

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on January 21, 1998 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Russell Mills, Legislative Research Department
April Holman, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ann Deitcher, Committee Secretary

Conferees appearing before the committee:

Gordon Self, Revisor's Office
Joan Hancock, Chief Counsel, KPERS

Others attending: See attached list

SB 382

KPERS, federal compliance issues

Senator Kerr said they had spent a good deal of time on this bill this summer with the Pension and Investment Committee. The reason it wasn't worked last year was because it was received toward the end of the session and they weren't comfortable in running a bill this size without knowing what was in it. It was considered a good federal compliance addition.

Joan Hancock, Chief Counsel, KPERS was introduced to the Committee and explained the Kansas Public Employees Retirement System. (Attachment #1)

Ms Hancock pointed out that if this bill is enacted, KPERS gets it implemented and all the proper submissions are made to the IRS, they will get a determination letter back from them, that KPERS is a "qualified plan". It will then be in writing from the IRS that they have read their plan documents and will sign that they are in compliance.

Asked if the 1996 federal tax law changes were incorporated in this bill, Ms Hancock said that they were.

Senator Kerr asked if the actuarial assumptions referred to in the list of IRS requirements were things like the fund earnings growth, the earnings of the growth of the employees and the earnings of the fund. When told that they did, he said that this takes on new meaning in light of the previous day's testimony in another committee. What the IRS says is the employer's discretion is precluded in making these determinations.

Mr. Williams said that he thought the IRS position in their regulations is that this is the trustees responsibility. The government can't make an earnings assumption. A lawsuit in California cost the state in the neighborhood of half a billion dollars when the Governor, after hiring an actuary who did a study, tried to do this. There was a massive lawsuit concluded sometime during the last twelve months, which was decided totally in favor of the retirement system. The state of California was required to make a payment to the pensioners.

Ms Hancock told the committee, that in Section D, the information from page 28 on, was overlooked by the consultants. If the bill had been passed during 1997, the handwritten changes in the handout, plus pages 28 to 30, would have had to be changed.

When asked how the fees were paid to the attorneys who provided all this information and made the recommendations, Ms Hancock said they were paid from KPERS funds.

In regard to the lawsuit in California, Meridith Williams of KPERS, said they don't believe the same thing can happen in Kansas because a number of years ago, Legislature passed language in the reform that precluded similar interference from happening.

Senator Morris moved to recommend the bill favorably and Senator Salmons seconded the motion.

Senator Salisbury pointed out that as it stood, SB 389 did not include the 30-day waiting period.

Senator Morris then proposed to amend his motion and the second agreed.

When asked how KPERS members would react to this addition to the bill, Ms Hancock said that they would be unhappy. But it would make KPERS like all other pension plans in the county. Most of those plans have a 90-day waiting period. KPERS used to have a 120-day waiting period and that was repealed by Legislature.

It was determined that if it was going to be a controversial addition to this bill, it would be preferable to place the consideration of this in a separate piece of legislation.

Senator Morris moved to delete the 30-day waiting period from the bill and Senator Salmons seconded the motion. The motion carried on a roll call vote.

SB 426 was referred to the Insurance Committee Subcommittee.

It was moved by Senator Salisbury and seconded by Senator Petty that the minutes for January 13 and 14, 1998 be approved. The motion carried on a voice vote.

Chairman Kerr adjourned the meeting at 1:15.

The next meeting is scheduled for January 22, 1998.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 1/21/98

NAME	REPRESENTING
Meredith Williams	UPERS
Joan Hancock	"
Jack Hansen	"
Jerry Sloan	Judicial
Ken Behr	As. Governmental Consulting
Jamie L. Karasik	Sen. Min. Asst. de Clerk
DUNCAN McLOU	Self
Greg Tugman	DOB
Rob Denton	Seward County EMS
John A. Falston	Seward County EMS
T. J. Coker	Seward County EMS
ROBERT ORTN	SUBLETTE EMS
Jane Young	Sedgewick County EMS
JERRY D. BECKETT	REGION 2 EMS COUNCIL

