

Approved March 5, 1987
Date

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS

The meeting was called to order by REPRESENTATIVE VERNON WILLIAMS at
Chairperson

9:00 a.m./p.m. on Thursday, March 5, 1987 in room 527-S of the Capitol.

All members were present except: Representative Duncan
-excused

Committee staff present:
Richard Ryan
Alan Conroy
Gordon Self
Rosalie Black

Conferees appearing before the committee: See attached list. (Attachment 1)

The meeting was called to order by Representative Williams, Chairman, to hear House Bills 2499, 2500, 2440 and 2377; to amend House Bill 2440; and for final action on House Bills 2377, 2411, 2500 and 2498.

HOUSE BILL 2499 - Hearing - No Action

Harold Anderson, City Manager, Leavenworth, testified in favor of HB 2499 which permits local KPERS employers to provide insured death and disability coverage for employees in the "year of service." Attachment 2.

Marshall Crowther, Executive Secretary, KPERS, indicated there would be no administrative cost to KPERS if HB 2499 passed. He added that new employees would be paying the same amount of premium for group insurance coverage as present members of KPERS.

HOUSE BILL 2500 - Hearing - Action

Art Griggs, Chief Attorney, Department of Administration, spoke in support of HB 2500 which would retain retirement benefits for state officials at salary levels before the officials took a 3.8% salary reduction. He added that he had been drafting a similar bill for the Department.

Marshall Crowther said the cost of HB 2500 would be approximately \$1,200 if the employer pays both the employee and employer contribution.

Representative Laird moved to amend HB 2500 adding clarification language pertaining to effective date and officers and employees who would be eligible; seconded by Representative Long. The motion carried.
Attachment 3.

Representative Laird moved to amend HB 2500 favorable for passage as

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS,
room 527-S, Statehouse, at 9:00 a.m./p.m. on March 5, 1987.

HOUSE BILL 2500 - continued

amended; seconded by Representative Long. The motion carried.

HOUSE BILL 2440 - Hearing and Amendments

Representative Wisdom thanked the Committee for considering HB 2440 which involves maintenance of the school employees' retirement for USD 500, Wyandotte County.

Basil Covey, Kansas Retired Teachers Association; Etta Blanche Dahlgren, Retired Teacher; Lorraine Griffin, Assistant Superintendent, USD 500; indicated support of HB 2440 because it would allow members of the Kansas City local retirement plan to have their employee contributions "picked up" for federal income tax purposes. The contributions would be treated as employer contributions to determine the amount of federal income taxes to withhold from a participating school employee's compensation.

Attachments 4 and 5.

Marshall Crowther pointed out that the Kansas City teacher's group is asking for the same benefits that regular KPERS members have.

Representative Wisdom moved to amend HB 2440 to remove the 90 day limitation of employment and to strike the interest requirement; seconded by Representative Sutter. The motion carried.

HOUSE BILL 2377 - Hearing and Action

James Todd, Kansas Firefighters Association and Richard Brock, Kansas Insurance Department, notified the Committee that passage of HB 2377 is necessary to correct the amount of monies that should have been sent to Representative Jenkins district. They said if corrections are not made, the Kansas Firemen's Association in that area will be forever shorted.

Attachment 6.

Representative Long moved to report HB 2377 favorable for passage as amended; seconded by Representative Ott. The motion carried.

HOUSE BILL 2411 - Action

Representative Laird moved to amend HB 2411 to allow Regents' employees to take advantage of a tax shelter annuity during the two-year

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON PENSIONS, INVESTMENTS AND BENEFITS
room 527-S, Statehouse, at 9:00 a.m./p.m. on March 5, 1987

HOUSE BILL 2411 - continued

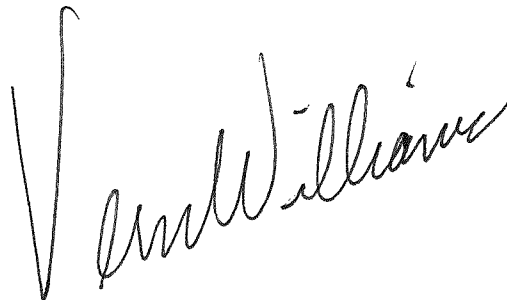
waiting period and to extend six months to one year in Lines 39-40;
seconded by Representative Wisdom. The motion carried. Attachment 7.

Representative Laird moved to report HB 2411 favorable for passage as amended; seconded by Representative Wisdom. The motion carried.

HOUSE BILL 2498 - Action

Representative Justice moved to amend HB 2498 by striking lines that removed all controversy; seconded by Representative Sutter. The motion carried.

The meeting adjourned at 9:58 a.m.

A handwritten signature in cursive script, appearing to read "V. Williams", is written in the lower center of the page.

Please PRINT Name, Address, the organization you represent, and the Number of the Bill in which you are interested. Thank you.

3-5-87

NAME	ADDRESS	ORGANIZATION	BILL NO.
Harold Anderson		City Manager Leavenworth Kansas	
James Decker	Topoka	K City School 500	2440
William Hupp	Topoka	KCK USD 500	2440
Virginia Logan		KCK USD 500	2440
Elva Blanche Dehn			
Jerry Sloan	Topoka	OTPA	
Ruth Welch	Topoka	OTPA	
Basil Covey	Topoka	KRTA	2440
Jerry Marlatt	Topoka	KSCFF	2377
Joe Thibodeau	Lawrence	KSFFA	2377
James A. Lebl	Wichita	KSFFA	2377
HAROLD PITTS	Topoka	TARTA	
Donald Knight	Lawrence	KSCFF	
Ed Richmond	Topoka	KSFFA	
RANDY CURRIE	TOPERA	KSFFA	2377
DICK BLACK	"	Ins Dept	
ART GRIGGS	"	Dept of Adm	2500

Thursday, March 5, 1987

HB 2499 - Relating to insured death and disability benefits for certain KPERS members.

- ✓ ~~Harold Anderson, City Manager, Leavenworth~~
~~Ernie Mosher, League of Kansas Municipalities~~
- ✓ Marshall Crowther, Executive Secretary, KPERS

HB 2500 - Concerning reduction of salaries of state officers and employees and the effect of retirement benefits thereof.

- ✓ Art Griggs, Chief Attorney, Department of Administration

- ✓ Marshall Crowther, Executive Secretary, KPERS

H 2377 - to answer questions, ✓ James Todd OR Jerry Morlat
✓ Dick Brock, insurance commissioner's office

- ✓ HB 2440 - Maintenance of the school employees' retirement for USD 500, Wyandotte County.

