

**SENATE BILL No. 282**

By Committee on Assessment and Taxation

2-28

1 AN ACT concerning retirement and pensions; relating to the Kansas public  
2 employees retirement system; enacting the Kansas retirement  
3 investment and savings plan act; establishing terms, conditions and  
4 requirements related thereto; providing for the plan document,  
5 membership elections, benefits, contributions, distributions and  
6 prospective plan changes by the legislature; authorizing an employer  
7 contribution rate to amortize the actuarial costs of the defined benefit  
8 plan; directing the pooled money investment board to loan moneys to  
9 provide startup and related administrative costs of the plan upon  
10 approval of the state finance council; creating the Kansas public  
11 employees retirement system defined contribution fund; amending  
12 K.S.A. 2024 Supp. 74-4920 and repealing the existing section.  
13

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

15 New Section 1. (a) The provisions of sections 1 through 15, and  
16 amendments thereto, shall be known and may be cited as the Kansas  
17 retirement investment and savings plan act (KRISP). Such act shall be  
18 effective on and after July 1, 2027.

19 (b) Any employee who is first employed by a participating employer  
20 on or after July 1, 2027, and who elects to participate in the plan or fails to  
21 make an election pursuant to section 5, and amendments thereto, shall be a  
22 member of the plan under the provisions of this act as of the first day of  
23 employment of such employee with such participating employer.

24 (c) (1) The provisions of this act shall not apply to members of the  
25 Kansas police and firemen's retirement system, K.S.A. 74-4951 et seq.,  
26 and amendments thereto, the retirement system for judges, K.S.A. 20-2601  
27 et seq., and amendments thereto, and security officers as provided in  
28 K.S.A. 74-4914a, and amendments thereto.

29 (2) The provisions of this act shall not apply to members of the  
30 Kansas public employees retirement system as provided in K.S.A. 74-4901  
31 et seq., 74-49,201 et seq., and 74-49,301 et seq., and amendments thereto,  
32 first employed by a participating employer prior to July 1, 2027, except for  
33 members who elect to participate in the Kansas retirement investment and  
34 savings plan pursuant to section 5, and amendments thereto.

35 New Sec. 2. Unless the context requires otherwise, terms that are  
36 used in this act have the meanings set forth in K.S.A. 74-4902, and

1 amendments thereto, and the following definitions apply:

2 (a) "Act" means the Kansas retirement investment and savings plan  
3 act, sections 1 through 15, and amendments thereto;

4 (b) "active plan member" or "plan member" means a Kansas  
5 retirement investment and savings plan member who is actively employed  
6 by a participating employer;

7 (c) "covered position" means a position with an affiliated employer  
8 that is eligible for membership in the Kansas public employees retirement  
9 system pursuant to the provisions of K.S.A. 74-4901 et seq., and  
10 amendments thereto;

11 (d) "defined benefit plan" means the defined benefit plan for the  
12 Kansas public employees retirement system, K.S.A. 74-4901 et seq., 74-  
13 49,201 et seq. and 74-49,301 et seq., and amendments thereto, the Kansas  
14 police and firemen's retirement system, K.S.A. 74-4951 et seq., and  
15 amendments thereto, and the retirement system for judges, K.S.A. 20-2601  
16 et seq., and amendments thereto;

17 (e) "deferred compensation plan" means the same as defined in  
18 K.S.A. 74-49b08, and amendments thereto;

19 (f) "employee" means the same as defined in K.S.A. 74-4902 and 74-  
20 4932, and amendments thereto, except that the provisions of this act shall  
21 apply only to employees who:

22 (1) (A) Are first employed by a participating employer on or after  
23 July 1, 2027, or are employees of a participating employer that affiliates on  
24 or after July 1, 2027; and

25 (B) elect to participate in the plan or fail to make an election pursuant  
26 to section 5(a)(1), and amendments thereto; or

27 (2) (A) are first employed by a participating employer prior to July 1,  
28 2027; and

29 (B) elect to become a member of the plan pursuant to section 5(a)(2),  
30 and amendments thereto;

31 (g) "first employed" means an employee who:

32 (1) Has not been an employee in a covered position of any  
33 participating employer prior to July 1, 2027, and is employed by a  
34 participating employer in a covered position on or after July 1, 2027;

35 (2) is a former member of the system who withdrew contribution  
36 accounts before July 1, 2027, and who is again employed by a  
37 participating employer in a covered position on or after July 1, 2027; or

38 (3) was an inactive nonvested member and who is again employed by  
39 a participating employer in a covered position on or after July 1, 2027;

40 (h) "inactive nonvested member" means a member who has  
41 terminated employment with a participating employer and who does not  
42 have a vested retirement benefit in the system on July 1, 2027;

43 (i) "plan" or "Kansas retirement investment and savings plan" means

1 the plan established by section 3, and amendments thereto; and

2 (j) "qualified Roth contribution program" means a program described  
3 in section 402A(b)(1) of the federal internal revenue code that meets the  
4 requirements of section 402A(b)(2) of the federal internal revenue code.

