authorized by law to levy  
32 taxes as described above, may include in its budget an amount sufficient  
33 to make its contributions under this act which may be in addition to all  
34 other taxes authorized by law. Such governing body to which the budget  
35 is submitted for approval, may levy a tax sufficient to allow the partici-  
36 pating employer to make its contributions under this act, which tax, to-  
37 gether with any other fund available, shall be sufficient to enable the  
38 participating employer to make the contributions required by this act.

39 (5) The rate of contribution certified to a participating employer as  
40 provided in this section shall apply during the fiscal year of the partici-  
41 pating employer which begins in the second calendar year following the  
42 year of the actuarial valuation. For the fiscal year commencing in calendar  
43 year 1993, the employer rate of contribution for the state of Kansas and

1 for participating employers under K.S.A. 74-4931 and amendments  
2 thereto shall be 3.1% of the amount of compensation upon which mem-  
3 bers contribute during the period. For the fiscal year commencing in  
4 calendar year 1994, the employer rate of contribution for the state of  
5 Kansas and for participating employers under K.S.A. 74-4931 and amend-  
6 ments thereto shall be 3.2% of the amount of compensation upon which  
7 members contribute during the period. For the fiscal year commencing  
8 in calendar year 1994, the employer rate of contribution for participating  
9 employers other than the state of Kansas shall be 2.2% of the amount of  
10 compensation upon which members contribute during the period. Except  
11 as specifically provided in this section, for the fiscal year commencing in  
12 calendar year 1995, the rate of contribution certified to a participating  
13 employer shall in no event exceed such participating employer's contri-  
14 bution rate for the immediately preceding fiscal year by more than 0.1%  
15 of the amount of compensation upon which members contribute during  
16 the period. Except as specifically provided in this section, for fiscal years  
17 commencing in calendar year 1996 and in each subsequent calendar year,  
18 the rate of contribution certified to the state of Kansas shall in no event  
19 exceed the state's contribution rate for the immediately preceding fiscal  
20 year by more than 0.2% of the amount of compensation upon which  
21 members contribute during the period. Except as specifically provided in  
22 this section, for fiscal years commencing in calendar year 1997 and in  
23 each subsequent calendar year, the rate of contribution certified to par-  
24 ticipating employers other than the state of Kansas shall in no event ex-  
25 ceed such participating employer's contribution rate for the immediately  
26 preceding fiscal year by more than 0.15% of the amount of compensation  
27 upon which members contribute during the period. There shall be an  
28 employer rate of contribution certified to the state of Kansas and partic-  
29 ipating employers under K.S.A. 74-4931 and amendments thereto. There  
30 shall be a separate employer rate of contribution certified to all other  
31 participating employers other than the state of Kansas.

32 (6) The actuarial cost of any legislation enacted in the 1994 session  
33 of the Kansas legislature will be included in the June 30, 1994, actuarial  
34 valuation in determining contribution rates for participating employers.

35 (7) The actuarial cost of the provisions of K.S.A. 1998 Supp. 74-4950i  
36 will be included in the June 30, 1998, actuarial valuation in determining  
37 contribution rates for participating employers. The actuarial accrued lia-  
38 bility incurred for the provisions of K.S.A. 1998 Supp. 74-4950i shall be  
39 amortized over 15 years.

40 (8) Except as otherwise provided by law, the actuarial cost of any  
41 legislation enacted by the Kansas legislature, except the actuarial cost of  
42 K.S.A. 2000 Supp. 74-49,114a **[and section 45, and amendments**  
43 **thereto]**, shall be in addition to the employer contribution rates certified

1 for the employer contribution rate in the fiscal year immediately following  
2 such enactment.

3 (9) The board with the advice of the actuary may fix the contribution  
4 rates for participating employers joining the system after one year from  
5 the first entry date or for employers who exercise the option contained  
6 in K.S.A. 74-4912 and amendments thereto at rates different from the  
7 rate fixed for employers joining within one year of the first entry date.

8 (10) For employers affiliating on and after January 1, 1999, the rates  
9 of contribution certified to the participating employer as provided in this  
10 section shall apply during the fiscal year immediately following such cer-  
11 tification, but the rate of contribution during the first year following the  
12 employer's entry date shall be equal to 7% of the amount of compensation  
13 on which members contribute during the year. Any amount of such first  
14 year's contribution which may be in excess of the necessary current serv-  
15 ice contribution shall be credited by the board to the respective em-  
16 ployer's prior service liability.

17 (11) Employer contributions shall in no way be limited by any other  
18 act which now or in the future establishes or limits the compensation of  
19 any member.

20 (12) Notwithstanding any provision of law to the contrary, each par-  
21 ticipating employer shall remit quarterly, or as the board may otherwise  
22 provide, all employee deductions and required employer contributions to  
23 the executive ~~secretary~~ *director* for credit to the Kansas public employees  
24 retirement fund within three days after the end of the period covered by  
25 the remittance by electronic funds transfer. Remittances of such deduc-  
26 tions and contributions received after such date are delinquent. Delin-  
27 quent payments due under this subsection shall be subject to interest at  
28 the rate established for interest on judgments under subsection (a) of  
29 K.S.A. 16-204 and amendments thereto. At the request of the board,  
30 delinquent payments which are due or interest owed on such payments,  
31 or both, may be deducted from any other moneys payable to such em-  
32 ployer by any department or agency of the state.

33 Sec. 20. K.S.A. 2000 Supp. 74-4921 is hereby amended to read as  
34 follows: 74-4921. (1) There is hereby created in the state treasury the  
35 Kansas public employees retirement fund. All employee and employer  
36 contributions shall be deposited in the state treasury to be credited to the  
37 Kansas public employees retirement fund. The fund is a trust fund and  
38 shall be used solely for the exclusive purpose of providing benefits to  
39 members and member beneficiaries and defraying reasonable expenses  
40 of administering the fund. Investment income of the fund shall be added  
41 or credited to the fund as provided by law. All benefits payable under the  
42 system, refund of contributions and overpayments, purchases or invest-  
43 ments under the law and expenses in connection with the system unless

1 otherwise provided by law shall be paid from the fund. The director of  
2 accounts and reports is authorized to draw warrants on the state treasurer  
3 and against such fund upon the filing in the director's office of proper  
4 vouchers executed by the chairperson or the executive ~~secretary~~ *director*  
5 of the board. As an alternative, payments from the fund may be made by  
6 credits to the accounts of recipients of payments in banks, savings and  
7 loan associations and credit unions. A payment shall be so made only upon  
8 the written authorization and direction of the recipient of payment and  
9 upon receipt of such authorization such payments shall be made in ac-  
10 cordance therewith. Orders for payment of such claims may be contained  
11 on (a) a letter, memorandum, telegram, computer printout or similar  
12 writing, or (b) any form of communication, other than voice, which is  
13 registered upon magnetic tape, disc or any other medium designed to  
14 capture and contain in durable form conventional signals used for the  
15 electronic communication of messages.

16 (2) The board shall have the responsibility for the management of  
17 the fund and shall discharge the board's duties with respect to the fund  
18 solely in the interests of the members and beneficiaries of the system for  
19 the exclusive purpose of providing benefits to members and such mem-  
20 ber's beneficiaries and defraying reasonable expenses of administering  
21 the fund and shall invest and reinvest moneys in the fund and acquire,  
22 retain, manage, including the exercise of any voting rights and disposal of  
23 investments of the fund within the limitations and according to the pow-  
24 ers, duties and purposes as prescribed by this section.

25 (3) Moneys in the fund shall be invested and reinvested to achieve  
26 the investment objective which is preservation of the fund to provide  
27 benefits to members and member beneficiaries, as provided by law and  
28 accordingly providing that the moneys are as productive as possible, sub-  
29 ject to the standards set forth in this act. No moneys in the fund shall be  
30 invested or reinvested if the sole or primary investment objective is for  
31 economic development or social purposes or objectives.

32 (4) In investing and reinvesting moneys in the fund and in acquiring,  
33 retaining, managing and disposing of investments of the fund, the board  
34 shall exercise the judgment, care, skill, prudence and diligence under the  
35 circumstances then prevailing, which persons of prudence, discretion and  
36 intelligence acting in a like capacity and familiar with such matters would  
37 use in the conduct of an enterprise of like character and with like aims  
38 by diversifying the investments of the fund so as to minimize the risk of  
39 large losses, unless under the circumstances it is clearly prudent not to  
40 do so, and not in regard to speculation but in regard to the permanent  
41 disposition of similar funds, considering the probable income as well as  
42 the probable safety of their capital.

43 (5) Notwithstanding subsection (4): (a) Total investments in common

1 stock may be made in the amount of up to 60% of the total book value  
2 of the fund;

3 (b) the board may invest or reinvest moneys of the fund in alternative  
4 investments if the following conditions are satisfied:

5 (i) The total of such alternative investments does not exceed more  
6 than 5% of the total investment assets of the fund. If the total of such  
7 alternative investments exceeds more than 5% of the total investment  
8 assets of the fund on the effective date of this act, the board shall not  
9 invest or reinvest any moneys of the fund in alternative investments until  
10 the total of such alternative investments is less the 5% of the total in-  
11 vestment assets of the fund subject to the 5% limitation contained in this  
12 subsection. Nothing in this subsection requires the board to liquidate or  
13 sell the system's holdings in any alternative investment held by the system  
14 on the effective date of this act, unless such liquidation or sale would be  
15 in the best interest of the members and beneficiaries of the system and  
16 be prudent under the standards contained in this section. The 5% limi-  
17 tation contained in this section shall not have been violated if the total of  
18 such alternative investments exceeds 5% of the total investment assets of  
19 the fund as a result of market forces acting to increase the value of such  
20 alternative investments relative to the rest of the system's investments;  
21 however, the board shall not invest or reinvest any moneys of the fund  
22 in alternative investments until the total of such alternative investments  
23 is less than 5% of the total investment assets of the fund subject to the  
24 5% limitation contained in this subsection;

25 (ii) if in addition to the system, there are at least two other sophisti-  
26 cated investors, as defined by section 301 of the securities and exchange  
27 act of 1933;

28 (iii) the system's share in any individual alternative investment is lim-  
29 ited to an investment representing not more than 20% of any such indi-  
30 vidual alternative investment;

31 (iv) the system has received a favorable and appropriate recommen-  
32 dation from a qualified, independent expert in investment management  
33 or analysis in that particular type of alternative investment;

34 (v) the alternative investment is consistent with the system's invest-  
35 ment policies and objectives as provided in subsection (6);

36 (vi) the individual alternative investment does not exceed more than  
37 2.5% of the total alternative investments made under this subsection. If  
38 the alternative investment is made pursuant to participation by the system  
39 in a multi-investor pool, the 2.5% limitation contained in this subsection  
40 is applied to the underlying individual assets of such pool and not to  
41 investment in the pool itself. The total of such alternative investments  
42 made pursuant to participation by the system in any one individual multi-  
43 investor pool shall not exceed more than 20% of the total of alternative

1 investments made by the system pursuant to this subsection. Nothing in  
2 this subsection requires the board to liquidate or sell the system's holdings  
3 in any alternative investments made pursuant to participation by the sys-  
4 tem in any one individual multi-investor pool held by the system on the  
5 effective date of this act, unless such liquidation or sale would be in the  
6 best interest of the members and beneficiaries of the system and be pru-  
7 dent under the standards contained in this section. The 20% limitation  
8 contained in this subsection shall not have been violated if the total of  
9 such investment in any one individual multi-investor pool exceeds 20%  
10 of the total alternative investments of the fund as a result of market forces  
11 acting to increase the value of such a multi-investor pool relative to the  
12 rest of the system's alternative investments; however, the board shall not  
13 invest or reinvest any moneys of the fund in any such individual multi-  
14 investor pool until the value of such individual multi-investor pool is less  
15 than 20% of the total alternative investments of the fund;

16 (vii) the board has received and considered the investment manager's  
17 due diligence findings submitted to the board as required by subsection  
18 (6)(c); and

19 (viii) prior to the time the alternative investment is made, the system  
20 has in place procedures and systems to ensure that the investment is  
21 properly monitored and investment performance is accurately measured.

22 For purposes of this act, "alternative investment" means nontraditional  
23 investments outside the established nationally recognized public stock  
24 exchanges and government securities market. Alternative investments  
25 shall include, but not be limited to, private placements, venture capital,  
26 partnerships, limited partnerships and leveraged buyout partnerships;

27 (c) except as otherwise provided, the board may invest or reinvest  
28 moneys of the fund in real estate investments if the following conditions  
29 are satisfied:

30 (i) The system has received a favorable and appropriate recommen-  
31 dation from a qualified, independent expert in investment management  
32 or analysis in that particular type of real estate investment;

33 (ii) the real estate investment is consistent with the system's invest-  
34 ment policies and objectives as provided in subsection (6); ~~and~~

35 (iii) the board has received and considered the investment manager's  
36 due diligence findings submitted to the board as required by subsection  
37 (6)(c); and

38 (d) the board shall not invest or reinvest moneys of the fund in any  
39 banking institution, savings and loan association or credit union which  
40 positions the system as a shareholder or owner of such banking institution,  
41 savings and loan association or credit union.

42 (6) Subject to the objective set forth in subsection (3) and the stan-  
43 dards set forth in subsections (4) and (5) the board shall formulate policies

1 and objectives for the investment and reinvestment of moneys in the fund  
2 and the acquisition, retention, management and disposition of invest-  
3 ments of the fund. Such policies and objectives shall include:

4 (a) Specific asset allocation standards and objectives;

5 (b) establishment of criteria for evaluating the risk versus the poten-  
6 tial return on a particular investment;

7 (c) a requirement that all investment managers submit such man-  
8 ager's due diligence findings on each investment to the board or invest-  
9 ment advisory committee for approval or rejection prior to making any  
10 alternative investment;

11 (d) a requirement that all investment managers shall immediately re-  
12 port all instances of default on investments to the board and provide the  
13 board with recommendations and options, including, but not limited to,  
14 curing the default or withdrawal from the investment; and

15 (e) establishment of criteria that would be used as a guideline for  
16 determining when no additional add-on investments or reinvestments  
17 would be made and when the investment would be liquidated.

18 The board shall review such policies and objectives, make changes con-  
19 sidered necessary or desirable and readopt such policies and objectives  
20 on an annual basis.

21 (7) The board may enter into contracts with one or more persons  
22 whom the board determines to be qualified, whereby the persons under-  
23 take to perform the functions specified in subsection (2) to the extent  
24 provided in the contract. Performance of functions under contract so  
25 entered into shall be paid pursuant to rates fixed by the board subject to  
26 provisions of appropriation acts and shall be based on specific contractual  
27 fee arrangements. The system shall not pay or reimburse any expenses of  
28 persons contracted with pursuant to this subsection, except that after  
29 approval of the board, the system may pay approved investment related  
30 expenses subject to provisions of appropriation acts. The board shall re-  
31 quire that a person contracted with to obtain commercial insurance which  
32 provides for errors and omissions coverage for such person in an amount  
33 to be specified by the board, provided that such coverage shall be at least  
34 the greater of \$500,000 or 1% of the funds entrusted to such person up  
35 to a maximum of \$10,000,000. The board shall require a person con-  
36 tracted with to give a fidelity bond in a penal sum as may be fixed by law  
37 or, if not so fixed, as may be fixed by the board, with corporate surety  
38 authorized to do business in this state. Such persons contracted with the  
39 board pursuant to this subsection and any persons contracted with such  
40 persons to perform the functions specified in subsection (2) shall be  
41 deemed to be agents of the board and the system in the performance of  
42 contractual obligations.

43 (8) (a) In the acquisition or disposition of securities, the board may

1 rely on the written legal opinion of a reputable bond attorney or attorneys,  
2 the written opinion of the attorney of the investment counselor or man-  
3 agers, or the written opinion of the attorney general certifying the legality  
4 of the securities.

