

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS & BENEFITS.

The meeting was called to order by VICE-CHAIRMAN VERN WILLIAMS at  
Chairperson

9:00 a.m. a.m./p.m. on Thursday, January 31, 1985 in room 527-S of the Capitol.

All members were present except:

Representatives R.H. Miller, Mayfield and Peterson - Excused.

Committee staff present:

Alan Conroy  
Richard Ryan  
Gordon Self  
Rosalie Black

Conferees appearing before the committee:

Marshall Crowther, Executive Secretary, KPERS  
Dr. O. L. Plucker, Superintendent, Kansas City Kansas School District  
Basil Covey, Kansas Retired Teachers Association

The meeting was called to order by Vice-Chairman, Vern Williams.  
Minutes of the January 29, 1985, meeting were approved.

The Vice-Chairman announced that Etta Blanche Dahlgren scheduled to testify today regarding House Bill 2017 would not appear due to road conditions.

In answer to a question from Representative Sand at a previous meeting, the Vice-Chairman indicated there are 883 teachers still teaching who are 60 years of age or older.

HOUSE BILL 2017 - HEARING

Dr. O. L. Plucker testified in favor of benefits contained in House Bill 2017, however, he is opposed to taxpayers in Kansas City absorbing the additional cost for annuitants in that district which would represent a double taxation for a single benefit. He suggested an amendment treating all taxpayers equitably. Also, Dr. Plucker pointed out duplicative language in the bill involving definitions of "local school annuitant." Attachment 1.

Representing the Kansas Retired Teachers Association, Basil Covey, noted no objection to the amendment described by Dr. Plucker as long as teachers denied benefits last year receive benefits this year.  
Attachment 2.

Marshall Crowther said that House Bill 2017 speaks to two different

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS & BENEFITS,  
room 527-S, Statehouse, at 9:00 a.m./p.m. on January 31, 19 85

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HOUSE BILL 2017 - HEARING - Con't

sets of benefits which are two separate 10% increases and what is commonly called the 13th check.

KPERS PROPOSALS

On behalf of the Governor, Marshall Crowther suggested changing the maximum optional group life insurance available to state employees from the present \$50,000 to \$100,000. Also on behalf of the Governor, Mr. Crowther recommended that an additional survivor option be made available for retiring members under provisions of KPERS, Kansas police and fire, and Kansas judges retirement systems. There would be no cost since the survivor options are essentially funded by the reduction that the individual member elects at the time of retirement and are actuarial equivalents. Attachment 3.

Representative Wisdom moved that the KPERS proposals be introduced by the committee and referred back; seconded by Representative Sand. The motion carried.

Mr. Crowther further recommended introduction of a proposal involving an auxiliary but optional retirement plan for sheriffs' departments that would contain features of the Kansas police and fire retirement system, particularly eligibility for retirement at an earlier age and definitions for death and disability.

Representative Branson moved that an auxiliary optional retirement plan be introduced and referred back to the committee; seconded by Representative Dyck. The motion carried.

The meeting adjourned at 10:05 a.m.

*Handwritten signature*  
2/4/84

January 31, 1985

Members of the Committee on  
Pensions, Investments and Benefits:

I am O. L. Plucker, Superintendent of Schools in USD #500, Kansas City, Kansas. I want to express appreciation at the invitation of Chairman Louis to appear before this committee in reference to House Bill 2017. I also want to express my appreciation to the members of the committee for the concern demonstrated for persons who are retired and on fixed incomes. They indeed do have serious problems.

While H.B. 2017 is primarily concerned with persons who are retired under provisions of the Kansas Public Employees Retirement System, it also has an effect on the retirement system maintained by USD #500 for employees who are not part of KPERS. In other words, the increase in benefits applies to members of KPERS and local school annuitants alike.

As far as I can tell, USD #500 is the only district having "local school annuitants," as defined under the terms of H.B. 2017. Please understand that we certainly concur that the increase in benefits is a worthy objective and is most important for those annuitants who are affected. However, we do feel that as it is now written, H.B. 2017 is extremely unfair to taxpayers in USD #500.

The increased benefits which are provided in H.B. 2017 are an unfunded liability. In other words, they are not covered by the contributions made by persons who have retired nor by income from reserves. It is my understanding that any such increased cost resulting from the increase in benefits to KPERS must, therefore, be funded by appropriations from the general revenues of the state. This is as it should be, but it means that all taxpayers of the state, including taxpayers in Kansas City, Kansas, will share in picking up the costs for those annuitants who are members of KPERS. However, under the terms of H.B. 2017, taxpayers in Kansas City, Kansas, standing alone would be required to absorb the additional cost for annuitants in that district. In effect, that represents a double taxation for a single benefit.

To the best of our ability to estimate, provisions of H.B. 2017 would require an annual increase in taxes for funding the program in the amount of approximately \$133,000 per year. That would result in the equivalent of a tax rate increase of approximately 1/2 mill to local taxpayers, over and above the taxes which would be shared with all other taxpayers of the state, to fund the benefits to members of KPERS.

Please understand, in no way do we object to the increase in benefits, and consider them to be important and necessary. We do, however, request a re-examining of the financing of the measure and request that the bill be amended so that all teachers qualifying under the terms of the bill be treated equitably and that the costs be spread equitably among taxpayers of the state of Kansas. I do not have a specific proposal for amendment, but am confident that this is a matter which members of the committee and staff can resolve without too much difficulty.