5 New Sec. 3. (a) (1) The board shall establish a separate Kansas  
6 retirement investment and savings plan in accordance with the provisions  
7 of this act. The plan and related trust shall be established with the primary  
8 objective of providing a share of the retirement income needed to replace a  
9 member's preretirement standard of living throughout retirement following  
10 a full career of employment and to meet participating employers'  
11 objectives for recruiting and retaining qualified employees. Maintaining  
12 the member's standard of living in retirement shall include income from  
13 the plan in addition to social security, personal savings and other  
14 retirement arrangements including from nonparticipating employers. The  
15 plan shall be established as a pension plan for the exclusive benefit of  
16 members and their beneficiaries and as a qualified governmental plan  
17 pursuant to sections 401(a) and 414(d) of the federal internal revenue code  
18 and its implementing regulations. Retirement accounts shall be established  
19 for each plan member. Assets of the plan shall be held in trust for the  
20 exclusive benefit of participants and their beneficiaries. The plan is  
21 established in addition to any retirement, pension, deferred compensation  
22 or other benefit plan administered by the state or a political subdivision  
23 thereof.

24 (2) As a component of the Kansas retirement investment and savings  
25 plan, the board shall establish a deferred compensation plan in accordance  
26 with section 457 of the federal internal revenue code. Deferred  
27 compensation accounts shall be established for each plan member to allow  
28 for additional elective contributions by members of the Kansas retirement  
29 investment and savings plan. All moneys deferred, transferred or rolled  
30 over in accordance with the provisions of the deferred compensation plan  
31 shall be held in trust in accordance with section 457 of the federal internal  
32 revenue code for the exclusive benefit of participants and their  
33 beneficiaries. All employees subject to the provisions of this act shall  
34 participate in the deferred compensation plan unless an employee elects, in  
35 a manner prescribed by the board, not to participate in such plan. Any  
36 amount of the member's salary or compensation that is deferred on a pre-  
37 tax basis shall not be subject to state income taxes for the year in which  
38 such sum is contributed but shall be subject to applicable state income  
39 taxes for the year in which distributions are received by the member. The  
40 board may utilize the Kansas public employees deferred compensation act,  
41 K.S.A. 74-49b07 through 74-49b15, and amendments thereto, to  
42 implement the provisions of this act solely or as one of two or more  
43 plans.

1 (3) The board shall establish a qualified Roth contribution program  
2 for members in both the Kansas retirement investment and savings plan  
3 and the deferred compensation plan. Any amounts contributed to a  
4 qualified Roth contribution program shall be subject to state withholding  
5 and income taxes for the year in which such sum is contributed to the  
6 program but shall not be subject to applicable state income taxes for the  
7 year in which distributions are received by the member, unless the  
8 provisions of article 32 of chapter 79 of the Kansas Statutes Annotated,  
9 and amendments thereto, provide otherwise.

10 (b) The board may enter into agreements with approved insurers,  
11 investment managers or other contracting parties whereby benefits or  
12 investment services under the Kansas retirement investment and savings  
13 plan would be made available to participants. The board may enter into an  
14 agreement with one or more qualified private firms for consolidated billing  
15 services, participant enrollment services, communications services,  
16 participant account recordkeeping services and other services related to the  
17 administration of the Kansas retirement investment and savings plan.

18 (c) No significant costs shall be incurred by the state as a result of the  
19 administration of this act unless such costs are recovered by the following  
20 means: (1) A service charge collected from all participants; or (2) credit  
21 allowances or reimbursement of specified plan expenses as provided under  
22 agreements with one or more qualified private firms entered into pursuant  
23 to subsection (b). The amount of any such significant costs incurred and to  
24 be recovered by the state shall be determined by the board.

25 (d) (1) Subject to the provisions of this section, the pooled money  
26 investment board is authorized and directed to loan to the Kansas public  
27 employees retirement system sufficient moneys to provide startup and  
28 related administrative costs of this act upon approval of such loan by the  
29 state finance council acting on this matter, which is hereby characterized  
30 as a matter of legislative delegation and subject to the guidelines  
31 prescribed in K.S.A. 75-3711c(c), and amendments thereto.

32 (2) No loan shall be made unless the terms thereof have been  
33 approved by the director of the budget. A copy of the terms of the loan  
34 shall be submitted to the director of legislative research. The pooled  
35 money investment board is authorized and directed to use any moneys in  
36 the operating accounts, investment accounts or other investments of the  
37 state of Kansas to provide the funds for such loan. Each such loan shall  
38 bear interest at a rate equal to the net earnings rate of the pooled money  
39 investment portfolio at the time of the making of such loan. Such loan  
40 shall not be deemed to be an indebtedness or debt of the state of Kansas  
41 within the meaning of section 6 of article 11 of the constitution of the state  
42 of Kansas.

43 (3) Upon certification of the amount of each loan authorized pursuant

1 to this subsection to the executive director of the Kansas public employees  
2 retirement system, the pooled money investment board shall transfer each  
3 such amount from the state bank account or accounts prescribed in this  
4 subsection to the Kansas public employees retirement fund.

5 (4) The principal and interest of each loan authorized pursuant to this  
6 subsection shall be repaid in payments payable on or before June 30, 2030,  
7 or June 30 of each subsequent year in which a loan to the system has  
8 occurred pursuant to this section.