5 (b) The board shall employ or retain qualified investment counsel or  
6 counselors or may negotiate with a trust company to assist and advise in  
7 the judicious investment of funds as herein provided.

8 (9) (a) Except as provided in subsection (7) and this subsection, the  
9 custody of money and securities of the fund shall remain in the custody  
10 of the state treasurer, except that the board may arrange for the custody  
11 of such money and securities as it considers advisable with one or more  
12 member banks or trust companies of the federal reserve system or with  
13 one or more banks in the state of Kansas, or both, to be held in safe-  
14 keeping by the banks or trust companies for the collection of the principal  
15 and interest or other income or of the proceeds of sale. The services  
16 provided by the banks or trust companies shall be paid pursuant to rates  
17 fixed by the board subject to provisions of appropriation acts.

18 (b) The state treasurer and the board shall collect the principal and  
19 interest or other income of investments or the proceeds of sale of secu-  
20 rities in the custody of the state treasurer and pay same when so collected  
21 into the fund.

22 (c) The principal and interest or other income or the proceeds of sale  
23 of securities as provided in clause (a) of this subsection (9) shall be re-  
24 ported to the state treasurer and the board and credited to the fund.

25 (10) The board shall with the advice of the director of accounts and  
26 reports establish the requirements and procedure for reporting any and  
27 all activity relating to investment functions provided for in this act in order  
28 to prepare a record monthly of the investment income and changes made  
29 during the preceding month. The record will reflect a detailed summary  
30 of investment, reinvestment, purchase, sale and exchange transactions  
31 and such other information as the board may consider advisable to reflect  
32 a true accounting of the investment activity of the fund.

33 (11) The board shall provide for an examination of the investment  
34 program annually. The examination shall include an evaluation of current  
35 investment policies and practices and of specific investments of the fund  
36 in relation to the objective set forth in subsection (3), the standard set  
37 forth in subsection (4) and other criteria as may be appropriate, and rec-  
38 ommendations relating to the fund investment policies and practices and  
39 to specific investments of the fund as are considered necessary or desir-  
40 able. The board shall include in its annual report to the governor as pro-  
41 vided in K.S.A. 74-4907, and amendments thereto, a report or a summary  
42 thereof covering the investments of the fund.

43 (12) (a) An annual financial-compliance audit of the system, includ-



1 ing any performance audit subjects which are directed to be included in  
2 such annual audit by the legislative post audit committee, performance  
3 audits of the system as prescribed under the Kansas governmental op-  
4 erations law, and such other audits as are directed by the legislative post  
5 audit committee under the Kansas legislative post audit act shall be con-  
6 ducted. The annual financial-compliance audit shall include, but not be  
7 limited to, a review of alternative investments of the system with any  
8 estimates of permanent impairments to the value of such alternative in-  
9 vestments reported by the system pursuant to K.S.A. 74-4907, and  
10 amendments thereto.

11 (b) In accordance with this subsection (12), the annual financial-com-  
12 pliance audit may include one or more performance audit subjects as  
13 directed by the legislative post audit committee. In considering perform-  
14 ance audit subjects to be included in any financial-compliance audit con-  
15 ducted pursuant to this subsection (12), the legislative post audit com-  
16 mittee shall consider recommendations and requests for performance  
17 audits, relating to the system or the management thereof, by the joint  
18 committee on pensions, investments and benefits or by any other com-  
19 mittee or individual member of the legislature. Commencing with the  
20 financial-compliance audit for the fiscal year ending June 30, 1998, the  
21 legislative post audit committee shall specify if one or more performance  
22 audit subjects shall be included in the financial-compliance audit con-  
23 ducted pursuant to this subsection (12), in addition to such other subjects  
24 as may be directed to be included in the financial-compliance audit by  
25 the legislative post audit committee. Except as otherwise determined by  
26 the legislative post audit committee pursuant to this subsection (12), com-  
27 mencing with the financial-compliance audit for the fiscal year ending  
28 June 30, 1998, one or more performance audit subjects specified by the  
29 legislative post audit committee shall be included at least once every two  
30 fiscal years in a financial-compliance audit conducted pursuant to this  
31 subsection (12). The legislative post audit committee may direct that one  
32 or more performance audit subjects are to be included in a financial-  
33 compliance audit conducted pursuant to this subsection (12) not more  
34 than once during a specific period of three fiscal years, in lieu of once  
35 every two fiscal years.

36 (c) The auditor to conduct the financial-compliance audit required  
37 pursuant to this subsection (12) shall be specified in accordance with  
38 K.S.A. 46-1122, and amendments thereto. If the legislative post audit  
39 committee specifies under such statute that a firm, as defined by K.S.A.  
40 46-1112, and amendments thereto, is to perform all or part of the audit  
41 work of such audit, such firm shall be selected and shall perform such  
42 audit work as provided in K.S.A. 46-1123, and amendments thereto, and  
43 K.S.A. 46-1125 through 46-1127, and amendments thereto. The audits

1 required pursuant to this subsection (12) shall be conducted in accord-  
2 ance with generally accepted governmental auditing standards. The fi-  
3 nancial-compliance audit required pursuant to this subsection (12) shall  
4 be conducted as soon after the close of the fiscal year as practicable, but  
5 shall be completed no later than six months after the close of the fiscal  
6 year. The post auditor shall annually compute the reasonably anticipated  
7 cost of providing the financial-compliance audit pursuant to this subsec-  
8 tion (12), subject to review and approval by the contract audit committee  
9 established by K.S.A. 46-1120, and amendments thereto. Upon such ap-  
10 proval, the system shall reimburse the division of post audit for the  
11 amount approved by the contract audit committee. The furnishing of the  
12 financial-compliance audit pursuant to this subsection (12) shall be a  
13 transaction between the legislative post auditor and the system and shall  
14 be settled in accordance with the provisions of K.S.A. 75-5516, and  
15 amendments thereto.

16 (d) Any internal assessment or examination of alternative investments  
17 of the system performed by any person or entity employed or retained  
18 by the board which evaluates or monitors the performance of alternative  
19 investments shall be reported to the legislative post auditor so that such  
20 report may be reviewed in accordance with the annual financial-compli-  
21 ance audits conducted pursuant to this subsection (12).

22 Sec. 21. K.S.A. 2000 Supp. 74-4922 is hereby amended to read as  
23 follows: 74-4922. The executive ~~secretary~~ *director* shall maintain such  
24 records as are necessary to determine the following reserves.

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

1 (b) *Retirement benefit accumulation reserve.* This reserve within the  
2 fund shall be credited with the portion of employer contributions for  
3 retirement benefits both for prior service and for participating service  
4 and with income of the fund not otherwise directed by law to a different  
5 reserve. The board shall credit interest to all other reserves and reserve  
6 accounts as provided by law at rates determined by the board. Interest  
7 so credited shall be transferred from the retirement benefit accumulation  
8 reserve. Separate reserve accounts shall not be maintained for each par-  
9 ticipating employer joining the system on the first entry date. The board  
10 shall determine whether or not separate reserve accounts shall be main-  
11 tained for each participating employer joining the system after the first  
12 entry date.

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

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

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

37 Sec. 22. K.S.A. 2000 Supp. 74-4927h is hereby amended to read as  
38 follows: 74-4927h. (1) The provisions of this section shall apply to em-  
39 ployees of the state board of regents and institutions under its manage-  
40 ment covered by the provisions of K.S.A. 74-4925 and 74-4927a and  
41 amendments thereto. This section shall be administered by the board of  
42 trustees of the Kansas public employees retirement system.

43 (2) (a) In the event that a member dies before retirement as a result

1 of an accident arising out of and in the course of the member's actual  
2 performance of duty in the employ of a participating employer inde-  
3 pendent of all other causes and not as a result of a willfully negligent or  
4 intentional act of the member, an accidental death benefit shall be pay-  
5 able if: (A) A report of the accident, in a form acceptable to the board, is  
6 filed in the office of the executive ~~secretary~~ *director* of the board within  
7 60 days of the date of the accident causing such death, and an application  
8 for such benefit, in such form and manner as the board shall prescribe,  
9 is filed in the office of the executive ~~secretary~~ *director* of the board within  
10 two years of the date of the accident, but the board may waive such time  
11 limits for a reasonable period if in the judgment of the board the failure  
12 to meet these limits was due to lack of knowledge or incapacity; and (B)  
13 the board finds from such evidence as it may require, to be submitted in  
14 such form and manner as it shall prescribe, that the natural and proximate  
15 cause of death was the result of an accident arising out of and in the  
16 course of the member's employment with a participating employer in-  
17 dependent of all other causes at a definite time and place. Such accidental  
18 death benefit shall be a lump-sum amount of \$50,000 and an annual  
19 amount of  $\frac{1}{2}$  of the member's final average salary which shall accrue from  
20 the first day of the month following the date of death and which shall be  
21 payable in monthly installments or as the board may direct, but in no case  
22 shall the accidental death benefit be less than \$100 per month. The ac-  
23 cidental death benefit payments shall be paid to the surviving spouse of  
24 such deceased member, such payments to continue so long as such sur-  
25 viving spouse lives or until such surviving spouse remarries. If there is no  
26 surviving spouse, or in the case the spouse dies or remarries before the  
27 youngest child of such deceased member attains age 18 years or before  
28 the youngest child of such deceased member attains age 23, if such child  
29 is a full-time student as provided in K.S.A. 74-49,117, or if there are one  
30 or more children of the member who are totally disabled and dependent  
31 on the member or spouse, the accidental death benefit payments shall be  
32 paid to the child or children of such member under age 18 years or under  
33 age 23 years, if such child or children are full-time students as provided  
34 in K.S.A. 74-49,117 and to the child or children of the member who are  
35 totally disabled and dependent on the member or spouse, such payments  
36 to be divided in such manner as the board in its discretion shall determine  
37 and to continue until the youngest surviving child dies or attains age 18  
38 years or attains age 23 years, if such child is a full-time student as provided  
39 in K.S.A. 74-49,117, in the case of the child or children who are totally  
40 disabled and dependent on the member or spouse, until death or until  
41 no longer totally disabled. If there is no surviving spouse or child eligible  
42 for accidental death benefits under this subsection (2) at the time of the  
43 member's death, the accidental death benefit payments shall be paid to

1 the parent or parents of such member who are dependent on such mem-  
2 ber, such payments to continue until the last such parent dies. All pay-  
3 ments due under this subsection (2) to a minor shall be made to a legally  
4 appointed conservator of such minor or totally disabled child as provided  
5 in subsection (7) of K.S.A. 74-4902 and amendments thereto.

6 (b) In construction of this section, there shall be no presumption that  
7 the death of the member was the result of an accident nor shall there be  
8 a liberal interpretation of the law or evidence in favor of the person claim-  
9 ing under this subsection (2). In the event of the death of a member  
10 resulting from a heart, circulatory or respiratory condition, there must be  
11 clear and precise evidence that death was the result of an accident in-  
12 dependent of all other causes which arose out of and in the course of the  
13 member's actual performance of duties in the employ of a participating  
14 employer.

15 (c) The value, as determined by the board upon recommendation of  
16 the actuary, of any worker's compensation benefits paid or payable to the  
17 recipient or recipients of an annual benefit under this subsection (2) shall  
18 be deducted from the amounts which become payable under this section.  
19 In the event that a member should die as a result of an accident as de-  
20 scribed in this subsection (2), all elections or options previously made by  
21 the deceased member shall become void and of no effect whatsoever and  
22 the retirement system shall be liable only for the accidental death benefit  
23 and any insured death benefit that may be due. The benefit payable under  
24 this subsection (2) shall be known and referred to as the "accidental death  
25 benefit."

26 (3) Any costs to the board from the claims arising under this section  
27 shall be included in the rate certified by the board to finance the costs of  
28 members under subsection (3) of K.S.A. 74-4925 and amendments  
29 thereto.

30 (4) The payment of benefits as provided in this section is subject to  
31 the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto.

32 Sec. 23. K.S.A. 2000 Supp. 74-4932 is hereby amended to read as  
33 follows: 74-4932. As used in this act, unless the context otherwise  
34 requires:

35 (1) "Accumulated contributions" means the sum of all contributions  
36 by a member to the system which shall be credited to such member's  
37 account, with interest allowed thereon, plus such member's contributions  
38 transferred from the school employees savings fund of the state school  
39 retirement system;

40 (2) "compensation" means the same as defined in subsection (9) of  
41 K.S.A. 74-4902 and amendments thereto;

42 (3) "school year" means the twelve-month period beginning Septem-  
43 ber 1 and ending August 31;

1 (4) “employee” means any employee of a participating employer  
2 which is an eligible employer, as specified in K.S.A. 74-4931 and amend-  
3 ments thereto, whose employment is not seasonal or temporary and  
4 whose employment requires at least 630 hours of work per year or 3.5  
5 hours of work per day for at least 180 days or any employee who is con-  
6 currently employed by two or more eligible employers, as specified in  
7 K.S.A. 74-4931 and amendments thereto, whose combined employment  
8 is not seasonal or temporary and whose combined employment requires  
9 at least 630 hours of work per year or 3.5 hours of work per day for at  
10 least 180 days. Employee shall not include:

11 (a) Any employee who is covered by or eligible for or who will be-  
12 come eligible for retirement benefits under any retirement plan or system  
13 provided by K.S.A. 74-4925 and amendments thereto;

14 (b) any employee who is a contributing member of the United States  
15 civil service retirement system;

16 (c) any employee or class of employees specifically exempt by law,  
17 except those persons who were formerly employees of one or more of  
18 the participating employers which are eligible employers as specified in  
19 K.S.A. 74-4931 and amendments thereto, who are covered by and have  
20 contributions on deposit with the state school retirement system and who  
21 have not retired under that system on the day next preceding entry date;

22 (d) any employee who on entry date is covered by or eligible for or  
23 will become eligible for retirement benefits under a separate retirement  
24 system authorized or established under K.S.A. 72-1758 to 72-1769, inclu-  
25 sive, and amendments thereto, or K.S.A. 72-6780 and amendments  
26 thereto, except that this paragraph (d) shall not include any employee,  
27 who before September 1, 1974, elects to become a member of the Kansas  
28 public employees retirement system as provided in K.S.A. 74-4935a and  
29 amendments thereto; or

30 (e) on and after July 1, 1975, no person who is otherwise eligible for  
31 membership in the Kansas public employees retirement system shall be  
32 barred from such membership by reason of coverage by, eligibility for or  
33 future eligibility for a retirement annuity under the provisions of K.S.A.  
34 74-4925 and amendments thereto. However, no person shall receive serv-  
35 ice credit under the Kansas public employees retirement system for any  
36 period of service for which benefits accrue or are granted under a retire-  
37 ment annuity plan under the provisions of K.S.A. 74-4925 and amend-  
38 ments thereto;

39 (5) “executive ~~secretary~~ *director*” means the managing officer of the  
40 system as defined in subsection (16) of K.S.A. 74-4902 and amendments  
41 thereto;

42 (6) “military service” means the same as defined in subsection (22)  
43 of K.S.A. 74-4902 and amendments thereto, and includes such service

1 when followed by return to employment with the same or another par-  
2 ticipating employer on or before the beginning of the next school year  
3 following discharge or separation from such military service;

4 (7) “normal retirement date” means the same as defined in subsec-  
5 tion (23) of K.S.A. 74-4902 and amendments thereto, as modified by  
6 subsection (1) of K.S.A. 74-4937 and amendments thereto;

7 (8) “school employment” means the employment of a member when  
8 employed by an eligible employer as specified in any of ~~subsections~~ *sub-*  
9 *section* (1), (2) or (3) of K.S.A. 74-4931 and amendments thereto; and

10 (9) “USERRA” means the same as defined in subsection (35) of  
11 K.S.A. 74-4902 and amendments thereto.

