

CORRECTED
{As Amended by Senate Committee of the Whole}

As Amended by Senate Committee

As Amended by House Committee

Session of 2013

HOUSE BILL No. 2213

By Committee on Pensions and Benefits

2-5

1 AN ACT concerning retirement and pensions; relating to the Kansas public
2 employees retirement system *{and systems thereunder}*; *{retirement*
3 *annuity options}*; certain member elections; *internal revenue service*
4 *review requirements*; retirement benefit determinations, one-time
5 payment; membership; amending K.S.A. 2012 Supp. *{20-2610a,}74-*
6 *4915, 74-4919, {74-4964,}* 74-49,135, 74-49,205, 74-49,301, 74-
7 49,306, 74-49,308, 74-49,313 and 74-49,315 and repealing the existing
8 sections.
9

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

11 *{Section 1. K.S.A. 20-2610a is hereby amended to read as follows:*
12 *20-2610a. (a) A judge may elect to have such judge's retirement annuity*
13 *paid under one of the options provided in this section in lieu of having it*
14 *paid in the form stated in K.S.A. 20-2610, and amendments thereto.*
15 *Such election shall be made before the date of actual retirement. A*
16 *specific person shall be designated as joint annuitant at the time of*
17 *election of the joint and $\frac{1}{2}$ to joint annuitant survivor option, joint and*
18 *survivor option and the joint and $\frac{3}{4}$ to joint annuitant survivor option.*
19 ~~Under no circumstances may~~ *Except as specifically provided in this*
20 *subsection, an option elected by a member as provided in this section*
21 *shall not be changed or canceled nor shall the named joint annuitant be*
22 *changed after the date of actual retirement of the judge. If a retirant is*
23 *divorced after the retirant's date of actual retirement, and the retirant has*
24 *named the retirant's ex-spouse as a joint annuitant under subsection (c),*
25 *the joint annuitant option may be canceled and the retirant's benefit*
26 *returned to the maximum amount of such retirant's retirement benefit*
27 *commencing the first month following the date such cancellation is*
28 *ordered by the district court of the county where the divorce action was*
29 *filed. The retirant shall not receive a refund or interest of any amounts*
30 *already paid to fund the original joint annuitant benefit. The retirant may*
31 *not name a subsequent joint annuitant once the original joint annuitant*

1 *option has been canceled.*

2 *(b) The amount of retirement annuity payable under an option*
3 *shall be based on the age of the judge and, if applicable, the age of the*
4 *joint annuitant, and shall be such amount as to be the actuarial*
5 *equivalent of the retirement annuity otherwise payable under K.S.A. 20-*
6 *2610, and amendments thereto, as prescribed in subsection (c).*
7 *Whenever the amount of any benefit is to be determined on the basis of*
8 *actuarial assumptions, the assumptions shall be specified in a way that*
9 *precludes employer discretion. In no case shall the total amount of*
10 *retirement annuity payable under any option provided in this section be*
11 *more than 100% of the retirement annuity which would have been*
12 *otherwise payable if no option had been elected under this section.*

13 *(c) The following retirement options, which are subject to the*
14 *provisions of K.S.A. 74-49,123, and amendments thereto, are available:*

15 *(1) Joint and 1/2 to joint annuitant survivor. A reduced retirement*
16 *annuity payable to the judge during the judge's lifetime in a monthly*
17 *amount equal to the product of (A) the monthly payment of the*
18 *retirement annuity otherwise payable under K.S.A. 20-2610, and*
19 *amendments thereto, and (B) the percentage equal to 91% minus 0.4%*
20 *for each year by which the age of the judge's joint annuitant is less than*
21 *the judge's age, computed to the nearest whole year, or plus 0.4% for*
22 *each year by which the age of the judge's joint annuitant is more than*
23 *the judge's age, computed to the nearest whole year, with 1/2 of that*
24 *monthly amount continued to the judge's joint annuitant during such*
25 *joint annuitant's remaining lifetime, if any, after the death of the judge.*
26 *In the event that the designated joint annuitant under this option*
27 *predeceases the retired judge, the amount of the retirement annuity*
28 *otherwise payable to the judge under this option shall be adjusted*
29 *automatically to the retirement annuity which the judge would have*
30 *received if no option had been elected under this section.*