9 (5) The board of trustees shall report annually on the status of any  
10 loan made pursuant to this section to the joint committee on pensions,  
11 investments and benefits.

12 (e) The board is authorized to negotiate and enter into contracts with  
13 qualified insurers, investment managers and other contracting parties for  
14 the purposes of implementing and providing essential services for the  
15 Kansas retirement investment and savings plan, including acquisition of  
16 actuarial, investment, consulting, auditing and other services necessary  
17 therefor. Contracts entered into under this act shall be subject to the  
18 provisions of K.S.A. 74-4909(15), and amendments thereto, and shall not  
19 be negotiated in accordance with the provisions of K.S.A. 75-37,102, and  
20 amendments thereto, or K.S.A. 75-37,132, and amendments thereto.

21 New Sec. 4. The legislature may, from time to time, prospectively  
22 change the statutory provisions governing the plan and expressly reserve  
23 the right to do so. The state of Kansas shall not be responsible for any loss  
24 incurred by any member under the plan established pursuant to this act.

25 New Sec. 5. (a) (1) An employee who is first employed by a  
26 participating employer on or after July 1, 2027, may elect to become a  
27 member of the Kansas retirement investment and savings plan or a  
28 member of the Kansas public employees retirement system act of 2015,  
29 K.S.A. 74-49,301 et seq., and amendments thereto, by making an election  
30 within 30 days from the first day of employment with a participating  
31 employer.

32 (2) Except as otherwise provided in this act, an active member of the  
33 defined benefit plan on July 1, 2027, or an inactive vested member of the  
34 defined benefit plan who is again employed by a participating employer in  
35 a covered position on or after July 1, 2027, may elect to become a member  
36 of the Kansas retirement investment and savings plan by making an  
37 election within a 30-day period established by the board.

38 (b) (1) Elections made pursuant to this section shall be made on a  
39 form and in a manner prescribed by the board.

40 (2) (A) A defined benefit plan member failing to make an election  
41 prescribed by this section remains a member of the defined benefit plan.

42 (B) An employee who is first employed by a participating employer  
43 on or after July 1, 2027, failing to make an election prescribed by this

1 section shall become a member of the Kansas retirement investment and  
2 savings plan under the provisions of this act.

3 (3) An election under this section, including the default election  
4 pursuant to subsection (b)(2), is a one-time irrevocable election.

5 (4) Any election made pursuant to this section is for all of such  
6 member's credited service and for all employee and employer  
7 contributions. An election to become a Kansas retirement investment and  
8 savings plan member permanently terminates active membership in the  
9 defined benefit plan and the service of such member on and after July 1,  
10 2027, in the Kansas retirement investment and savings plan shall not be  
11 credited for the purposes of the defined benefit plan. The system shall  
12 calculate the actuarial present value of such member's accrued retirement  
13 benefit for all credited service prior to July 1, 2027, and shall transfer a  
14 lump-sum amount equal to such actuarial present value to such member's  
15 rollover account. For members of the defined benefit plan under K.S.A.  
16 74-49,301 et seq., and amendment thereto, the amount transferred shall be  
17 the greater of: (A) An amount equal to the value of the member's annuity  
18 savings account and retirement annuity account; or (B) the actuarial  
19 present value of such member's accrued retirement benefit. The actuarial  
20 present value shall be determined by the actuary using the actuarial  
21 assumptions and tables currently in use by the system and the member's  
22 attained age.

23 (c) A member in either the defined benefit plan or the Kansas  
24 retirement investment and savings plan who becomes inactive after an  
25 election under this section and who returns to active membership remains  
26 in the plan previously elected.

27 (d) A member of the defined benefit plan who is subject to a domestic  
28 relations order or an execution or income-withholding order may not  
29 transfer to the Kansas retirement investment and savings plan unless the  
30 order is modified to apply under the Kansas retirement investment and  
31 savings plan.

32 (e) (1) A member of the defined benefit plan who is purchasing  
33 service credit through installment payments, either made directly to the  
34 board or pursuant to a payroll deduction agreement, shall not transfer  
35 membership to the Kansas retirement investment and savings plan unless  
36 the member first completes the contract for purchase of service credit.

37 (2) A member who files an election to transfer membership may  
38 make a lump-sum payment for up to the balance of the service credit  
39 remaining to be purchased prior to transferring, subject to the limitations  
40 of section 415 of the federal internal revenue code. The lump-sum  
41 payment, unless made by a rollover, shall be made with after-tax dollars.

42 (f) (1) Employee and employer contributions shall be made to the  
43 retirement system during any 30-day election window and the system shall

1 hold such contributions until an election is made, including the default  
2 election.

3 (2) If an employee elects to become a member of the Kansas  
4 retirement investment and savings plan pursuant to subsection (a)(1),  
5 employee contributions made during the 30-day election window,  
6 including any interest earnings thereon, shall be credited as soon as  
7 practicable by the system to the member's mandatory contribution account.  
8 Employer contributions made during the 30-day election window shall be  
9 credited as soon as practicable by the system to the member's employer  
10 contribution account.