12 Sec. 24. K.S.A. 74-4934 is hereby amended to read as follows: 74-  
13 4934. (1) On and after July 1, 1970, the state school retirement board is  
14 abolished and such board shall have no further legal authority or powers.  
15 On such date all of the powers provided in K.S.A. 72-5501 to 72-5534  
16 and amendments thereto shall devolve upon and be performed by the  
17 board of trustees of the Kansas public employees retirement system, and  
18 all powers heretofore exercised by the state school retirement board, in-  
19 cluding management and control of the assets and funds of the state  
20 school retirement system, shall be and become vested in the board of  
21 trustees of the Kansas public employees retirement system. Whenever in  
22 the statutes of this state the words “state school retirement board” or  
23 words of like effect are used, the same shall be deemed to mean the  
24 board of trustees of the Kansas public employees retirement system. The  
25 board of trustees of the Kansas public employees retirement system is  
26 authorized to execute transfer endorsements for any stock or security of  
27 the state school retirement system and such endorsements may be in the  
28 name of the state school retirement board.

29 (2) On January 1, 1971, there shall be transferred from the school  
30 employees savings fund of the state school retirement system such mon-  
31 eys and securities, and accumulated earnings thereon, as are equal to the  
32 accumulated contributions (savings annuity deductions or accumulated  
33 deductions) of the members of the state school retirement system on  
34 deposit with the state school retirement system who become members of  
35 this system on January 1, 1971, as provided in K.S.A. 74-4935. Such trans-  
36 fer of securities in the school employees savings fund shall be on the basis  
37 of the book value of such securities. The member’s account in this system  
38 shall be credited with the amount in his savings annuity account (savings  
39 annuity deductions or accumulated deductions) so transferred.

40 (3) “Executive ~~secretary~~ *director*” as used in K.S.A. 72-5501 to 72-  
41 5534, inclusive, and amendments thereto means the same as is provided  
42 in subsection (5) of K.S.A. 74-4932. The duties provided in such statutes  
43 to be performed by the executive ~~secretary~~ *director* shall be performed

1 by the person holding the office defined in subsection (5) of K.S.A. 74-  
2 4932. Employees of the state school retirement board shall continue in  
3 state service and retain all their rights under the Kansas civil service act.

4 Sec. 25. K.S.A. 2000 Supp. 74-4940 is hereby amended to read as  
5 follows: 74-4940. (a) Subject to the provisions of subsection (b), all mem-  
6 bers in school employment who are subject to the continuing contract  
7 law shall be paid their contractual compensation in not less than 12 sub-  
8 stantially equal installments, paid once, or more often, each month com-  
9 mencing in September of each school year.

10 (b) Upon written authorization from any member in school employ-  
11 ment who is subject to the continuing contract law, an employer shall pay  
12 the balance of such member's contractual compensation for the school  
13 year in one payment upon completion of all contractual obligations of the  
14 member. The authorization shall be filed with the employer not later than  
15 April 1 of the school year in and for which the balance payment is first  
16 authorized. A written authorization under this subsection shall remain in  
17 effect until revoked in writing by the member filing the authorization. So  
18 long as the authorization of such member remains in effect, the balance  
19 of the member's contractual compensation shall be paid each school year  
20 in accordance with the provisions of this subsection. Such payment shall  
21 be made no later than June 30 of the school year. For the purposes of  
22 the Kansas public employees retirement system, the employer shall make  
23 the appropriate employee contribution deduction from the payment and  
24 shall report and remit the amount so deducted to the executive ~~secretary~~  
25 *director* at the time monthly deductions and quarterly reports would nor-  
26 mally be made under K.S.A. 74-4919, and amendments thereto, if the  
27 authorization for one payment was not in effect.

28 (c) Notwithstanding the provisions of subsections (a) and (b), each  
29 member in school employment who is subject to the continuing contract  
30 law, who has completed the balance of such member's contractual obli-  
31 gations and retires prior to the end of a school year under K.S.A. 74-4937,  
32 and amendments thereto, shall be paid the balance of the member's con-  
33 tractual compensation in one payment during the calendar month im-  
34 mediately preceding the date of retirement. For the purposes of the Kan-  
35 sas public employees retirement system, the employer shall make the  
36 appropriate employee contribution deduction from the payment and shall  
37 report and remit the amount so deducted to the executive ~~secretary~~ *di-*  
38 *rector* at the time monthly deductions and reports are made under K.S.A.  
39 74-4919, and amendments thereto, for the period in which the payment  
40 is made except that such report and remittance shall not include any  
41 amount which would have been reported normally in the next ensuing  
42 period under subsection (b). No employee contribution deduction shall  
43 be made from such amount and such amount shall not be included as



1 compensation in determining the member's final average salary.

2 (d) An employer of members in school employment who are not sub-  
3 ject to the continuing contract law may adopt a policy providing that any  
4 or all such members shall be paid their contractual compensation each  
5 school year in not less than 12 substantially equal installments, paid once,  
6 or more often, each month commencing in the first month of any such  
7 member's school employment. A copy of any such policy shall be provided  
8 to each such member in school employment.

9 (e) As used in this section, the term "school employment" means the  
10 employment of a member when employed by an eligible employer as  
11 specified in any of subsections (1), (2) or (3) of K.S.A. 74-4931, and  
12 amendments thereto.

13 Sec. 26. K.S.A. 2000 Supp. 74-4957 is hereby amended to read as  
14 follows: 74-4957. (1) The normal retirement date for a member of the  
15 system who is appointed or employed prior to July 1, 1989, and who does  
16 not make an election pursuant to K.S.A. 74-4955a and amendments  
17 thereto shall be the first day of the month coinciding with or following  
18 termination of employment not followed by employment with any partic-  
19 ipating employer within 30 days and the attainment of age 55 and the  
20 completion of 20 years of credited service. Any member may retire on  
21 such member's normal retirement date or on the first day of any month  
22 thereafter.

23 (2) *Early retirement.* Any member who is appointed or employed  
24 prior to July 1, 1989, and who does not make an election pursuant to  
25 K.S.A. 74-4955a and amendments thereto may retire before such mem-  
26 ber's normal retirement date on the first day of any month coinciding  
27 with or following termination of employment not followed by employ-  
28 ment with any participating employer within 30 days and the attainment  
29 of age 50 and the completion of 20 years of credited service.

30 (3) Notwithstanding the provisions of subsections (1) and (2) of this  
31 section and K.S.A. 74-4955a, 74-4957a, 74-4958a, 74-4960a, 74-4963a and  
32 74-4964a and amendments thereto, the normal retirement date for any  
33 member who was, up to the entry date of such member's employer, cov-  
34 ered by a pension system under the provisions of K.S.A. 13-14a01 to 13-  
35 14a14, inclusive, or 14-10a01 to 14-10a15, inclusive, and amendments  
36 thereto, shall be the first day of the month coinciding with or following  
37 the attainment of age 50 and the completion of 25 years of credited  
38 service.

39 (4) In no event shall a member be eligible to retire until such member  
40 has been a contributing member of the system for 12 months of partici-  
41 pating service, and shall have given such member's employer prior notice  
42 of retirement.

43 (5) If a retirant who retired on or after July 1, 1994, is employed,

1 elected or appointed in or to any position or office for which compensa-  
2 tion for service is paid in an amount equal to \$15,000 or more in any one  
3 such calendar year, by the same state agency or the same police or fire  
4 department of any county, city, township or special district or the same  
5 sheriff's office of a county during the final two years of such retirant's  
6 participation, such retirant shall not receive any retirement benefit for  
7 any month for which such retirant serves in such position or office. The  
8 participating employer shall report to the system within 30 days of when  
9 the compensation paid to the retirant is equal to or exceeds any limitation  
10 provided by this section. Any retirant employed by a participating em-  
11 ployer in the Kansas police and firemen's retirement system shall not  
12 make contributions nor receive additional credit under such system for  
13 such service except as provided by this section. Upon request of the ex-  
14 ecutive ~~secretary~~ *director* of the system, the secretary of revenue shall  
15 provide such information as may be needed by the executive ~~secretary~~  
16 *director* to carry out the provisions of this act.

17 Sec. 27. K.S.A. 2000 Supp. 74-4957a is hereby amended to read as  
18 follows: 74-4957a. (1) The normal retirement date for a member of the  
19 system who is appointed or employed on or after July 1, 1989, or who  
20 makes an election pursuant to K.S.A. 74-4955a and amendments thereto  
21 to be covered by the provisions of this act shall be the first day of the  
22 month coinciding with or following termination of employment not fol-  
23 lowed by employment with any participating employer within 30 days and  
24 the attainment of age 55 and the completion of 20 years of credited serv-  
25 ice, age 50 and the completion of 25 years of credited service or age 60  
26 with the completion of 15 years of credited service. Any such member  
27 may retire on such member's normal retirement date or on the first day  
28 of any month thereafter.

29 (2) Any member may retire before such member's normal retirement  
30 date on the first day of any month coinciding with or following termination  
31 of employment not followed by employment with any participating em-  
32 ployer within 30 days and the attainment of age 50 and the completion  
33 of 20 years of credited service.

34 (3) In no event shall a member be eligible to retire until such member  
35 has been a contributing member of the system for 12 months of partici-  
36 pating service, and shall have given such member's employer prior notice  
37 of retirement.

38 (4) If a retirant who retired on or after July 1, 1996, is employed,  
39 elected or appointed in or to any position or office for which compensa-  
40 tion for service is paid in an amount equal to \$15,000 or more in any one  
41 such calendar year, by the same state agency or the same police or fire  
42 department of any county, city, township or special district or the same  
43 sheriff's office of a county during the final two years of such retirant's

1 participation, such retirant shall not receive any retirement benefit for  
2 any month for which such retirant serves in such position or office. The  
3 participating employer shall report to the system within 30 days of when  
4 the compensation paid to the retirant is equal to or exceeds any limitation  
5 provided by this section. Any retirant employed by a participating em-  
6 ployer in the Kansas police and firemen's retirement system shall not  
7 make contributions nor receive additional credit under such system for  
8 such service except as provided by this section. Upon request of the ex-  
9 ecutive ~~secretary~~ *director* of the system, the secretary of revenue shall  
10 provide such information as may be needed by the executive ~~secretary~~  
11 *director* to carry out the provisions of this act.

12 (5) The provisions of this section shall be effective on and after July  
13 1, 1989, and shall apply only to members who were appointed or em-  
14 ployed prior to July 1, 1989, and who made an election pursuant to K.S.A.  
15 74-4955a and amendments thereto; and persons appointed or employed  
16 on or after July 1, 1989.

17 Sec. 28. K.S.A. 2000 Supp. 74-4958 is hereby amended to read as  
18 follows: 74-4958. (1) Any member who retires on or after July 1, 1993,  
19 shall be entitled to receive an age and service retirement benefit equal  
20 to 2.5% of such member's final average salary multiplied by the number  
21 of years of credited service except that in no case shall such retirement  
22 benefit exceed 80% of such member's final average salary.

23 (2) Any member who is appointed or employed prior to July 1, 1989,  
24 who does not make an election pursuant to K.S.A. 74-4955a and amend-  
25 ments thereto and who retires before such member's normal retirement  
26 date shall receive an early retirement benefit equal to the annual retire-  
27 ment benefit payable had the member retired on the normal retirement  
28 date reduced by an amount equal to the product of (A) such annual re-  
29 tirement benefit payable had the member retired on the normal retire-  
30 ment date, multiplied by (B) the product of .4% multiplied by the number  
31 of months difference, to the nearest whole month, between the member's  
32 attained age at the time of retirement and age 55.

33 (3) ~~Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and~~  
34 ~~amendments thereto,~~ Upon the death after retirement of a member who  
35 was covered, up to the entry date of the member's employer, by a pension  
36 system under the provisions of K.S.A. 12-5001 to 12-5007, inclusive, and  
37 amendments thereto, or K.S.A. 13-14a01 to 13-14a14, inclusive, and  
38 amendments thereto, or K.S.A. 14-10a01 to 14-10a15, inclusive, and  
39 amendments thereto, and who had not elected to retire under one of the  
40 options provided under K.S.A. 74-4964 and amendments thereto, the  
41 member's spouse, if such spouse was the member's lawfully wedded  
42 spouse for a period of not less than one year at the time of the member's  
43 retirement or if such spouse had been the member's lawfully wedded

1 spouse for at least three years after the time of the member's retirement,  
2 shall receive: (A) Pursuant to the provisions of K.S.A. 2000 Supp. 74-  
3 49,128, and amendments thereto, a lump-sum benefit equal to ½ the  
4 member's final average salary at the time of the member's retirement;  
5 and shall receive (B) an annual spouse's benefit equal to 75% of the  
6 member's retirement benefit payable in monthly installments, to accrue  
7 from the last day of the month following the member's date of death and  
8 ending on the last day of the month in which the spouse dies. Com-  
9 mencing on the effective date of this act, any surviving spouse, who was  
10 receiving benefits pursuant to this section and who had such benefits  
11 terminated by reason of such spouse's remarriage, shall be entitled to  
12 once again receive benefits pursuant to this section, except that such  
13 surviving spouse shall not be entitled to recover any benefits not received  
14 after the termination of benefits by reason of such surviving spouse's  
15 remarriage but before the effective date of this act. If there is no surviving  
16 spouse, or if after the death of the spouse there remain one or more  
17 children under the age of 18 years or one or more children under the age  
18 of 23 years who is a full-time student as provided in K.S.A. 74-49,117 and  
19 amendments thereto, the annual spouse's benefit shall be payable, subject  
20 to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments  
21 thereto, in equal shares to such children and each child's share shall end  
22 on the last day of the month in which such child attains the age of 18  
23 years or dies, whichever occurs earlier or in which such child attains the  
24 age of 23 years if such child is a full-time student as provided in K.S.A.  
25 74-49,117 and amendments thereto. Commencing on the effective date  
26 of this act, any child who was receiving benefits pursuant to this section  
27 and who had such benefits terminated by reason of such child's marriage,  
28 shall be entitled to once again receive benefits pursuant to this section  
29 subject to the limitations contained in this section, except that such child  
30 shall not be entitled to recover any benefits not received after the ter-  
31 mination of benefits by reason of such child's marriage but before the  
32 effective date of this act. All payments due under this section to a minor  
33 shall be made to a legally appointed conservator of such minor as provided  
34 in subsection (7) of K.S.A. 74-4902 and amendments thereto. No person  
35 shall be entitled to receive more than one benefit under the provisions  
36 of this subsection. Any person who otherwise meets the qualifications to  
37 receive more than one benefit under this subsection shall elect the benefit  
38 such person shall receive.

39 (4) Upon the death after retirement of a member who had not elected  
40 to retire under one of the options provided under K.S.A. 74-4964 and  
41 amendments thereto, such member's beneficiary shall receive an amount  
42 equal to the excess, if any, of such member's accumulated contributions  
43 over the sum of all retirement benefit payments made.

1 (5) The provisions of law in effect on the retirement date of a member  
2 under the system shall govern the retirement benefit payable to the re-  
3 tirant, any joint annuitant and any beneficiary.

4 Sec. 29. K.S.A. 2000 Supp. 74-4958a is hereby amended to read as  
5 follows: 74-4958a. (1) Any member who retires on or after July 1, 1993,  
6 shall be entitled to receive an age and service retirement benefit equal  
7 to 2.5% of such member's final average salary multiplied by the number  
8 of years of credited service except that in no case shall such retirement  
9 benefit exceed 80% of such member's final average salary.

10 (2) Any member who retires before such member's normal retire-  
11 ment date shall receive an early retirement benefit equal to the annual  
12 retirement benefit payable had the member retired on the normal retire-  
13 ment date reduced by an amount equal to the product of (A) such annual  
14 retirement benefit payable had the member retired on the normal retire-  
15 ment date, multiplied by (B) the product of .4% multiplied by the number  
16 of months difference, to the nearest whole month, between the member's  
17 attained age at the time of retirement and age 55.