31 *(2) Joint and survivor. A reduced retirement annuity payable to the*
32 *judge during the judge's lifetime in a monthly amount equal to the*
33 *product of (A) the monthly payment of the retirement annuity otherwise*
34 *payable under K.S.A. 20-2610, and amendments thereto, and (B) the*
35 *percentage equal to 83% minus 0.6% for each year by which the age of*
36 *the judge's joint annuitant is less than the judge's age, computed to the*
37 *nearest whole year, or plus 0.6% for each year by which the age of the*
38 *judge's joint annuitant is more than the judge's age, computed to the*
39 *nearest whole year, with that monthly amount continued to the joint*
40 *annuitant during the joint annuitant's remaining lifetime, if any, after*
41 *the death of judge. In the event that the designated joint annuitant under*
42 *this option predeceases the retired judge, the amount of the retirement*
43 *annuity otherwise payable to the judge under this option shall be*

1 *adjusted automatically to the retirement annuity which the judge would*
2 *have received if no option had been elected under this section.*

3 (3) *Joint and $\frac{3}{4}$ to joint annuitant survivor. A reduced retirement*
4 *annuity payable to the judge during the judge's lifetime in a monthly*
5 *amount equal to the product of (A) the monthly payment of the*
6 *retirement annuity otherwise payable under K.S.A. 20-2610, and*
7 *amendments thereto, and (B) the percentage equal to 87% minus 0.5%*
8 *for each year by which the age of the judge's joint annuitant is less than*
9 *the judge's age, computed to the nearest whole year, or plus 0.5% for*
10 *each year by which the age of the judge's joint annuitant is more than*
11 *the judge's age, computed to the nearest whole year, with $\frac{3}{4}$ of that*
12 *monthly amount continued to the judge's joint annuitant during such*
13 *joint annuitant's remaining lifetime, if any, after the death of the judge.*
14 *In the event that the designated joint annuitant under this option*
15 *predeceases the retired judge, the amount of the retirement annuity*
16 *otherwise payable to the judge under this option shall be adjusted*
17 *automatically to the retirement annuity which the judge would have*
18 *received if no option had been elected under this section.*

19 (4) *Life with 5 years certain. A reduced retirement annuity payable*
20 *to the judge during the judge's lifetime in a monthly amount equal to*
21 *98% of the monthly payment of the retirement annuity otherwise payable*
22 *under K.S.A. 20-2610, and amendments thereto, and if the judge dies*
23 *within the five-year certain period, measured from the commencement*
24 *of retirement annuity payments, such monthly payments shall be*
25 *continued to such judge's beneficiary during the balance of the five-year*
26 *certain period.*

27 (5) *Life with 10 years certain. A reduced retirement annuity payable*
28 *to the judge during the judge's lifetime in a monthly amount equal to*
29 *95% of the monthly payment of the retirement annuity otherwise payable*
30 *under K.S.A. 20-2610, and amendments thereto, and if the judge dies*
31 *within the ten-year certain period, measured from the commencement of*
32 *retirement annuity payments, such monthly payments shall be continued*
33 *to such judge's beneficiary during the balance of the ten-year certain*
34 *period.*

35 (6) *Life with 15 years certain. A reduced retirement annuity payable*
36 *to the judge during the judge's lifetime in a monthly amount equal to*
37 *88% of the monthly payment of the retirement annuity otherwise payable*
38 *under K.S.A. 20-2610, and amendments thereto, and if the judge dies*
39 *within the fifteen-year certain period, measured from the*
40 *commencement of retirement annuity payments, such monthly payments*
41 *shall be continued to such judge's beneficiary during the balance of the*
42 *fifteen-year certain period.*