11 (3) If an employee elects to become a member of the Kansas public  
12 employees retirement system act of 2015 pursuant to subsection (a)(1),  
13 employee contributions made during the 30-day election window,  
14 including any interest earnings thereon, shall be credited as soon as  
15 practicable by the system to the member's annuity savings account.  
16 Employer contributions made during the 30-day election window shall be  
17 credited as soon as practicable by the system to the member's retirement  
18 annuity account.

19 New Sec. 6. The board shall accept the rollover of contributions and  
20 the income on those contributions from another eligible retirement plan to  
21 the member's rollover account only to the extent allowed under the federal  
22 internal revenue code.

23 New Sec. 7. (a) A Kansas retirement investment and savings plan  
24 member's mandatory contribution account includes the member's  
25 contributions and the income on those contributions and is vested from the  
26 date that the employee becomes a member of the plan.

27 (b) A Kansas retirement investment and savings plan member's  
28 deferred compensation account includes the member's elective  
29 contributions and the income on those contributions and is vested from the  
30 date that the employee becomes a member of the plan.

31 (c) A Kansas retirement investment and savings plan member's  
32 employer contribution account includes the employer's contributions and  
33 the income on those contributions and is vested only when the member has  
34 a total of five years of participating service in the Kansas retirement  
35 investment and savings plan.

36 (d) A Kansas retirement investment and savings plan member's  
37 rollover account includes the member's rollovers of contributions made  
38 pursuant to section 5 or 6, and amendments thereto, and income on those  
39 contributions and are vested from the date that the contributions are  
40 credited to the account.

41 (e) If the Kansas retirement investment and savings plan member's  
42 employer contribution account is not vested upon termination of plan  
43 membership, as provided in this section, the employer contributions and

1 income are forfeited as provided in section 8, and amendments thereto.

2 New Sec. 8. (a) (1) An active Kansas retirement investment and  
3 savings plan member shall contribute 6% of compensation to the member's  
4 mandatory contribution account.

5 (2) Except as provided in subsection (d), an active plan member shall  
6 initially contribute 1% of compensation to the member's deferred  
7 compensation account and such contribution rate shall increase annually  
8 by 1% of the active plan member's compensation until such active plan  
9 member reaches a maximum contribution rate of 10% of compensation.  
10 All contributions to a member's deferred compensation account under this  
11 section shall be subject to the contribution limits under sections 415 and  
12 457 of the federal internal revenue code. The board may implement this  
13 subsection as an eligible automatic contribution arrangement under section  
14 414(w) of the federal internal revenue code.

15 (b) (1) All contributions under subsection (a)(1) shall be picked up by  
16 the employer via a salary reduction as provided in section 414(h)(2) of the  
17 federal internal revenue code. An employer shall not pick up such  
18 contributions without a corresponding salary reduction as provided in  
19 section 414(h)(2) of the federal internal revenue code.

20 (2) Each participating employer shall establish a system of regular  
21 payroll deductions to defer each payroll period the amounts from the  
22 salary or compensation of each employee who is a member of the deferred  
23 compensation plan in accordance with this act and the applicable  
24 provisions of the federal internal revenue code.

25 (c) An active plan member's participating employer shall contribute  
26 the following to each member's employer contribution account:

27 (1) 4% of compensation to the active plan member's employer  
28 contribution account; and

29 (2) an additional 0.5% of compensation to the active plan member's  
30 employer contribution account if such member contributes 1% of  
31 compensation to the deferred compensation plan or an additional 1% of  
32 compensation if such member contributes 2% or more of compensation to  
33 the deferred compensation plan.

34 (d) An active plan member shall be permitted to adjust the amount of  
35 elective contributions to such member's deferred compensation account at  
36 least annually or on a more frequent basis as established by the board. All  
37 contribution elections shall be made in 1% increments. An active plan  
38 member shall be permitted to stop making contributions to such member's  
39 deferred compensation account. An active plan member shall be permitted  
40 to resume making contributions to such member's deferred compensation  
41 account following any previous stoppage. The board shall develop and  
42 make available to all plan members an electronic means for making  
43 contribution elections to a member's deferred compensation account.



1 (e) Forfeitures of employer contributions and investment income on  
2 the employer contributions may not be used to increase a plan member's  
3 retirement account. The board shall allocate the forfeitures under this  
4 section to meet the plan's administrative expenses, including startup  
5 expenses. The board may use forfeitures to reduce the employer  
6 contribution obligation once expenses are met.

7 New Sec. 9. (a) (1) The board shall create an investment policy  
8 structured to meet the primary objective of providing a share, in addition  
9 to social security, personal savings and other retirement arrangements, of  
10 the retirement income needed to replace a member's preretirement standard  
11 of living throughout retirement following a full career of employment. The  
12 board shall require in any agreement with entities pursuant to section 3,  
13 and amendments thereto, that the following investment alternatives under  
14 the Kansas retirement investment and savings plan are offered to members,  
15 including, but not limited to:

16 (A) A government securities investment fund;  
17 (B) a fixed income index investment fund;  
18 (C) a common stock index investment fund;  
19 (D) a small capitalization stock index investment fund;  
20 (E) an international stock index investment fund; and  
21 (F) hybrid funds mixing and matching various investment funds,  
22 tailored to projected retirement years.