There is one other technical matter in relation to H.B. 2017 to which I would call your attention. The language of Sec. 1 (2) (c) defining "Local school annuitant" could be simplified by striking out much of the language which is carried over from previous legislation and having it read as follows:

(c) "Local school annuitant" means ~~(1) (i) any person who is an annuitant with 10 or more years of service who is receiving an annuity from a school district maintaining a separate retirement system and whose annuity is not included, in whole or in part, in payments made to such school district under K.S.A. 72-5512b and amendments thereto and who is not a member of a group I or of group II as defined in K.S.A. 72-5518 and amendments thereto, and (2) (ii) any person who is receiving an annuity from a school district maintaining a separate retirement system, which is receiving an aggregate payment from the Kansas public employees retirement system under K.S.A. 72-5512b and amendments thereto, and who retired prior to September 1, 1971.~~

A similar change is suggested in Sec. 2 (c). There may be some technical problems requiring the language as written in the bill, but as we read it, the language is no longer necessary and comes from prior legislation.

As a final point, once again I would want to emphasize that we support fully the efforts to increase retirement benefits to annuitants, but at the same time, we earnestly request fair and equitable treatments for all taxpayers as has been outlined in these remarks.



# Kansas Retired Teachers Association



1984-1985

## ELECTIVE OFFICERS

**President**  
Mrs. Etta Blanche Dahlgren  
4326 Waverly  
Kansas City, Ks. 66104  
Phone 913-287-2279

**President Elect**  
Mr. Morris J. Thompson  
412 E. 13th  
Hutchinson, Ks. 67501  
Phone 316-682-3002

**Vice President**  
Mrs. Lucy E. Clark  
425 Morningside Dr.  
Newton, Ks. 67114  
Phone 316-283-2421

**Secretary**  
Mrs. Thyra Olson  
106 W. Saline  
Lindsborg, Ks. 67456  
Phone 913-227-3661

**Treasurer**  
Mr. Mearle Hoover  
2135 Norton  
Salina, Ks. 67401  
Phone 913-827-5443

**Assistant Treasurer**  
Mr. Fred Jarvis  
1122 N. Cedar  
Abilene, Ks. 67410  
Phone 913-263-1533

**Chairman of Editing & Publishing Committee**  
Mrs. Elsie Klemp  
608 E. Price  
Garden City, Ks. 67846  
Phone 316-275-5322

**Legislative Chairman**  
Mr. Laurence Stanton  
406 LaVista  
Dodge City, Ks. 67801  
Phone 316-227-6877

**Past President**  
Mr. Glenn E. Burnette  
1630 Knollwood  
Topeka, Ks. 66611  
Phone 913-232-5404

## DISTRICT DIRECTORS

**District 1**  
Mr. Arnold J. Lehmann  
216 W. Wilson  
Salina, Ks. 67401  
Phone 913-827-1913

**District 2**  
Mr. Jack Rose  
808 Iowa St.  
Holton, Ks. 66436  
Phone 913-364-2965

**District 3**  
Mr. Willis Jordan  
933 Maple  
Ottawa, Ks. 66067  
Phone 913-242-6130

**District 4**  
Mrs. Ruth A. McCarty  
Box 334  
Bucklin, Ks. 67834  
Phone 316-826-3769

**District 5**  
Mrs. Martha D. Hicks  
1323 N. Erie  
Wichita, Ks. 67214  
Phone 316-682-2490

**District 6**  
Mrs. Beulah C. Bohn  
Route #1, Box 192  
Fall River, Ks. 67047  
Phone 316-736-2213

January 31, 1985

Members of the Pensions, Investments and Benefits Committee:

My name is Basil Covey and I represent the Kansas Retired Teachers Association.

I want to speak in support of HB 2017.

This bill will serve to increase benefits for retired teachers in school districts maintaining a separate retirement system. This bill will benefit retired teachers who have served the youth in the Kansas City school district.

The increased benefits are equal to, or similar to, the increased benefits received by retired teachers outside the Kansas City school district from the KPERS retirement system in 1984.

The Kansas City school district and their retired teachers served as pioneers in the teaching profession in Kansas in providing one of the first retirement systems.

This bill will give legislators a sense of well-being in helping to mend a flaw in the retirement security net of this group of retirees.

We urge you to give HB 2017 a positive vote and send it to the House of Representatives for consideration.