SENATE BILL 382 -- KPERS COMPLIANCE WITH FEDERAL LAW

Section Number:	Amending:	Provides:	Federal Citation:
Sec. 1	12-5002(e)	provides for adoption of actuarial stds; <u>use of actuarial stds must preclude employer discretion</u>	I.R.C. §401(a)(25)
Sec. 2	12-5005(d)	guar. local plan benefits for special KPF mbrs <u>must be pd in accord w/stds in 401(a)(9)</u> (distribution rules)	401(a)(9)
	12-5005(e)(2)	Exemption from state tax; anti-alienation; <u>changes ref. to fed tax code</u>	Correct citation to applicable year of fed. tax code revision needed for government plans.
	12-5005(f)(1)	pick-up provisions (sheltering of contributions) <u>must accord w/fed law</u>	guidepost (sec. 83), 401(a), 415, and 414(h)(2)
Sec. 3	12-5007	provides for KPERS board <u>administration of K.S.A. 12-5001 - 06 to accord w/fed law.</u>	guidepost (sec. 83) 401(a) in general
Sec. 4	13-14a02.	1st class cities plans, <u>use of actuarial stds must preclude employer discretion</u>	401(a)(25)
	13-14a02(d)	1st class cities, <u>if plan terminated, mbrs accrued benefits are nonforfeitable.</u>	401(a)(7)

Joan Hancock, KPERS
 SWM
 1/21/98
 Attachment 1

	13-14a02 new (g)	1st class cities <u>must administer plans in accord w/fed law</u>	Guidepost (sec 83), 401(a) in general, 401(a)(9).
Sec. 5	13-14a05	all style changes	Revisor
Sec. 6	13-14a06	all style changes	Revisor; Guidepost
Sec. 7	13-14a07 new (c)	1st class cities, surviving spouse and depend. child benefits, <u>specified begin date</u>	401(a)(9)

Sec. 8	13-14a10	1st class cities plans, exemption from state tax and anti-alienation, <u>changes ref. to fed. tax code</u>	Correct citation to applicable year of fed. tax code revision needed for government plans.
Sec. 9	13-14a13	1st class cities plans, military leave, <u>incorporates ref. to federal Uniformed Services Employment and Re-employment Right Act ("USERRA")</u>	USERRA (1994 Pub. L.103-353); I.R.C. §414(u)
Sec. 10	14-10a02	2nd class cities plans, <u>use of actuarial stds must preclude employer discretion</u>	401(a)(25)
	14-10a02(d)	2nd class cities plans, <u>if plan terminated, mbrs accrued benefits are nonforfeitable</u>	401(a)(7)
	14-10a02 new (h)	2nd class cities <u>must administer plans in accord w/fed law</u>	Guidepost (sec. 83), 401(a) in general
Sec. 11	14-10a05	all style changes	Revisor

Sec. 12	14-10a06	all style changes	Revisor; Guidepost
Sec. 13	14-10a07 new (c)	2nd class cities, surviving spouse and depend. child benefits, <u>specified begin date</u>	401(a)(9)
Sec. 14	14-10a13	2nd class cities plans, military leave, <u>incorporates ref. to federal "USERRA"</u>	USERRA (1994 Pub. L. 103-353); I.R.C. §414(u)
Sec. 15	20-2601(e)	Judges plan, purchase of prior service, <u>compliance w/ fed. law (limits)</u>	Guidepost (sec 83), 415
	20-2601(g)	Judges plan, military service, <u>incorporates ref. to federal "USERRA"</u>	USERRA (1994 Pub. L. 103-353); 414(u)
	20-2601(p)	Judges plan, <u>adds definition of "federal internal revenue code"</u>	Correct citation to applicable year of federal tax code revision needed for government plans.
Sec. 16	20-2603	Judges plan, pick-up provisions (sheltering of contributions) <u>must accord w/fed. law</u>	Guidepost (sec. 83), 401(a), 415, and 414(h)(2)
Sec. 17	20-2606	Judges plan, purchase of prev. forfeited KPERS / KPF service, <u>compliance w/fed. contribution requirements (limits)</u>	Guidepost (sec. 83), 415