43 (7) *Lump sum payment at retirement. (A) Pursuant to this option,*

1 *the judge must specify a lump sum amount to be paid to the judge upon*
2 *the judge's retirement. The lump sum amount will be based on the*
3 *actuarial present value of the benefit as provided in K.S.A. 20-2610, and*
4 *amendments thereto. The lump sum amount designated by the judge*
5 *must be in 10% increments and shall not exceed 1/2 of the actuarial*
6 *present value of the benefit provided in K.S.A. 20-2610, and*
7 *amendments thereto. If the judge's spouse elects a lump sum payment as*
8 *provided in this section pursuant to the provisions of subsection (d), the*
9 *lump sum payment will be based on the present value of the retirement*
10 *option selected by the spouse. The lump sum amount designated by the*
11 *spouse must be in 10% increments and shall not exceed 1/2 of the*
12 *actuarial present value of the option selected in this section.*

13 *(B) Pursuant to this option, the judge must elect to have the*
14 *remaining actuarial present value paid in a monthly amount under the*
15 *provisions of K.S.A. 20-2610, and amendments thereto, or subsections*
16 *(c)(1) through (c)(6) of this section.*

17 *(C) In the event that the designated joint annuitant pursuant to*
18 *subsection (c)(1), (c)(2) or (c)(3), under this option predeceases the*
19 *retirant, the amount of the retirement benefit otherwise payable to the*
20 *retirant under the option shall be adjusted automatically to the*
21 *retirement benefit which the retirant would have received if no option*
22 *had been elected under this section.*

23 *(D) The provisions of this subsection shall be effective on and after*
24 *July 1, 2001.*

25 *(d) If a judge, who is eligible to retire, dies without having actually*
26 *retired, the judge's spouse, if the spouse is the sole beneficiary for the*
27 *judge's accumulated contributions, may elect to receive benefits as a*
28 *joint annuitant under one of the options provided in this section in lieu*
29 *of receiving the judge's accumulated contributions.*

30 *(e) On and after May 1, 2004, if a judge with 10 or more years of*
31 *credited service dies before attaining retirement age, the judge's spouse,*
32 *if the spouse is the sole beneficiary for the judge's accumulated*
33 *contributions, may elect to receive benefits under one of the options*
34 *provided in this section in lieu of receiving the judge's accumulated*
35 *contributions. Payments under one of the options provided in this*
36 *section to the judge's spouse if so elected, shall commence on the date*
37 *that the judge would have been eligible for normal retirement pursuant*
38 *to subsection (a) of K.S.A. 20-2608, and amendments thereto, or would*
39 *have been eligible for early retirement pursuant to subsection (b) or (c)*
40 *of K.S.A. 20-2608, and amendments thereto, if such early retirement*
41 *date occurs earlier.*

42 *(f) Benefits payable to a joint annuitant shall accrue from the first*
43 *day of the month following the death of a member or retirant and, in the*

1 *case of the joint and 1/2 to joint annuitant survivor option, the joint and*
2 *survivor option and the joint and 3/4 to joint annuitant survivor option,*
3 *shall end on the last day of the month in which the joint annuitant dies.*

4 *(g) The provisions of the law in effect on the retirement date of a*
5 *judge under the retirement system for judges shall govern the retirement*
6 *annuity payable to the retired judge and any joint annuitant, except, for*
7 *retirement benefits payable after July 1, 1993, for judges who retired*
8 *prior to July 1, 1982, in the event that the designated joint annuitant*
9 *under the option provided in subsection (c)(1), (2) or (3), as applicable,*
10 *predeceased the judge, the amount of the retirement benefit otherwise*
11 *payable to the judge under the option provided in subsection (c)(1), (2)*
12 *or (3), as applicable, shall be adjusted automatically to the retirement*
13 *benefit which the judge would have received if no option had been*
14 *elected under this section.*