18 (3) Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and  
19 amendments thereto, upon the death after retirement of a member who  
20 was covered, up to the entry date of the member's employer, by a pension  
21 system under the provisions of K.S.A. 12-5001 to 12-5007, inclusive, and  
22 amendments thereto, or K.S.A. 13-14a01 to 13-14a14, inclusive, and  
23 amendments thereto, or K.S.A. 14-10a01 to 14-10a15, inclusive, and  
24 amendments thereto, and who had not elected to retire under one of the  
25 options provided under K.S.A. 74-4964 and amendments thereto, the  
26 member's spouse, if such spouse was the member's lawfully wedded  
27 spouse for a period of not less than one year at the time of the member's  
28 retirement or if such spouse had been the member's lawfully wedded  
29 spouse for at least three years after the time of the member's retirement,  
30 shall receive: (A) Pursuant to the provisions of K.S.A. 2000 Supp. 74-  
31 49,128, and amendments thereto, a lump-sum benefit equal to ½ the  
32 member's final average salary at the time of the member's retirement;  
33 and shall receive (B) an annual spouse's benefit equal to 75% of the  
34 member's retirement benefit payable in monthly installments, to accrue  
35 from the first day of the month following the member's date of death and  
36 ending on the last day of the month in which the spouse dies. Com-  
37 mencing on the effective date of this act, any surviving spouse, who was  
38 receiving benefits pursuant to this section and who had such benefits  
39 terminated by reason of such spouse's remarriage, shall be entitled to  
40 once again receive benefits pursuant to this section, except that such  
41 surviving spouse shall not be entitled to recover any benefits not received  
42 after the termination of benefits by reason of such surviving spouse's  
43 remarriage but before the effective date of this act. If there is no surviving

1 spouse, or if after the death of the spouse there remain one or more  
2 children under the age of 18 years or one or more children under the age  
3 of 23 years who is a full-time student as provided in K.S.A. 74-49,117 and  
4 amendments thereto, the ~~annual~~ spouse's benefit shall be payable, subject  
5 to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments  
6 thereto, in equal shares to such children and each child's share shall end  
7 on the last day of the month in which such child attains the age of 18  
8 years or dies, whichever occurs earlier or in which such child attains the  
9 age of 23 years, if such child is a full-time student as provided in K.S.A.  
10 74-49,117 and amendments thereto. Commencing on the effective date  
11 of this act, any child who was receiving benefits pursuant to this section  
12 and who had such benefits terminated by reason of such child's marriage,  
13 shall be entitled to once again receive benefits pursuant to this section  
14 subject to the limitations contained in this section, except that such child  
15 shall not be entitled to recover any benefits not received after the ter-  
16 mination of benefits by reason of such child's marriage but before the  
17 effective date of this act. All payments due under this section to a minor  
18 shall be made to a legally appointed conservator of such minor as provided  
19 in subsection (7) of K.S.A. 74-4902 and amendments thereto. No person  
20 shall be entitled to receive more than one benefit under the provisions  
21 of this subsection. Any person who otherwise meets the qualifications to  
22 receive more than one benefit under this subsection shall elect the benefit  
23 such person shall receive.

24 (4) Upon the death after retirement of a member who had not elected  
25 to retire under one of the options provided under K.S.A. 74-4964 and  
26 amendments thereto, such member's beneficiary shall receive an amount  
27 equal to the excess, if any, of such member's accumulated contributions  
28 over the sum of all retirement benefit payments made.

29 (5) The provisions of this section shall be effective on and after July  
30 1, 1989 and shall apply only to members who were appointed or employed  
31 prior to July 1, 1989, and who made an election pursuant to K.S.A. 74-  
32 4955a and amendments thereto; and persons appointed or employed on  
33 or after July 1, 1989.

34 (6) The provisions of law in effect on the retirement date of a member  
35 under the system shall govern the retirement benefit payable to the re-  
36 tirant, any joint annuitant and any beneficiary.

37 Sec. 30. K.S.A. 2000 Supp. 74-4959 is hereby amended to read as  
38 follows: 74-4959. (1) Upon the death from service-connected causes as  
39 defined in this act, of an active contributing member prior to retirement,  
40 the following benefits shall be payable if a report of the event, in a form  
41 acceptable to the board, is filed in the office of the executive ~~secretary~~  
42 *director* of the board within 200 days after the date of the act of duty  
43 causing such death and an application for such benefits, in such form and

1 manner as prescribed by the board, is filed in the office of the executive  
2 ~~secretary~~ *director* of the board within two years of the date of death, but  
3 the board may waive such time limits for a reasonable period if in the  
4 judgment of the board the failure to meet these limits was due to lack of  
5 knowledge or incapacity:

6 (a) To the member's spouse, if lawfully wedded to the member at the  
7 time of the member's death, an annual spouse's benefit equal to 50% of  
8 the member's final average salary, which shall accrue from the first day  
9 of the month coinciding with or following the member's death and shall  
10 end on the first day of the month in which the spouse's death occurs.  
11 Commencing on the effective date of this act, any surviving spouse, who  
12 was receiving benefits pursuant to this section and who had such benefits  
13 terminated by reason of such spouse's remarriage, shall be entitled to  
14 once again receive benefits pursuant to this section, except that such  
15 surviving spouse shall not be entitled to recover any benefits not received  
16 after the termination of benefits by reason of such surviving spouse's  
17 remarriage but before the effective date of this act.

18 (b) Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and  
19 amendments thereto, to the member's children under the age of 18 years  
20 or under the age of 23 years, if such children are full-time students as  
21 provided in K.S.A. 74-49,117 and amendments thereto an annual chil-  
22 dren's benefit equal to 10% of the member's final average salary for each  
23 such child, which shall accrue from the first day of the month coinciding  
24 with or following the member's death and shall end on the last day of the  
25 month in which such child attains the age of 18 years or dies, whichever  
26 occurs earlier or in which such child attains the age of 23 years, if such  
27 child is a full-time student as provided in K.S.A. 74-49,117 and amend-  
28 ments thereto, except that if there is no eligible spouse, or if upon the  
29 death of the spouse there remain one or more children under the age of  
30 18 years or under the age of 23 years, if such children are full-time stu-  
31 dents as provided in K.S.A. 74-49,117 and amendments thereto, the an-  
32 nual spouse's benefit shall be paid in equal shares to such children and  
33 each child's share shall end on the last day of the month in which such  
34 child attains the age of 18 years or dies, whichever occurs earlier or in  
35 which such child attains the age of 23 years, if such child is a full-time  
36 student as provided in K.S.A. 74-49,117 and amendments thereto. Com-  
37 mencing on the effective date of this act, any child who was receiving  
38 benefits pursuant to this section and who had such benefits terminated  
39 by reason of such child's marriage, shall be entitled to once again receive  
40 benefits pursuant to this section subject to the limitations contained in  
41 this section, except that such child shall not be entitled to recover any  
42 benefits not received after the termination of benefits by reason of such  
43 child's marriage but before the effective date of this act.

1 (c) In no case shall benefits payable under the provisions of para-  
2 graphs (a) and (b) of this subsection (1) exceed 75% of the member's  
3 final average salary.

4 (2) Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and  
5 amendments thereto, upon the death from causes not service-connected  
6 of an active contributing member prior to retirement, the member's  
7 spouse, if lawfully wedded to the member at the time of the member's  
8 death, shall receive immediately a lump-sum benefit equal to 100% of  
9 the member's final average salary and shall be entitled to receive an annual  
10 death benefit equal to the member's retirement benefit calculated  
11 as if the member had retired on the member's normal retirement date,  
12 but based upon the member's final average salary and years of credited  
13 service on the date of death but not to exceed the amount of the annual  
14 spouse's benefit provided in paragraph (a) of subsection (1). An applica-  
15 tion for such benefits in such form and manner as prescribed by the board  
16 must be filed in the office of the executive ~~secretary~~ *director* of the board  
17 within two years of the date of death, but the board may waive such time  
18 limit for a reasonable period if in the judgment of the board the failure  
19 to meet this limit was due to the lack of knowledge or incapacity. On and  
20 after July 1, 1993, the annual spouse's benefit under this subsection (2)  
21 shall accrue from the first day of the month coinciding with or following  
22 the member's death and shall continue until the spouse's death. Com-  
23 mencing on the effective date of this act, any surviving spouse, who was  
24 receiving benefits pursuant to this section and who had such benefits  
25 terminated by reason of such spouse's remarriage, shall be entitled to  
26 once again receive benefits pursuant to this section, except that such  
27 surviving spouse shall not be entitled to recover any benefits not received  
28 after the termination of benefits by reason of such surviving spouse's  
29 remarriage but before the effective date of this act. If there is no eligible  
30 spouse or if after the death of the spouse there remain one or more  
31 children of the member under the age of 18 years or one or more children  
32 of the member under the age of 23 years, if such children are full-time  
33 students as provided in K.S.A. 74-49,117 and amendments thereto, the  
34 spouse's benefit shall be payable, subject to the provisions of K.S.A. 2000  
35 Supp. 74-49,123 and amendments thereto, in equal shares to such chil-  
36 dren and each child's share shall end on the last day of the month in  
37 which such child attains the age of 18 years or dies, whichever occurs  
38 earlier or in which such child attains the age of 23 years, if such child is  
39 a full-time student as provided in K.S.A. 74-49,117 and amendments  
40 thereto. Commencing on the effective date of this act, any child who was  
41 receiving benefits pursuant to this section and who had such benefits  
42 terminated by reason of such child's marriage, shall be entitled to once  
43 again receive benefits pursuant to this section subject to the limitations



1 contained in this section, except that such child shall not be entitled to  
2 recover any benefits not received after the termination of benefits by  
3 reason of such child's marriage but before the effective date of this act.

4 (3) Upon the death of a member prior to retirement, if no benefits  
5 are payable under the provisions of subsection (1) or (2), the sum of the  
6 following shall be paid to the member's beneficiary: (a) The member's  
7 accumulated contributions; and (b) a lump sum death benefit equal to  
8 100% of the member's current annual salary reduced by the sum of the  
9 member's accumulated contributions paid as provided by this section.

10 (4) All payments due under this section to a minor shall be made to  
11 a legally appointed conservator of such minor as provided in subsection  
12 (7) of K.S.A. 74-4902 and amendments thereto.

13 Sec. 31. K.S.A. 2000 Supp. 74-4960 is hereby amended to read as  
14 follows: 74-4960. (1) If any active contributing member becomes totally  
15 and permanently disabled due to service-connected causes as defined in  
16 subsection (10) of K.S.A. 74-4952 and amendments thereto, such mem-  
17 ber shall be retired and the following benefits shall become payable and  
18 shall continue until the member's death or until the member recovers  
19 from the disability if: A report of the event in a form acceptable to the  
20 board is filed in the office of the executive ~~secretary~~ *director* of the board  
21 within 220 days after the date of the event or act of duty causing such  
22 disability; and an application for such benefit, in such form and manner  
23 as the board prescribes, is filed by the member or the member's author-  
24 ized representative in the office of the executive ~~secretary~~ *director* of the  
25 board within two years of the date of disability, *except the board may*  
26 *waive such two-year requirement if the board is presented with evidence*  
27 *that clearly warrants such a waiver:*

28 (a) On and after July 1, 1993, the member shall receive a retirement  
29 benefit equal to 50% of the member's final average salary or, if the mem-  
30 ber has no dependents, as defined in subsection (1)(b), the retirement  
31 benefit the member would have been entitled to as provided under K.S.A.  
32 74-4958 and amendments thereto had the member retired, whichever is  
33 greater. Such benefit shall accrue from the day upon which the member  
34 ceases to draw compensation.

35 (b) *Except as otherwise provided by this subsection*, each of the mem-  
36 ber's children under the age of 18 years or each of the member's children  
37 under the age of 23 years who is a full-time student as provided in K.S.A.  
38 74-49,117 and amendments thereto shall receive an annual benefit equal  
39 to 10% of the member's final average salary. Such benefit shall accrue  
40 from the day upon which the member ceases to draw compensation and  
41 shall end on the last day of the month in which each such child or children  
42 shall attain the age of 18 years or die, whichever occurs earlier or in which  
43 such children attain the age of 23 years, if such child is a full-time student

1 as provided in K.S.A. 74-49,117 and amendments thereto. Commencing  
2 on the effective date of this act, any child who was receiving benefits  
3 pursuant to this section and who had such benefits terminated by reason  
4 of such child's marriage, shall be entitled to once again receive benefits  
5 pursuant to this section subject to the limitations contained in this section,  
6 except that such child shall not be entitled to recover any benefits not  
7 received after the termination of benefits by reason of such child's mar-  
8 riage but before the effective date of this act. *For a member who becomes*  
9 *totally and permanently disabled as provided in this section on and after*  
10 *July 1, 2001, only the member's children who were born, conceived or*  
11 *adopted prior to the commencement of the member's disability are entitled*  
12 *to the annual benefit as provided in this subsection.*

13 (c) In no case shall the total of the benefits payable under paragraphs  
14 (a) and (b) of this subsection (1) be in excess of 75% of the member's  
15 final average salary.

16 (d) In the event a member who is retired under subsection (1) dies  
17 within two years after the date of such retirement and no benefits are  
18 payable under subsection (3) of K.S.A. 74-4958 and amendments thereto,  
19 then benefits may be payable under subsection (1) of K.S.A. 74-4959 and  
20 amendments thereto.

21 (e) In the event a member who is retired under subsection (1) dies  
22 more than two years after the date of such retirement, and the proximate  
23 cause of such death is the service-connected cause from which the disa-  
24 bility resulted and no benefits are payable under subsection (3) of K.S.A.  
25 74-4958 and amendments thereto, then benefits may be payable under  
26 subsection (1) of K.S.A. 74-4959 and amendments thereto. The provisions  
27 of this paragraph (e) of this subsection (1) shall apply in all cases of such  
28 members who die after June 30, 1978.

29 (f) In the event a member who is retired under subsection (1) dies  
30 after the date of such retirement, and no benefits are payable under  
31 paragraphs (d) and (e) of subsection (1), nor under subsection (3) of  
32 K.S.A. 74-4958 and amendments thereto, the following benefits shall be  
33 payable:

34 (i) To the member's spouse, if lawfully wedded to the member at the  
35 time of the member's death, a lump-sum benefit equal to 50% of the  
36 member's final average salary at the time of the member's retirement.

37 (ii) To the member's spouse, if lawfully wedded to the member at  
38 the time of the member's death, an annual benefit equal to 50% of the  
39 member's retirement benefit payable in monthly installments, to accrue  
40 from the first day of the month following the member's date of death and  
41 ending on the last day of the month in which the spouse dies. Com-  
42 mencing on the effective date of this act, any surviving spouse, who was  
43 receiving benefits pursuant to this section and who had such benefits

1 terminated by reason of such spouse's remarriage, shall be entitled to  
2 once again receive benefits pursuant to this section, except that such  
3 surviving spouse shall not be entitled to recover any benefits not received  
4 after the termination of benefits by reason of such surviving spouse's  
5 remarriage but before the effective date of this act. If there is no surviving  
6 spouse, or if after the death of the spouse there remain one or more  
7 children under the age of 18 years or one or more children under the age  
8 of 23 years who is a full-time student as provided in K.S.A. 74-49,117 and  
9 amendments thereto, the annual spouse's benefit shall be payable, subject  
10 to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments  
11 thereto, in equal shares to such children and each child's share shall end  
12 on the last day of the month in which such child attains the age of 18  
13 years or dies, whichever occurs earlier or in which such child attains the  
14 age of 23 years, if such child is a full-time student as provided in K.S.A.  
15 74-49,117 and amendments thereto. Commencing on the effective date  
16 of this act, any child who was receiving benefits pursuant to this section  
17 and who had such benefits terminated by reason of such child's marriage,  
18 shall be entitled to once again receive benefits pursuant to this section  
19 subject to the limitations contained in this section, except that such child  
20 shall not be entitled to recover any benefits not received after the ter-  
21 mination of benefits by reason of such child's marriage but before the  
22 effective date of this act.