Sec. 18	20-2610a(b)	Judges plan, survivor options, actuarial reductions, <u>use of actuarial stds must preclude employer discretion.</u>	401(a)(25)
	20-2610a(c)	Judges plan, survivor options, <u>must be pd in accord w/fed law (distribution rules)</u>	Guidepost (sec. 83), 401(a)(9)
	20-2610a new (i)	Judges plan, survivor options, <u>must satisfy federal incidental death benefit distribution rules.</u>	401(a)(9)
Sec. 19	20-2618	Judges plan, <u>changes ref. to fed. tax code</u>	Correct citation to applicable year of fed. tax code revision needed for government plans.
Sec. 20	20-2620(c)	Judges plan, district magistrate judges' transfer of credit to KPERS and service purchase, <u>compliance w/fed contribution requirements (limits).</u>	Guidepost (sec. 83), 415
Sec. 21	20-2621	Judges plan, purchase of add'l credit for new judges above age 60, <u>compliance w/fed contribution requirements (limits).</u>	Guidepost (sec. 83), 415

Sec. 22	72-5501(d)(5)	Old KSRS provisions; makes <u>irrevocable</u> an opt-in choice for participation in KSRS; style change.	Optional participation other than one-time irrevocable election not allowed in 401(a) qualified plan unless it meets all 401(k) requirements (KSRS is not a 401(k) plan and cannot meet 401(k) requirements); Revisor.
	72-5501(d)(7)	definition of employee excludes those who made the <u>irrevocable</u> election to be in KPERS rather than KSRS; style change.	See above; Revisor.
	72-5501(e)	Old KSRS provisions, definition of "school service," <u>eliminates age-70 restriction and incorporates ref. to USERRA.</u>	Age Discrimination in Employment Act (ADEA); USERRA (1994 Pub. L. 103-353); 414(u)
	72-5501(k)	Old KSRS, definition of "standard annuity," <u>use of actuarial stds must preclude employer discretion.</u>	401(a)(25)
	72-5501(o)	Old KSRS, definition of "actuarial computation," <u>use of actuarial stds must preclude employer discretion.</u>	401(a)25

	72-5501(p)	Old KSRS, definition of "compensation," <u>compliance w/fed. law (nondiscrimination).</u>	Guidepost (sec. 83), 401(a)(4)
Sec. 23	72-5512	Old KSRS, <u>style changes and elimination of age-70 restrictions.</u>	Revisor, and ADEA
Sec. 24	72-5518	Old KSRS, joint-annuitant provisions, actuarial reduction, <u>compliance w/fed. law (distribution rules).</u>	Guidepost (sec 83), 401(a)(9)
Sec. 25	72-5520	Old KSRS, return to service in KPERS, purchase of service, <u>compliance w/fed. law (limits).</u>	Guidepost (sec. 83), 415
Sec. 26	74-4902(3)	KPERS, def. of actuarial equivalent, <u>use of actuarial stds must preclude employer discretion.</u>	401(a)(25)
	74-4902(9)	KPERS, def. of compensation, <u>compliance w/fed. law (limits).</u>	415
	74-4902(14)	KPERS, def. of eligible employee, <u>excludes employers' leased employees.</u>	414(n) may include leased employees as members of plan, unless excluded
	74-4902(22)	KPERS, def. of military service, <u>incorporates ref. to USERRA</u>	USERRA (1994 Pub. L. 103-353); 414(u)

	74-4902(34)	KPERS, def. of salary, <u>compliance w/fed. law (limits)</u>	Guidepost (sec. 83), 415
	74-4902 new (35)	KPERS, <u>adds def. of federal internal revenue code</u>	Correct citation to applicable year of federal tax code revision needed for government plans.
	74-4902 new (36)	KPERS, <u>adds def. of USERRA</u>	Certain references in bill to these federal requirements use only the acronym and need to be defined.
Sec. 27	74-4909(6)	KPERS, board authority to adopt actuarial assumptions, <u>use of actuarial stds must preclude employer discretion.</u>	401(a)(25)
	74-4909(7)	KPERS, investments <u>subject to exclusive benefit rule and non-diversion.</u>	401(a); 503(b).
	74-4909(12)	KPERS, board authority to adopt rules and regs, <u>deletion per Revisor protocols.</u>	Revisor