2377 - Dick Brock

- ✓ Representative Bill Wisdom
- ✓ Basil Covey, Kansas Retired Teachers Association
- ✓ Etta Blanche Dahlgren, Teacher (RETIRED)
- ✓ LORRAINE GRIFFIN, ASSISTANT Supt., USD 500
- ✓ Marshall Crowther, Executive Secretary, KPERS



**League
of Kansas
Municipalities**

*Testimony of Harold Anderson
City Manager
Leavenworth*

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL / 112 WEST SEVENTH ST., TOPEKA, KANSAS 66603 / AREA 913-354-9565

TO: House Committee on Pensions, Investments and Benefits
FROM: E.A. Mosher, Executive Director
DATE: March 5, 1987
SUBJECT: HB 2499--Local Option Coverage Under KPERS Insured Death
and Disability Benefits

The League is in support of HB 2499. This position is based on a League convention-adopted policy provision and pursuant to actions of the League Governing Body and Committee on Public Personnel.

As Committee members know, the insured death and long-term disability benefits program under KPERS, pursuant to K.S.A. 74-4927, is financed by employer contributions of 0.6% of the member's compensation. It is part of the KPERS benefit program but is financed only by the employer.

Originally, this coverage was provided only to employees commencing with their regular KPERS coverage, i.e., after the completion of their first year of service. However, in 1979 (K.S.A. 74-4927c), it was extended to all state employees on their employment date, thus providing first day coverage for new state employees. However, the employees of local units do not receive this benefit.

In brief, HB 2499 would extend to all local employers the option of providing this first day coverage, for the first year of service. We emphasize that the local employer would make the decision to come within the provisions of HB 2499. We know that some cities want to extend this benefit and are ready to pay the 0.6% of compensation for the benefit of new employees. At the same time, we suspect many local units will not elect to participate, particularly where they may have many seasonal employees or a high turn-over rate for the first year. We think the local option is important.

We express appreciation to the KPERS staff in drafting the bill. We understand that it will not impose unreasonable administrative duties on KPERS. Further, we are aware of the provisions of subsections (3) and (4) which imposes certain duties on local employers which elect to take advantage of the proposed act.

We urge your favorable recommendation of HB 2499.

ATTACHMENT 2

3-5-87

President: John L. Carder, Mayor, Iola • Vice Presidents: Carl Dean Holmes, Mayor, Plains • Past President: Ed Eilert, Mayor, Overland Park • Directors: Robert C. Brown, Commissioner, Wichita • Robert Creighton, Mayor, Atwood • Irene B. French, Mayor, Merriam • Frances J. Garcia, Commissioner, Hutchinson • Donald L. Hamilton, City Clerk/Administrator, Mankato • Paula McCreight, Mayor, Ness City • Jay P. Newton, Jr., City Manager, Newton • John E. Reardon, Mayor, Kansas City • David E. Retter, City Attorney, Concordia • Arthur E. Treece, Commissioner, Coffeyville • Deane P. Wiley, City Manager, Garden City • Douglas S. Wright, Mayor, Topeka • Executive Director: E.A. Mosher

HOUSE BILL No. 2500

By Committee on Pensions, Investments and Benefits

2-25

0017 AN ACT concerning reduction of salaries of state officers and
0018 employees; relating to effect on retirement benefits thereof.

0019 *Be it enacted by the Legislature of the State of Kansas:*

0020 Section 1. Any amount by which the salary of any officer or
0021 employee of the state is reduced pursuant to law or any amount
0022 by which such officer or employee voluntarily agrees to reduce
0023 such officer or employee's salary shall continue to be included as
0024 compensation for all purposes of computing retirement and
0025 pension benefits earned by such salaried officer or employee as
0026 provided by the Kansas public employees retirement system, the
0027 Kansas police and firemen's retirement system and the retire-
0028 ment system for judges.

0029 Sec. 2. This act shall take effect and be in force from and
0030 after its publication in the statute book.

(a)

for the period commencing on January 1, 1987, and ending on June 30, 1987,

and death and disability benefits as provided in article 26 of chapter 20 and article 49 of chapter 74 of the Kansas Statutes Annotated

(b) The provisions of subsection (a) shall not be applicable to salary reductions attributable to: (1) Voluntary demotions of employees in the classified service; (2) deferred compensation pursuant to the plan authorized by K.S.A. 75-5523 and amendments thereto; or (3) to salary reductions attributable to the cafeteria plan authorized by K.S.A. 1986 Supp. 75-6512 and amendments thereto.

(c) For the purposes of this section, "officer" and "employee" means any officer or employee of the state, any member of the legislature or any employee of an institution under the supervision of the board of regents.



Kansas Retired Teachers Association

Together We Can

1986-1987



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March 5, 1987

To Members of the Pensions, Investments and Benefits Committee:

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

We support HB 2440 that provides for maintenance of the school employees' retirement program for USD 500, Kansas City, Kansas.

HB 2440 further provides that members of the Kansas City, Kansas local retirement plan will have their employee contributions "picked up" for federal income tax purpose. The contributions so "picked up" shall be treated as employer contributions to determine the amount of federal income taxes to withhold from a participating school employee's compensation.

HB 2440 will serve the best interests of the members of the Kansas City, Kansas school district employees. The Kansas City, Kansas school district is of some historical importance in that it was the first school district in Kansas to establish a retirement program for school employees.

HB 2440 serves to change one of the policies of long-standing and moves the school district into the modern era of manager-employee relations.

We urge your support of HB 2440.

Sincerely,

Basil Covey
Basil Covey
Chairman, KRTA
Legislative Committee

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KANSAS CITY PUBLIC SCHOOLS (U S D No. 500)

Administrative Offices • 625 Minnesota Avenue • Kansas City, Kansas 66101-2898 • (913) 621-3073

Testimony Before the
House Pensions, Investments and Benefits Committee
on H. B. 2440

by

Lorraine Griffin Johnson
Assistant to the Superintendent

Virginia Logan, Deputy Treasurer

Kansas City, Kansas Public Schools (USD No. 500)

March 5, 1987

David L. Lusk
Superintendent of Schools

Walter L. Davies
Assistant Superintendent
for Instruction

Ray L. Daniels
Assistant Superintendent
for Personnel

Jerry P. Franklin
Assistant Superintendent
for Business Affairs

Lorraine Griffin Johnson
Assistant to the
Superintendent

Martha D. McClure
Assistant to the
Superintendent

Mister Chairman, Vice Chairman, members of the Pensions, Investments and Benefits Committee, the Kansas City, Kansas Public Schools appreciate the opportunity to testify today on House Bill No. 2440 concerning Unified School District No. 500, Wyandotte County relating to the maintenance of the school employees' retirement plan.

The Kansas City, Kansas School Employees' Retirement Plan originated September 1, 1939. Employees were offered the option to transfer to KPERS in September, 1974 and July, 1985.