23 (2) (A) The board shall select an index that is a commonly recognized  
24 index comprised of common stock the aggregate market value of which is  
25 a reasonably complete representation of the United States equity markets.

26 (B) The common stock index investment fund shall be invested in a  
27 portfolio designed to replicate the performance of the index selected under  
28 subparagraph (A). The portfolio shall be designed such that, to the extent  
29 practicable, the percentage of the large capitalization stock index  
30 investment fund that is invested in each stock is the same as the percentage  
31 determined by dividing the aggregate market value of all shares of that  
32 stock by the aggregate market value of all shares of all stocks included in  
33 such index.

34 (3) (A) The board shall select an index that is a commonly recognized  
35 index comprised of common stock, the aggregate market value of which  
36 represents the United States equity markets excluding the common stocks  
37 included in the common stock index investment fund.

38 (B) The small capitalization stock index investment fund shall be  
39 invested in a portfolio designed to replicate the performance of the index  
40 in subparagraph (A). The portfolio shall be designed such that, to the  
41 extent practicable, the percentage of the small capitalization stock index  
42 investment fund that is invested in each stock is the same as the percentage  
43 determined by dividing the aggregate market value of all shares of that

1 stock by the aggregate market value of all shares of all stocks included in  
2 such index.

3 (4) (A) The board shall select an index that is a commonly recognized  
4 index comprised of stock, the aggregate market value of which is a  
5 reasonably complete representation of the international equity markets  
6 excluding the United States equity markets.

7 (B) The international stock index investment fund shall be invested in  
8 a portfolio designed to replicate the performance of the index in  
9 subparagraph (A). The portfolio shall be designed such that, to the extent  
10 practicable, the percentage of the international stock index investment  
11 fund that is invested in each stock is the same percentage determined by  
12 dividing the aggregate market value of all shares of that stock by the  
13 aggregate market value of all shares of all stocks included in such index.

14 (b) The board shall establish a default investment option for any plan  
15 member who does not have an effective investment direction. The board  
16 may utilize a hybrid investment fund established pursuant to this section as  
17 the default investment fund.

18 (c) Assets within each member's account shall be invested as directed  
19 by the member within the investment alternatives established by the board.

20 (d) A plan member may elect the investment funds and alternatives  
21 referred to in this section into which the sums in the member's accounts are  
22 to be invested or reinvested. The board shall develop and make available  
23 to all plan members an electronic means for investment allocation  
24 elections. Elections to allocate existing account balances among the  
25 various investment alternatives referred to in this section shall be  
26 permitted on a daily basis. Elections to allocate future contributions among  
27 the various investment alternatives referred to in this section shall be  
28 permitted on a monthly basis. All investment elections shall be made in  
29 1% increments. The sum of the percentages elected for all investment  
30 alternatives shall equal 100%.

31 New Sec. 10. Any time after termination of service, a plan member or  
32 the plan member's beneficiary may terminate plan membership by filing a  
33 written application with the board and removing the plan member's vested  
34 account balance from the plan through any combination of the following  
35 payout options, each of which is subject to the provisions of the plan  
36 document and the federal internal revenue code and the applicable  
37 regulations of the federal internal revenue service:

38 (a) A direct rollover to an eligible retirement plan;

39 (b) an indirect rollover to an eligible retirement plan;

40 (c) a lump-sum distribution of the plan member's vested account  
41 balance; or

42 (d) an optional form of distribution offered by the board under section  
43 11, and amendments thereto.

1 New Sec. 11. (a) Subject to the provisions of the plan document, a  
2 plan member, after termination of service, may leave the plan member's  
3 vested account balance in the plan, and the plan member is eligible for a  
4 distribution as provided in this section.

5 (b) (1) After termination of service and upon filing a written  
6 application with the board, a plan member may select any distribution  
7 option provided by the plan document. The board shall make available  
8 within the plan lifetime annuity options from an insurer, including:

- 9 (A) Single-life;  
10 (B) joint and survivor;  
11 (C) period certain;  
12 (D) qualified longevity annuity contracts; and  
13 (E) other annuity forms as the board may choose to provide.

14 (2) The board shall create a default distribution option using a  
15 lifetime annuity form.

16 (c) A plan member who is less than 65 years of age, or 70<sup>1</sup>/<sub>2</sub> years of  
17 age if the member was born before July 1, 1949, who returns to service  
18 may not continue to receive a distribution under this section while actively  
19 employed in a covered position except as may otherwise be required under  
20 an applicable annuity contract provided under the plan.

21 (d) The plan document shall provide that distributions shall comply  
22 with the minimum distribution requirements established in the federal  
23 internal revenue code and applicable under K.S.A. 74-49,123, and  
24 amendments thereto.

25 (e) The plan document may specify minimum account balances for  
26 purposes of allowing benefit payment options and rollovers in accordance  
27 with the federal internal revenue code.

28 New Sec. 12. A plan member's beneficiary shall be determined as  
29 provided in the defined benefit plan regulations. Upon filing a written  
30 application with the board after the death of a plan member, the plan  
31 member's beneficiary is entitled to the plan member's vested account  
32 balance.

