

HOUSE BILL No. 2692

By Committee on Appropriations

1-24

AN ACT concerning retirement and pensions; relating to the Kansas public employees retirement system; benefit multiplier; amending K.S.A. 2001 Supp. 74-4915 and repealing the existing section.

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

Section 1. K.S.A. 2001 Supp. 74-4915 is hereby amended to read as follows: 74-4915. (1) Any member who retires on or after such member's normal retirement date shall be entitled to receive an annual retirement benefit equal to the sum obtained by adding an amount for participating service and an amount for prior service determined as provided in this section. The amount for prior service shall be equal to 1% of the member's prior service annual salary multiplied by the number of years of prior service entitled to credit as provided in K.S.A. 74-4913 and amendments thereto, except that for members retiring on or after July 1, 1981, who were last employed by a participating employer which had affiliated with the system under K.S.A. 74-4910, 74-4912, 74-4929 or 74-4991 and amendments thereto, and for the period commencing January 1, 1986, for members retiring before July 1, 1981, who were last employed by a participating employer which had affiliated with the system under K.S.A. 74-4910, 74-4912, 74-4929 or 74-4991 and amendments thereto, except that any increase in benefits under this section shall be reduced by any postretirement benefit adjustments received by such member prior to July 2, 1985, the amount for prior service shall be calculated using final average salary in lieu of prior service annual salary and, in the case of any such member who became a member under subsection (3) of K.S.A. 74-4925 and amendments thereto and for whom a final average salary cannot be otherwise determined, such member's final average salary shall be based on all service for which such member received assistance in a plan under subsection (2) of K.S.A. 74-4925 and amendments thereto as certified by such employer upon request of the board. For any member who retires on or after July 1, 1993, the amount for participating service shall be equal to the total of 1.75% of the member's final average salary multiplied by the number of years of participating service. *For any member who retires on or after July 1, 2002, the amount for participating service shall be equal to the total of 1.85% of the member's final average salary*

1 *multiplied by the number of years of participating service.*

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

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

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

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

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

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

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

7 (6) The participating employer, when an employee files an applica-
8 tion for retirement, shall certify to the system all member contributions
9 of such employee which have not been reported previously. In the event
10 the amount certified results in an overpayment of retirement benefits,
11 the employer shall be held responsible for the contribution amount pre-
12 viously certified from the time of commencement of the overpayment of
13 retirement benefits until the time that such overpayment is discovered
14 by the system. At the time that such overpayment of retirement benefits
15 is discovered by the system, the system shall adjust the amount of retire-
16 ment benefits paid to the employee to the correct amount based on the
17 participating employer's certification of member contributions which had
18 not been previously reported. The participating employer of the em-
19 ployee who has had such member's retirement benefits adjusted as pro-
20 vided in this subsection shall notify such employee of such overpayment
21 and such adjustment of retirement benefits. If the contributions previ-
22 ously certified are lower than the actual amount reported, the employer
23 shall be responsible for remitting the correct amount and the member's
24 monthly benefit shall be recalculated based on the amount reported by
25 the employer. When an employee in school employment files such an
26 application, the participating employer responsible for any such amounts
27 as provided in this subsection shall be the employee's eligible employer
28 as specified in subsection (1), (2) or (3) of K.S.A. 74-4931, and amend-
29 ments thereto, and shall not be the state of Kansas.

30 (7) The provisions of law in effect on the retirement date of a member
31 under the system shall govern the retirement benefit payable to the re-
32 tirant, any joint annuitant and any beneficiary.

33 Sec. 2. K.S.A. 2001 Supp. 74-4915 is hereby repealed.

34 Sec. 3. This act shall take effect and be in force from and after its
35 publication in the statute book.

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