

## HOUSE BILL No. 2151

By Committee on Appropriations

1-22

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9 AN ACT concerning retirement and pensions; relating to the Kansas po-  
10 lice and firemen's retirement system; retirement benefits; employee  
11 contributions; amending K.S.A. 74-4958, 74-4958a and 74-4965 and  
12 repealing the existing sections.  
13

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

15 Section 1. K.S.A. 74-4958 is hereby amended to read as follows: 74-  
16 4958. (1) Any member ~~who retires on or after July 1, 1993,~~ shall be  
17 entitled to receive an age and service retirement benefit equal to 2.5%  
18 of such member's final average salary multiplied by the number of years  
19 of credited service except that in no case shall such retirement benefit  
20 exceed ~~80%~~ 100% of such member's final average salary.

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

31 (3) Upon the death after retirement of a member who was covered,  
32 up to the entry date of the member's employer, by a pension system under  
33 the provisions of K.S.A. 12-5001 to 12-5007, inclusive, and amendments  
34 thereto, or K.S.A. 13-14a01 to 13-14a14, inclusive, and amendments  
35 thereto, or K.S.A. 14-10a01 to 14-10a15, inclusive, and amendments  
36 thereto, and who had not elected to retire under one of the options pro-  
37 vided under K.S.A. 74-4964 and amendments thereto, the member's  
38 spouse, if such spouse was the member's lawfully wedded spouse for a  
39 period of not less than one year at the time of the member's retirement  
40 or if such spouse had been the member's lawfully wedded spouse for at  
41 least three years after the time of the member's retirement, shall receive:  
42 (A) Pursuant to the provisions of K.S.A. 74-49,128, and amendments  
43 thereto, a lump-sum benefit equal to  $\frac{1}{2}$  the member's final average salary

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

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

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

43 Sec. 2. K.S.A. 74-4958a is hereby amended to read as follows: 74-

1 4958a. (1) Any member ~~who retires on or after July 1, 1993,~~ shall be  
2 entitled to receive an age and service retirement benefit equal to 2.5%  
3 of such member's final average salary multiplied by the number of years  
4 of credited service except that in no case shall such retirement benefit  
5 exceed ~~80%~~ 100% of such member's final average salary.

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

14 (3) Pursuant to the provisions of K.S.A. 74-49,128, and amendments  
15 thereto, upon the death after retirement of a member who was covered,  
16 up to the entry date of the member's employer, by a pension system under  
17 the provisions of K.S.A. 12-5001 to 12-5007, inclusive, and amendments  
18 thereto, or K.S.A. 13-14a01 to 13-14a14, inclusive, and amendments  
19 thereto, or K.S.A. 14-10a01 to 14-10a15, inclusive, and amendments  
20 thereto, and who had not elected to retire under one of the options pro-  
21 vided under K.S.A. 74-4964 and amendments thereto, the member's  
22 spouse, if such spouse was the member's lawfully wedded spouse for a  
23 period of not less than one year at the time of the member's retirement  
24 or if such spouse had been the member's lawfully wedded spouse for at  
25 least three years after the time of the member's retirement, shall receive:  
26 (A) Pursuant to the provisions of K.S.A. 74-49,128, and amendments  
27 thereto, a lump-sum benefit equal to  $\frac{1}{2}$  the member's final average salary  
28 at the time of the member's retirement; and (B) an annual spouse's ben-  
29 efit equal to 75% of the member's retirement benefit payable in monthly  
30 installments, to accrue from the first day of the month following the mem-  
31 ber's date of death and ending on the last day of the month in which the  
32 spouse dies. Commencing on the effective date of this act, any surviving  
33 spouse, who was receiving benefits pursuant to this section and who had  
34 such benefits terminated by reason of such spouse's remarriage, shall be  
35 entitled to once again receive benefits pursuant to this section, except  
36 that such surviving spouse shall not be entitled to recover any benefits  
37 not received after the termination of benefits by reason of such surviving  
38 spouse's remarriage but before the effective date of this act. If there is  
39 no surviving spouse, or if after the death of the spouse there remain one  
40 or more children under the age of 18 years or one or more children under  
41 the age of 23 years who is a full-time student as provided in K.S.A. 74-  
42 49,117 and amendments thereto, the spouse's benefit shall be payable,  
43 subject to the provisions of K.S.A. 74-49,123 and amendments thereto,

