

SESSION OF 2009

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2004

As Recommended by House Committee on
Higher Education

Brief*

HB 2004 would amend existing law to prohibit a participant in the retirement plan of the State Board of Regents from filing a one-time, irrevocable written election to continue participation in the retirement plan if the participant takes a leave of absence and accepts a position in the executive branch of State government.

Background

KSA 74-4925 currently allows a participant in the retirement plan of the State Board of Regents who takes a leave of absence and accepts a position in the executive branch to choose to continue to participation in the Regents' retirement plan during the leave of absence.

The bill was introduced by the Legislative Educational Planning Committee at the request of the Board of Regents.

Proponents of the bill at the House Higher Education hearing included Theresa Marcel Bush, Associate General Counsel for the Kansas Board of Regents, and Regent Jerry Boettcher. Ms. Bush stated that currently there are no employees utilizing the provision and that the existing arrangement is in violation of the new IRS rules for 403(b) retirement plans. There were no opponents of the bill.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The fiscal note prepared by the Division of the Budget on the introduced version of the bill indicates that the passage of the bill would have no immediate fiscal effect. As stated in the fiscal note, currently, there are no employees who are on leave from a university in order to work in a non-university executive branch agency. As stated by the fiscal note, in future years, universities could realize small savings when employees take a leave of absence to work in another agency.