Sec. 28	74-4911(3)	KPERS, elected officials, election to join / not join KPERS, <u>must be filed w/in 90 days after oath, and is irrevocable.</u>	Optional participation other than one-time irrevocable election not allowed in 401(a) qualified plan unless it meets all 401(k) requirements (KPERS is not a 401(k) plan and cannot meet 401(k) requirements.)
	74-4911(4)	KPERS, those in military on employer's entry date, become mbr of KPERS on return to work, <u>incorporates ref. to USERRA.</u>	USERRA (1994 Pub. L. 103-353); 414(u)
	74-4911(7)	KPERS, elected officials who at time of election is already a member of KPERS, <u>option to not continue in KPERS is eliminated.</u>	Members in covered service under 401(a) qualified plan may not opt out unless the plan satisfies all requirements of 401(k).
Sec. 29	74-4911c new (b)	<u>KPERS, closes as of a fixed date, an election option open since 1982, for persons in previously barred service</u> (when the law barred membership in KPERS on the basis of simultaneous membership in another retirement system) <u>to elect to join KPERS.</u>	Optional participation in 401(a) qualified plan, other than one-time irrevocable election, not allowed unless plan meets all requirements of 401(k).

Sec. 30	74-4911e new (f)	KPERs, elected officials, <u>eliminates option to continue mbrship after leaving office if not in covered employment by providing no such election may be made after a fixed date.</u>	Contributions may only be made by employers and employees of plan. 401(a)(1).
Sec. 31	74-4911f(a)	Anyone not a KPERs member who becomes a new state officer as prescribed by governor may elect to not join KPERs by filing an election, <u>and if such election not filed, the state officer becomes a member of KPERs.</u>	Enforces federal requirement that a one-time election for participation is required in a 401(a) qualified plan unless plan satisfies all requirements of 401(k).
	74-4911f(b)(1)	A member of KPERs who becomes a new state officers as prescribed by governor has ability to elect out of KPERs; <u>change eliminates ability to withdraw KPERs contributions in such case.</u>	The IRS has taken the position that a pension plan which permits participants, prior to <u>severance from employment</u> , retirement, or death, to withdraw all or part of the funds accumulated on their behalf, will fail to meet the qualification requirements of section 401(a) of the Code. See Treas. Reg. § 1.401-1b(b)(1)(I); Revenue Ruling 56-693, 1956-2 C.B. 282; and Revenue Ruling 74-254, 1974-1 C.B. 91

	74-4911f(b)(2)	KPERS, state officers, <u>eliminates election to opt back in after opting out, and provides that any election to not become a member must be filed w/in 90 days of assuming position; again, if no election is filed, the state officer becomes a member.</u>	Optional participation other than one-time irrevocable election not allowed in 401(a) qualified plan unless it meets all 401(k) requirements.
Sec. 32	74-4912(1)(b)	KPERS, provides for other governmental-unit pension plans in Kansas to consolidate with KPERS and makes provision for existing retirants; <u>change requires all benefits to be paid in accord with federal law (distribution rules) and deems vested the active members' accrued benefits.</u>	401(a); 401(a)(9)
Sec. 33	74-4913(1)(b)	KPERS, credit for prior service, <u>incorporates ref. to USERRA in treatment of military service.</u>	USERRA (1994 Pub. L. 103-353); 414(u)
	74-4913(2)(b)	KPERS, credit for participating service, <u>incorporates ref. to USERRA in treatment of military service.</u>	USERRA (1994 Pub. L. 103-353); 414(u)

Sec. 34	74-4916(2)(h)(4)	KPERS, benefits payable upon death arising out of employment, <u>subject to requirements of fed. law (distribution rules)</u>	Guidepost (sec. 83); 401(a)(9)
Sec. 35	74-4917a	KPERS, KP&F and Judges, lump-sum payments, rollover treatment; <u>change clarifies that rollover treatment is available for payments other than withdrawals, may apply to the “designated amount” of the eligible payment, is sometimes available to a spouse, and is effective on and after 7/1/93.</u>	401(a)(31)
Sec. 36	74-4918(a)(3)	KPERS retirement, survivor options, <u>compliance with federal law.</u>	Guidepost (sec. 83); incidental death benefit rules under 401(a)(9).
Sec. 37	74-4919(2)(a)	KPERS, employer contributions, employer responsibility to pick up employee contributions, <u>compliance with federal law.</u>	Guidepost (sec.83); 414(h).