Sincerely,

*Basil Covey*  
Basil Covey  
Lobbyist, KRTA

## APPOINTIVE OFFICERS

**Legislative Committee**  
Mr. Fayette Fields  
1956 N. Tyler Rd.  
Wichita, Ks. 67212  
Phone 316-722-4458

Mr. Earl Ludlum  
Route #3 - Box 108  
Pittsburg, Ks. 66762  
Phone 316-231-5842

Dr. Calvin E. Harbin  
303 W. 19th  
Hays, Ks. 67601  
Phone 913-625-2428

Basil R. Covey  
3119 W. 31st Ct.  
Topeka, Ks. 66614  
Phone 913-272-5914

Mr. Kenneth Rogg  
110 Hillcrest Dr.  
Paola, Ks. 66071  
Phone 913-294-3933

**Historian**  
Mrs. Faye Riggs  
604 N. Washington  
Lindsborg, Ks. 67456  
Phone 913-227-3434

**Community Participation Chairman**  
Mr. Frank Rosser  
S. Topeka  
Holton, Ks. 66436  
Phone 913-364-2860

**Necrology Chairman**  
Mrs. Eunice E. Schnitzer  
1711 N. 4th, Apt. 518  
Arkansas City, Ks. 67005  
Phone 316-442-2685

**Informative and Protective Services**  
Mrs. Wilda Novotny  
2310 Maple Dr.  
Belleville, Ks. 66935  
Phone 913-527-2964

**Retirement Planning Chairman**  
Mr. Milton Senti  
708 Stout  
Pratt, Ks. 67124  
Phone 316-672-6183

**Membership Chairman**  
Mrs. Irma Minden  
4 Crestview Dr.  
Paola, Ks. 66071  
Phone 913-294-4055

**NRTA Coordinator**  
Dr. George Goebel  
711 Crest Dr.  
Topeka, Ks. 66606  
Phone 913-272-8777

**Corresponding Secretary**  
Mr. Lester Ramsey  
7923 Walker Ave.  
Kansas City, Ks. 66112  
Phone 913-788-3866

**Parliamentarian**  
Mr. Harry McLeod  
1214 McAdams Rd.  
Salina, Ks. 67401  
Phone 913-823-3993

74-4927

74-4927. Plan of death and long-term disability benefits; coverage; adjustment, financing and administration of plan; insurance policies and contracts, cancellations; group insurance reserve; optional death benefit plan; optional death benefit plan reserve. (1) The board may establish a plan of death and long-term disability benefits to be paid to the members of the retirement system as provided by this section. The long-term disability benefit shall not be payable until the member has been prevented from carrying out each and every duty pertaining to the member's employment as a result of sickness or injury for a period of 180 days and the annual benefit shall not exceed an amount equal to 60% of the member's annual rate of compensation on the date such disability commenced and shall be payable in equal monthly installments. In the event that a member's compensation is not fixed at an annual rate but on an hourly, weekly, biweekly, monthly or any other basis than annual, the board shall prescribe by rule or regulation a formula establishing a reasonable rate of annual compensation to be used in determining the amount of the death or long-term disability benefit for such member. Such plan shall provide that:

(A) The right to receive such death benefit shall cease upon the member's attainment of age 70 or date of retirement whichever first occurs. The right to receive such long-term disability benefit shall cease (i) for a member who becomes eligible for such benefit before attaining age 60, upon the date that such member attains age 65 or the date of such member's retirement, whichever first occurs, and (ii) for a member who becomes eligible for such benefit at or after attaining age 60, the date that such member has received such benefit for a period of five years, upon the date that such member attains age 70, or upon the date of such member's retirement, whichever first occurs.

(B) Long-term disability benefit payments shall be in lieu of any accidental total disability benefit that a member may be eligible to receive under subsection (3) of K.S.A. 74-4916 and amendments thereto. Such plan may provide that any amount which a member receives as a social security benefit or a disability benefit from any source by reason of any employment including but not limited to workmen's compensation benefits may be deducted from the amount of insured disability benefit payments under such plan, except that not more than 50% of such workmen's compensation benefits shall be deducted therefrom. In no case shall a member who is entitled to receive insured disability benefits receive less than \$50 per month. As used in this section, "workmen's compensation benefits" shall mean the total award of disability benefit payments under the workmen's compensation act notwithstanding any payment of attorney fees from such benefits as provided in the workmen's compensation act.

(C) The plan may include other provisions relating to qualifications for benefits; schedules and graduation of benefits; limitations of eligibility for benefits by reason of termination of employment or membership conversion privileges; limitations of eligibility for benefits by reason of leaves of absence, military service or other interruptions in service; limitations on the condition of long-term disability benefit payment by reason of improved health; requirements for medical examinations or report; or any other reasonable provisions as established by rule or regulation of uniform application adopted by the board.

(D) On and after April 30, 1981, the board may provide under the plan for the continuation of long-term disability benefit payments to any former member who forfeits the entitlement to continued service credit under the retirement system or continued assistance in the purchase of retirement annuities under K.S.A. 74-4925 and amendments thereto and to continued long-term disability benefit payments and continued death benefit coverage, by reason of

the member's withdrawal of contributions from the retirement system or the repurchase of retirement annuities which were purchased with assistance received under K.S.A. 74-4925 and amendments thereto. Such long-term disability benefit payments may be continued until such individual dies, attains age 65 or is no longer disabled, whichever occurs first.

(2) (A) In the event that a member becomes eligible for a long-term disability benefit under the plan authorized by this section such member shall be given participating service credit for the entire period of such disability. Such member's "final average salary" shall be computed in accordance with subsection (7) of K.S.A. 74-4902 and amendments thereto except that the years of participating service used in such computation shall be the years of salaried participating service.

(B) In the event that a member eligible for a long-term disability benefit under the plan authorized by this section shall be disabled for a period of five years or more immediately preceding retirement, such member's "final average salary" shall be adjusted upon retirement by the actuarial salary assumption rates in existence during such period of disability.