Currently, there are two hundred forty-nine (249) retirees receiving monthly benefits. The average monthly benefits paid are \$133,597.42 and annual benefits paid are \$1,610,307.48. Twenty-eight (28) employees remain active and pay 6% of their gross wages to the Kansas City, Kansas School Retirement Plan. All other qualified employees are participating in KPERS with 4% of their gross wages.

We are here today to request support of House Bill 2440 in the following manner:

1. That the twenty-eight (28) active participants in the Kansas City, Kansas School Retirement Plan receive the same tax advantage as KPERS participants. We request that no federal or state taxes be withheld on their contributions.
2. It is our recommendation that lines 0058 and 0059 be deleted. The Kansas City, Kansas School Employees' Retirement Trust Account is funded by interest on

Testimony on H. B. 2440
Kansas City, Kansas Public Schools
March 5, 1987
Page 2

invested Treasury Notes. Current and projected retirement benefits may exceed trust funds available if interest on all accounts is not deposited in the general trust fund account. The Kansas City, Kansas Retirement School Plan is scheduled to be phased out. All new employees must pay into KPERS. Therefore, no new participants can be added to the local plan.

3. Also, we would like to offer an additional amendment which removes the ninety (90) day limitation for employment with the Kansas City, Kansas Board of Education after retirement (Attachment 1). This amendment will be consistent with KPERS.

Support of this bill has no financial impact on KPERS or the state. It simply allows all Kansas City, Kansas Board of Education employees to receive the same benefits.

We strongly encourage your support of H. B. 2440 with these amendments.

ATTACHMENT 1

72-1767. Employees' retirement fund, certain cities between 120,000 and 200,000; annuity payment options; limitations on employment. No person shall be employed or continue in the employment of the board of education for any school service to which this act applies, after August thirty-first of the year in which he attains age seventy (70). Nor shall any person continue as a school employee after receiving the first installment of a school annuity, or while receiving a disability annuity provided by this act. Provided, however, That any school employee so retired may perform school service as a substitute employee, ~~not to exceed ninety (90) days in any one (1) school year.~~ No assessments shall be made against the salary of, nor service credit granted, any school employee person while thus employed. ~~as a substitute.~~

HOUSE BILL No. 2377

By Representative Jenkins

2-11

PROPOSED AMENDMENTS

For Consideration by Committee on Pensions, Investments and Benefits

0017 AN ACT concerning the firefighters relief act; relating to deter-
0018 mination of payments to local associations; authorizing certain
0019 adjustments; amending K.S.A. 40-1706 and repealing the ex-
0020 isting section.

and disposition thereof

and 40-1707

sections

0021 *Be it enacted by the Legislature of the State of Kansas:*

0022 Section 1. K.S.A. 40-1706 is hereby amended to read as fol-
0023 lows: 40-1706. (a) On or before April 1 of each year, every
0024 firefighters relief association which holds funds received under
0025 the firefighters relief act shall submit to the commissioner of
0026 insurance a verified account showing in full the receipts and
0027 disbursements and general condition of such funds for the year
0028 ending on the preceding December 31. If such account or other
0029 information shows such funds are not being expended for the
0030 purposes authorized by the firefighters relief act, the commis-
0031 sioner of insurance shall notify the county attorney of the county
0032 in which any such firefighters relief association is located and
0033 the county attorney shall institute proceedings to recover for the
0034 use of the firefighters relief association all moneys expended for
0035 purposes not in accordance with the provisions of the firefighters
0036 relief act. The commissioner of insurance shall hold any funds of
0037 such firefighters relief association until the commissioner is
0038 notified by the county attorney that such condition has been
0039 corrected.

0040 (b) (1) All moneys received by the commissioner of insur-
0041 ance from the tax imposed by K.S.A. 40-1703 and amendments
0042 thereto shall be remitted to the state treasurer. Upon receipt of
0043 each such remittance, the state treasurer shall deposit the entire
0044 amount thereof in the state treasury and shall be credited to the
0045 state firefighters relief fund which is hereby created in the state

ATTACHMENT 6
3-5-87

0046 treasury.

0047 (2) The state firefighters relief fund shall be administered by
0048 the commissioner of insurance. An amount equal to not more
0049 than the amount authorized for expenditure during the current
0050 fiscal year by appropriations enacted by the legislature may be
0051 set aside in the state firefighters relief fund and expended by the
0052 commissioner of insurance for the administrative expenses of the
0053 department of insurance under the firefighters relief act, subject
0054 to the provisions of appropriations acts.

0055 (3) On July 1, 1984, the director of accounts and reports shall
0056 transfer all moneys in the firemen's relief fund to the state
0057 firefighters relief fund which is hereby established in the state
0058 treasury. On July 1, 1984, all liabilities of the firemen's relief
0059 fund are hereby imposed on the state firefighters relief fund and
0060 the firemen's relief fund is hereby abolished.

0061 (4) The moneys collected under K.S.A. 40-1703 and amend-
0062 ments thereto for tax year 1983 shall be paid in accordance with
0063 the provisions of this section prior to its amendment by this act,
0064 except that, prior to making such payments, the amount autho-
0065 rized to be set aside for administrative expenses as provided by
0066 paragraph (2) of this subsection shall be set aside therefor and an
0067 amount determined in accordance with paragraph (2) of subsec-
0068 tion (c) shall be paid to the Kansas state firefighters association,
0069 inc., to be used for the purposes specified by paragraph (2) of
0070 subsection (c).

0071 (c) Prior to August 1, 1985 1987, and each August 1 thereafter,
0072 except as provided in subsections (b) and [subsection] (d), of the
0073 total amount of moneys credited to the state firefighters relief
0074 fund as of July 1 of the same year []

0075 (1) An amount equal to 3% of such total amount shall be paid
0076 by the commissioner of insurance to the treasurer of the Kansas
0077 state firefighters association, inc., for fire prevention and fire
0078 extinguishment education and study []

0079 (2) [an] amount equal to 5% of such total amount shall be paid
0080 by the commissioner of insurance to the Kansas state firefighters
0081 association, inc., which shall be set aside as a death benefit fund
0082 to provide such benefits as determined by the association in

subsections (b) and

the amounts determined as prescribed in subsections (c)(1) through (c)(6) shall be paid as provided therein.

.