Sec. 38	74-4919a(1)	KPERS, purchase of credit for year of service by payroll deduction or lump sum, <u>compliance with federal law</u>	Guidepost (sec. 83); 415 (lump sum); 414(h) (payroll).
	74-4919a(2); 4919a(3)	KPERS, purchase of credit for board of regents prior service, payroll deduct or lump sum, <u>compliance with federal law.</u>	Guidepost (sec. 83); 415 (lump sum); 414(h) (payroll).
Sec. 39	74-4919b(a)	KPERS, purchase of credit for forfeited participating and prior service by lump sum, <u>compliance with federal law; and eliminates prohibition on employer paying cost of employee contributions.</u>	Guidepost (sec. 83); 415 (lump sums); 414(h) (employer contributions; e.g., 414(h) treats picked-up employee contributions as employer contributions, which is why they are tax deferred; prohibition against employer paying cost of employee contributions contravenes 414(h)).
Sec. 40	K.S.A. 74-4919c	KPERS, purchase of credit for withdrawn service by payroll deduction or lump sum, <u>compliance w/fed. law; and eliminates age-70 restriction.</u>	Guidepost (sec. 83); 415 (lump sum); 414(h) (payroll); ADEA

Sec. 41	K.S.A. 74-4919d	KPERS, purchase of credit for certain forfeited prior service by payroll deduction or lump sum, <u>compliance w/fed. law</u>	Guidepost (sec. 83); 415 (lump sum contribution limits); 414(h) (payroll).
Sec. 42	K.S.A. 74-4919f	KPERS, purchase of forfeited service by lump sum, <u>compliance w/fed. law.</u>	Guidepost (sec. 83); 415 contribution limits.
Sec. 43	K.S.A. 74-4919g(1)	KPERS, purchase of forfeited KSRS service by lump sum, <u>compliance w/fed. law.</u>	Guidepost (sec. 83); 415 contribution limits
	K.S.A. 74-4919g(2)	KPERS, purchase of City of Wichita service, payroll deduction or lump sum, <u>compliance w/fed. law.</u>	Guidepost (sec. 83); 415 lump-sum contribution limits; 414(h) (payroll).

Sec. 44	K.S.A. 74-4919h	KPERs, purchase of military service by payroll deduction or lump sum, <u>compliance w/fed. law; and eliminates provision that no employer may pay any part of the cost of a service-credit purchase.</u>	Guidepost (sec. 83); 415 (lump sum contribution limits); 414(h) (payroll); and 414(h) (employer contributions; e.g., 414(h) treats picked-up employee contributions as employer contributions, which is why they are tax deferred; prohibition against employer paying cost of employee contributions contravenes 414(h)).
Sec. 45	K.S.A. 74-4919i	KPERs, purchase of credit for certain barred service by single lump sum; <u>compliance w/fed. law; and eliminates provision that no employer may pay any part of the cost of a service-credit purchase</u>	Guidepost (sec. 83); 415 (lump sum contribution limits); 414(h) (payroll); and 414(h) requirement that employers be allowed to make employee contributions.

