

HOUSE BILL No. 2832

By Representative Otto

2-12

9 AN ACT concerning retirement and pensions; relating to the Kansas
10 public employees retirement system and systems thereunder; employ-
11 ment after retirement; amending K.S.A. 74-4922 and 74-4939 and
12 K.S.A. 2007 Supp. 74-4914 and repealing the existing sections.
13

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

15 Section 1. K.S.A. 2007 Supp. 74-4914 is hereby amended to read as
16 follows: 74-4914. (1) The normal retirement date for a member of the
17 system shall be the first day of the month coinciding with or following
18 termination of employment with any participating employer not followed
19 by employment with any participating employer within 30 days and the
20 attainment of age 65 or, commencing July 1, 1993, age 62 with the com-
21 pletion of 10 years of credited service or the first day of the month co-
22 inciding with or following the date that the total of the number of years
23 of credited service and the number of years of attained age of the member
24 is equal to or more than 85. In no event shall a normal retirement date
25 for a member be before six months after the entry date of the participating
26 employer by whom such member is employed. A member may retire on
27 the normal retirement date or on the first day of any month thereafter
28 upon the filing with the office of the retirement system of an application
29 in such form and manner as the board shall prescribe. Nothing herein
30 shall prevent any person, member or retirant from being employed, ap-
31 pointed or elected as an employee, appointee, officer or member of the
32 legislature. Elected officers may retire from the system on any date on
33 or after the attainment of the normal retirement date, but no retirement
34 benefits payable under this act shall be paid until the member has ter-
35 minated such member's office.

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

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39 suant to K.S.A. 74-4954b and amendments thereto and has not withdrawn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

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

9 (5) ~~On or after July 1, 2006~~ (a) *Commencing July 1, 2006, and ending*
10 *June 30, 2009*, for any retirant who is first employed or appointed in or
11 to any position or office by a participating employer other than a partic-
12 ipating employer for which such retirant was employed or appointed dur-
13 ing the final two years of such retirant's participation, such participating
14 employer shall pay to the system the actuarially determined employer
15 contribution and the statutorily prescribed employee contribution based
16 on the retirant's compensation during any such period of employment or
17 appointment. If a retirant who retired on or after July 1, 1988, is employed
18 or appointed in or to any position or office for which compensation for
19 service is paid in an amount equal to \$15,000 or more, or commencing
20 in calendar year 2006, and all calendar years thereafter, \$20,000 or more
21 in any one such calendar year, by any participating employer for which
22 such retirant was employed or appointed during the final two years of
23 such retirant's participation, such retirant shall not receive any retirement
24 benefit for any month for which such retirant serves in such position or
25 office. The participating employer shall report to the system within 30
26 days of when the compensation paid to the retirant is equal to or exceeds
27 any limitation provided by this section. ~~Any retirant employed by a par-~~
28 ~~participating employer shall not make contributions nor receive additional~~
29 ~~credit under such system for such service except as provided by this sec-~~
30 ~~tion. Upon request of the executive director of the system, the secretary~~
31 ~~of revenue shall provide such information as may be needed by the ex-~~
32 ~~ecutive director to carry out the provisions of this act.~~ The provisions of
33 this subsection shall not apply to retirants employed as substitute teachers
34 or officers, employees or appointees of the legislature. The provisions of
35 this subsection shall not apply to members of the legislature prior to
36 January 8, 2000. The provisions of this subsection shall not apply to any
37 other elected officials prior to the term of office of such elected official
38 which commences on or after July 1, 2000. The provisions of this sub-
39 section shall apply to any other elected official on and after the term of
40 office of such other elected official which commences on or after July 1,
41 2000. Except as otherwise provided, commencing January 8, 2001, the
42 provisions of this subsection shall apply to members of the legislature.
43 For determination of the amount of compensation paid pursuant to this

1 subsection, for members of the legislature, compensation shall include
2 any amount paid as provided pursuant to subsections (a), (b), (c) and (d)
3 of K.S.A. 46-137a, and amendments thereto, or pursuant to K.S.A. 46-
4 137b, and amendments thereto. Notwithstanding any provision of law to
5 the contrary, when a member of the legislature is paid an amount of
6 compensation of \$15,000 or more, or commencing in calendar year 2006,
7 and all calendar years thereafter, \$20,000 or more in any one calendar
8 year, the member may continue to receive any amount provided in sub-
9 sections (b) and (d) of K.S.A. 46-137a, and amendments thereto, and still
10 be entitled to receive such member's retirement benefit. Commencing
11 July 1, 2005, and ending June 30, 2008, the provisions of this subsection
12 shall not apply to retirants who either retired under the provisions of
13 subsection (1), or, if they retired under the provisions of subsection (4),
14 were retired more than 30 days prior to the effective date of this act and
15 are licensed professional nurses or licensed practical nurses employed by
16 the state of Kansas at the Osawatomie state hospital, Rainbow mental
17 health facility, Larned state hospital, Parsons state hospital and training
18 center, Kansas neurological institute, the Kansas soldiers' home or the
19 Kansas veterans' home. The participating employer of such retirant shall
20 pay to the system the actuarially determined employer contribution based
21 on the retirant's compensation during any such period of employment.

22 *(b) On and after July 1, 2009, for any retirant who is employed or*
23 *appointed in or to any position or office by a participating employer, such*
24 *participating employer shall pay to the system the actuarially determined*
25 *employer contribution and the statutorially prescribed employee contri-*
26 *bution based on the retirant's compensation during any such period of*
27 *employment or appointment.*

28 *(c) Any retirant employed by a participating employer shall not make*
29 *contributions nor receive additional credit under such system for such*
30 *service except as provided by subsection (5)(a). Upon request of the ex-*
31 *ecutive director of the system, the secretary of revenue shall provide such*
32 *information as may be needed by the executive director to carry out the*
33 *provisions of subsections (5)(a) and (5)(b).*

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

41 Sec. 2. K.S.A. 74-4922 is hereby amended to read as follows: 74-
42 4922. The executive director shall maintain such records as are necessary
43 to determine the following reserves.