An

0083 accordance with the constitution and bylaws thereof, except the
0084 amount paid under this paragraph (2) subsection (c)(2) shall not
0085 be more than the lesser of \$100,000 or the result obtained by
0086 subtracting the balance in the death benefit fund of the associa-
0087 tion on July 1 from \$100,000 [] — []

The

0088 (3) [the] amount of \$500 shall be paid by the commissioner of
0089 insurance to each firefighters relief association [and] []

The

0090 (4) [the] remaining amount of the moneys credited to the state
0091 firefighters relief fund, after the amounts are [paid under para-
0092 graphs (1), (2) and (3) of this subsection (e)] subsections (c)(1),

reserved or paid for the purposes authorized by

0093 (c)(2) and (c)(3), shall be paid by the commissioner of insurance
0094 to firefighters relief associations so that the amount received by

(b) (2) ,

0095 each firefighters relief association bears the same proportion to
0096 the total amount to be paid as the amount such firefighters relief
0097 association received from the amounts collected from the tax
0098 imposed by K.S.A. 40-1703 and amendments thereto for all of
0099 calendar year 1983, bears to the total amount paid to all fire-
0100 fighters relief associations from the taxes collected for all of
0101 calendar year 1983, except that (A) subject to adjustments made
0102 to correct for errors in the payments distributed and as other-
0103 wise provided pursuant to this subsection (c)(4), adjustments
0104 made pursuant to subsection (c)(5) for firefighters relief associ-
0105 ations that did not receive a payment from taxes paid for all of
0106 calendar year 1983 and adjustments pursuant to subsection
0107 (c)(6) for redeterminations based upon changed circumstances.

0108 The commissioner of insurance may make adjustments in the
0109 amounts of payments for the current year made under this
0110 subsection (c)(4) for errors in the payments distributed for the
0111 prior year, except that adjustments may be made in the pay-
0112 ments to be distributed by August 1, 1987, for any errors in the
0113 payments distributed during the period from July 1, 1984,

June 30

0114 through [July 1], 1987, and an adjustment shall be made in the
0115 payment to be distributed by August 1, 1987, for each fire-

for only part of

0116 fighters relief association which was in existence [during] calen-
0117 dar year 1983 and which received a payment for calendar year

the taxes received for only part of

0118 1983 based on [only part of the taxes received for] calendar year

most probably

0119 1983, to reflect the total of the payments that would have been

0120 received by such ~~association during such period based on the~~
0121 ~~taxes collected for all of calendar year 1983 reduced by the~~
0122 ~~payments actually received during such period.~~

0123 (5) ~~Whenever~~ a firefighters relief association is to receive a
0124 payment under this paragraph (4) subsection (c)(4) but did not
0125 receive a payment from any of the taxes collected for calendar
0126 year 1983, the commissioner of insurance shall determine for the
0127 nonreceiving association, from such information as is made
0128 available to the commissioner by the nonreceiving association,
0129 the amount the nonreceiving association would most probably
0130 have received if it had actually received such a payment from the
0131 taxes collected for all of calendar year 1983, with appropriate
0132 adjustments based on payments to firefighters relief associations
0133 of fire departments providing fire protection services within
0134 geographic areas having similar populations and assessed tangi-
0135 ble property valuation as the geographic area provided fire
0136 protection services by the fire department of each such nonre-
0137 ceiving association, and ~~upon making such determination, the~~
0138 commissioner of insurance shall include the amount so deter-
0139 mined within the computations prescribed by this paragraph (4)
0140 subsection (c)(4) for payments hereunder, and (B) thereunder ~~and~~
0141 ~~and~~ One

0142 (6) ~~one~~ or more firefighters relief associations may apply to
0143 the commissioner of insurance for a redetermination of the
0144 proportionate amounts payable to all firefighters relief associa-
0145 tions under this paragraph (4) subsection (c)(4) and, upon receipt
0146 of such application, the commissioner of insurance shall hold ~~a~~
0147 ~~hearing and~~ may redetermine such proportionate amounts based
0148 upon such information as is presented to or otherwise made
0149 available by the applicants to the commissioner and may make a
0150 finding of changed circumstances and, Upon making such find-
0151 ing, the commissioner of insurance may include such redeter-
0152 mination within the computations prescribed by this paragraph
0153 (4) subsection (c)(4) for payments hereunder, except that such
0154 applications may in subsequent years. Any increase or reduction
0155 in the amounts to be distributed as a result of a finding of
changed circumstances by the commissioner shall be propor-

firefighters relief association during the period from August 1, 1984, through June 30, 1987, if such firefighters relief association had been in existence for all of calendar year 1983, reduced by the payments actually received by such firefighters relief association during the period from August 1, 1984, through June 30, 1987. For purposes of all payments under subsection (c)(4) after the adjusted payment distributed by August 1, 1987, such firefighters relief association shall be considered to have received for calendar year 1983, the amount it most probably would have received if it had been in existence for all of calendar year 1983, which shall be the amount having the same proportional relationship to 365 days as the amount actually received for calendar year 1983 has to the number of days that such firefighters relief association was in existence during calendar year 1983, subject to adjustments pursuant to subsection (c)(6) for redeterminations based upon changed circumstances.

Whenever

Insert attached

One

, prior to October 1 of any year,

one joint hearing prior to December 1 of such year, at which all applicants shall be heard and may present information. The commissioner of insurance

. The commissioner shall make such determination as follows:

(A) One-half of the amount due shall be determined based upon the population figure provided by the association pursuant to administrative rules and regulations adopted by the commissioner. The determination of this 1/2 of the amount due shall be made in accordance with the following formula:

(i) An association which received a payment from the taxes collected for all of calendar year 1983 and which has a population similar to that of the nonreceiving association shall be ascertained;

(ii) the payment the comparable association received from taxes collected for all of calendar year 1983 shall be divided by two;

(iii) the population of the area served by the nonreceiving association shall be divided by the population of the area served by the association to which the nonreceiving association is being compared, to produce an adjustment factor reflecting the variance in population size; and

(iv) the amount received from taxes collected for all of calendar year 1983 by the association with the comparable population shall be multiplied by the population adjustment factor obtained in paragraph (iii) of this subsection (c)(5)(A).

(B) The remaining 1/2 of the amount due shall be determined based upon the assessed tangible property valuation figure provided by the nonreceiving association pursuant to administrative rules and regulations adopted by the commissioner. The determination of the remaining 1/2 of the amount due shall be made in accordance with the following formula:

(i) An association which received a payment from the taxes collected for all of calendar year 1983 and which has an assessed tangible property valuation similar to that of the nonreceiving association shall be ascertained;

(ii) the payment the comparable association received from taxes collected for all of calendar year 1983 shall be divided by two;

(iii) the assessed tangible property valuation of the area served by the nonreceiving association shall be divided by the assessed tangible property valuation of the area served by the association to which the nonreceiving association is being compared, to produce an adjustment factor reflecting the variance in assessed tangible property valuation; and

(iv) the amount received from taxes collected for all of calendar year 1983 by the association with the comparable assessed tangible property valuation shall be multiplied by the valuation adjustment factor obtained in paragraph (iii) of this subsection (c)(5)(B).