Sec. 46	K.S.A. 74-4919j	KPERs, purchase of credit for certain elected official service by payroll deduction or lump sum; <u>compliance w/fed law; and eliminates option for persons not in covered positions to buy service; and eliminates provision that no employer may pay any part of the cost of a service-credit purchase.</u>	Guidepost (sec. 83); 415 (lump sum contribution limits); 414(h) (payroll deduction); 414(h) (employer contributions); 401(a)(1) (contributions cannot be made by non-employees).
Sec. 47	K.S.A. 74-4919l	KPERs. Members of KPERs w/previously forfeited membership in Judges or KPF, may repurchase the service by means of a single lump sum; <u>compliance w/fed law.</u>	Guidepost (sec. 83); 415 contribution limits.
Sec. 48	K.S.A. 74-4919m(1)	KPERs. Members of KPERs w/previously withdrawn credits under Board of Regents plan may purchase equivalent service credit in KPERs by payroll deduction; <u>compliance w/fed law.</u>	Guidepost (sec. 83); 415 contribution limits.

	K.S.A. 74-4919m(2)	KPERS. Members of KPERS w/previously withdrawn credits under Board of Regents plan may purchase equivalent service credit in KPERS by lump sum; <u>compliance w/fed law; eliminates option for non-employees to make purchase; and eliminates prohibition on employer paying cost of employee contribution.</u>	Guidepost (sec. 83); 415 contribution limits; 401(a) prohibition on contributions being made by persons not employed. 414(h) requirement that employer may pay cost of employee contributions.
Sec. 49	K.S.A. 74-4919n	KPERS. Members may purchase out-of-state nonfederal government service by payroll deduction or by lump sum, as prior service (1% multiplier); <u>compliance with federal law.</u>	Guidepost (sec. 83); 415 contribution limits.
Sec. 50	K.S.A. 74-4919o(1)	KPERS. Members may purchase credit by payroll deduction for service in a locally maintained 1st-class-city police or fire plan, if there is no benefit for the service under any other plan; <u>compliance with federal law.</u>	Guidepost (sec. 83); 415 contribution limits.

	K.S.A. 74-4919o(2)	KPERS. Members may purchase credit by lump sum for service in a locally maintained 1st-class-city police or fire plan, if there is no benefit for the service under any other plan; <u>compliance with federal law.</u>	Guidepost (sec. 83); 415 contribution limits.
Sec. 51	K.S.A. 74-4922(a); 4922(b); and 4922(c); eliminating 4922(e) [subsection (e) is recodified as provided in Sec. 53 of bill]	KPERS. Sections dealing with reserves of the fund (the member's accumulated contribution reserve; the retirement benefit accumulation reserve; and the retirement benefit payment reserve) are changed to specify that these reserves are "within the fund." Another change moves the provisions of subsection (e) concerning the group insurance reserve to the section on insurance, and specifies that this reserve is a fund "created in the state treasury."	401(a)(1) and 401(a)(2).
Sec. 52	K.S.A. 74-4923(b)	KPERS. Language on qualified domestic relations orders; <u>reference to federal tax code revised.</u>	Correct citation to federal tax code necessary for public plans.

Sec. 53	K.S.A. 74-4927	KPERS. Provisions concerning death and disability benefits; <u>changes in 4927(4) and (5) clarify that group insurance reserve and optional death benefit reserve are separate from retirement fund. See section 51 above.</u>	401(a)(2)
Sec. 54	K.S.A. 74-4927a	KPERS / insurance benefits for board of regents institution employees who are members of board of regents plan; <u>eliminates automatic age 65 termination of benefits.</u>	ADEA
Sec. 55	K.S.A. 74-4927b	KPERS / insurance benefits for board of education institution employees who are members of board of regents plan; <u>eliminates automatic age 65 termination of benefits.</u>	ADEA
Sec. 56	K.S.A. 74-4927h	KPERS / accidental death benefits for board of regents institution employees who are members of board of regents plan; <u>compliance with federal law.</u>	guidepost (section 83); 401(a)(9) distribution rules.