(3) (A) To carry out the legislative intent to provide, within the funds made available therefor, the broadest possible coverage for members who are in active employment or involuntarily absent from such active employment, the plan of death and long-term disability benefits shall be subject to adjustment from time to time by the board within the limitations of this section. The plan may include terms and provisions which are consistent with the terms and provisions of group life and long-term disability policies usually issued to those employers who employ a large number of employees. The board shall have the authority to establish and adjust from time to time the procedures for financing and administering the plan of death and long-term disability benefits shall be subject to adjustment from time to time by the board



within the limitations of this section. The plan may include terms and provisions which are consistent with the terms and provisions of group life and long-term disability policies usually issued to those employers who employ a large number of employees. The board shall have the authority to establish and adjust from time to time the procedures for financing and administering the plan of death and long-term disability benefits authorized by this section. Either the insured death benefit or the insured disability benefit or both such benefit may be financed directly by the system or by one or more insurance companies authorized and licensed to transact group life and group accident and health insurance in this state.

(B) The board may contract with one or more insurance companies, which are authorized and licensed to transact group life and group accident and health insurance in Kansas, to underwrite or to administer or to both underwrite and administer either the insured death benefit or the insured disability benefit or both such benefits. Each such contract with an insurance company under this subsection shall be entered into on the basis of competitive bids solicited and administered by the board. Such competitive bids shall be based on specifications prepared by the board.

(i) In the event the board purchased one or more policies of group insurance from such company or companies to provide either the insured death benefit or the insured disability benefit or both such benefits, the board shall have the authority to subsequently cancel one or more of such policies and, notwithstanding any other provision of law, to release each company which issued any such canceled policy from any liability for future benefits under any provision of law, to release each company which issued any such canceled policy from any liability for future benefits under any such policy and to have the reserves established by such company under any such canceled policy returned to the system for deposit in the group insurance reserve of the fund.

(ii) in addition, the board shall have the authority to cancel any policy or policies of group life and long-term disability insurance in existence on the effective date of this act and, notwithstanding any other provision of law, to release each company which issued any such canceled policy from any liability for future benefits under any such policy and to have the reserves established by such company under any such canceled policy returned to the system for deposit in the group insurance reserve of the fund. Notwithstanding any other provision of law, no premium tax shall be due or payable by any such company or companies on any such policy or policies purchased by the board nor shall any brokerage fees or commissions be paid thereon.

(4) (A) The cost of the plan of death and long-term disability benefits shall be paid from a special reserve hereby created in the fund, to be known as the group insurance reserve. Each participating employer shall appropriate and pay to the system in such manner as the board shall prescribe in addition to the employee and employer retirement contributions an amount equal to .6% of the amount of compensation on which the members' contributions to the Kansas Public Employees Retirement System are based for deposit in the group insurance reserve of the Kansas Public Employees Retirement Fund.

(B) The director of the budget and the governor shall include in the budget and in the budget request for appropriations for personal services a sum to pay the state's contribution to the group insurance reserve as provided by this section and shall present the same to the legislature for allowances and appropriate.

(C) The provisions of subsection (4) of K.S.A. 74-4920 and amendments thereto shall apply for the purpose of providing the funds to make the contributions to be deposited to the group insurance reserve.

(D) Any dividend or retrospective rate credit allowed by an insurance company or companies shall be credited to the group insurance reserve and the

board may take such amounts into consideration in determining the amounts of the benefits under the plan authorized by this section.

(5) The death benefit provided under the plan of death and long-term disability benefits authorized by this section shall be known and referred to as "insured death benefit." The long-term disability benefit provided under the plan of death and long-term disability benefits authorized by this section shall be known and referred to as "insured disability benefit."

(6) The board is hereby authorized to establish an "optional death benefit plan." Such optional death benefit plan shall be made available to all employees of the state of Kansas who are covered or may hereafter become covered by the plan of death and long-term disability benefits authorized by this section. The cost of the optional death benefit plan shall be paid by the applicant either by means of a system of payroll deductions or direct payment to the board. The board shall have the authority and discretion to establish such terms, conditions, specifications and coverages as it may deem to be in the best interest of the state of Kansas and its employees which should include term death benefits for the person's period of active state employment regardless of age, but in no case shall the maximum allowable benefit be less than \$100,000. The cost of the optional death benefit plan shall not be established on such a basis as to unreasonably discriminate against any particular age group. The board shall have full administrative responsibility, discretion and authority to establish and continue such optional death benefit plan and the director of accounts and reports of the department of administration shall when requested by the board and from funds appropriated or available for such purpose establish a system to make periodic deductions from state payrolls to cover the cost of the optional death benefit plan coverage under the provisions of this subsection (6) and shall remit all deductions together with appropriate accounting reports to the system. All funds received

1-30-85

by the board, whether in the form of direct payments, payroll deductions or otherwise, shall be accounted for separately from all other funds of the retirement system and shall be paid into a special reserve hereby created in the fund, to be known as the optional death benefit plan reserve, from which reserve the board is authorized to make the appropriate payments and to pay the ongoing costs of administration of such optional death benefit plan as may be incurred in carrying out the provisions of this subsection (6).