(C) The amount obtained in paragraph (iv) of subsection (c)(5)(A) shall be added to the amount obtained in paragraph (iv) of subsection (c)(5)(B) to determine the total amount the nonreceiving association most probably would have received if it had actually received a payment from the taxes collected for all of calendar year 1983. The amount a nonreceiving association most probably would have received if it had actually received a payment from taxes collected for all of calendar year 1983 shall be divided by the total amount paid to all firefighters relief associations from the taxes collected for all of calendar year 1983 to determine the proportionate amount due the nonreceiving association for the current and succeeding years and thereafter such association shall not be considered to be a nonreceiving association. The

tionately distributed among all firefighters relief associations. An
application for redetermination shall not be made by such any
firefighters relief associations association more often than once
every three years.

(d) Except as otherwise provided in this section, whenever
any firefighters relief association fails to qualify for funds, as
provided in the firefighters relief act, for a period of two consec-
utive years, the funds on deposit with such association shall be
returned by the county attorney to the commissioner of insur-
ance. The commissioner of insurance shall remit all such funds
to the state treasurer. Upon receipt of any such remittance, the
state treasurer shall deposit the entire amount thereof in the state
treasury to the credit of the state firefighters relief fund. The
commissioner of insurance shall pay such amount of funds to the
Kansas state firefighters association, inc., for fire prevention and
fire extinguishment education and study.

(e) When a firefighters relief association fails to qualify for
payments under the firefighters relief act as a result of the
territory which it serves being consolidated, merged or annexed
with another governmental unit having a qualified firefighters
relief association, the funds and obligations of such disqualified
association shall be transferred to the surviving firefighters relief
association and the disqualified association shall dissolve forth-
with under the existing laws of this state.

(f) When any firefighter, the spouse of such firefighter or
those dependent upon any member of a disqualified association
is receiving reasonable benefits from such association at the time
of disqualification, the benefits shall be continued in accordance
with the resolution of such disqualified association and shall be
paid by the surviving association if the disqualification resulted
from consolidation, merger or annexation and shall be paid by
the county attorney if disqualification resulted from reasons
other than consolidation, merger or annexation. Nothing in the
firefighters relief act shall be construed as a bar to the lawful
receipt of such benefits.

(g) The treasurer of a firefighters relief association shall give
bond for the safekeeping of funds received under the firefighters

0194 relief act and for faithful performance in such sum with such
 0195 sureties as may be approved by the governing body of such city,
 0196 township, county or fire district. All the moneys so received shall
 0197 be set apart and used by the firefighters relief association of such
 0198 cities, townships, counties or fire districts solely and entirely for
 0199 the objects and purposes of the firefighters relief act and shall be
 0200 paid to and distributed by the firefighters relief associations of
 0201 such cities, townships, counties or fire districts under such
 0202 provisions as shall be made by the governing body thereof. In all
 0203 cases involving expenditures or payments in an amount of \$500
 0204 or more prior certification shall be obtained from the attorney of
 0205 the governing body that such expenditure or payment complies
 0206 with the requirements of the firefighters relief act.

0207 (h) (1) The officers of a firefighters relief association may
 0208 invest any amount, not to exceed 90% of all such moneys, in
 0209 investments authorized by K.S.A. 12-1675 and amendments
 0210 thereto in the manner prescribed therein or in purchasing bonds
 0211 of the city, township, county or fire district in which such
 0212 firefighters relief association is located. When such investments
 0213 are not obtainable, United States government bonds may be
 0214 purchased or any municipal bonds of this state, except that such
 0215 funds shall not be invested in any such municipal bonds where
 0216 the bonded indebtedness of the municipality is more than 15% of
 0217 its total assessed valuation, as shown by the last assessment
 0218 preceding such investment.

0219 (2) Such investment must be approved by the governing
 0220 body of such city, township, county or fire district. It shall be the
 0221 duty of the attorney of such governing body of such city, town-
 0222 ship, county or fire district to examine all such bonds as to their
 0223 validity and report thereon in writing to the governing body and
 0224 the firefighters relief association of such city, township, county
 0225 or fire district, and no bonds shall be purchased by the fire-
 0226 fighters relief association of such city, township, county or fire
 0227 district until they have been approved and found valid by the
 0228 attorney.

0229 Sec. 2.³ K.S.A. 40-1706~~[is]~~ hereby repealed.

0230 Sec. 3.⁴ This act shall take effect and be in force from and
 0231 after its publication in the statute book.

Insert section 2 attached
 and 40-1707 are

Sec. 2. K.S.A. 40-1707 is hereby amended to read as follows: 40-1707. (a) Except as otherwise provided in the firefighters relief act, all moneys received by a firefighters relief association under the provisions of the firefighters relief act shall be held in trust and used as a fund:

(1) For the relief of any member of the fire department of such city, township, county or fire district when injured or physically disabled in or by reason of the discharge of such member's duties as a firefighter;

(2) for the payment of a death benefit when any member of such fire department is killed in the discharge of such member's duties as a firefighter, or who dies from the effect of injuries so received or from disease contracted by reason of such member's duties as a firefighter, to the beneficiary or beneficiaries as designated by the member or, in the event that no beneficiary has been designated to receive such death benefit, to the following persons in the following priority:

(A) If there is a spouse and there are no natural or adopted children of the deceased member, the death benefit shall be for the spouse;

(B) if there are one or more natural or adopted children and spouse of the deceased member, 1/2 of the death benefit shall be for the spouse and the remaining 1/2 of the death benefit shall be for the children, in equal shares thereof;

(C) if there are one or more natural or adopted children and there is no spouse of the deceased member, the death benefit shall be for the children, in equal shares thereof;

(D) if there is a father or mother, or both, and there are no natural or adopted children and no spouse of the deceased member, the death benefit shall be for the father or mother, or to both in equal shares thereof if there are both;

(E) if there are one or more siblings and there is no father or mother or spouse and there are no natural or adopted children of the deceased member, the death benefit shall be for the siblings, in equal shares thereof; and

(F) if there are no siblings, no father or mother, no

natural or adopted children and no spouse of the deceased member, the death benefit shall be for the estate of the deceased member;

(3) for the payment of the necessary funeral expenses of any member of such fire department when killed in the discharge of such duties as a firefighter, or in the case of death resulting from injuries so received or disease contracted by reason of such member's duties as a firefighter;

(4) for the further purpose of paying a pension to members of full-paid fire departments who are unfit for service after having served for a period of not less than 20 years on with the department, such pension not to exceed 1/2 of the monthly salary at the date of retirement; or

(5) for the purchase of insurance which would provide for any or all of the foregoing purposes for which such fund is authorized to be expended.

