

SESSION OF 2025

SUPPLEMENTAL NOTE ON SENATE BILL NO. 64

As Recommended by Senate Committee on
Financial Institutions and Insurance

Brief*

SB 64 would amend Kansas Public Employees Retirement System (KPERs) statutes. The bill would extend the timeline for a KPERs member to request an administrative hearing to appeal a decision made by the KPERs Board of Trustees (Board) without a hearing. The bill would also update KPERs statutes to align with federal Internal Revenue Code (IRC) regulations relating to the applicable age for required minimum distribution of pension benefits, recalculation of life expectancy for determining benefits, distributions from a defined contribution or deferred compensation plan, and the addition of a SIMPLE IRA (Savings Incentive Match Plan for Employees Individual Retirement Account) that meets specific rollover requirements to the list of eligible retirement plans.

Additionally, the bill would amend internal statutory references to correct outdated cross-references to Kansas statutes and make technical amendments.

Extension of Administrative Appeal Timeline

The bill would extend the time for a KPERs member to request an administrative hearing to appeal an adverse decision made by the Board without a hearing from 30 days after notice of the order or decision of the Board to 60 days after such notice.

*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 <https://klrd.gov/>

Statutory Alignment with Federal Regulations

The bill would amend state statute to align with federal regulations to:

- Reflect the following applicable ages for the required minimum distribution of pensions benefits in IRC § 401(a)(9):
 - 70½ years of age for members born before July 1, 1949;
 - 72 years of age for members born on or after July 1, 1949, but before January 1, 1951;
 - 73 years of age for members born on or after January 1, 1951, but before January 1, 1959; and
 - 75 years of age for members born on or after January 1, 1960 [*Note: The required minimum age distribution for those born in 1959 does not appear in the bill due to an omission originating at the federal level. If and when this is addressed at the federal level, a future technical bill may update this statute.*];
- Provide that the life expectancy of a member, the member's spouse, or the member's beneficiary may not be recalculated after the initial determination for purposes of determining benefit except as allowed in IRC § 401(a)(9) and applicable regulations;
- Require distributions from a defined contribution or defined compensation plan to be made in accordance with the rules under IRC § 401(a)(9) specific to such plans; and
- Add, effective January 1, 2016, a SIMPLE IRA as described in the IRC § 408(p) to the list of eligible retirement plans, provided that the rollover contribution is made after the two-year period

described in IRC § 72(t)(6). [Note: IRC § 408(p) describes a SIMPLE IRA plan as an employer-sponsored plan under which an employer can make contributions to SIMPLE IRAs established for its employees. The term SIMPLE IRA means an IRA to which the only contributions that can be made are contributions under a SIMPLE IRA plan or rollovers or transfers from another SIMPLE IRA.]

Background

The bill was introduced by the Senate Committee on Financial Institutions and Insurance at the request of the KPERS Executive Director on behalf of the Board.

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, **proponent** testimony was provided by the KPERS Executive Director, who stated the bill was requested for introduction by the Board to increase the time allowed to file administrative appeals to KPERS decisions; update KPERS statutes per the recommendation of KPERS' tax and compliance counsel to ensure Kansas law remains aligned with federal IRC regulations; and update internal references. The Executive Director stated the Board believes extending the appeal window would provide members with a more reasonable opportunity to evaluate their options and seek legal counsel if needed and would ensure greater fairness and consistency in the appeals process.

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, KPERS indicates enactment of the bill would have no fiscal effect.

Retirement; pensions; Kansas Public Employees Retirement System; KPERS; administrative appeals; federal Internal Revenue Code compliance; life expectancy calculation; required minimum distribution; rollovers; eligible retirement accounts