(NEW) KP&F AFFILIATION

(1) On and after July 1, 1985, any city, county, township, or other political subdivision of the state employing one or more fireman or policeman, as defined by subsection 11 and 12 of K.S.A. 74-4952, or emergency medical technician, as defined by subsection (F) of K.S.A. 65-4314 and amendments thereto and which are currently participating employers in the Kansas Public Employees Retirement System, may affiliate with the Kansas Police and Firemen's Retirement System established under the provisions of K.S.A. 74-4951 et.seq. and amendments thereto. All such agencies shall make application for affiliation with such system in the manner provided by K.S.A. 74-4954, to be effective on the first day of January next following application.

(2) Each participating employer affiliating pursuant to the provisions of subsection (1) shall appropriate and pay to the system a sum sufficient to satisfy the obligations hereunder as certified by the board.

(3) Any policeman or fireman who shall be appointed on or after the entry date of such agency shall become a member of the Kansas Police and Firemen's Retirement System upon the first day of such employment.

(4) For the purposes of determining and computing retirement benefits and death and disability benefits computed upon the basis of "credited service" of policemen or firemen appointed under the provisions of this act, the term "credited service" as used in K.S.A. 74-4951 et.seq. shall mean and include only "participating" service with the participating employer, except as hereinafter provided.

(a) Credited service of any employee with any participating employer prior to becoming a member under these provisions shall be considered and included in determining if the death or disability of such employee was service connected under the provisions of subsection 10 of K.S.A. 74-4952 and for the

KP&F AFFILIATION (cont'd)

purposes of determining the eligibility of such officer for non-service connected death and disability benefits under the provisions of subsection 2 of K.S.A. 74-4959 and subsection 2 of K.S.A 74-4960.

(b) Notwithstanding the provisions of K.S.A. 74-4957 and K.S.A. 74-4963 all credited service of any employee with any participating employer prior to becoming a member under these provisions shall be included and counted together with credited participating service for the meeting of requirements of years of service fixed under the provisions of such sections.

Any rights and benefits accruing to any employee of an agency prior to the effective date of affiliation shall be determined and computed pursuant to the provisions of K.S.A. 74-4901 et.seq. and amendments thereto. Any member, who becomes a member pursuant to this section, who has a vested retirement benefit pursuant to K.S.A. 74-4917, and amendments thereto, and who terminates employment prior to attaining a vested benefit pursuant to K.S.A. 74-4963, and amendments thereto, may have such service credited for purposes of determining and computing retirement benefits pursuant to K.S.A. 74-4901 et.seq. and amendments thereto.

74-4914

74-4914. Retirement date; service after retirement; retirement before normal retirement date. (1) The normal retirement date for a member of the system shall be the first day of the month coinciding with or following the attainment of age 65. In no event shall a normal retirement date for a member be before six months after the entry date of the participating employer by whom such member is employed. A member may retire on the normal retirement date or on the first day of any month thereafter upon the filing with the office of the retirement system of an application in such form and manner as the board shall prescribe. Nothing herein shall prevent any person, member or retirant from being employed, appointed or elected as an employee, appointee, officer or member of the legislature. Elected officers may retire from the system on any date on or after the attainment of the normal retirement date, but no retirement benefits payable under this act shall be paid until the member has terminated such member's office.

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

(3) Any member may retire before such member's normal retirement date on the first day of any month coinciding with or following the attainment of age 60 or completion of 10 years of credited service, whichever occurs later, but in no event before six months after the entry date, upon the filing with the office of the retirement system of an application for retirement in such form and manner as the board shall prescribe.

(4) Any member, who is also an employee of an affiliating employer pursuant to \_\_\_\_\_, and has not withdrawn their accumulated contributions from the Kansas Police and Firemen's Retirement System may retire before such member's normal retirement date on the first day of any month coinciding with or following the attainment of age 55.

## 74-4915

K.S.A. 1983 Supp. 74-4915 is hereby amended to read as follows: 74-4915

(1) Any member who shall retire 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 one percent (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, 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. The amount for participating service shall be equal to one and one quarter percent (1.25%) of the member's final average salary multiplied by the number of years of participating service prior to July 1, 1982, which are entitled to credit as provided in K.S.A. 74-4913 and amendments thereto and 1.4% of the member's final average salary multiplied by the number of years of participating service after June 30, 1982, which are entitled to credit as provided in K.S.A. 74-4913 and amendments thereto.

(2) (A) Except as otherwise provided in paragraph (B) of this subsection, any member who retires before the normal retirement date shall



74-4915 cont'd

receive an annual retirement benefit equal to the annual retirement benefit payable had the member retired on the normal retirement date but based upon the member's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the product of (i) such annual retirement benefit payable had the member retired on the normal retirement date, multiplied by (ii) the product of six-tenths of one percent (.6%) multiplied by the number of months difference, to the nearest whole month, between the member's attained age at the time of retirement and age sixty-five (65).

(B) Any member who retires on or after July 1, 1981, and has attained age 60, but before the normal retirement date shall receive an annual retirement benefit equal to the annual retirement benefit payable had the member retired on the normal retirement date but based upon the member's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the product of (i) such annual retirement benefit payable had the member retired on the normal retirement day, multiplied by (ii) the product of .3% multiplied by the number of months difference, to the nearest whole month, between the member's attained age at the time of retirement and age 65.