Sec. 57	K.S.A. 74-4928	KPERs. Provides prior service credit upon payment of appropriate employer and employee contributions, for KPERs members working for any covered employer, who were employed by the legislature on certain past dates; <u>compliance with federal law; certain style changes.</u>	Guidepost (sec. 83); 415 contribution limits; Revisor.
Sec. 58	K.S.A. 74-4932	Old KSRS transfer to KPERs. Definitions section <u>adds reference to "USERRA" -- federal Uniformed Services Employment and Reemployment Rights Act.</u>	USERRA (1994 Pub. L.103-353); I.R.C. §414(u)
Sec. 59	K.S.A. 74-4933	Old KSRS transfer to KPERs. Applies provisions of K.S.A. 74-4901 <i>et seq.</i> to school district employers and employees; <u>specific provision for nonforfeatability of accrued employee rights; style changes.</u>	401(a)(7); Revisor

Sec. 60	K.S.A. 74-4935	Old KSRS transfer to KPERS. Makes school employees members of KPERS on entry date of employer; <u>reference to USERRA added to subsection (3) which specifies that employee in military service or on leave of absence on employer's entry date becomes member upon returning to active employment.</u>	USERRA (1994 Pub. L.103-353); I.R.C. §414(u)
Sec. 61	K.S.A. 74-4935c	KPERS / school employees. Provides that a school employee appointed or elected to serve as union rep. may choose to continue KPERS membership for one term by filing election to make employer and employee contributions; <u>terminates election period as of a fixed date; compliance with federal law.</u>	Guidepost (sec. 83); 415 contribution limits; prohibition against optional participation.
Sec. 62	K.S.A. 74-4936	KPERS / school employees. Prior service granted for, among other things, certain periods spent in the military; <u>references to USERRA added.</u>	USERRA (1994 Pub. L.103-353); I.R.C. §414(u)

Sec. 63	K.S.A. 74-4936a	KPERS / school employees. Provides for purchase, at 1% formula multiplier, of out-of-state teaching in public schools, by payroll deduction or lump sum; <u>compliance with federal law.</u>	Guidepost (sec. 83); 415 contribution limits.
Sec. 64	K.S.A. 74-4942	KPERS / school employees in service on certain dates (1923, 1960) may become members of KPERS by depositing certain sums with KPERS; <u>compliance with federal law.</u>	Guidepost (sec. 83); 415 contribution limits.
Sec. 65	K.S.A. 74-4952	KP&F. Definitions section. <u>Specifies that definition of salary shall be in compliance with federal law.</u>	Guidepost (sec. 83); 415 contribution limits.
Sec. 66	K.S.A. 74-4953	KP&F. Creation of Kansas Police and Firemen's Retirement System; <u>provides for administration of KP&F in accord w/federal law; style changes.</u>	Guidepost (sec. 83); 401(a) in general; Revisor.

Sec. 67	K.S.A. 74-4954b	KP&F. Authority for local units of government, currently affiliated with KPERS, that have police and fire employees, to affiliate w/KP&F; <u>references USERRA relative to covered employees' membership date.</u>	USERRA (1994 Pub. L.103-353); I.R.C. §414(u)
Sec. 68	K.S.A. 74-4956	KP&F. Prior service provisions; <u>adds references to USERRA and makes deletion of restriction to comply with USERRA.</u>	USERRA (1994 Pub. L.103-353); I.R.C. §414(u)
Sec. 69	K.S.A. 74-4958	KP&F. Tier I age & service retirement provisions; early retirement; death and survivor provisions for death after retirement; <u>compliance with federal law.</u>	Guidepost (sec. 83); 415 dollar limits; 401(a)(9) distribution rules.
Sec. 70	K.S.A. 74-4958a	KP&F. Tier II age & service retirement provisions; early retirement; benefits for death after retirement; <u>compliance w/federal law.</u>	Guidepost (sec. 83); 415 dollar limits; 401(a)(9) distribution rules

Sec. 71	K.S.A. 74-4959	KP&F. Tier I, death while in active service, benefits, service-connected and nonservice-connected; <u>compliance w/federal law.</u>	Guidepost (sec. 83); 415 dollar limits; 401(a)(9) distribution rules.
Sec. 72	K.S.A. 74-4960	KP&F. Tier I, disability retirement, service- and nonservice-connected; <u>compliance w/federal law.</u>	Guidepost (sec. 83); 415 dollar limits; 401(a)(9) distribution rules.
Sec. 73	K.S.A. 74-4960a	KP&F. Tier II, disability benefits; <u>compliance w/federal law.</u>	Guidepost (sec. 83); 415 dollar limits; 401(a)(9) distribution rules.
Sec. 74	K.S.A. 74-4962	KP&F. Provides for benefits to be paid in equal monthly payments, except for specified lump sums; <u>use of actuarial stds must preclude employer discretion; style changes.</u>	401(a)25; Revisor.
Sec. 75	K.S.A. 74-4963	KP&F. Tier I. Termination and withdrawal w/less than 20 years' service; return to covered employment; redeposit of withdrawn funds; <u>compliance w/federal law.</u>	Guidepost (sec. 83); 415 contribution limits.