33 New Sec. 13. Before termination of service, a plan member shall not  
34 receive a refund of any portion of the plan member's vested account  
35 balance.

36 New Sec. 14. A Kansas retirement investment and savings plan  
37 member shall be eligible for death and disability benefits provided to  
38 members of the defined benefit plan under K.S.A. 74-4927, and  
39 amendments thereto.

40 New Sec. 15. There is hereby created in the state treasury the Kansas  
41 public employees retirement system defined contribution fund. The fund  
42 shall be administered by the Kansas public employees retirement system in  
43 accordance with the provisions of this act. All expenditures from the fund

1 shall be made in accordance with appropriation acts upon warrants of the  
2 director of accounts and reports issued pursuant to vouchers approved by  
3 the chairperson of the board, the executive director of the system or the  
4 executive director's designee.

5 Sec. 16. K.S.A. 2024 Supp. 74-4920 is hereby amended to read as  
6 follows: 74-4920. (1) (a) Upon the basis of each annual actuarial valuation  
7 and appraisal as provided for in K.S.A. 74-4908(3)(a), and amendments  
8 thereto, the board shall certify, on or before July 15 of each year, to the  
9 division of the budget in the case of the state and to the agent for each  
10 other participating employer an actuarially determined estimate of the rate  
11 of contribution that will be required, together with all accumulated  
12 contributions and other assets of the system, to be paid by each such  
13 participating employer to pay all liabilities that shall exist or accrue under  
14 the system, including amortization of the actuarial accrued liability as  
15 determined by the board. The board shall determine the actuarial cost  
16 method to be used in annual actuarial valuations, to determine the  
17 employer contribution rates that shall be certified by the board. Such  
18 certified rate of contribution, amortization methods and periods and  
19 actuarial cost method shall be based on the standards set forth in K.S.A.  
20 74-4908(3)(a), and amendments thereto, and shall not be based on any  
21 other purpose outside of the needs of the system.

22 (b) (i) For employers affiliating on and after January 1, 1999, upon  
23 the basis of an annual actuarial valuation and appraisal of the system  
24 conducted in the manner provided for in K.S.A. 74-4908, and amendments  
25 thereto, the board shall certify, on or before July 15 of each year to each  
26 such employer an actuarially determined estimate of the rate of  
27 contribution that shall be required to be paid by each such employer to pay  
28 all of the liabilities that shall accrue under the system from and after the  
29 entry date as determined by the board, upon recommendation of the  
30 actuary. Such rate shall be termed the employer's participating service  
31 contribution and shall be uniform for all participating employers. Such  
32 additional liability shall be amortized as determined by the board. For all  
33 participating employers described in this section, the board shall determine  
34 the actuarial cost method to be used in annual actuarial valuations to  
35 determine the employer contribution rates that shall be certified by the  
36 board.

37 (ii) The board shall determine for each such employer separately an  
38 amount sufficient to amortize all liabilities for prior service costs that shall  
39 have accrued at the time of entry into the system. On the basis of such  
40 determination the board shall annually certify to each such employer  
41 separately an actuarially determined estimate of the rate of contribution  
42 that shall be required to be paid by that employer to pay all of the  
43 liabilities for such prior service costs. Such rate shall be termed the

1 employer's prior service contribution.

2 *(c) On and after July 1, 2027, the board shall certify a contribution*  
3 *rate required to amortize the unfunded actuarial liability of the defined*  
4 *benefit plan. Such certified rate of contribution, amortization methods,*  
5 *periods and actuarial cost method shall be based on the standards set*  
6 *forth in K.S.A. 74-4908(3)(a), and amendments thereto, and shall not be*  
7 *based on any other purpose outside of the needs of the system. Each*  
8 *participating employer shall appropriate and pay such certified*  
9 *contribution rate as applied to the total compensation of employees*  
10 *participating in the Kansas retirement investment and savings plan act*  
11 *and the defined benefit plan.*

12 (2) The division of the budget and the governor shall include in the  
13 budget and in the budget request for appropriations for personal services  
14 the sum required to satisfy the state's obligation under this act as certified  
15 by the board and shall present the same to the legislature for allowance and  
16 appropriation.

17 (3) Each other participating employer shall appropriate and pay to the  
18 system a sum sufficient to satisfy the obligation under this act as certified  
19 by the board.

20 (4) Each participating employer is hereby authorized to pay the  
21 employer's contribution from the same fund that the compensation for  
22 which such contribution is made is paid from or from any other funds  
23 available to it for such purpose. Each political subdivision, other than an  
24 instrumentality of the state, that is by law authorized to levy taxes for other  
25 purposes, may levy annually at the time of its levy of taxes, a tax that may  
26 be in addition to all other taxes authorized by law for the purpose of  
27 making its contributions under this act and, in the case of cities and  
28 counties, to pay a portion of the principal and interest on bonds issued  
29 under the authority of K.S.A. 12-1774, and amendments thereto, by cities  
30 located in the county, which tax, together with any other fund available,  
31 shall be sufficient to enable it to make such contribution. In lieu of levying  
32 the tax authorized in this subsection, any taxing subdivision may pay such  
33 costs from any employee benefits contribution fund established pursuant to  
34 K.S.A. 12-16,102, and amendments thereto. Each participating employer  
35 that is not by law authorized to levy taxes as described above, ~~but that~~  
36 prepares a budget for its expenses for the ensuing year and presents the  
37 same to a governing body that is authorized by law to levy taxes as  
38 described above, may include in its budget an amount sufficient to make  
39 its contributions under this act, which may be in addition to all other taxes  
40 authorized by law. Such governing body to which the budget is submitted  
41 for approval, may levy a tax sufficient to allow the participating employer  
42 to make its contributions under this act, which tax, together with any other  
43 fund available, shall be sufficient to enable the participating employer to

1 make the contributions required by this act.