(3) Any member who is also a member of an affiliating employer pursuant to \_\_\_\_\_, and who retires before the normal retirement date under the provisions of K.S.A. 74-4914(4) shall receive an annual retirement benefit equal to the annual retirement benefit payable had the member retired on the normal retirement date but based upon the member's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the product of (i) such annual retirement

74-4915 cont'd

benefit payable had the member retired on the normal retirement date, multiplied by (ii) the product of six-tenths of one percent (.6%) multiplied by the number of months difference, to the nearest whole month, between the member's attained age at the time of retirement and age sixty (60).

~~(3)~~ (4) Any member who shall retire, on or after July 1, 1989, with 25 or more years of participating service shall be entitled to receive an annual retirement benefit for participating service equal to the total of 1.4% of the member's final average salary multiplied by the number of years of participating service.

~~(4)~~ (5) Upon death of a retirant, there shall be paid to such retirant's beneficiary an amount equal to the excess, if any, of such retirant's accumulated contributions over the sum of all retirement benefit payments made.

~~(5)~~ (6) Such annual retirement benefits shall be paid in equal monthly installments except, that the board may provide for the payment of retirement benefits which total less than two hundred forty dollars (\$240) a year on other than a monthly basis.

~~(6)~~ (7) In the event that an application in such form as may be prescribed by the board for any amount due under the provisions of this act, is not filed with the office of the retirement system by the person entitled to same within five years of the date such amount became due and payable, an amount equal to same shall be transferred to the retirement benefit accumulation reserve and such amount shall no longer be due and payable; however, if

1-30-85

74-4915 cont'd

any such person shall present evidence satisfactory to the board that such person's failure to to file such application within that time period was due to lack of knowledge or in capacity on such person's part, the amount equal to the amount originally due shall be transferred from the retirement benefit accumulation reserve to the reserve or reserves from which such transfer was initially made and the amount originally due shall be paid to such person.

74-4964

74-4964. Retirement benefit options, elections of member and spouse; joint annuitants. (1) A member may elect to have such member's retirement benefit paid under one of the options provided in this section in lieu of having it paid in the form stated in subsection (1) and (2) of K.S.A. 74-4958 and amendments thereto. Such election must be made at least ~~three~~ one years before date of actual retirement, on the entry date or on the effective date of this amendment whichever is latest, unless the member submits evidence, satisfactory to the board, of such member's good health, except that if option A is elected, and the spouse or, a dependent child of the member is named joint annuitant, such good health requirement will be waived. Only a specific individual person may be designated as a joint annuitant at the time of election of option A or B. The same requirements and limitations shall apply in the event a member wishes to change the named joint annuitant or cancel or change the option selected.

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

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

(4) Such election of an option shall become null and void upon the death of a member prior to such member's retirement, except that if a member, who is eligible to retire in accordance with the provisions of subsections (1) and (2) of K.S.A. 74-4958 and amendments thereto, dies without having actually retired the member's spouse, if the spouse is beneficiary for the member's accumulated contributions, and no benefits are payable under subsections (1) and (2) of K.S.A. 74-4959 and amendments thereto, may elect to receive benefits as a joint annuitant under option A, calculated as if the member retired on date of death, in lieu of receiving the member's accumulated contributions.

(5) The retirement options are:

(A) Option A. Joint and 1/2 to joint annuitant survivor. A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to the product of (1) the monthly payment of the retirement annuity otherwise payable under K.S.A. 74-4958 and amendments thereto and (B) the percentage equal to 89% \_\_\_\_\_ minus  $\mp 4\%$  \_\_\_\_\_ for each year by which the age of the retirant's joint annuitant is less than the retirant's age, computed to the nearest whole year, or plus  $\mp 4\%$  \_\_\_\_\_ for each year by which the age of the retirant's joint annuitant is more than the retirant's age, computed to the nearest whole year, with 1/2 of that monthly amount continued to the retirant's joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the retirant. In the event that the designated joint annuitant under option A predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under option A shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

(B) Option B. Joint and survivor. A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement annuity otherwise

payable under K.S.A. 74-4958 and amendments thereto and (B) the percentage equal to 80% \_\_\_ minus  $\pm 7\%$  \_\_\_ for each year by which the age of the retirant's joint annuitant is less than the retirant's age, computed to the nearest whole year or plus  $\pm 7\%$  \_\_\_ for each year by which the age of the retirant's joint annuitant is more than the retirant's age, with that monthly amount continued to the joint annuitant during the joint annuitant's remaining lifetime, if any, after the death of retirant. In the event that the designated joint annuitant under option B predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under option B shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

(C) Option C. Life with 10 years certain. A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to 97% of the monthly payment of the retirement benefit otherwise payable under K.S.A. 74-4958 and amendments thereto, and if the retirant dies within the ten-year certain period, measured from the commencement of retirement benefit payments, such payments will be continued to the retirant's beneficiary during the balance of the ten-year certain period.