Sec. 76	K.S.A. 74-4963a	KP&F. Tier II. Termination and withdrawal w/less than 15 years' service; return to covered employment; redeposit of funds; <u>compliance w/federal law; style changes.</u>	Guidepost (sec. 83); 415 contribution limits; Revisor.
Sec. 77	K.S.A. 74-4964	KP&F. Tier I retirement options; <u>compliance w/federal law; style changes.</u>	Guidepost (sec. 83); 415 contribution limits; Revisor.
Sec. 78	K.S.A. 74-4964a	KP&F. Tier II retirement options; <u>compliance w/federal law; style changes.</u>	Guidepost (sec. 83); 415 contribution limits; Revisor.
Sec. 79	K.S.A. 74-4965	KP&F. Provides for 7% employee contribution rate, except for <u>Brazelton</u> class members; no reduction for social security except for <u>Brazelton</u> class members; employer pickup of employee contributions; <u>compliance w/federal law; style changes.</u>	Guidepost (sec. 83), 401(a), 415, and 414(h)(2); Revisor.
Sec. 80	K.S.A. 74-4965a	KP&F. Members may purchase additional service credit for military service; <u>compliance w/federal law; reference to USERRA.</u>	guidepost (sec 83); USERRA (1994 Pub. L.103-353); I.R.C. §414(u)

Sec. 81	K.S.A. 74-4977	KP&F / coverage for Kansas Highway Patrol. Applies to patrolmen the 74-4963 provisions re termination and withdrawal w/less than 20 years' service; return to covered employment; redeposit of withdrawn funds; <u>compliance w/federal law; style changes.</u>	Guidepost (sec. 83); 415 contribution limits; Revisor.
Sec. 82	K.S.A. 74-4985	KP&F / coverage for KBI agents. Applies to KBI agents the 74-4963 provisions re termination and withdrawal w/less than 20 years' service; return to covered employment; redeposit of withdrawn funds; <u>compliance w/federal law; style changes.</u>	Guidepost (sec. 83); 415 contribution limits; Revisor.

Sec. 83	New section.	<p>Guidepost section. Numerous recitations of general plan compliance with applicable qualified-plan standards under federal law; includes definition of federal internal revenue code and retirement plan; exclusive benefit rule; allowed use of forfeitures; incorporation of 401(a) 9 distribution rules; prohibition on in-service distributions; 401(a)(4) non-discrimination language; 415 limits, including authority to create excess benefit arrangement; disallowance of prohibited transactions; direct rollovers; employer pickup of employee contributions; compliance w/USERRA; nonforfeiture of accrued rights upon termination of plan; plan year begins July 1; 415 compliance year begins January 1.</p>	<p>401(a)(1); 401(a)(2); 401(a)(4); 401(a)(7); 401(a)(8); 401(a)(9); 401(a)(16) [requires compliance w/415]; 401(a)(17); 401(a)(25); 401(a)(31); 402; 414(h); 414(u); 415; 503(b); ADEA; USERRA.</p>
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Sec. 84	New section.	<u>Specifies that Retirement System for Judges shall be administered in compliance w/sec. 83 above.</u>	Same as above.
Sec. 85	New section.	<u>Specifies that all benefit structures administered by KPERS shall be administered in the manner required to satisfy the applicable qualification requirements for governmental plans as specified in the federal Internal Revenue Code.</u>	Same as above.
Sec. 86	New section	<u>Specifies that 415 limits apply to post-retirement adjustments.</u>	415
Sec. 87	Repealer.		