2 (5) (a) The rate of contribution certified to a participating employer as  
3 provided in this section shall apply during the fiscal year of the  
4 participating employer that begins in the second calendar year following  
5 the year of the actuarial valuation.

6 (b) (i) Except as specifically provided in this section, for fiscal years  
7 commencing in calendar year 1996 and in each subsequent calendar year,  
8 the rate of contribution certified to the state of Kansas shall in no event  
9 exceed the state's contribution rate for the immediately preceding fiscal  
10 year by more than 0.2% of the amount of compensation upon which  
11 members contribute during the period.

12 (ii) Except as specifically provided in this subsection, for the fiscal  
13 years commencing in the following calendar years, the rate of contribution  
14 certified to the state of Kansas and to the participating employers under  
15 K.S.A. 74-4931, and amendments thereto, shall in no event exceed the  
16 state's contribution rate for the immediately preceding fiscal year by more  
17 than the following amounts expressed as a percentage of compensation  
18 upon which members contribute during the period: (A) For the fiscal year  
19 commencing in calendar years 2010 through 2012, an amount not to  
20 exceed more than 0.6% of the amount of the immediately preceding fiscal  
21 year; (B) for the fiscal year commencing in calendar year 2013, an amount  
22 not to exceed more than 0.9% of the amount of the immediately preceding  
23 fiscal year; (C) for the fiscal year commencing in calendar year 2014, an  
24 amount not to exceed more than 1% of the amount of the immediately  
25 preceding fiscal year; (D) for the fiscal year commencing in calendar year  
26 2015, the employer rate of contribution shall be 10.91%; (E) for the fiscal  
27 year commencing in calendar year 2016, the employer rate of contribution  
28 shall be 10.81%, except as provided by section 37(b) of chapter 54 of 2017  
29 Session Laws of Kansas, and amendments thereto, for the participating  
30 employers under K.S.A. 74-4931, and amendments thereto; (F) for the  
31 fiscal year commencing in calendar year 2017, the employer rate of  
32 contribution shall be 12.01%; (G) for the fiscal year commencing in  
33 calendar year 2021, the employer rate of contribution shall be 13.33%; (H)  
34 for the fiscal year commencing in calendar year 2022, the employer rate of  
35 contribution shall be 13.11%; and (I) in each subsequent calendar year, an  
36 amount not to exceed more than 1.2% of the amount of the immediately  
37 preceding fiscal year.

38 (iii) Except as specifically provided in this section, for fiscal years  
39 commencing in calendar year 1997 and in each subsequent calendar year,  
40 the rate of contribution certified to participating employers other than the  
41 state of Kansas shall in no event exceed such participating employer's  
42 contribution rate for the immediately preceding fiscal year by more than  
43 0.15% of the amount of compensation upon which members contribute

1 during the period.

2 (iv) Except as specifically provided in this subsection, for the fiscal  
3 years commencing in the following calendar years, the rate of contribution  
4 certified to participating employers other than the state of Kansas shall in  
5 no event exceed the contribution rate for such employers for the  
6 immediately preceding fiscal year by more than the following amounts  
7 expressed as a percentage of compensation upon which members  
8 contribute during the period: (A) For the fiscal year commencing in  
9 calendar years 2010 through 2013, an amount not to exceed more than  
10 0.6% of the amount of the immediately preceding fiscal year; (B) for the  
11 fiscal year commencing in calendar year 2014, an amount not to exceed  
12 more than 0.9% of the amount of the immediately preceding fiscal year;  
13 (C) for the fiscal year commencing in calendar year 2015, an amount not  
14 to exceed more than 1% of the amount of the immediately preceding fiscal  
15 year; (D) for the fiscal year commencing in calendar year 2016, an amount  
16 not to exceed more than 1.1% of the amount of the immediately preceding  
17 fiscal year; and (E) for the fiscal year commencing in calendar year 2017,  
18 and in each subsequent calendar year, an amount not to exceed more than  
19 1.2% of the amount of the immediately preceding fiscal year. *On and after*  
20 *July 1, 2027, for the purposes of this section, member compensation shall*  
21 *include compensation of members of the Kansas retirement investment and*  
22 *savings plan established under sections 1 through 15, and amendments*  
23 *thereto.*

24 (v) As part of the annual actuarial valuation, there shall be a separate  
25 employer rate of contribution calculated for the state of Kansas, a separate  
26 employer rate of contribution calculated for participating employers under  
27 K.S.A. 74-4931, and amendments thereto, a combined employer rate of  
28 contribution calculated for the state of Kansas and participating employers  
29 under K.S.A. 74-4931, and amendments thereto, and a separate employer  
30 rate of contribution calculated for all other participating employers.