23 The provisions of paragraph (f) of subsection (1) shall apply in all cases  
24 of such members who die after December 1, 1984.

25 (2) (a) If any active contributing member, prior to such member's  
26 normal retirement, becomes totally and permanently disabled for a period  
27 of 180 days from causes not service-connected, and not as the result of a  
28 willfully negligent or intentional act of the member, such member shall  
29 be retired and the following benefit shall become payable and shall con-  
30 tinue until the member's death or until the member recovers from such  
31 disability, whichever occurs first, if a report of the disability in a form  
32 acceptable to the board is filed in the office of the executive ~~secretary~~  
33 *director* of the board within 220 days after the date of the commencement  
34 of such disability and if an application for such benefit in such form and  
35 manner as the board shall prescribe is filed in the office of the executive  
36 ~~secretary~~ *director* of the board within two years of the date of disability,  
37 *except that the board may waive such two-year requirement, if the board*  
38 *is presented with evidence that clearly warrants such a waiver.*

39 A retirement benefit equal to 2.5% of the member's final average salary  
40 multiplied by the number of years of credited service or the retirement  
41 benefit the member would have been entitled to as provided under K.S.A.  
42 74-4958 and amendments thereto had the member retired, whichever is  
43 greater, multiplied by the number of years of credited service except that

1 such retirement benefit shall be at least equal to 25% of the member's  
2 final average salary but shall not exceed the amount of the retirement  
3 benefit provided in paragraph (a) of subsection (1). Such benefit shall not  
4 become payable until satisfactory evidence shall be presented to the board  
5 that the member is and has been totally and permanently disabled for a  
6 period of 180 days, but benefits shall accrue from the day upon which  
7 the member ceases to draw compensation.

8 ~~Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and~~  
9 ~~amendments there,~~ In the event a member who is retired under subsec-  
10 tion (2) dies after the date of such retirement, ~~and no benefits are payable~~  
11 ~~under subsection (3) of K.S.A. 74-4958 and amendments thereto,~~ the  
12 following benefits shall be payable:

13 (i) ~~Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and~~  
14 ~~amendments thereto,~~ to the member's spouse, if lawfully wedded to the  
15 member at the time of the member's death ~~and if no benefits are payable~~  
16 ~~under subsection (3) of K.S.A. 74-4958, and amendments thereto,~~ a lump-  
17 sum benefit equal to 50% of the member's final average salary at the time  
18 of the member's retirement.

19 (ii) To the member's spouse, if lawfully wedded to the member at  
20 the time of the member's death, an annual benefit equal to 50% of the  
21 member's retirement benefit payable in monthly installments, to accrue  
22 from the first day of the month following the member's date of death and  
23 ending on the last day of the month in which the spouse dies. Commencing on the effective date of this act, any surviving spouse, who was  
24 receiving benefits pursuant to this section and who had such benefits  
25 terminated by reason of such spouse's remarriage, shall be entitled to  
26 once again receive benefits pursuant to this section, except that such  
27 surviving spouse shall not be entitled to recover any benefits not received  
28 after the termination of benefits by reason of such surviving spouse's  
29 remarriage but before the effective date of this act. If there is no surviving  
30 spouse, or if after the death of the spouse there remain one or more  
31 children under the age of 18 years or one or more children under the age  
32 of 23 years who are full-time students as provided in K.S.A. 74-49,117  
33 and amendments thereto, the ~~annual~~ spouse's benefit shall be payable,  
34 subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments  
35 thereto, in equal shares to such children and each child's share shall end  
36 on the last day of the month in which such child attains the age of 18  
37 years or dies, whichever occurs earlier or in which such child attains the  
38 age of 23 years, if such child is a full-time student as provided in K.S.A.  
39 74-49,117 and amendments thereto. Commencing on the effective date  
40 of this act, any child who was receiving benefits pursuant to this section  
41 and who had such benefits terminated by reason of such child's marriage,  
42 shall be entitled to once again receive benefits pursuant to this section  
43

1 subject to the limitations contained in this section, except that such child  
2 shall not be entitled to recover any benefits not received after the ter-  
3 mination of benefits by reason of such child's marriage but before the  
4 effective date of this act.

5 The provisions of paragraph (b) of subsection (2) shall apply in all cases  
6 of such members who die after July 1, 1989.

7 (3) Any member who was employed for compensation by an em-  
8 ployer other than the member's participating employer and whose disa-  
9 bility was incurred in the course of such other employment shall not be  
10 eligible for any of the benefits provided in subsection (2).

11 (4) If a member becomes totally and permanently disabled and no  
12 benefits are payable under subsection (1) or (2), the sum of the member's  
13 accumulated contributions shall be paid to the member.

14 (5) Any member receiving benefits under this section shall submit to  
15 medical examination, not more frequent than annually, by one or more  
16 physicians or any other practitioners of the healing arts holding a valid  
17 license issued by Kansas state board of healing arts, as the board of trus-  
18 tees may direct. If upon such medical examination, the examiner's report  
19 to the board states that the retirant is physically able and capable of re-  
20 suming employment with the same or a different participating employer,  
21 the disability benefits shall terminate. A retirant who has been receiving  
22 benefits under the provisions of this section and who returns to employ-  
23 ment, as defined in subsection (4) of K.S.A. 74-4952 and amendments  
24 thereto, of a participating employer shall immediately commence accru-  
25 ing service credit which shall be added to that which has been accrued  
26 by virtue of previous service.

27 (6) Any retirant who has been receiving benefits under the provisions  
28 of this section for a period of five years shall be deemed finally retired  
29 and shall not be subject to further medical examinations, except that if  
30 the board of trustees shall have reasonable grounds to question whether  
31 the retirant remains totally and permanently disabled, a further medical  
32 examination or examinations may be required.

33 (7) Refusal or neglect to submit to examination as provided in sub-  
34 section (5) shall be sufficient cause for suspending or discontinuing ben-  
35 efit payments under this section and if such refusal or neglect shall con-  
36 tinue for a period of one year, the member's rights in and to all benefits  
37 under this system may be revoked by the board.

38 (8) Any retirement benefits payable under the provisions of this sec-  
39 tion shall be in lieu of normal retirement benefits as provided in subsec-  
40 tions (1) and (2) of K.S.A. 74-4958 and amendments thereto.

41 (9) Each member shall report to such member's participating em-  
42 ployer any event or act of duty causing disability within 200 days after  
43 such event or act of duty. The member's participating employer shall file

1 in the office of the executive ~~secretary~~ *director* of the board, in a form  
2 acceptable to the board, a report of the event or act of duty causing  
3 disability within 220 days after the event or act of duty.

4 (10) In any case of any event occurring prior to July 1, 1979, and after  
5 June 30, 1998, for which a report of the event was made by the partici-  
6 pating employer to the director of ~~workers'~~ *workers* compensation in ac-  
7 cordance with K.S.A. 44-557 and amendments thereto, such report to the  
8 director of ~~workers'~~ *workers* compensation shall satisfy the requirement  
9 under subsection (1) of this section to file a report of such event, in a  
10 form acceptable to the board within 220 days. No such report to the  
11 director of workers' compensation shall be deemed to satisfy such re-  
12 quirement with respect to events occurring on or after July 1, 1979, and  
13 prior to July 1, 1998.

14 (11) All payments due under this section to a minor shall be made to  
15 a legally appointed conservator of such minor.

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

19 (13) Any retirant who has been receiving benefits under the provi-  
20 sions of this section and who returns to employment with the same or  
21 different participating employer in the system shall be deemed no longer  
22 retired.

23 (14) *Upon the death of a member after retirement, if no benefits are*  
24 *payable under the provisions of this section, the excess, if any, of the*  
25 *retirant's accumulated contributions over the sum of all benefits paid shall*  
26 *be paid to the member's beneficiary.*

27 Sec. 32. K.S.A. 2000 Supp. 74-4960a is hereby amended to read as  
28 follows: 74-4960a. (1) If any active contributing member who is appointed  
29 or employed on or after July 1, 1989, or who makes an election pursuant  
30 to K.S.A. 74-4955a and amendments thereto to be covered by the pro-  
31 visions of this act becomes disabled as defined in subsection (2), such  
32 member shall receive a monthly benefit equal to 50% of the member's  
33 final average salary at the time such member was disabled payable in  
34 monthly installments, accruing from the first day upon which the member  
35 ceases to draw compensation, if a report of the disability in such form  
36 and manner as the board shall prescribe is filed in the office of the ex-  
37 ecutive ~~secretary~~ *director* of the board within 220 days after the date of  
38 the commencement of such disability and if an application for such ben-  
39 efit in such form and manner as the board shall prescribe is filed in the  
40 office of the executive ~~secretary~~ *director* of the board within two years of  
41 the date of the commencement of such disability, *except that the board*  
42 *may waive such two-year requirement, if the board is presented with*  
43 *evidence that clearly warrants such a waiver.*

1 (2) For the purposes of this section, “disabled” means total inability  
2 to perform permanently the duties of the position of policeman or  
3 fireman.

4 ~~Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and~~  
5 ~~amendments thereto, In the event a member who is disabled and entitled~~  
6 ~~to such benefits as provided in subsection (1) dies after the date of such~~  
7 ~~disability, and no benefits are payable under subsection (3) of K.S.A. 74-~~  
8 ~~4958 and amendments thereto, the following benefits shall be payable:~~

9 (i) ~~Pursuant to the provisions of K.S.A. 2000 Supp. 74-49,128, and~~  
10 ~~amendments thereto, to the member’s spouse, if lawfully wedded to the~~  
11 ~~member at the time of the member’s death, and if no benefits are payable~~  
12 ~~under subsection (3) of K.S.A. 74-4958a, and amendments thereto, a~~  
13 ~~lump-sum benefit equal to 50% of the member’s final average salary at~~  
14 ~~the time such member was disabled.~~

15 (ii) To the member’s spouse, if lawfully wedded to the member at  
16 the time of the member’s death, an annual benefit equal to 50% of the  
17 member’s benefit payable in monthly installments, to accrue from the  
18 first day of the month following the member’s date of death and ending  
19 on the last day of the month in which the spouse dies. Commencing on  
20 the effective date of this act, any surviving spouse, who was receiving  
21 benefits pursuant to this section and who had such benefits terminated  
22 by reason of such spouse’s remarriage, shall be entitled to once again  
23 receive benefits pursuant to this section, except that such surviving spouse  
24 shall not be entitled to recover any benefits not received after the ter-  
25 mination of benefits by reason of such surviving spouse’s remarriage but  
26 before the effective date of this act. If there is no surviving spouse, or if  
27 after the death of the spouse there remain one or more children under  
28 the age of 18 years or one or more children under the age of 23 years  
29 who is a full-time student as provided in K.S.A. 74-49,117 and amend-  
30 ments thereto, the ~~annual~~ spouse’s benefit shall be payable, subject to  
31 the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto,  
32 in equal shares to such children and each child’s share shall end on the  
33 last day of the month in which such child attains the age of 18 years or  
34 dies, whichever occurs earlier or in which such child attains the age of 23  
35 years, if such child is a full-time student as provided in K.S.A. 74-49,117  
36 and amendments thereto. Commencing on the effective date of this act,  
37 any child who was receiving benefits pursuant to this section and who  
38 had such benefits terminated by reason of such child’s marriage, shall be  
39 entitled to once again receive benefits pursuant to this section subject to  
40 the limitations contained in this section, except that such child shall not  
41 be entitled to recover any benefits not received after the termination of  
42 benefits by reason of such child’s marriage but before the effective date  
43 of this act.

1 (4) Any member who was employed for compensation by an em-  
2 ployer other than the member's participating employer and whose disa-  
3 bility was incurred in the course of such other employment shall not be  
4 eligible for any of the benefits provided in subsection (1) or (3).

5 (5) If a member becomes totally and permanently disabled and no  
6 benefits are payable under subsection (1), the sum of the member's ac-  
7 cumulated contributions shall be paid to the member.

8 (6) Any member receiving benefits under this section shall submit to  
9 medical examination, not more frequent than annually, by one or more  
10 physicians or any other practitioners of the healing arts holding a valid  
11 license issued by the state board of healing arts to practice a branch of  
12 the healing arts, as the board of trustees may direct. If upon such medical  
13 examination, the examiner's report to the board states that the member  
14 is physically able and capable of resuming employment with the same or  
15 a different participating employer, the disability benefits shall terminate.  
16 A member who has been receiving benefits under the provisions of this  
17 section and who returns to employment, as defined in subsection (4) of  
18 K.S.A. 74-4952 and amendments thereto, of a participating employer shall  
19 immediately commence accruing service credit which shall be added to  
20 that which has been accrued by virtue of previous service.

21 (7) Any member who has been receiving benefits under the provi-  
22 sions of this section for a period of five years shall be deemed permanent  
23 and shall not be subject to further medical examinations, except that if  
24 the board of trustees shall have reasonable grounds to question whether  
25 the member remains totally and permanently disabled, a further medical  
26 examination or examinations may be required.

27 (8) Refusal or neglect to submit to examination as provided in sub-  
28 section (6) shall be sufficient cause for suspending or discontinuing ben-  
29 efit payments under this section and if such refusal or neglect shall con-  
30 tinue for a period of one year, the member's rights in and to all benefits  
31 under this system may be revoked by the board.

32 (9) In the event that a member becomes disabled and is eligible for  
33 benefits provided in this section, such member shall be given participating  
34 service credit for the entire period of such disability.

35 (10) Any member who is receiving benefits pursuant to this section  
36 shall file annually a statement of earnings for the previous year in such  
37 form and manner as the board shall prescribe. Any disability benefit paid  
38 to a member entitled to such benefit pursuant to this section shall be  
39 reduced by the board in an amount equal to a \$1 reduction in such benefit  
40 for every \$2 of earnings of such member which were earned during the  
41 previous year while such member was disabled. Such reduction shall ap-  
42 ply only to a member's earnings which exceed \$10,000.

43 (11) Any benefits provided pursuant to this section and any partici-



1 pating service credit given pursuant to subsection (9) shall terminate upon  
2 the earliest date such member is eligible for retirement upon attainment  
3 of the normal retirement date as provided in K.S.A. 74-4964a and amend-  
4 ments thereto.

5 (12) Any member who has received benefits under the provisions of  
6 this section for a period of five years or more immediately preceding  
7 retirement shall have such member's final average salary adjusted upon  
8 retirement by the actuarial salary assumption rates in existence during  
9 such period. Effective July 1, 1993, each member's current annual rate  
10 shall be adjusted upon retirement by 5% for each year of disability after  
11 July 1, 1993, but before July 1, 1998. Effective July 1, 1998, such mem-  
12 ber's current annual rate shall be adjusted upon retirement by an amount  
13 equal to the lesser of: (1) The percentage increase in the consumer price  
14 index for all urban consumers as published by the bureau of labor statistics  
15 of the United States department of labor minus one percent; or (2) four  
16 percent per annum, measured from the member's last day on the payroll  
17 to the month that is two months prior to the month of retirement, for  
18 each year of disability after July 1, 1998.

19 (13) All payments due under this section to a minor shall be made to  
20 a legally appointed conservator of such minor.

21 (14) The provisions of this section shall be effective on and after July  
22 1, 1989 and shall apply only to members who were appointed or employed  
23 prior to July 1, 1989, and who made an election pursuant to K.S.A. 74-  
24 4955a and amendments thereto; and persons appointed or employed on  
25 or after July 1, 1989.

26 (15) Any retirant who has been receiving benefits under the provi-  
27 sions of this section and who returns to employment with the same or  
28 different participating employer in the system shall be deemed no longer  
29 retired.

