

MINUTES OF THE HOUSE SELECT COMMITTEE ON KPERS COMMITTEE

The meeting was called to order by Chairman Sharon Schwartz at 2:00 p.m. on April 2, 2009, in Room 431-N of the Capitol.

All members were present except:

Representative Richard Carlson - Absent
Representative Harold Lane - Excused
Representative Robert Olson - Excused

Committee staff present:

Melissa Doeblin, Office of the Revisor of Statutes
Gordon Self, Office of the Revisor of Statutes
Julian Efird, Kansas Legislative Research Department
Carol Bertram, Committee Assistant

Conferees appearing before the Committee:

Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERS)
Dale Dennis, Deputy Commissioner, Kansas Department of Education

Others attending:

See attached list.

Discussion on SB 196 - KPERS employment after retirement restrictions to apply to retirants employed by a third-party entity.

Chair Schwartz informed the Committee that even though **SB 196** isn't in the KPERS Committee the language in **SB 196** has been inserted into **HB 2072** by the Senate. She recognized Gordon Self, Office of the Revisor of Statutes, who presented an overview of **SB 196** pointing out that the Senate amendment to **SB 196** was considered a technical amendment to help KPERS to administer the underlying revisions of the bill. He then distributed copies of a balloon amendment for the Committee's consideration (Attachment 1).

Questions and answers followed.

Chair Schwartz recognized Dale Dennis, Kansas Department of Education, who presented additional background information on third-party entities. He went on to answer questions from the Committee.

Chair Schwartz also recognized Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERS) who answered questions concerning the retirement age of teachers and the benefits they would receive.


Representative Huntington moved that the Committee delete language from HB 2073 and insert language from Attachment 1, seconded by Representative Whitham.

Representative Whitham moved to amend Substitute for HB 2073 to change the dates from March 1 to April 15 and to make the act effective upon publication in the Kansas Register, seconded by Representative Flararty. Representative Whitham clarified his motion that it was his intention to change the March 1, 2009 date to April 15, 2009.

Representative Huntington moved that the Committee pass HB 2073 as amended favorably for passage, seconded by Representative Long. The motion was passed.

The next meeting of the Committee will be on the Call of the Chair.

The meeting was adjourned at 2:45 p.m.



Representative Sharon Schwartz, Chair

HOUSE SELECT COMMITTEE ON KAPERS

DATE: 4-2-09

NAME	REPRESENTING
Glenn Deck	KPER
Ed Redman	KSF
Dennis Phillips	KSCF
Val DeFever	SQE
Dale H. Dennis	KSD

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As Amended by Senate Committee

Session of 2009

H Sub H# 2073
~~SENATE BILL No. 196~~ BP

By Joint Committee on Pensions, Investments and Benefits

2-4

Proposed Amendment

Prepared by: Gordon Self
Revisor of Statutes Office

April 2
March 17, 2009

z196f

HOUSE SELECT COMMITTEE ON KPERS
DATE: 4-2-09
ATTACHMENT: 1-1

10 AN ACT concerning retirement and pensions; relating to employment
11 after retirement; retirants employed by third-party entities; amending
12 K.S.A. 2008 Supp. 74-4914 and repealing the existing section.
13

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

15 Section 1. K.S.A. 2008 Supp. 74-4914 is hereby amended to read as
16 follows: 74-4914. (1) The normal retirement date for a member of the
17 system shall be the first day of the month coinciding with or following
18 termination of employment with any participating employer not followed
19 by employment with any participating employer within 30 days and the
20 attainment of age 65 or, commencing July 1, 1993, age 62 with the com-
21 pletion of 10 years of credited service or the first day of the month co-
22 inciding with or following the date that the total of the number of years
23 of credited service and the number of years of attained age of the member
24 is equal to or more than 85. In no event shall a normal retirement date
25 for a member be before six months after the entry date of the participating
26 employer by whom such member is employed. A member may retire on
27 the normal retirement date or on the first day of any month thereafter
28 upon the filing with the office of the retirement system of an application
29 in such form and manner as the board shall prescribe. Nothing herein
30 shall prevent any person, member or retirant from being employed, ap-
31 pointed or elected as an employee, appointee, officer or member of the
32 legislature. Elected officers may retire from the system on any date on
33 or after the attainment of the normal retirement date, but no retirement
34 benefits payable under this act shall be paid until the member has ter-
35 minated such member's office.