(b) In any city of the second class which maintains a fire department consisting of both salaried and volunteer firefighters, such moneys may be expended for the purchase of, or payment of premiums on, policies of life, accident, or accident and health insurance upon members of the fire department of such city, which policies may be owned either by the firefighters relief association of such city or by the individual members thereof but, before any premium is paid on such policies of insurance, the provisions thereof shall be approved by such firefighters relief association as suitable to carry out the objects for which such association was established.

(c) (1) In any fire department consisting of volunteer firefighters, such moneys may be used to establish ~~annuities for~~ such firefighters who have an annuity for each firefighter who served for not less than 20 years on with such fire department and who have attended and fought not less than 75% of the fires which were attended by such fire department during such period of time and which the firefighter was available to attend, as verified by the governing body of such fire department, but such annuity shall not exceed the amount paid to fully paid members of

fire departments of comparable size to such volunteer department. In any full-paid or any volunteer fire department such moneys may be expended for the purchase of group term, group permanent or individual permanent life insurance contracts for members of such department. Any benefits or coverage accruing to individual members of the department under such policies shall be and shall remain the property of the firefighters relief association except as follows:

(A) A member that has completed 10 years of service with the department and has been covered under such policy for a continuous period of not less than five years, a member who suffers a total and permanent disability or death, or a member who retires under the retirement plan in effect for the fire department, shall, upon termination of employment, be entitled to any benefits or coverage available to an individual member under the provisions of the contract; and

(B) A member that has not fulfilled one of the requirements set forth in paragraph (A) of this subsection (c)(1) shall, upon termination of employment, be entitled to the same proportion of benefits or coverage available to an individual member as such member's individual premium contributions bear to the total premiums paid on the policy at the time of termination. Any additional coverage or benefits may be obtained by reimbursing the firefighters relief association an equitable and reasonable amount in accordance with procedures set forth in the bylaws of the association.

(2) Prior to the purchase of any annuity contract for and on behalf of any volunteer firefighter, the provisions thereof shall be approved and the adequacy of the funds available for such purpose shall be established by such firefighters relief association.

(d) The moneys paid by the commissioner of insurance to the Kansas state firefighters association, inc., as provided in subsection (c) of K.S.A. 40-1706 and amendments thereto, shall be used by the Kansas state firefighters association, inc., in

accordance with that statute and as may be regulated by such association in this state at the annual meetings of the Kansas state firefighters association, inc., which shall be held annually at places to be selected by such association within this state. The Kansas state firefighters association, inc., shall make an annual accounting to the commissioner of insurance of all moneys paid to such association as provided in K.S.A. 40-1706 and amendments thereto.

(e) In the city of El Dorado, in Butler county, which city has by election established a firemen's pension fund under the provisions of K.S.A. 14-10a01 to 14-10a15, inclusive, and amendments thereto, the firefighters relief association of such city may, when the money and securities belonging to such association exceed \$35,000, grant from time to time sums not exceeding 1/2 the earnings of the fund and not exceeding 1/2 the yearly amount received from the commissioner of insurance under this act to the city to be credited to the firemen's pension fund of such city.

(f) Any such firefighters relief association is hereby authorized to loan part or all of such funds to the city, township, county or fire district in which such association is located, to be used by such city, township, county or fire district in the improvement of its fire department and equipment thereof, and such city, township, county or fire district is hereby authorized to borrow the same and issue to the treasurer of such firefighters relief association its warrant therefor bearing interest payable semiannually, at a rate not to exceed 6% per annum.

(g) The commissioner of insurance is hereby authorized to adopt such rules and regulations as are necessary to effect the purposes of the firefighters relief act.

(h) All assets of any firefighters relief association, which is composed of members of a private fire department and which has ceased to provide fire protection services for an incorporated city, township, county or fire district, shall be

transferred to and shall become the property of the firefighters relief association for the fire department which is the immediate successor of such private fire department, after satisfaction of any outstanding obligations. If there is no firefighters relief association for the immediately succeeding fire department, such assets shall become the property of the Kansas state firefighters association, inc., as of the date such private fire department ceased to provide such fire protection services, after satisfaction of any outstanding obligations. The Kansas state firefighters association, inc. shall use all such assets for fire prevention and fire extinguishment education and study.

HOUSE BILL No. 2411

By Committee on Pensions, Investments and Benefits

2-18

0017 AN ACT concerning retirement benefits for officers and em-
0018 ployees of the state board of regents and institutions thereun-
0019 der; relating to retirement annuities; amending K.S.A. 1986
0020 Supp. 74-4925 and repealing the existing section; also repeal-
0021 ing K.S.A. 1986 Supp. 74-4925c.

0022 *Be it enacted by the Legislature of the State of Kansas:*

0023 Section 1. K.S.A. 1986 Supp. 74-4925 is hereby amended to
0024 read as follows: 74-4925. (1) The state board of regents shall:

0025 (a) Assist all those members of the faculty and other persons
0026 who are employed by the state board of regents or by educational
0027 institutions under its management and who are in the unclas-
0028 sified service under the Kansas civil service act as provided in
0029 subsection (1)(f) of K.S.A. 75-2935 and amendments thereto, in
0030 the purchase of retirement annuities for their service rendered
0031 after December 31, 1961. The state board of regents shall not
0032 assist any such person who is employed after December 31,
0033 1961, until such person has been employed for at least two years
0034 except that (i) the state board of regents may assist any newly
0035 employed person immediately if at the time of the commence-
0036 ment of employment the person is covered by a valid retirement
0037 annuity contract issued by a company described in subsection (2)
0038 *to which such person or such person's employer on such per-*
0039 *son's behalf has been making contributions for at least [six*

0040 *months], and (ii) all periods of employment with participating*
0041 *employers under when such person or such person's employer*
0042 *on such person's behalf actually made or could have made*
0043 *contributions to the Kansas public employees retirement system*
0044 *shall be credited toward satisfaction of such two-year waiting*
0045 *period if served during the five years immediately preceding*

one year

, including the period of employment with participating employers when such person is fulfilling the one-year service requirement prior to membership under the system as provided in K.S.A. 74-4911 and amendments thereto,

ATTACHMENT 7

3-5-87

0046 employment with the state board of regents or with an educa-
0047 tional institution under its management in the unclassified ser-
0048 vice under the Kansas civil service act as provided in subsection
0049 (1)(f) of K.S.A. 75-2935 and amendments thereto, in addition to
0050 such employment with the state board of regents or with an
0051 educational institution under its management. This act shall not
0052 apply to persons employed in such temporary and part-time
0053 positions designated by the state board of regents as exceptions
0054 hereto;