30 *(16) Upon the death of a member after retirement, if no benefits are*  
31 *payable under the provisions of this section, the excess, if any, of the*  
32 *retirant's accumulated contributions over the sum of all benefits paid shall*  
33 *be paid to the member's beneficiary.*

34 Sec. 33. K.S.A. 2000 Supp. 74-4963 is hereby amended to read as  
35 follows: 74-4963. (1) Upon termination of employment prior to the com-  
36 pletion of 20 years of credited service, after 30 days after such termination  
37 a member may withdraw such member's accumulated contributions or  
38 elect to leave such accumulated contributions on deposit with the system.  
39 If the member elects to leave the accumulated contributions on deposit  
40 with the system and if the member returns to employment with the same  
41 or another participating employer within five years, such member shall  
42 receive credit for such member's service prior to such termination. If the  
43 member does not elect to leave the accumulated contributions on deposit

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

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

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

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

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

30 (5) If a member, who has a vested retirement benefit, again becomes  
31 an employee of a participating employer, the amount of the member's  
32 vested retirement benefit shall remain in effect, and any retirement ben-  
33 efit such member subsequently accrues shall be calculated separately  
34 based on credited service after again becoming an employee and shall be  
35 added to that which had been vested by virtue of previous service. Eli-  
36 gibility of such member for retirement benefits and procedures for mak-  
37 ing application for retirement benefits shall be in accordance with K.S.A.  
38 74-4957 and amendments thereto.

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

1 Supp. 74-49,123 and amendments thereto, to purchase service credit for  
2 the previously forfeited service credit by means of a single lump-sum  
3 payment and such service shall be recredited to that system. The amount  
4 of the lump-sum payment shall be determined by the actuary using the  
5 member's then current annual rate of compensation and the actuarial  
6 assumptions and tables then currently in use by that retirement system.

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

10 Sec. 34. K.S.A. 2000 Supp. 74-4963a is hereby amended to read as  
11 follows: 74-4963a. (1) Upon termination of employment prior to the com-  
12 pletion of 15 years of credited service, after 30 days after such termination  
13 a member may withdraw such member's accumulated contributions or  
14 elect to leave such accumulated contributions on deposit with the system.  
15 If the member elects to leave the accumulated contributions on deposit  
16 with the system and if the member returns to employment with the same  
17 or another participating employer within five years, such member shall  
18 receive credit for such member's service prior to such termination. If the  
19 member does not elect to leave the accumulated contributions on deposit  
20 or if the member does not return to covered employment within five  
21 years, such member shall no longer be a member of the system and the  
22 sum of such member's accumulated contributions then on deposit with  
23 this system shall be paid to such member after making application in a  
24 form prescribed by the board and after the system has a reasonable time  
25 to process the application for withdrawal. Upon proper notification by  
26 the system, member contributions not on deposit with the system shall  
27 be paid to the member by the participating employer.

28 (2) If, after termination and withdrawal of accumulated contribu-  
29 tions, a former member returns to covered employment, except as oth-  
30 erwise provided in subsection (1), the former member shall become a  
31 member of the system as provided in subsection (2) of K.S.A. 74-4955  
32 and amendments thereto. Any former member returning to covered em-  
33 ployment may, at the former member's option, ~~pay to the system within~~  
34 ~~31 days of the former member's return to covered employment, the total~~  
35 ~~of the former member's withdrawn accumulated contributions plus in-~~  
36 ~~terest at a rate specified by the board, in which case the member shall~~  
37 ~~receive full credit for the member's service prior to the member's ter-~~  
38 ~~mination. Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and~~  
39 ~~amendments thereto, members who do not elect to repay within 31 days~~  
40 ~~of return to covered employment may elect to purchase previously for-~~  
41 ~~feited service any time prior to retirement. Such purchase shall be made~~  
42 ~~by a lump sum payment equal to 1.75% of the member's current annual~~  
43 ~~salary for each quarter of previously forfeited participating service which~~

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

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

32 (4) If a member has completed 15 years of credited service at date  
33 of termination, the member shall be granted automatically a vested re-  
34 tirement benefit in the system, but any time prior to the commencement  
35 of retirement benefit payments and before attaining age 55 the member  
36 may withdraw the member's accumulated contributions, whereupon the  
37 member's membership in this system ceases and no other amounts shall  
38 be payable for the member's prior and participating service credit. Eli-  
39 gibility of such member, who has not withdrawn the member's accumu-  
40 lated contributions, for retirement benefits and procedures for making  
41 application for retirement benefits shall be in accordance with K.S.A. 74-  
42 4957 and amendments thereto, except that in lieu of the three-month  
43 notice of intention to retire being made to the employer, such member

1 shall make application for retirement in a form prescribed by the board  
2 and retirement benefits shall accrue from the first day of the month fol-  
3 lowing receipt of such application. The amount of the retirement benefit  
4 shall be determined as provided in K.S.A. 74-4958 and amendments  
5 thereto.

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

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

26 (7) The provisions of this section shall be effective on and after July  
27 1, 1989 and shall apply only to members who were appointed or employed  
28 prior to July 1, 1989, and who made an election pursuant to K.S.A. 74-  
29 4955a and amendments thereto; and persons appointed or employed on  
30 or after July 1, 1989.

31 Sec. 35. K.S.A. 2000 Supp. 74-4964 is hereby amended to read as  
32 follows: 74-4964. (1) A member may elect to have such member's retire-  
33 ment benefit paid under one of the options provided in this section in  
34 lieu of having it paid in the form stated in subsections (1) and (2) of K.S.A.  
35 74-4958 and amendments thereto. Such election must be made before  
36 the date of actual retirement. Only a specific individual person may be  
37 designated as a joint annuitant at the time of election of the joint and  $\frac{1}{2}$   
38 to joint annuitant survivor option, the joint and survivor option and the  
39 joint and  $\frac{3}{4}$  to joint annuitant survivor option. Under no circumstances  
40 may an option be changed or canceled nor the named joint annuitant  
41 changed after the date of actual retirement of the member.

42 (2) The amount of a retirement benefit payable under an option shall  
43 be based on the age of the member and, if applicable, the age of the joint

1 annuitant, and shall be such amount as to be the actuarial equivalent of  
2 the retirement benefit otherwise payable under subsections (1) or (2) of  
3 K.S.A. 74-4958 and amendments thereto as prescribed under subsection  
4 (5). In no case shall the total amount of retirement benefit paid under  
5 any option provided in this section be more than 100% of the retirement  
6 benefit which would have been otherwise payable if no option had been  
7 elected under this section.

8 (3) If a member who was, up to the entry date of such member's  
9 employer, covered by a pension system under the provisions of K.S.A.  
10 13-14a01 to 13-14a14, inclusive or 14-10a01 through 14-10a15, inclusive,  
11 and amendments thereto so elects one of the options under this section,  
12 payment of such option shall be in lieu of any payments provided in  
13 subsection (3) of K.S.A. 74-4958 and amendments thereto.

14 (4) Such election of an option shall become null and void upon the  
15 death of a member prior to such member's retirement, except that if a  
16 member, who is eligible to retire in accordance with the provisions of  
17 subsections (1) and (2) of K.S.A. 74-4958 and amendments thereto, dies  
18 without having actually retired the member's spouse, if the spouse is  
19 beneficiary for the member's accumulated contributions, and no benefits  
20 are payable under subsections (1) and (2) of K.S.A. 74-4959 and amend-  
21 ments thereto, may elect to receive benefits under one of the options  
22 provided in this section, in lieu of receiving the member's accumulated  
23 contributions.

24 (5) The following retirement options which are subject to the provi-  
25 sions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, are  
26 available:

27 (A) *Joint and 1/2 to joint annuitant survivor.* A reduced retirement  
28 benefit is payable to the retirant during the retirant's lifetime in a monthly  
29 amount equal to the product of (A) the monthly payment of the retire-  
30 ment annuity otherwise payable under K.S.A. 74-4958 and amendments  
31 thereto and (B) the percentage equal to 94.5% minus .2% for each year  
32 by which the age of the retirant's joint annuitant is less than the retirant's  
33 age, computed to the nearest whole year, or plus .2% for each year by  
34 which the age of the retirant's joint annuitant is more than the retirant's  
35 age, computed to the nearest whole year, with 1/2 of that monthly amount  
36 continued to the retirant's joint annuitant during such joint annuitant's  
37 remaining lifetime, if any, after the death of the retirant. In the event that  
38 the designated joint annuitant under this option predeceases the retirant,  
39 the amount of the retirement benefit otherwise payable to the retirant  
40 under this option shall be adjusted automatically to the retirement benefit  
41 which the retirant would have received if no option had been elected  
42 under this section.

43 (B) *Joint and survivor.* A reduced retirement benefit is payable to

1 the retirant during the retirant's lifetime in a monthly amount equal to  
2 the product of (A) the monthly payment of the retirement annuity oth-  
3 erwise payable under K.S.A. 74-4958 and amendments thereto and (B)  
4 the percentage equal to 88% minus .4% for each year by which the age  
5 of the retirant's joint annuitant is less than the retirant's age, computed  
6 to the nearest whole year, or plus .4% for each year by which the age of  
7 the retirant's joint annuitant is more than the retirant's age, computed to  
8 the nearest whole year, with that monthly amount continued to the joint  
9 annuitant during the joint annuitant's remaining lifetime, if any, after the  
10 death of retirant. In the event that the designated joint annuitant under  
11 this option predeceases the retirant, the amount of the retirement benefit  
12 otherwise payable to the retirant under this option shall be adjusted au-  
13 tomatically to the retirement benefit which the retirant would have re-  
14 ceived if no option had been elected under this section.

15 (C) *Joint and  $\frac{3}{4}$  to joint annuitant survivor.* A reduced retirement  
16 benefit is payable to the retirant during the retirant's lifetime in a monthly  
17 amount equal to the product of (A) the monthly payment of the retire-  
18 ment annuity otherwise payable under K.S.A. 74-4958 and amendments  
19 thereto and (B) the percentage equal to 91% minus .3% for each year by  
20 which the age of the retirant's joint annuitant is less than the retirant's  
21 age, computed to the nearest whole year, or plus .3% for each year by  
22 which the age of the retirant's joint annuitant is more than the retirant's  
23 age, computed to the nearest whole year, with  $\frac{3}{4}$  of that monthly amount  
24 continued to the retirant's joint annuitant during such joint annuitant's  
25 remaining lifetime, if any, after the death of the retirant. In the event that  
26 the designated joint annuitant under this option predeceases the retirant,  
27 the amount of the retirement benefit otherwise payable to the retirant  
28 under this option shall be adjusted automatically to the retirement benefit  
29 which the retirant would have received if no option had been elected  
30 under this section.

31 (D) *Life with 5 years certain.* A reduced retirement benefit is payable  
32 to the retirant during the retirant's lifetime in a monthly amount equal  
33 to 99% of the monthly payment of the retirement benefit otherwise pay-  
34 able under K.S.A. 74-4958 and amendments thereto, and if the retirant  
35 dies within the five-year certain period, measured from the commence-  
36 ment of retirement benefit payments, such payments will be continued  
37 to the retirant's beneficiary during the balance of the five-year certain  
38 period.

39 (E) *Life with 10 years certain.* A reduced retirement benefit is pay-  
40 able to the retirant during the retirant's lifetime in a monthly amount  
41 equal to 98% of the monthly payment of the retirement benefit otherwise  
42 payable under K.S.A. 74-4958 and amendments thereto, and if the retir-  
43 ant dies within the ten-year certain period, measured from the com-



1 commencement of retirement benefit payments, such payments will be con-  
2 tinued to the retirant's beneficiary during the balance of the ten-year  
3 certain period.

4 (F) *Life with 15 years certain.* A reduced retirement benefit is pay-  
5 able to the retirant during the retirant's lifetime in a monthly amount  
6 equal to 92% of the monthly payment of the retirement benefit otherwise  
7 payable under K.S.A. 74-4958 and amendments thereto, and if the retir-  
8 ant dies within the fifteen-year certain period, measured from the com-  
9 mencement of retirement benefit payments, such payments will be con-  
10 tinued to the retirant's beneficiary during the balance of the fifteen-year  
11 certain period.

12 (G) *Lump sum payment at retirement.* (i) Pursuant to this option, the  
13 member must specify a lump sum amount to be paid to the member  
14 upon the member's retirement. The lump sum amount will be based on  
15 the actuarial present value of the benefit as provided in K.S.A. 74-4958,  
16 and amendments thereto. The lump sum amount designated by the mem-  
17 ber must be in 10% increments and shall not exceed  $\frac{1}{2}$  of the actuarial  
18 present value of the benefit provided in K.S.A. 74-4958, and amendments  
19 thereto.

20 (ii) Pursuant to this option, the member must elect to have the re-  
21 maining actuarial present value paid in a monthly amount under the pro-  
22 visions of K.S.A. 74-4958, and amendments thereto, or subsections (5)(A)  
23 through (5)(F) of this section.

24 (iii) ~~The amount of any retirement benefit payable pursuant to this~~  
25 ~~subsection shall remain as provided in this subsection even in the event~~  
26 ~~that the designated joint annuitant pursuant to subsections (5)(A), (5)(B)~~  
27 ~~or (5)(C) predeceases the retirant. In the event that the designated joint~~  
28 ~~annuitant pursuant to subsection (5)(A), (5)(B) or (5)(C) under this option~~  
29 ~~predeceases the retirant, the amount of the retirement benefit otherwise~~  
30 ~~payable to the retirant under this option shall be adjusted automatically~~  
31 ~~to the retirement benefit which the retirant would have received if no~~  
32 ~~option had been elected under this section.~~

33 (iv) The provisions of this subsection shall be effective on and after  
34 July 1, 2001.

35 (6) On and after July 1, 1996, if a member with 20 or more years of  
36 credited service dies before attaining retirement age, the member's  
37 spouse, if the spouse is the sole beneficiary for the member's accumulated  
38 contributions, may elect to receive benefits under one of the options  
39 provided in this section in lieu of receiving the member's accumulated  
40 contributions or in lieu of receiving benefits as provided in K.S.A. 74-  
41 4959 and amendments thereto. Payments under one of the options pro-  
42 vided in this section to the member's spouse if so elected, shall commence  
43 on the date that the member would have attained retirement age.

1 (7) Benefits payable to a joint annuitant shall accrue from the first  
2 day of the month following the death of a member or retirant and, in the  
3 case of the joint and  $\frac{1}{2}$  to joint annuitant survivor option, the joint and  
4 survivor option and the joint and  $\frac{3}{4}$  to joint annuitant survivor option,  
5 shall end on the last day of the month in which the joint annuitant dies.

6 (8) The provisions of the law in effect on the retirement date of a  
7 member under the system shall govern the retirement benefit payable to  
8 the retirant and any joint annuitant, except, for retirement benefits pay-  
9 able after July 1, 1993, for retirants who retired prior to July 1, 1982, in  
10 the event that the designated joint annuitant under the option provided  
11 in subsection (5)(A), (B) or (C), as applicable, predeceased the retirant,  
12 the amount of the retirement benefit otherwise payable to the retirant  
13 under the option provided in subsection (5)(A), (B) or (C), as applicable,  
14 shall be adjusted automatically to the retirement benefit which the retir-  
15 ant would have received if no option had been elected under this section.

16 (9) Upon the death of a joint annuitant who is receiving a retirement  
17 benefit under the provisions of this section, there shall be paid to such  
18 joint annuitant's beneficiary an amount equal to the excess, if any, of the  
19 accumulated contributions of the retirant over the sum of all retirement  
20 benefit payments made to such retirant and such joint annuitant. Such  
21 joint annuitant shall designate a beneficiary by filing in the office of the  
22 retirement system such designation at the time of death of the retirant.  
23 If there is no named beneficiary of such joint annuitant living at the time  
24 of death of such joint annuitant, any amount provided for by this section  
25 shall be paid to, in order of preference as follows:

- 26 (A) The joint annuitant's surviving spouse;
- 27 (B) the joint annuitant's dependent child or children;
- 28 (C) the joint annuitant's dependent parent or parents;
- 29 (D) the joint annuitant's nondependent child or children;
- 30 (E) the joint annuitant's nondependent parent or parents; or
- 31 (F) the estate of the deceased joint annuitant.