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

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

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

9 (5) On or after July 1, 2006, for any retirant who is first employed or
 10 appointed in or to any position or office by a participating employer other
 11 than a participating employer for which such retirant was employed or
 12 appointed during the final two years of such retirant's participation, and,
 13 on or after ~~July~~ 1, 2009, for any retirant who is employed by a third-
 14 party entity who contracts services with a participating employer other
 15 than a participating employer for which such retirant was employed or
 16 appointed during the final two years of such retirant's participation to fill
 17 a position covered under subsection (a) of K.S.A. 72-5410, and amend-
 18 ments thereto, with such retirant, such participating employer shall pay
 19 to the system the actuarially determined employer contribution and the
 20 statutorily prescribed employee contribution based on the retirant's com-
 21 pensation during any such period of employment or appointment. If a
 22 retirant who retired on or after July 1, 1988, is employed or appointed in
 23 or to any position or office for which compensation for service is paid in
 24 an amount equal to \$15,000 or more, or commencing in calendar year
 25 2006, and all calendar years thereafter, \$20,000 or more in any one such
 26 calendar year, by any participating employer for which such retirant was
 27 employed or appointed during the final two years of such retirant's par-
 28 ticipation, and, on or after ~~July~~ 1, 2009, by any third-party entity who
 29 contracts services to fill a position covered under subsection (a) of K.S.A.
 30 72-5410, and amendments thereto, with such retirant with a participating
 31 employer for which such retirant was employed or appointed during the
 32 final two years of such retirant's participation, such retirant shall not
 33 receive any retirement benefit for any month for which such retirant
 34 serves in such position or office. The participating employer who employs
 35 such retirant whether by contract directly with the retirant or through
 36 an arrangement with a third-party entity shall report to the system within
 37 30 days of when the compensation paid to the retirant is equal to or
 38 exceeds any limitation provided by this section. **Any participating em-
 39 ployer who contracts services with any such third-party entity to
 40 fill a position covered under subsection (a) of K.S.A. 72-5410, and
 41 amendments thereto, shall include in such contract a provision or
 42 condition which requires the third-party entity to provide the par-
 43 ticipating employer with the necessary compensation paid infor-**

March

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March

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1 **mation related to any such position filled by the third-party entity**
 2 **with a retirant to enable the participating employer to comply with**
 3 **provisions of this subsection relating to the payment of contribu-**
 4 **tions and reporting requirements.** Any retirant employed by a partic-
 5 ipating employer or a third-party entity as provided in this subsection
 6 shall not make contributions nor receive additional credit under such
 7 system for such service except as provided by this section. Upon request
 8 of the executive director of the system, the secretary of revenue shall
 9 provide such information as may be needed by the executive director to
 10 carry out the provisions of this act. The provisions of this subsection shall
 11 not apply to retirants employed as substitute teachers or officers, em-
 12 ployees or appointees of the legislature. The provisions of this subsection
 13 shall not apply to members of the legislature prior to January 8, 2000.
 14 The provisions of this subsection shall not apply to any other elected
 15 officials prior to the term of office of such elected official which com-
 16 mences on or after July 1, 2000. The provisions of this subsection shall
 17 apply to any other elected official on and after the term of office of such
 18 other elected official which commences on or after July 1, 2000. Except
 19 as otherwise provided, commencing January 8, 2001, the provisions of
 20 this subsection shall apply to members of the legislature. For determi-
 21 nation of the amount of compensation paid pursuant to this subsection,
 22 for members of the legislature, compensation shall include any amount
 23 paid as provided pursuant to subsections (a), (b), (c) and (d) of K.S.A. 46-
 24 137a, and amendments thereto, or pursuant to K.S.A. 46-137b, and
 25 amendments thereto. Notwithstanding any provision of law to the con-
 26 trary, when a member of the legislature is paid an amount of compen-
 27 sation of \$15,000 or more, or commencing in calendar year 2006, and all
 28 calendar years thereafter, \$20,000 or more in any one calendar year, the
 29 member may continue to receive any amount provided in subsections (b)
 30 and (d) of K.S.A. 46-137a, and amendments thereto, and still be entitled
 31 to receive such member's retirement benefit. Commencing July 1, 2005,
 32 the provisions of this subsection shall not apply to retirants who either
 33 retired under the provisions of subsection (1), or, if they retired under
 34 the provisions of subsection (4), were retired more than 30 days prior to
 35 the effective date of this act and are licensed professional nurses or li-
 36 censed practical nurses employed by the state of Kansas in an institution
 37 as defined in subsection (b) of K.S.A. 76-12a01 or subsection (f) of K.S.A.
 38 38-2302, and amendments thereto, the Kansas soldiers' home or the Kan-
 39 sas veterans' home. Nothing in this subsection shall be construed to create
 40 any right, or to authorize the creation of any right, which is not subject
 41 to amendment or nullification by act of the legislature. The participating
 42 employer of such retirant shall pay to the system the actuarially deter-
 43 mined employer contribution based on the retirant's compensation dur-

The provisions and requirements provided for in amendments made in this act which relate to positions filled with a retirant or employment of a retirant by a third-party entity shall not apply to any contract for services entered into prior to March 1, 2009, between a participating employer and third-party entity as described in this subsection.

April 15

1-4

1 ing any such period of employment.

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

9 Sec. 2. K.S.A. 2008 Supp. 74-4914 is hereby repealed.

10 Sec. 3. This act shall take effect and be in force from and after its
11 publication in the ~~statute book~~.

KS Register

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