0055 (b) require such members of the faculty and others described
0056 in subsection (1)(a) which are so assisted by the state board of
0057 regents to contribute an amount toward the purchase of such
0058 retirement annuities of 5% of their salaries, such contributions to
0059 be made through payroll deductions;

0060 (c) contribute an amount toward the purchase of such retire-
0061 ment annuities equal to 7% of the total amount of the salaries on
0062 which such members of the faculty and others described in
0063 subsection (1)(a) contribute during such period for which the
0064 contribution of the state board of regents is made;

0065 (d) provide, under such rules and regulations as the state
0066 board of regents may adopt, for the retirement of any such
0067 member of the faculty or others described in subsection (1)(a) on
0068 account of age or condition of health, retirement of such member
0069 of the faculty or other person described in subsection (1)(a) on
0070 account of age to be not earlier than the 60th birthday and not
0071 later than the end of the academic year following the 70th
0072 birthday. Any person who retires under this section and who
0073 receives benefits from the Kansas public employees retirement
0074 system for prior service credit shall have such benefits calculated
0075 in accordance with the applicable provisions of K.S.A. 74-4914
0076 and 74-4915 and amendments thereto.

0077 (2) For the purposes of this section the state board of regents
0078 may contract with:

0079 (a) Any life insurance company authorized to do business in
0080 this state; or

0081 (b) any life insurance company organized and operated
0082 without profit to any private shareholder or individual exclu-

Any person may elect to take advantage of the tax sheltered annuity provisions of the internal revenue code of 1954, as amended, as provided in subsection (4) during the two-year waiting period provided in this section, except that the state board of regents, when purchasing a retirement annuity on such person's behalf, shall not provide a sum equal to 7% of the gross annual salary of such person as otherwise provided in subsection (4)

0083 sively for the purpose of aiding and strengthening educational
0084 institutions by issuing insurance and annuity contracts only to or
0085 for the benefit of such institution and individuals engaged in the
0086 services of such institutions, whether or not such company is
0087 authorized to do business in Kansas. No premium tax or income
0088 tax shall be due or payable on such annuity contract or contracts
0089 for such retirement programs issued by a company described in
0090 this subsection (2)(b), except that neither the purchase nor the
0091 issuance of such retirement annuities from or by a company
0092 described in this subsection (2)(b) shall constitute the effecting
0093 of a contract of insurance.

0094 (3) (a) Such member of the faculty or other person described
0095 in subsection (1)(a) shall also be a member of the Kansas public
0096 employees retirement system, but only for the purpose of grant-
0097 ing retirement benefits based on prior service only which was
0098 rendered prior to January 1, 1962, which shall be credited to the
0099 member as provided in subsection (1) of K.S.A. 74-4913 and
0100 amendments thereto, except that for the purpose of determining
0101 eligibility for a vested benefit, service by such a member of the
0102 faculty or other person after December 31, 1961, shall be con-
0103 strued to be credited service under subsection (2) of K.S.A.
0104 74-4917 and amendments thereto.

0105 (b) *Any member of the faculty or other person described in*
0106 *subsection (1)(a) who retires after 10 years of continuous service*
0107 *immediately preceding retirement shall be granted a retirement*
0108 *benefit based on prior service only which was rendered prior to*
0109 *January 1, 1962. Application for such benefit shall be in such*
0110 *form and manner as the board shall prescribe.*

0111 (4) For the purpose of establishing a procedure whereby the
0112 state board of regents and any member of the faculty or other
0113 person described in subsection (1)(a), subject to rules and regu-
0114 lations of the state board of regents, may take advantage of the
0115 "tax sheltered annuity" provisions of the internal revenue code
0116 of 1954 as amended, any member of the faculty or any other
0117 person described in subsection (1)(a) may request in writing that
0118 the state board of regents reduce such person's annual salary, as
0119 fixed by the board, in an amount equal to not less than 5% nor

0120 more than the percentage allowed under section 403(b) of the
0121 internal revenue code of 1954 as amended, as designated by such
0122 member of the faculty or other person described in subsection
0123 (1)(a), of the gross amount of such annual salary. In the event of
0124 such request the faculty member or other person making such
0125 request shall not be required to make the contribution provided
0126 in subsection (1)(b), and the state board of regents shall provide a
0127 sum equal to 7% of the gross annual salary of the member of the
0128 faculty or other person and shall purchase for and on behalf of
0129 each member of the faculty or other person whose salary has
0130 been so reduced a retirement annuity contract or contracts, the
0131 annual premiums for which shall be equal to the sum of the
0132 amount of the salary reduction of the member of the faculty or
0133 other person and the amount paid by the state board of regents.
0134 Such retirement annuity contracts may be purchased by the state
0135 board of regents from companies described in subsection (2)(a)
0136 and subsection (2)(b) or from noninsurance companies who offer
0137 retirement plans that meet the requirements of section 403(b) of
0138 the internal revenue code of 1954 as amended, except that the
0139 state board of regents may require that the first 5% of the gross
0140 amount of such person's annual salary which is reduced under
0141 this subsection (4) and the amount equal to 7% of the gross
0142 amount of such person's annual salary which is provided by the
0143 state board of regents for the purchase of retirement annuity
0144 contracts under this subsection (4) shall be used to purchase such
0145 retirement annuity contracts from such company or companies as
0146 may be designated by the state board of regents for such pur-
0147 poses. The director of accounts and reports is authorized to draw
0148 warrants on the state treasurer upon the filing with the director of
0149 proper vouchers for the amount of the premium on the retire-
0150 ment annuity contract to be paid pursuant to the terms of such
0151 contracts and this act.

0152 (5) (a) All employees who are described in subsection (1)(a)
0153 and who commence such employment on and after July 1, 1976,
0154 shall receive assistance under subsection (1) and shall be cov-
0155 ered by a valid retirement annuity contract issued by a company
0156 described in subsection (2).

0157 (b) All employees who are described in subsection (1)(a) and
0158 who are receiving participating service credit under the Kansas
0159 public employees retirement system after the effective date of
0160 this act and prior to July 1, 1976, shall file a written statement of
0161 election on or before July 1, 1976, with the board of trustees of
0162 the Kansas public employees retirement system to participate
0163 under the plan described in subsection (2) in lieu of receiving
0164 participating service credit under that system. Failure to file
0165 such written election shall be presumed to be an election not to
0166 participate in such plan and to continue receiving such partici-
0167 pating service credit under that system. Such election, whether
0168 to participate in such plan or not to participate in such plan, shall
0169 be effective on August 18, 1976, and shall be irrevocable.