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

35 Sec. 36. K.S.A. 2000 Supp. 74-4964a is hereby amended to read as  
36 follows: 74-4964a. (1) A member may elect to have such member's re-  
37 tirement benefit paid under one of the options provided in this section  
38 in lieu of having it paid in the form stated in subsections (1) and (2) of  
39 K.S.A. 74-4958 and amendments thereto. Such election must be made  
40 before the date of actual retirement. Only a specific individual person  
41 may be designated as a joint annuitant at the time of election of the joint  
42 and  $\frac{1}{2}$  to joint annuitant survivor option, the joint and survivor option  
43 and the joint and  $\frac{3}{4}$  to joint annuitant survivor option. Under no circum-

1 stances may an option be changed or canceled nor the named joint an-  
2 nuitant changed after the date of actual retirement of the member.

3 (2) The amount of a retirement benefit payable under an option shall  
4 be based on the age of the member and, if applicable, the age of the joint  
5 annuitant, and shall be such amount as to be the actuarial equivalent of  
6 the retirement benefit otherwise payable under subsections (1) or (2) of  
7 K.S.A. 74-4958 and amendments thereto as prescribed under subsection  
8 (5). In no case shall the total amount of retirement benefit paid under  
9 any option provided in this section be more than 100% of the retirement  
10 benefit which would have been otherwise payable if no option had been  
11 elected under this section.

12 (3) If a member who was, up to the entry date of such member's  
13 employer, covered by a pension system under the provisions of K.S.A.  
14 13-14a01 through 13-14a14, inclusive or 14-10a01 through 14-10a15, in-  
15 clusive, and amendments thereto so elects one of the options under this  
16 section, payment of such option shall be in lieu of any payments provided  
17 in subsection (3) of K.S.A. 74-4958 and amendments thereto.

18 (4) Such election of an option shall become null and void upon the  
19 death of a member prior to such member's retirement, except that if a  
20 member, who is eligible to retire in accordance with the provisions of  
21 subsections (1) and (2) of K.S.A. 74-4958 and amendments thereto, dies  
22 without having actually retired the member's spouse, if the spouse is  
23 beneficiary for the member's accumulated contributions, and no benefits  
24 are payable under subsections (1) and (2) of K.S.A. 74-4959 and amend-  
25 ments thereto, may elect to receive benefits under one of the options  
26 provided in this section, in lieu of receiving the member's accumulated  
27 contributions.

28 (5) The following retirement options which are subject to the provi-  
29 sions of K.S.A. 2000 Supp. 74-49,123 and amendments thereto, are  
30 available:

31 (A) *Joint and 1/2 to joint annuitant survivor.* A reduced retirement  
32 benefit is payable to the retirant during the retirant's lifetime in a monthly  
33 amount equal to the product of (A) the monthly payment of the retire-  
34 ment annuity otherwise payable under K.S.A. 74-4958 and amendments  
35 thereto and (B) the percentage equal to 94.5% minus .2% for each year  
36 by which the age of the retirant's joint annuitant is less than the retirant's  
37 age, computed to the nearest whole year, or plus .2% for each year by  
38 which the age of the retirant's joint annuitant is more than the retirant's  
39 age, computed to the nearest whole year, with 1/2 of that monthly amount  
40 continued to the retirant's joint annuitant during such joint annuitant's  
41 remaining lifetime, if any, after the death of the retirant. In the event that  
42 the designated joint annuitant under this option predeceases the retirant,  
43 the amount of the retirement benefit otherwise payable to the retirant

1 under this option shall be adjusted automatically to the retirement benefit  
2 which the retirant would have received if no option had been elected  
3 under this section.

4 (B) *Joint and survivor.* A reduced retirement benefit is payable to  
5 the retirant during the retirant's lifetime in a monthly amount equal to  
6 the product of (A) the monthly payment of the retirement annuity oth-  
7 erwise payable under K.S.A. 74-4958 and amendments thereto and (B)  
8 the percentage equal to 88% minus .4% for each year by which the age  
9 of the retirant's joint annuitant is less than the retirant's age, computed  
10 to the nearest whole year, or plus .4% for each year by which the age of  
11 the retirant's joint annuitant is more than the retirant's age, computed to  
12 the nearest whole year, with that monthly amount continued to the joint  
13 annuitant during the joint annuitant's remaining lifetime, if any, after the  
14 death of retirant. In the event that the designated joint annuitant under  
15 this option predeceases the retirant, the amount of the retirement benefit  
16 otherwise payable to the retirant under this option shall be adjusted au-  
17 tomatically to the retirement benefit which the retirant would have re-  
18 ceived if no option had been elected under this section.

19 (C) *Joint and ¾ to joint annuitant survivor.* A reduced retirement  
20 benefit is payable to the retirant during the retirant's lifetime in a monthly  
21 amount equal to the product of (A) the monthly payment of the retire-  
22 ment annuity otherwise payable under K.S.A. 74-4958 and amendments  
23 thereto and (B) the percentage equal to 91% minus .3% for each year by  
24 which the age of the retirant's joint annuitant is less than the retirant's  
25 age, computed to the nearest whole year, or plus .3% for each year by  
26 which the age of the retirant's joint annuitant is more than the retirant's  
27 age, computed to the nearest whole year, with ¾ of that monthly amount  
28 continued to the retirant's joint annuitant during such joint annuitant's  
29 remaining lifetime, if any, after the death of the retirant. In the event that  
30 the designated joint annuitant under this option predeceases the retirant,  
31 the amount of the retirement benefit otherwise payable to the retirant  
32 under this option shall be adjusted automatically to the retirement benefit  
33 which the retirant would have received if no option had been elected  
34 under this section.

35 (D) *Life with 5 years certain.* A reduced retirement benefit is payable  
36 to the retirant during the retirant's lifetime in a monthly amount equal  
37 to 99% of the monthly payment of the retirement benefit otherwise pay-  
38 able under K.S.A. 74-4958 and amendments thereto, and if the retirant  
39 dies within the five-year certain period, measured from the commence-  
40 ment of retirement benefit payments, such payments will be continued  
41 to the retirant's beneficiary during the balance of the five-year certain  
42 period.

43 (E) *Life with 10 years certain.* A reduced retirement benefit is pay-

1 able to the retirant during the retirant's lifetime in a monthly amount  
2 equal to 98% of the monthly payment of the retirement benefit otherwise  
3 payable under K.S.A. 74-4958 and amendments thereto, and if the retir-  
4 ant dies within the ten-year certain period, measured from the com-  
5 mencement of retirement benefit payments, such payments will be con-  
6 tinued to the retirant's beneficiary during the balance of the ten-year  
7 certain period.

8 (F) *Life with 15 years certain.* A reduced retirement benefit is pay-  
9 able to the retirant during the retirant's lifetime in a monthly amount  
10 equal to 92% of the monthly payment of the retirement benefit otherwise  
11 payable under K.S.A. 74-4958 and amendments thereto, and if the retir-  
12 ant dies within the fifteen-year certain period, measured from the com-  
13 mencement of retirement benefit payments, such payments will be con-  
14 tinued to the retirant's beneficiary during the balance of the fifteen-year  
15 certain period.

16 (G) *Lump sum payment at retirement.* (i) Pursuant to this option, the  
17 member must specify a lump sum amount to be paid to the member  
18 upon the member's retirement. The lump sum amount will be based on  
19 the actuarial present value of the benefit as provided in K.S.A. 74-4958a,  
20 and amendments thereto. The lump sum amount designated by the mem-  
21 ber must be in 10% increments and shall not exceed  $\frac{1}{2}$  of the actuarial  
22 present value of the benefit provided in K.S.A. 74-4958a, and amend-  
23 ments thereto.

24 (ii) Pursuant to this option, the member must elect to have the re-  
25 maining actuarial present value paid in a monthly amount under the pro-  
26 visions of K.S.A. 74-4958a, and amendments thereto, or subsections  
27 (5)(A) through (5)(F) of this section.

28 ~~(iii) The amount of any retirement benefit payable pursuant to this~~  
29 ~~subsection shall remain as provided in this subsection even in the event~~  
30 ~~that the designated joint annuitant pursuant to subsections (5)(A), (5)(B)~~  
31 ~~or (5)(C) predeceases the retirant. In the event that the designated joint~~  
32 ~~annuitant pursuant to subsection (5)(A), (5)(B) or (5)(C) under this option~~  
33 ~~predeceases the retirant, the amount of the retirement benefit otherwise~~  
34 ~~payable to the retirant under this option shall be adjusted automatically~~  
35 ~~to the retirement benefit which the retirant would have received if no~~  
36 ~~option had been elected under this section.~~

37 (iv) The provisions of this subsection shall be effective on and after  
38 July 1, 2001.

39 (6) On and after July 1, 1996, if a member with 20 or more years of  
40 credited service dies before attaining retirement age, the member's  
41 spouse, if the spouse is the sole beneficiary for the member's accumulated  
42 contributions, may elect to receive benefits under one of the options  
43 provided in this section in lieu of receiving the member's accumulated

1 contributions or in lieu of receiving benefits as provided in K.S.A. 74-  
2 4959 and amendments thereto. Payments under one of the options pro-  
3 vided in this section to the member's spouse if so elected, shall commence  
4 on the date that the member would have attained retirement age.

5 (7) Benefits payable to a joint annuitant shall accrue from the first  
6 day of the month following the death of a member or retirant and, in the  
7 case of the joint and  $\frac{1}{2}$  to joint annuitant survivor option, the joint and  
8 survivor option and the joint and  $\frac{3}{4}$  to joint annuitant survivor option,  
9 shall end on the last day of the month in which the joint annuitant dies.

10 (8) The provisions of the law in effect on the retirement date of a  
11 member under the system shall govern the retirement benefit payable to  
12 the retirant and any joint annuitant, except, for retirement benefits pay-  
13 able after July 1, 1993, for retirants who retired prior to July 1, 1982, in  
14 the event that the designated joint annuitant under the option provided  
15 in subsection (5)(A), (B) or (C), as applicable, predeceased the retirant,  
16 the amount of the retirement benefit otherwise payable to the retirant  
17 under the option provided in subsection (5)(A), (B) or (C), as applicable,  
18 shall be adjusted automatically to the retirement benefit which the retir-  
19 ant would have received if no option had been elected under this section.

20 (9) Upon the death of a joint annuitant who is receiving a retirement  
21 benefit under the provisions of this section, there shall be paid to such  
22 joint annuitant's beneficiary an amount equal to the excess, if any, of the  
23 accumulated contributions of the retirant over the sum of all retirement  
24 benefit payments made to such retirant and such joint annuitant. Such  
25 joint annuitant shall designate a beneficiary by filing in the office of the  
26 retirement system such designation at the time of death of the retirant.  
27 If there is no named beneficiary of such joint annuitant living at the time  
28 of death of such joint annuitant, any amount provided for by this section  
29 shall be paid to, in order of preference as follows:

- 30 (A) The joint annuitant's surviving spouse;
- 31 (B) the joint annuitant's dependent child or children;
- 32 (C) the joint annuitant's dependent parent or parents;
- 33 (D) the joint annuitant's nondependent child or children;
- 34 (E) the joint annuitant's nondependent parent or parents; or
- 35 (F) the estate of the deceased joint annuitant.

36 (10) The provisions of this section shall be effective on and after July  
37 1, 1989, and shall apply only to members who were appointed or em-  
38 ployed prior to July 1, 1989, and who made an election pursuant to K.S.A.  
39 74-4955a and amendments thereto; and persons appointed or employed  
40 on or after July 1, 1989.

41 Sec. 37. K.S.A. 2000 Supp. 74-4965 is hereby amended to read as  
42 follows: 74-4965. (1) Except as otherwise provided in this section, each  
43 participating employer shall, beginning with the first payroll period for

1 services performed after the entry date, deduct from the compensation  
2 of each member 7% of such member's compensation as employee con-  
3 tributions, except that in the case of a member whose employment is  
4 covered by social security and the member is a member of the class cer-  
5 tified in the case of *Brazelton v. Kansas public employees retirement*  
6 *system*, 227 K. 443, 607 P.2d 510 (1980), the deduction from such mem-  
7 ber's compensation shall be reduced by the amount of such member's  
8 contributions to social security.

9 (2) For any member other than a member who is a member of the  
10 class certified in the case of *Brazelton v. Kansas public employees retire-*  
11 *ment system*, 227 K. 443, 607 P.2d 510 (1980), no employee contributions  
12 shall be reduced because of contributions to social security.

13 (3) All such deductions shall be remitted quarterly, or as the board  
14 may otherwise provide, to the executive ~~secretary~~ *director* for credit to  
15 the Kansas public employees retirement fund and shall be credited to the  
16 members' individual accounts. Interest on each member's accumulated  
17 contributions at the rate determined under subsection (a) of K.S.A. 74-  
18 4922 and amendments thereto shall be added annually to the member's  
19 individual account.

20 (4) For all payroll periods commencing on or after the effective date  
21 of this act, each participating employer shall deduct from the compen-  
22 sation of each member who has received 32 years of credited service, 2%  
23 of such member's compensation as employee contributions.

24 (5) (a) Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and  
25 amendments thereto, each participating employer, pursuant to the pro-  
26 visions of section 414(h)(2) of the federal internal revenue code, shall  
27 pick up and pay the contributions which would otherwise be payable by  
28 members as prescribed in subsection (1) commencing with the third quar-  
29 ter of 1984. The contributions so picked up shall be treated as employer  
30 contributions for purposes of determining the amounts of federal income  
31 taxes to withhold from the member's compensation.

32 (b) Member contributions picked up by the employer shall be paid  
33 from the same source of funds used for the payment of compensation to  
34 a member. A deduction shall be made from each member's compensation  
35 equal to the amount of the member's contributions picked up by the  
36 employer, provided that such deduction shall not reduce the member's  
37 compensation for purposes of computing benefits under the system.

38 (c) Member contributions picked up by the employer shall be remit-  
39 ted quarterly, or as the board may otherwise provide, to the executive  
40 ~~secretary~~ *director* for credit to the Kansas public employees retirement  
41 fund. Such contributions shall be credited to a separate account within  
42 the member's individual account so that amounts contributed by the  
43 member commencing with the third quarter of 1984 may be distinguished

1 from the member contributions picked up by the employer. Interest shall  
2 be added annually to members' individual accounts.

3 Sec. 38. K.S.A. 2000 Supp. 74-4967 is hereby amended to read as  
4 follows: 74-4967. (1) Upon the basis of an annual actuarial valuation and  
5 appraisal of the system conducted in the manner provided for in K.S.A.  
6 74-4908 and amendments thereto, the board shall certify, on or before  
7 July 15 of each year to each participating employer an actuarially deter-  
8 mined estimate of the rate of contribution which shall be required to be  
9 paid by each such participating employer to pay all of the liabilities which  
10 shall accrue under the system from and after the entry date as determined  
11 by the board, upon recommendation of the actuary. Such rate shall be  
12 uniform for all participating employers, and shall be comprised of a rate  
13 for benefits accruing after June 30, 1993, and a rate for amortization of  
14 the additional liability for benefits provided by this act which is attribut-  
15 able to service rendered before July 1, 1993. Such additional liability shall  
16 be amortized over a period of 40 years commencing on July 1, 1993, by  
17 annual payments that increase 4% for each year remaining in the amor-  
18 tization period. The employer's rate of contribution determined under  
19 this section shall not include the costs of administration of the system.

