

## HOUSE BILL No. 2225

By Committee on Higher Education

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AN ACT concerning the Kansas public employees retirement system; relating to the period of credited service required for vesting; amending K.S.A. 74-4917 and repealing the existing section.

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

Section 1. K.S.A. 74-4917 is hereby amended to read as follows: 74-4917. (1) Upon termination of employment with a participating employer, not followed by employment with such participating employer or another participating employer within 30 days of such termination, the member shall be paid an amount equal to the member's accumulated contributions then on deposit with the system after making application in such form as may be prescribed by the board, except that the system shall have a reasonable time to process the application for withdrawal. The participating employer shall, upon giving a terminated employee a withdrawal application, certify to the system all member contributions which have not been reported previously. In the case of a death of an active member, the participating employer shall certify to the system all member contributions which have not been reported previously and remit such contributions if the participating employer has not submitted a monthly remittance for the terminating quarter. The participating employer shall be responsible to the system for any overpayment or underpayment of member contributions made by the system relating to a withdrawal of accumulated contributions or a death of an active member which is due to an inaccurate certification of all member contributions which have not been reported to the system as required by this section made by the participating employer. A leave of absence, a period of total disability or military service shall not be considered a termination of employment unless the member withdraws accumulated contributions.

(2) Except as otherwise provided by this subsection, if such member has completed ~~10 years~~ *the required period* of credited service *for vesting* at date of termination, such member automatically shall be granted a vested retirement benefit in the system, except that at any time prior to the commencement of retirement benefit payments the member may withdraw accumulated contributions, whereupon no other benefits shall be payable for such member's prior and participating service credit. *Prior*

1 *to July 1, 2005, the required period of credited service for vesting is 10*  
2 *years of credited service and on and after July 1, 2005, the required period*  
3 *of credited service for vesting is five years of credited service.* For pur-  
4 poses of this subsection, any employee of a local governmental unit which  
5 has its own pension plan who becomes an employee of a participating  
6 employer as a result of a merger or consolidation of services provided by  
7 local governmental units, which occurred on January 1, 1994, may count  
8 service with such local governmental unit in determining whether such  
9 employee has ~~met the 10 years~~ *satisfied the required period* of credited  
10 service for vesting ~~requirement~~ contained in this subsection. Eligibility of  
11 such member for retirement benefits and procedures for making appli-  
12 cation for retirement benefits shall be in accordance with K.S.A. 74-4914  
13 and amendments thereto. Such member shall make application for re-  
14 tirement in such form as may be prescribed by the board and retirement  
15 benefits shall accrue from the first day of the month following receipt of  
16 such application. The amount of the retirement benefit shall be deter-  
17 mined as provided in K.S.A. 74-4915 and amendments thereto.

18 (3) Termination of employment of a member, followed by employ-  
19 ment with a participating employer within five years after such termina-  
20 tion, does not constitute a break in continuous employment if such mem-  
21 ber has not withdrawn accumulated contributions. Such period while not  
22 employed shall not be credited.

23 (4) If, after the expiration of five years following the termination of  
24 employment, a former member becomes an employee of such former  
25 member's former participating employer, or another participating em-  
26 ployer, such former member shall be deemed to be a new employee. If  
27 a member, who has a vested benefit again becomes an employee of a  
28 participating employer, any credited service such member subsequently  
29 accrues shall be added to that which had been vested by virtue of previous  
30 service. Eligibility of such member for retirement benefits and proce-  
31 dures for making application for retirement benefits shall be in accord-  
32 ance with K.S.A. 74-4914 and amendments thereto.

33 Sec. 2. K.S.A. 74-4917 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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