1 (a) *Member's accumulated contribution reserve.* This reserve shall be
2 maintained within the fund for each member and for each member having
3 a vested benefit. Each such reserve account shall be credited with the
4 employee's contributions upon receipt thereof and shall be credited on
5 June 30 each year with interest: (1) At the actuarial assumption rate
6 adopted by the board on the balance in the employee's account as of the
7 preceding December 31 for those who first became members prior to
8 July 1, 1993; and (2) 4% for those who first became members on and
9 after July 1, 1993. For the purposes of crediting interest upon accumu-
10 lated contributions, the term member shall include the beneficiary of a
11 member during the twelve-month period following the death of a mem-
12 ber and the beneficiary of a member pursuant to subsection (6) of K.S.A.
13 74-4918 and amendments thereto during any period commencing on the
14 date of death of such member and ending on the date that the member
15 would have attained retirement age. Refunds of employee's accumulated
16 contributions prior to retirement shall be made from this reserve. Upon
17 commencement of payments of the retirement benefit, the amount in
18 this reserve account for the retiring member or members, shall be trans-
19 ferred to the retirement benefit payment reserve.

20 (b) *Retirement benefit accumulation reserve.* This reserve within the
21 fund shall be credited with the portion of employer contributions for
22 retirement benefits both for prior service and for participating service,
23 *employer and employee contributions as provided in subsection (5) of*
24 *K.S.A. 74-4914, and amendments thereto, for retirants, and with income*
25 *of the fund not otherwise directed by law to a different reserve.* The board
26 shall credit interest to all other reserves and reserve accounts as provided
27 by law at rates determined by the board. Interest so credited shall be
28 transferred from the retirement benefit accumulation reserve. Separate
29 reserve accounts shall not be maintained for each participating employer
30 joining the system on the first entry date. The board shall determine
31 whether or not separate reserve accounts shall be maintained for each
32 participating employer joining the system after the first entry date.

33 (c) *Retirement benefit payment reserve.* (i) This reserve within the
34 fund will be credited with the amount transferred from the member's
35 accumulated contributions reserve and from the retirement benefit ac-
36 cumulation reserve and with interest allocated to this reserve at the rate
37 determined each year by the board. This reserve shall be charged with
38 payments of retirement benefits including payments upon death of the
39 excess of member's accumulated contributions over retirement benefit
40 payments paid to date of death. Annually, upon receipt of the actuarial
41 valuation as of the end of the previous fiscal year the board shall cause
42 certain adjustments to be made which shall be made prior to the end of
43 the fiscal year immediately following the fiscal year for which the actuarial

1 valuation is applicable.

2 (ii) The amount of these adjustments shall be the difference between
3 the amount required by the current actuarial valuation and the amount
4 required by the previous year's actuarial valuation plus amounts trans-
5 ferred to this reserve less amounts paid out of this reserve during the
6 fiscal year to be adjusted. Such adjustments required to maintain this
7 reserve on an actuarial reserve basis as of June 30 of the previous fiscal
8 year shall be accomplished by transfers to or from, as applicable, the
9 retirement benefit accumulation reserve.

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

14 Sec. 3. K.S.A. 74-4939 is hereby amended to read as follows: 74-
15 4939. (1) Except as otherwise provided in this section, the provisions of
16 K.S.A. 74-4919 and 74-4920, and amendments thereto, shall apply to
17 employee and employer contributions and obligations.

18 (2) The employer contribution rate for participating employers who
19 are eligible employers as specified in subsections (1), (2) and (3) of K.S.A.
20 74-4931 and amendments thereto shall be as certified by the board. Par-
21 ticipating employers shall certify to the state board of education before
22 September 15 of each year the anticipated total compensation to be paid
23 during the next fiscal year to employees who are or are to become mem-
24 bers. The state board of education shall transmit the information neces-
25 sary to the division of the budget and the governor who shall include in
26 the budget and budget document each year thereafter provisions for the
27 transfer from the state general fund of sufficient sums to satisfy the par-
28 ticipating employer's obligation under this act. The director of accounts
29 and reports shall make a transfer therefor to the system quarterly, at the
30 same time such employee contributions are remitted by such participating
31 employers. Such transfer from the general fund of sufficient sums to
32 satisfy the participating employer's obligation shall not include any ad-
33 justments for individual employee's service in prior periods and any re-
34 quired payment by a participating employer pursuant to ~~K.S.A. subsection~~
35 ~~(5) of K.S.A. 74-4914, 74-4990 and amendments thereto and K.S.A. 74-~~
36 ~~49,126, and amendments thereto.~~ The employer's obligation for such ad-
37 justments shall be paid by the participating employer. Transfers required
38 by this subsection shall be provided for annually by act of the legislature.

39 (3) Participating employers who are eligible employers as specified
40 in subsection (4) of K.S.A. 74-4931 and amendments thereto shall pay to
41 the system employer contributions at a rate of contribution as certified
42 by the board.

43 (4) Upon the effective date of this act, the transfers for the employer's

1 obligation pursuant to subsection (2) for the quarter commencing on Jan-
2 uary 1, 1987, shall be made on July 1, 1987, together with interest thereon
3 at the rate of 6.72% per annum from the date the payment would have
4 been made as provided in this section immediately prior to this amend-
5 ment until the date paid.

6 Sec. 4. K.S.A. 74-4922 and 74-4939 and K.S.A. 2007 Supp. 74-4914
7 are hereby repealed.

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