15 *(h) Upon the death of a joint annuitant who is receiving a*
16 *retirement benefit under the provisions of this section, there shall be*
17 *paid to such joint annuitant's beneficiary an amount equal to the excess,*
18 *if any, of the accumulated contributions of the retired judge over the*
19 *sum of all retirement benefit payments made to such retired judge and*
20 *such joint annuitant. Such joint annuitant shall designate a beneficiary*
21 *by filing in the office of the retirement system such designation at the*
22 *time of death of the retired judge. If there is no named beneficiary of*
23 *such joint annuitant living at the time of death of such joint annuitant,*
24 *any amount provided for by this section shall be paid to, in order of*
25 *preference as follows:*

- 26 *(1) The joint annuitant's surviving spouse;*
- 27 *(2) the joint annuitant's dependent child or children;*
- 28 *(3) the joint annuitant's dependent parent or parents;*
- 29 *(4) the joint annuitant's nondependent child or children;*
- 30 *(5) the joint annuitant's nondependent parent or parents; or*
- 31 *(6) the estate of the deceased joint annuitant.*

32 *(i) In any event, benefits shall be adjusted as necessary to satisfy*
33 *the incidental death benefits regulations under the federal internal*
34 *revenue code.}*

35 *{Sec. 2. K.S.A. 2012 Supp. 74-4964 is hereby amended to read as*
36 *follows: 74-4964. (1) A member may elect to have such member's*
37 *retirement benefit paid under one of the options provided in this section*
38 *in lieu of having it paid in the form stated in subsections (1) and (2) of*
39 *K.S.A. 74-4958, and amendments thereto. Such election must be made*
40 *before the date of actual retirement. Only a specific individual person*
41 *may be designated as a joint annuitant at the time of election of the joint*
42 *and 1/2 to joint annuitant survivor option, the joint and survivor option*
43 *and the joint and 3/4 to joint annuitant survivor option. Under no*

1 ~~circumstances may~~ Except as specifically provided in this subsection, **an**
2 **option** elected by a member as provided in this section shall not **be**
3 **changed or canceled nor shall the named joint annuitant be changed**
4 **after the date of actual retirement of the member.** If a retirant is divorced
5 after the retirant's date of actual retirement, and the retirant has named
6 the retirant's ex-spouse as a joint annuitant under subsection (5), the joint
7 annuitant option may be canceled and the retirant's benefit returned to the
8 maximum amount of such retirant's retirement benefit commencing the
9 first month following the date such cancellation is ordered by the district
10 court of the county where the divorce action was filed. The retirant shall
11 not receive a refund or interest of any amounts already paid to fund the
12 original joint annuitant benefit. The retirant may not name a subsequent
13 joint annuitant once the original joint annuitant option has been canceled.

14 (2) **The amount of a retirement benefit payable under an option**
15 **shall be based on the age of the member and, if applicable, the age of the**
16 **joint annuitant, and shall be such amount as to be the actuarial**
17 **equivalent of the retirement benefit otherwise payable under subsections**
18 **(1) or (2) of K.S.A. 74-4958, and amendments thereto, as prescribed**
19 **under subsection (5). In no case shall the total amount of retirement**
20 **benefit paid under any option provided in this section be more than**
21 **100% of the retirement benefit which would have been otherwise**
22 **payable if no option had been elected under this section.**

23 (3) **If a member who was, up to the entry date of such member's**
24 **employer, covered by a pension system under the provisions of K.S.A.**
25 **13-14a01 to 13-14a14, inclusive, or 14-10a01 through to 14-10a15,**
26 **inclusive, and amendments thereto, so elects one of the options under**
27 **this section, payment of such option shall be in lieu of any payments**
28 **provided in subsection (3) of K.S.A. 74-4958, and amendments thereto.**

29 (4) **Such election of an option shall become null and void upon the**
30 **death of a member prior to such member's retirement, except that if a**
31 **member, who is eligible to retire in accordance with the provisions of**
32 **subsections (1) and (2) of K.S.A. 74-4958, and amendments thereto, dies**
33 **without having actually retired the member's spouse, if the spouse is**
34 **beneficiary for the member's accumulated contributions, and no benefits**
35 **are payable under subsections (1) and (2) of K.S.A. 74-4959, and**
36 **amendments thereto, may elect to receive benefits under one of the**
37 **options provided in this section, in lieu of receiving the member's**
38 **accumulated contributions.**