31 (vi) There shall be a combined employer rate of contribution certified  
32 to the state of Kansas and participating employers under K.S.A. 74-4931,  
33 and amendments thereto. There shall be a separate employer rate of  
34 contribution certified to all other participating employers.

35 (vii) If the combined employer rate of contribution calculated for the  
36 state of Kansas and participating employers under K.S.A. 74-4931, and  
37 amendments thereto, is greater than the separate employer rate of  
38 contribution for the state of Kansas, the difference in the two rates applied  
39 to the actual payroll of the state of Kansas for the applicable fiscal year  
40 shall be calculated. This amount shall be certified by the board for deposit  
41 as additional employer contributions to the retirement benefit  
42 accumulation reserve for the participating employers under K.S.A. 74-  
43 4931, and amendments thereto.

1 (6) The actuarial cost of any legislation enacted in the 1994 session of  
2 the Kansas legislature will be included in the June 30, 1994, actuarial  
3 valuation in determining contribution rates for participating employers.

4 (7) The actuarial cost of the provisions of K.S.A. 74-4950i, and  
5 amendments thereto, will be included in the June 30, 1998, actuarial  
6 valuation in determining contribution rates for participating employers.  
7 The actuarial accrued liability incurred for the provisions of K.S.A. 74-  
8 4950i, and amendments thereto, shall be amortized over 15 years.

9 (8) Except as otherwise provided by law, the actuarial cost of any  
10 legislation enacted by the Kansas legislature, except the actuarial cost of  
11 K.S.A. 74-49,114a, and amendments thereto, shall be in addition to the  
12 employer contribution rates certified for the employer contribution rate in  
13 the fiscal year immediately following such enactment. Such actuarial cost  
14 shall be determined by the qualified actuary employed or retained by the  
15 system pursuant to K.S.A. 74-4908, and amendments thereto, and reported  
16 to the system and the joint committee on pensions, investments and  
17 benefits.

18 (9) Notwithstanding the provisions of subsection (8), the actuarial  
19 cost of the provisions of K.S.A. 74-49,109 et seq., and amendments  
20 thereto, shall be first reflected in employer contribution rates effective with  
21 the first day of the first payroll period for the fiscal year 2005. The  
22 actuarial accrued liability incurred for the provisions of K.S.A. 74-49,109  
23 et seq., and amendments thereto, shall be amortized over 10 years.

24 (10) The cost of the postretirement benefit payment provided  
25 pursuant to the provisions of K.S.A. 74-49,114b, and amendments thereto,  
26 for retirants other than local retirants as described in subsection (11) or  
27 insured disability benefit recipients shall be paid in the fiscal year  
28 commencing on July 1, 2007.

29 (11) The actuarial accrued liability incurred for the provisions of  
30 K.S.A. 74-49,114b, and amendments thereto, for the KPERS local group  
31 and retirants who were employees of local employers that affiliated with  
32 the Kansas police and firemen's retirement system shall be amortized over  
33 10 years.

34 (12) The cost of the postretirement benefit payment provided  
35 pursuant to the provisions of K.S.A. 74-49,114c, and amendments thereto,  
36 for retirants other than local retirants as described in subsection (13) or  
37 insured disability benefit recipients shall be paid in the fiscal year  
38 commencing on July 1, 2008.

39 (13) The actuarial accrued liability incurred for the provisions of  
40 K.S.A. 74-49,114c, and amendments thereto, for the KPERS local group  
41 and retirants who were employees of local employers that affiliated with  
42 the Kansas police and firemen's retirement system shall be amortized over  
43 10 years.



1 (14) The board with the advice of the actuary may fix the contribution  
2 rates for participating employers joining the system after one year from the  
3 first entry date or for employers who exercise the option contained in  
4 K.S.A. 74-4912, and amendments thereto, at rates different from the rate  
5 fixed for employers joining within one year of the first entry date.

6 (15) Employer contributions shall in no way be limited by any other  
7 act that now or in the future establishes or limits the compensation of any  
8 member.

9 (16) Notwithstanding any provision of law to the contrary, each  
10 participating employer shall remit quarterly, or as the board may otherwise  
11 provide, all employee deductions and required employer contributions to  
12 the executive director for credit to the Kansas public employees retirement  
13 fund within three days after the end of the period covered by the  
14 remittance by electronic funds transfer. Remittances of such deductions  
15 and contributions received after such date are delinquent. Delinquent  
16 payments due under this subsection shall be subject to interest at the rate  
17 established for interest on judgments under K.S.A. 16-204(a), and  
18 amendments thereto. At the request of the board, delinquent payments that  
19 are due or interest owed on such payments, or both, may be deducted from  
20 any other moneys payable to such employer by any department or agency  
21 of the state.

22 Sec. 17. K.S.A. 2024 Supp. 74-4920 is hereby repealed.

23 Sec. 18. This act shall take effect and be in force from and after its  
24 publication in the statute book.