1 in equal shares to such children and each child's share shall end on the  
2 last day of the month in which such child attains the age of 18 years or  
3 dies, whichever occurs earlier or in which such child attains the age of 23  
4 years, if such child is a full-time student as provided in K.S.A. 74-49,117  
5 and amendments thereto. Commencing on the effective date of this act,  
6 any child who was receiving benefits pursuant to this section and who  
7 had such benefits terminated by reason of such child's marriage, shall be  
8 entitled 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. All payments due under this section to a minor shall be made  
13 to a legally appointed conservator of such minor as provided in subsection  
14 (7) of K.S.A. 74-4902 and amendments thereto. No person shall be en-  
15 titled to receive more than one benefit under the provisions of this sub-  
16 section. Any person who otherwise meets the qualifications to receive  
17 more than one benefit under this subsection shall elect the benefit such  
18 person shall receive.

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

24 (5) The provisions of this section shall be effective on and after July  
25 1, 1989 and shall apply only to members who were appointed or employed  
26 prior to July 1, 1989, and who made an election pursuant to K.S.A. 74-  
27 4955a and amendments thereto; and persons appointed or employed on  
28 or after July 1, 1989.

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

32 Sec. 3. K.S.A. 74-4965 is hereby amended to read as follows: 74-  
33 4965. (1) Except as otherwise provided in this section, each participating  
34 employer shall, beginning with the first payroll period for services per-  
35 formed after the entry date, deduct from the compensation of each mem-  
36 ber 7% of such member's compensation as employee contributions, ex-  
37 cept that in the case of a member whose employment is covered by social  
38 security and the member is a member of the class certified in the case of  
39 *Brazelton v. Kansas public employees retirement system*, 227 K. 443, 607  
40 P.2d 510 (1980), the deduction from such member's compensation shall  
41 be reduced by the amount of such member's contributions to social  
42 security.

43 (2) For any member other than a member who is a member of the

1 class certified in the case of Brazelton v. Kansas public employees retire-  
2 ment system, 227 K. 443, 607 P.2d 510 (1980), no employee contributions  
3 shall be reduced because of contributions to social security.

4 (3) All such deductions shall be remitted quarterly, or as the board  
5 may otherwise provide, to the executive director for credit to the Kansas  
6 public employees retirement fund and shall be credited to the members'  
7 individual accounts. Interest on each member's accumulated contribu-  
8 tions at the rate determined under subsection (a) of K.S.A. 74-4922 and  
9 amendments thereto shall be added annually to the member's individual  
10 account.

11 (4) For all payroll periods commencing on or after ~~the effective date~~  
12 ~~of this act~~ July 1, 2007, each participating employer shall deduct from  
13 the compensation of each member who has ~~received 32 years of credited~~  
14 ~~service~~ *attained the maximum retirement benefit as provided pursuant to*  
15 *the provisions of K.S.A. 74-4958 or 74-4958a, and amendments thereto,*  
16 *2% of such member's compensation as employee contributions. For each*  
17 *member that is having 2% of such member's compensation deducted as*  
18 *employee contributions on July 1, 2007, pursuant to the provisions of this*  
19 *subsection, for all payroll periods commencing on or after July 1, 2007,*  
20 *the participating employer shall deduct from the compensation of each*  
21 *such member 7% of such member's compensation as employee contribu-*  
22 *tions until such member has attained the maximum retirement benefit as*  
23 *provided pursuant to the provisions of K.S.A. 74-4958 or 74-4958a, and*  
24 *amendments thereto, whereupon the participating employer of such mem-*  
25 *ber shall once again deduct 2% of such member's compensation as em-*  
26 *ployee contributions.*

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

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

41 (c) Member contributions picked up by the employer shall be remit-  
42 ted quarterly, or as the board may otherwise provide, to the executive  
43 director for credit to the Kansas public employees retirement fund. Such

1 contributions shall be credited to a separate account within the member's  
2 individual account so that amounts contributed by the member com-  
3 mencing with the third quarter of 1984 may be distinguished from the  
4 member contributions picked up by the employer. Interest shall be added  
5 annually to members' individual accounts.

6 Sec. 4. K.S.A. 74-4958, 74-4958a and 74-4965 are hereby repealed.

7 Sec. 5. This act shall take effect and be in force from and after its  
8 publication in the statute book.