0170 (c) For each employee who elects under this subsection (5) to
0171 participate in a plan described in subsection (2), there shall be
0172 transferred on or after August 18, 1976, from the Kansas public
0173 employees retirement fund to such plan an amount equal to the
0174 sum of (i) the amount of the accumulated contributions which
0175 have been credited to the account of such employee with the
0176 Kansas public employees retirement system plus (ii) an amount
0177 equal to that actually contributed by such employee to that
0178 system. All participating service credit in the Kansas public
0179 employees retirement system of each employee who elects
0180 under this subsection (5) to participate in a plan described in
0181 subsection (2) and who has moneys transferred to such plan
0182 under this subsection (5)(c), shall be forfeited and canceled and
0183 may not be purchased as credited service should such employee
0184 again become a member of that system under K.S.A. 74-4911 and
0185 amendments thereto. Nothing in this subsection (5) shall have
0186 the effect or be construed to have the effect of forfeiting and
0187 canceling any prior service credit under the Kansas public em-
0188 ployees retirement system of any employee who has participat-
0189 ing service credit thereunder forfeited and canceled under this
0190 subsection (5). All participating service credit that is forfeited
0191 and canceled under this subsection (5) shall be recognized for
0192 the purpose of determining a vested benefit as provided in
0193 subsection (3) and as provided in K.S.A. 74-4917 and amend-

0194 ments thereto if the employee again becomes a member of that
0195 system under K.S.A. 74-4911 and amendments thereto.

0196 (d) Any employees who are described in subsection (1)(a),
0197 who are employed prior to July 1, 1976, and who will not have
0198 completed one year of continuous service prior to July 1, 1976,
0199 shall elect in the manner prescribed in subsection (5)(b) to
0200 participate in a plan described in subsection (2) and such elec-
0201 tion shall be irrevocable.

0202 (e) No employee who elects under subsection (5)(b) to par-
0203 ticipate in the plan described in subsection (2) shall be subject to
0204 any waiting period prescribed by this section but shall partici-
0205 pate and receive assistance under this section in such plan from
0206 and after the effective date of the election.

0207 (6) (a) All employees who are described in subsection (1)(a)
0208 and who did not have an election under subsection (5) and who
0209 are either receiving participating service credit or completing
0210 the one year of service prior to membership under K.S.A. 74-
0211 4911 and amendments thereto under the Kansas public employ-
0212 ees retirement system after the effective date of this act and prior
0213 to July 1, 1977, shall file a written statement of election on or
0214 before July 1, 1977, with the board of trustees of the Kansas
0215 public employees retirement system to participate under the
0216 plan described in subsection (2) in lieu of receiving participating
0217 service credit under that system. Failure to file such written
0218 election shall be presumed to be an election not to participate in
0219 such plan and to continue receiving such participating service
0220 credit under that system. Such election, whether to participate in
0221 such plan or not to participate in such plan, shall be effective on
0222 the first day of the payroll period coinciding with or following
0223 August 1, 1977, and shall be irrevocable. No employee who
0224 elects under this subsection (6) to participate in the plan de-
0225 scribed in subsection (2) shall be subject to any waiting period
0226 prescribed by this section but shall participate and receive
0227 assistance under this section in such plan from and after the
0228 effective date of the election.

0229 (b) For each employee who elects under this subsection (6)
0230 to participate in a plan described in subsection (2), there shall be

0231 transferred on or after the first day of the payroll period coincid-
0232 ing with or following August 1, 1977, from the Kansas public
0233 employees retirement fund to such plan an amount equal to the
0234 sum of (i) the amount of the accumulated contributions which
0235 have been credited to the account of such employee with the
0236 Kansas public employees retirement system plus (ii) an amount
0237 equal to that actually contributed through payroll deductions by
0238 such employee to that system. All participating service credit in
0239 the Kansas public employees retirement system of each em-
0240 ployee who elects under this subsection (6) to participate in a
0241 plan described in subsection (2) and who has moneys transferred
0242 to such plan under this subsection (6)(b) shall be forfeited and
0243 canceled and may not be purchased as credited service should
0244 such employee again become a member of that system under
0245 K.S.A. 74-4911 and amendments thereto. Nothing in this sub-
0246 section (6) shall have the effect or be construed to have the effect
0247 of forfeiting and canceling any prior service credit under the
0248 Kansas public employees retirement system of any employee
0249 who has participating service credit thereunder forfeited and
0250 canceled under this subsection (6). All participating service
0251 credit that is forfeited and canceled under this subsection (6)
0252 shall be recognized for the purpose of determining a vested
0253 benefit as provided in subsection (3) and as provided in K.S.A.
0254 74-4917 and amendments thereto if the employee again becomes
0255 a member of that system under K.S.A. 74-4911 and amendments
0256 thereto.

0257 (c) Any employees who are described in subsection (1)(a),
0258 who are employed prior to July 1, 1977, and who will not have
0259 completed one year of continuous service prior to July 1, 1977,
0260 shall elect in the manner prescribed in subsection (6)(a) to
0261 participate in a plan described in subsection (2) and such elec-
0262 tion shall be irrevocable.

0263 (7) Any employee of the state board of regents or of an
0264 educational institution under its management, other than an
0265 elected official, who is receiving or is eligible for assistance by
0266 the state board of regents in the purchase of a retirement annuity
0267 under this section and who becomes ineligible for such assist-

0268 ance because such employee's position is reclassified to a posi-
0269 tion in the classified service under the Kansas civil service act or
0270 who becomes ineligible for such assistance because such em-
0271 ployee transfers to a position in the classified service under the
0272 Kansas civil service act with the state board of regents or an
0273 educational institution under its management, shall become a
0274 member of the Kansas public employees retirement system in
0275 accordance with the provisions of subsection (5) of K.S.A. 74-
0276 4911 and amendments thereto, unless such employee files a
0277 written election in the office of the Kansas public employees
0278 retirement system, in the form and manner prescribed by the
0279 board of trustees thereof, to remain eligible for assistance by the
0280 state board of regents under this section prior to the first day of
0281 the first complete payroll period occurring after the effective
0282 date of such reclassification or transfer. Failure to file such
0283 written election shall be presumed to be an election not to
0284 remain eligible for assistance by the state board of regents under
0285 this section and to become a member of the Kansas public
0286 employees retirement system under subsection (5) of K.S.A.
0287 74-4911 and amendments thereto. Such election, whether to
0288 remain eligible for such assistance or to become a member of
0289 such system, shall be effective as of the effective date of such
0290 reclassification or transfer and shall be irrevocable.

0291 Sec. 2. K.S.A. 1986 Supp. 74-4925 and 74-4925c are hereby
0292 repealed.

0293 Sec. 3. This act shall take effect and be in force from and
0294 after its publication in the statute book.