(D) Option D. Joint and 3/4 to joint annuitant survivor. A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to the product of (1) the monthly payment of the retirement annuity otherwise payable under K.S.A. 74-4958 and amendments thereto and (B) the percentage equal to % minus .% for each year by which the age of the retirant's joint annuitant is less than the retirant's age, computed to the nearest whole year, or plus .% for each year by which the age of the retirant's joint annuitant is more than the retirant's age, computed to the nearest whole year, with 3/4 of that monthly amount continued to the retirant's joint annuitant during such joint annuitant's remaining lifetime, if

any, after the death of the retirant. In the event that the designated joint annuitant under option D predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under option D shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

(6) Benefits payable to a joint annuitant shall accrue from the first day of the month following the death of a member or retirant and, in the case of option A and option B, shall end on the first day of the month in which the joint annuitant dies.

(7) The provisions of the law in effect on the retirement date of a member under the system shall govern the retirement benefit payable to the retirant and any joint annuitant.

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

## 74-4918

74.4918. Retirement benefit options; elections of member and spouse; joint annuitants. (1) A member may elect to have such member's retirement benefit paid under one of the options provided in this section in lieu of having it paid in the form stated in K.S.A. 1982 Supp. 74-4915 and amendments thereto. Such election must be made at least one year before date of actual retirement or on the entry date whichever is latest, unless the member submits evidence, satisfactory to the board, of such member's good health requirement will be waived. A specific person must be designated as joint annuitant at the time of election of option A or B, except that if a member who has elected to have such member's retirement benefit paid under option A or B wishes to change or cancel the option elected or change the named joint annuitant, such member must do so at least one year before date of actual retirement, unless the member before actual retirement submits evidence, satisfactory to the board, of the good health of the joint annuitant under the option being cancelled or changed, or the joint annuitant previously named when electing to change the named joint annuitant. Under no circumstances may an option be changed or cancelled nor the named joint annuitant changed after the date of actual retirement of the member.

(2) The amount of retirement benefit payable under an option shall be based on the age of the member and, if applicable, the age of the joint annuitant, and shall be such amount as to be the actuarial equivalent of the retirement benefit otherwise payable under K.S.A. 1982 Supp. 74-4915 and amendments thereto, as prescribed in subsection (3). In no case shall the total amount of retirement benefit paid under any option provided in this section be more than 100% of the retirement benefit which would have been otherwise payable if no option had been elected under this section.

(3) The retirement option are:



(A) Option A. Joint and  $\frac{1}{2}$  to joint annuitant survivor. A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement benefit otherwise payable under K.S.A. 1982 Supp. 74-4915 and amendments thereto and (B) the percentage equal to ~~87%~~ 88% minus ~~+6%~~ .4% for each year by which the age of the retirant's joint annuitant is less than the retirant's age, computed to the nearest whole year, or plus ~~+6%~~ .4% for each year by which the age of the retirant's joint annuitant is more than the retirant's age, computed to the nearest whole year, with  $\frac{1}{2}$  of that monthly amount continued to the retirant's joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the retirant. In the event that the designated joint annuitant under option A predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under option A shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

(B) Option B. Joint and survivor. A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement benefit otherwise payable under K.S.A. 1982 Supp. 74-4915 and amendments thereto and (B) the percentage equal to ~~75%~~ 79% minus ~~+9%~~ .6% for each year by which the age of the retirant's joint annuitant is less than the retirant's age, computed to the nearest whole year, or plus ~~+9%~~ .6% for each year by which the age of the retirant's joint annuitant is more than the retirant's age, computed to the nearest whole year, with that amount continued to the joint annuitant during the joint annuitant's remaining lifetime, if any, after the death of the retirant. In the event that the designated joint annuitant under option B predeceases the retirant, the amount of the retirement benefit otherwise payable

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

(C) Option C. Life with 10 years certain. A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to 94% of the monthly payment of the retirement benefit otherwise payable under K.S.A. 1982 Supp. 74-4915 and amendments thereto and if the retirant dies within the ten-year certain period, measured from the commencement of retirement benefit payments, such payments shall be continued to the retirant's beneficiary during the balance of the ten-year certain period.

(D) Option D. Joint and 3/4 to joint annuitant survivor. A reduced retirement benefit is payable to the retirant during the retirant's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement benefit otherwise payable under K.S.A. 1982 Supp. 74-4915 and amendments thereto and (B) the percentage equal to 83% minus .5% for each year by which the age of the retirant's joint annuitant is less than the retirant's age, computed to the nearest whole year, or plus .5% for each year by which the age of the retirant's joint annuitant is more than the retirant's age, computed to the nearest whole year, with 3/4 of that monthly amount continued to the retirant's joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the retirant. In the event that the designated joint annuitant under option D predeceases the retirant, the amount of the retirement benefit otherwise payable to the retirant under option D shall be adjusted automatically to the retirement benefit which the retirant would have received if no option had been elected under this section.

(4) If a member, who is eligible to retire in accordance with the provisions of K.S.A. 1982 Supp. 74-4914, dies without having actually retired, the member's spouse, if the spouse is beneficiary for the member's accumulated

contributions, may elect to receive benefits as a joint annuitant under option A, calculated as if the member retired on date of death , in lieu of receiving the member's accumulated contributions.