20 (2) The board shall determine for each employer separately an  
21 amount sufficient to amortize over a period of not to exceed 40 years all  
22 liabilities for past service costs which shall have accrued at the time of  
23 entry into the system. On the basis of such determination the board shall  
24 annually certify to each participating employer separately an actuarially  
25 determined estimate of the rate of contribution which shall be required  
26 to be paid by that participating employer to pay all of the liabilities for  
27 such past service costs. Such rate shall be termed the employer's prior  
28 service contribution. The board may enter into agreements with any par-  
29 ticipating employer which has employees or retirants under the special  
30 pension systems established under K.S.A. 13-14a01 to 13-14a14, inclu-  
31 sive, and amendments thereto or K.S.A. 14-10a01 to 14-10a15, inclusive,  
32 and amendments thereto, for the purpose of scheduling the payment of  
33 such past service costs in an orderly manner which will tend to stabilize  
34 the annual total financial burden on such employers in meeting their  
35 present and future obligations under this system and such special systems,  
36 but in no event shall the annual prior service contribution be less than  
37 the interest cost on the total of such past service liability.

38 (3) Each participating employer shall appropriate and pay to the sys-  
39 tem a sum sufficient to satisfy the obligations under this act as certified  
40 by the board.

41 (4) Each participating employer is hereby authorized to pay the em-  
42 ployer's contribution from the same fund that the compensation for which  
43 such contribution is made is paid from or from any other funds available



1 to it for such purpose. Each employer may levy annually at the time of  
2 its levy of taxes, a tax which may be in addition to all other taxes authorized  
3 by law for the purpose of making its contributions under this act, and, in  
4 the case of cities and counties, to pay a portion of the principal and in-  
5 terest on bonds issued by cities under the authority of K.S.A. 12-1774,  
6 and amendments thereto, for the financing of redevelopment projects  
7 upon property located in such county which tax, together with any other  
8 fund available, shall be sufficient to enable it to make such contribution.  
9 In lieu of levying the tax authorized in this subsection, any taxing subdivi-  
10 sion may pay such costs from any employee benefits contribution fund  
11 established pursuant to K.S.A. 12-16,102 and amendments thereto.

12 (5) Employer contributions shall in no way be limited by any other  
13 act which now or in the future establishes or limits the compensation of  
14 any member.

15 (6) The rate of contribution certified to each participating employer  
16 as provided in this section shall apply during the fiscal year of such partici-  
17 pating employer which begins in the second calendar year following  
18 the year of the actuarial valuation, but the rate of contribution during the  
19 first year following the employer's entry date shall be equal to 16% of the  
20 amount of compensation on which members contribute during the year.

21 (7) Each participating employer shall remit quarterly, or as the board  
22 may otherwise provide, all employee deductions and required employer  
23 contributions to the executive ~~secretary~~ *director* for credit to the Kansas  
24 public employees retirement fund within 20 days after the end of the  
25 period covered by the remittance or within 25 days after forms or written  
26 instructions from the system were mailed by the system to such employer,  
27 whichever is later. Remittances of such deductions and contributions re-  
28 ceived after such date are delinquent. Delinquent payments due under  
29 this subsection (7) shall be subject to interest at the rate established for  
30 interest on judgments under subsection (a) of K.S.A. 16-204 and amend-  
31 ments thereto. At the request of the board, delinquent payments which  
32 are due or interest owed on such payments, or both, may be deducted  
33 from any other moneys payable to such employer by any department or  
34 agency of the state.

35 (8) Except as otherwise provided by law, the actuarial cost of any  
36 legislation enacted by the Kansas legislature, except the actuarial cost of  
37 K.S.A. 2000 Supp. 74-49,114a, shall be reflected in the employer contri-  
38 bution rate in the fiscal year immediately following such enactment.

39 Sec. 39. K.S.A. 74-4978h is hereby amended to read as follows: 74-  
40 4978h. Beginning with the first payment of compensation for services of  
41 a patrolman after becoming a special member of the Kansas police and  
42 firemen's retirement system, the employer shall deduct from the com-  
43 pensation of such special member 8% as employee contribution. Such

1 deductions shall be remitted, as the board may provide, to the executive  
2 ~~secretary~~ *director* for credit to the Kansas public employees retirement  
3 fund, and such deduction shall be credited to the member's individual  
4 account.

5 Sec. 40. K.S.A. 2000 Supp. 74-4989 is hereby amended to read as  
6 follows: 74-4989. (1) (a) Except as provided in (b), pursuant to the pro-  
7 visions of K.S.A. 2000 Supp. 74-49,128, and amendments thereto, upon  
8 the death of a retirant, the board of trustees of the Kansas public em-  
9 ployees retirement system shall pay a lump-sum death benefit to: The  
10 retirant's beneficiary which shall not exceed \$4,000 for such retirant, less  
11 any amount payable for funeral benefits under the applicable provisions  
12 of any local police or fire pension plan, as defined by subsection (c) of  
13 K.S.A. 12-5001 and amendments thereto; *or to a funeral establishment*  
14 *as directed by the retirant and filed in the office of the system prior to*  
15 *such retirant's death.*

16 (b) Notwithstanding the provisions of K.S.A. 74-4923 and amend-  
17 ments thereto, any amounts owed the system shall be deducted from such  
18 lump-sum death benefit.

19 (2) As used in this section, "retirant" means any person who is a  
20 member or special member of the Kansas public employees retirement  
21 system, the Kansas police and firemen's retirement system, the state  
22 school retirement system or the retirement system for judges and who  
23 has retired.

24 Sec. 41. K.S.A. 2000 Supp. 74-4998c is hereby amended to read as  
25 follows: 74-4998c. (a) Except as otherwise provided in this section, for all  
26 payroll periods commencing on or after July 1, 1988, but prior to the end  
27 of the term of office in which such elected official is serving on the ef-  
28 fective date of this act, each elected state official shall contribute 5% of  
29 the elected state official's salary for each payroll period to the fund. For  
30 all payroll periods commencing on or after July 1, 1988, but prior to the  
31 end of the term of office in which such elected official is serving on the  
32 effective date of this act, the employer shall deduct from the compen-  
33 sation of each member who has received 30 years of credited service 2%  
34 of such member's compensation as employee contributions. Each elected  
35 state official shall make contributions as provided in K.S.A. 74-4919 and  
36 amendments thereto in lieu of contributions as provided in this section,  
37 for all payroll periods during any term of office of such elected state  
38 official which commences after the effective date of this act. The provi-  
39 sions of K.S.A. 74-4919c, 74-4919d, 74-4919e, 74-4919h or 74-4919j and  
40 amendments thereto shall apply to elected state officials, except that,  
41 subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and amendments  
42 thereto, such elected state officials shall purchase prior and participating  
43 service credit at the rate of 10% or 15% for the payroll periods com-

1 mencing on or after July 1, 1988, but prior to the end of the term of  
2 office in which such elected official is serving on the effective date of this  
3 act.

4 (b) The director of accounts and reports shall deduct the amount  
5 each elected state official is to contribute to the fund on the payroll of  
6 each elected state official for each payroll period showing the amount  
7 deducted and its credit to the fund. Such deductions shall be remitted as  
8 the board may provide, to the executive ~~secretary~~ *director* of the Kansas  
9 public employees retirement system for credit to the fund to the credit  
10 of the elected state official's individual account therein.

11 (c) For purposes of contributions to and benefits under the Kansas  
12 public employees retirement system of such elected state officials who  
13 are members of the legislature, the salary or compensation of such elected  
14 state official shall be as provided in K.S.A. 74-4995 and amendments  
15 thereto.

16 (d) (1) Subject to the provisions of K.S.A. 2000 Supp. 74-49,123 and  
17 amendments thereto, the state of Kansas pursuant to the provisions of  
18 section 414(h)(2) of the federal internal revenue code of 1986, as in effect  
19 on July 1, 1998, shall pick up and pay the contributions which would  
20 otherwise be payable by elected state officials as prescribed in subsection  
21 (a) commencing with the effective date of this act. Contributions so  
22 picked up shall be treated as employer contributions for purposes of de-  
23 termining the amounts of federal income taxes to withhold from the  
24 elected state official's compensation.

25 (2) Member contributions picked up by the state shall be paid from  
26 the same source of funds used for the payment of compensation to an  
27 elected state official. A deduction shall be made from each elected state  
28 official's compensation equal to the amount of the elected state official's  
29 contributions picked up by the state, provided that such deduction shall  
30 not reduce the elected state official's compensation for purposes of com-  
31 puting benefits under the retirement system.

32 (3) Member contributions picked up by the state shall be remitted as  
33 the board may provide, to the executive ~~secretary~~ *director* for credit to  
34 the Kansas public employees retirement fund.

35 (e) No former member of the legislature shall be required to make  
36 contributions as otherwise required by this section.

37 Sec. 42. K.S.A. 74-49,102 is hereby amended to read as follows: 74-  
38 49,102. Beginning with the first payroll for services performed after July  
39 1, 1975, of each person who is a member of the Kansas public employees  
40 retirement system pursuant to subsection (b) of K.S.A. 74-4999 and  
41 amendments thereto, the employer shall deduct from the compensation  
42 of such person 4% of such person's compensation as employee contri-  
43 butions. Such deductions shall be remitted quarterly, or as the board of

1 trustees of the Kansas public employees retirement system may otherwise  
2 provide, to the executive ~~secretary~~ *director* of the system for credit to the  
3 Kansas public employees retirement fund. Such deductions shall be cred-  
4 ited to the members' individual accounts and interest shall be added an-  
5 nually to such accounts beginning as provided in subsection (d) of K.S.A.  
6 74-49,103 and amendments thereto.

7 Sec. 43. K.S.A. 2000 Supp. 74-49,128 is hereby amended to read as  
8 follows: 74-49,128. The lump sum death benefits, survivor benefits and  
9 funeral expenses that are provided to surviving spouses, minor children  
10 and other beneficiaries as a result of a ~~nonduty-related death or retirant~~  
11 death pursuant to K.S.A. ~~13-14a07~~, 13-14a11, ~~14-10a07~~, 14-10a11, 74-  
12 4958, 74-4958a, 74-4959, 74-4960, 74-4960a and 74-4989, and amend-  
13 ments thereto, are in the nature of life insurance; are provided by the  
14 participating employers for the protection of members' spouses, survivors  
15 or beneficiaries as provided in those sections; and are not subject to reg-  
16 ulation of the state of Kansas department of insurance. The provisions of  
17 this section shall be effective on and after July 1, 2000.

18 New Sec. 44. The retirement benefit, pension or annuity payments  
19 to each retirant of the state school retirement system who retired prior  
20 to January 1, 1971, and who had at least 20 years or more of service credit,  
21 shall:

22 (a) For retirement benefit, pension or annuity payments accruing af-  
23 ter June 30, 2001, be in an amount as otherwise provided by law but shall  
24 be an amount at least equal to \$500;

25 (b) for retirement benefit, pension or annuity payments accruing af-  
26 ter June 30, 2002, be in an amount as otherwise provided by law but shall  
27 be an amount at least equal to \$625; and

28 (c) for retirement benefit, pension or annuity payments accruing after  
29 June 30, 2003, be in an amount as otherwise provided by law but shall  
30 be an amount at least equal to \$750.

31 New Sec. 45. (a) Each retirant who is entitled to receive a retirement  
32 benefit, pension or annuity payment from a retirement system or who is  
33 a local school annuitant shall be entitled to receive a retirant dividend  
34 payment as specified in this section. Such retirant dividend payment shall  
35 be paid in addition to the amount of the annual retirement benefit, pen-  
36 sion or annuity payment to which the retirant is otherwise entitled and  
37 shall be paid in the form of an additional payment which shall be made  
38 on October 1, 2001.

39 (b) Each such retirement dividend payment as provided in this sec-  
40 tion shall be payable to the retirant in an amount equal to 50% of the  
41 retirement benefit payment such retirant is entitled to receive on July 1,  
42 2001.

43 (c) Each such retirant dividend payment shall be paid by the retire-

1 ment system to the retirant and the local school annuitant and shall be  
2 payable from the Kansas public employees retirement fund.

3 (d) As used in this section:

4 (1) “Retirant” means (A) any person who is a member of a retirement  
5 system and who retired prior to July 1, 2000, (B) any person who is a  
6 special member of a retirement system and who retired prior to July 1,  
7 2000, (C) any person who is a joint annuitant or beneficiary of any mem-  
8 ber described in clause (A) or any special member described in clause  
9 (B), and (D) any insured disability benefit recipient.

10 (2) “Retirement system” means the Kansas public employees retire-  
11 ment system, the Kansas police and firemen’s retirement system, the state  
12 school retirement system and the retirement system for judges.

13 (3) “Local school annuitant” means (A) any person who is an annui-  
14 tant with 10 or more years of service, who is receiving an annuity, whose  
15 annuity is not included, in whole or in part, in payments made to such  
16 school district under K.S.A. 72-5512b and amendments thereto, and who  
17 is not a member of a group I or of group II as defined in K.S.A. 72-5518  
18 and amendments thereto, and (B) any person who is receiving an annuity  
19 and who retired prior to September 1, 1981.

20 (4) “Insured disability benefit recipient” means any person receiving  
21 an insured disability benefit under K.S.A. 74-4927, and amendments  
22 thereto, prior to July 1, 2000.

23 New Sec. 46. Any judge who has retired or who retires as provided  
24 in K.S.A. 20-2608, and amendments thereto, and who has entered into  
25 agreement with the Kansas supreme court to perform assigned judicial  
26 duties as provided pursuant to K.S.A. 20-2622, and amendments thereto,  
27 may elect to purchase, subject to the provisions of K.S.A. Supp. 74-  
28 49,123, service credit for such service under the retirement system for  
29 judges. Such purchase shall be by means of a single lump-sum payment.  
30 Such lump-sum payment shall be an amount determined by the actuary  
31 using the judge’s current age, the final average salary of such judge at the  
32 time of such judge’s retirement, the form of the payment of the annuity  
33 to such judge including any retirement option elected by such judge pur-  
34 suant to K.S.A. 20-2610a, and amendments thereto, and the actuarial  
35 assumptions and tables then in use by the system.

36 **[New Sec. 47. Except as otherwise provided, any active con-**  
37 **tributing member of the retirement system who at one time had**  
38 **the state board of regents assist such member in the purchase of**  
39 **retirement annuities as provided in K.S.A. 74-4925, and amend-**  
40 **ments thereto and who withdrew such member’s accumulated con-**  
41 **tributions upon the termination of such employment as provided**  
42 **in K.S.A. 74-4925, and amendments thereto, or any active contrib-**  
43 **uting member of the retirement system who was eligible to have**

1 **the state board of regents assist such member in the purchase of**  
2 **retirement annuities and who was serving in any waiting period**  
3 **required pursuant to K.S.A. 74-4925, and amendments thereto,**  
4 **may purchase participating service credit for any waiting period**  
5 **required pursuant to K.S.A. 74-4925, and amendments thereto.**  
6 **Such member may purchase, subject to the provisions of K.S.A.**  
7 **2000 Supp. 74-49,123, and amendments thereto, such service**  
8 **credit by making a single lump-sum payment in an amount deter-**  
9 **mined by the actuary using (1) the member's then current annual**  
10 **rate of compensation, (2) the actuarial assumptions and tables cur-**  
11 **rently in use by the system and (3) the member's attained age.]**

12 Sec. ~~47~~. **[48.]** K.S.A. 74-4934, 74-4978h and 74-49,102 and K.S.A.  
13 2000 Supp. 13-14a07, 14-10a07, 20-2603, 20-2610a, 74-4902, 74-4904,  
14 74-4908, 74-4911e, 74-4914, 74-4914e, 74-4915, 74-4915b, 74-4915c, 74-  
15 4916, 74-4918, 74-4918a, 74-4919, 74-4919b, 74-4920, 74-4921, 74-4922,  
16 74-4927h, 74-4932, 74-4940, 74-4957, 74-4957a, 74-4958, 74-4958a, 74-  
17 4959, 74-4960, 74-4960a, 74-4963, 74-4963a, 74-4964, 74-4964a, 74-  
18 4965, 74-4967, 74-4989, 74-4998c, and 74-49,128 are hereby repealed.

19 Sec. ~~48~~. **[49.]** This act shall take effect and be in force from and after  
20 its publication in the statute book.

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