(5) The benefits of subsection (4) shall be available in the case of death within the first six months after the entry date of the member's participating employer and this provision shall be retroactive and apply to all such deaths occurring on and after January 1, 1962. In the event that a member died prior to July 1, 1965, leaving a surviving spouse but without designating a beneficiary for the member's accumulated contributions, such surviving spouse shall be considered as having been designated such beneficiary for the purpose of paying benefits under this subsection and may make application for same after the effective date of this subsection.

(6) Benefits payable to a joint annuitant shall accrue from the first day of the month following the death of a member or retirant and, in the case of option A and option B, shall end on the first day of the month in which the joint annuitant dies.

(7) The provisions of the law in effect on the retirement date of a member under the system shall govern the retirement benefit payable to the retirant and any joint annuitant.

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

## 20-2610a

20-2610a. Retirement annuity options; elections of judge and spouse. (a) A judge may elect to have such judge's retirement annuity paid under one of the options provided in this section in lieu of having it paid in the form stated in K.S.A. 20-2610 and amendments thereto. Such election shall be made at least ~~three~~ one years before date of actual retirement, unless the judge submits evidence, satisfactory to the board, of the judge's good health. If option A is elected, and the spouse or a dependent of the judge is named joint annuitant, such good health requirement shall be waived. A specific person shall be designated as joint annuitant at the time of election of option A or B. The same requirements and limitations shall apply in the event a judge wishes to change the named joint annuitant or cancel or change the option selected.

(b) The amount of retirement annuity payable under an option shall be based on the age of the judge and, if applicable, the age of the joint annuitant, and shall be such amount as to be the actuarial equivalent of the retirement annuity otherwise payable under K.S.A. 20-2610 and amendments thereto as prescribed in subsection (c). In no case shall the total amount of retirement annuity payable under any option provided in this section be more than 100% of the retirement annuity which would have been otherwise payable if no option had been elected under this section.

(c) The retirement options are:

(1) Option A. Joint and 1/2 to joint annuitant survivor. A reduced retirement annuity payable to the judge during the judge's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement annuity otherwise payable under K.S.A. 20-2610 and amendments thereto and (B) the percentage equal to 87% 88% minus ~~+6%~~ .4% for each year by which the age of the judge's joint annuitant is less than the judge's age, computed to the nearest whole year, or plus ~~+6%~~ .4% for each year by which the age of the judge's

joint annuitant is more than the judge's age, computed to the nearest whole year, with 1/2 of that monthly amount continued to the judge's joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the judge. In the event that the designated joint annuitant under option A predeceases the retired judge, the amount of the retirement annuity otherwise payable to the judge under option A shall be adjusted automatically to the retirement annuity which the judge would have received if no option had been elected under this section.

(2) Option B. Joint and survivor. A reduced retirement annuity payable to the judge during the judge's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement annuity otherwise payable under K.S.A. 20-2610 and amendments thereto and (B) the percentage equal to ~~75%~~ 79% minus ~~9%~~ .6% for each year by which the age of the judge's joint annuitant is less than the judge's age, computed to the nearest whole year, or plus ~~9%~~ .6% for each year by which the age of the judge's joint annuitant is more than the judge's age, computed to the nearest whole year, with that monthly amount continued to the joint annuitant during the joint annuitant's remaining lifetime, if any, after the death of the judge. In the event that the designated joint annuitant under option B predeceases the retired judge, the amount of the retirement annuity otherwise payable to the judge under option B shall be adjusted automatically to the retirement annuity which the judge would have received if no option had been elected under this section.

(3) Option C. Life with 10 years certain. A reduced retirement annuity payable to the judge during the judge's lifetime in a monthly amount equal to 94% of the monthly payment of the retirement annuity otherwise payable under K.S.A. 20-2610 and amendments thereto and if the judge dies within the ten-year certain period, measured from the commencement of retirement annuity payments, such monthly payments shall be continued to such judge's beneficiary during the balance of the ten-year certain period.

(4) Option D. Joint and 3/4 to joint annuitant survivor. A reduced retirement annuity payable to the judge during the judge's lifetime in a monthly amount equal to the product of (A) the monthly payment of the retirement annuity otherwise payable under K.S.A. 20-2610 and amendments thereto and (B) the percentage equal to 83% minus .5% for each year by which the age of the judge's joint annuitant is less than the judge's age, computed to the nearest whole year, or plus .5% for each year by which the age of the judge's joint annuitant is more than the judge's age, computed to the nearest whole year, with 3/4 of that monthly amount continued to the judge's joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the judge. In the event that the designated joint annuitant under option D predeceases the retired judge, the amount of the retirement annuity otherwise payable to the judge under option D shall be adjusted automatically to the retirement annuity which the judge would have received if no option had been elected under this section.

(d) If a member attains age 60 and dies without having actually retired, the member's spouse, if the spouse is beneficiary for the member's accumulated contributions, may elect to receive benefits as a joint annuitant under option A, calculated as if the member retired on date of death, in lieu of receiving the member's accumulated contributions.

(e) Benefits payable to a joint annuitant shall accrue from the first day of the month following the death of a member or retirant and, in the case of option A and option B, shall end on the first day of the month in which the joint annuitant dies.

(f) The provisions of the law in effect on the retirement date of a judge shall govern the retirement annuity payable to the retired judge and any joint annuitant.

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