39 (5) **The following retirement options which are subject to the**
40 **provisions of K.S.A. 74-49,123, and amendments thereto, are available:**

41 (A) **Joint and 1/2 to joint annuitant survivor. A reduced retirement**
42 **benefit is payable to the retirant during the retirant's lifetime in a**
43 **monthly amount equal to the product of (A) the monthly payment of the**

1 *retirement annuity otherwise payable under K.S.A. 74-4958, and*
2 *amendments thereto and (B) the percentage equal to 94.5% minus 0.2%*
3 *for each year by which the age of the retirant's joint annuitant is less*
4 *than the retirant's age, computed to the nearest whole year, or plus 0.2%*
5 *for each year by which the age of the retirant's joint annuitant is more*
6 *than the retirant's age, computed to the nearest whole year, with $\frac{1}{2}$ of*
7 *that monthly amount continued to the retirant's joint annuitant during*
8 *such joint annuitant's remaining lifetime, if any, after the death of the*
9 *retirant. In the event that the designated joint annuitant under this*
10 *option predeceases the retirant, the amount of the retirement benefit*
11 *otherwise payable to the retirant under this option shall be adjusted*
12 *automatically to the retirement benefit which the retirant would have*
13 *received if no option had been elected under this section.*

14 *(B) Joint and survivor. A reduced retirement benefit is payable to*
15 *the retirant during the retirant's lifetime in a monthly amount equal to*
16 *the product of (A) the monthly payment of the retirement annuity*
17 *otherwise payable under K.S.A. 74-4958, and amendments thereto, and*
18 *(B) the percentage equal to 88% minus 0.4% for each year by which the*
19 *age of the retirant's joint annuitant is less than the retirant's age,*
20 *computed to the nearest whole year, or plus 0.4% for each year by which*
21 *the age of the retirant's joint annuitant is more than the retirant's age,*
22 *computed to the nearest whole year, with that monthly amount*
23 *continued to the joint annuitant during the joint annuitant's remaining*
24 *lifetime, if any, after the death of retirant. In the event that the*
25 *designated joint annuitant under this option predeceases the retirant, the*
26 *amount of the retirement benefit otherwise payable to the retirant under*
27 *this option shall be adjusted automatically to the retirement benefit*
28 *which the retirant would have received if no option had been elected*
29 *under this section.*

30 *(C) Joint and $\frac{3}{4}$ to joint annuitant survivor. A reduced retirement*
31 *benefit is payable to the retirant during the retirant's lifetime in a*
32 *monthly amount equal to the product of (A) the monthly payment of the*
33 *retirement annuity otherwise payable under K.S.A. 74-4958, and*
34 *amendments thereto, and (B) the percentage equal to 91% minus 0.3%*
35 *for each year by which the age of the retirant's joint annuitant is less*
36 *than the retirant's age, computed to the nearest whole year, or plus 0.3%*
37 *for each year by which the age of the retirant's joint annuitant is more*
38 *than the retirant's age, computed to the nearest whole year, with $\frac{3}{4}$ of*
39 *that monthly amount continued to the retirant's joint annuitant during*
40 *such joint annuitant's remaining lifetime, if any, after the death of the*
41 *retirant. In the event that the designated joint annuitant under this*
42 *option predeceases the retirant, the amount of the retirement benefit*
43 *otherwise payable to the retirant under this option shall be adjusted*

1 *automatically to the retirement benefit which the retirant would have*
2 *received if no option had been elected under this section.*

3 *(D) Life with 5 years certain. A reduced retirement benefit is*
4 *payable to the retirant during the retirant's lifetime in a monthly amount*
5 *equal to 99% of the monthly payment of the retirement benefit otherwise*
6 *payable under K.S.A. 74-4958, and amendments thereto, and if the*
7 *retirant dies within the five-year certain period, measured from the*
8 *commencement of retirement benefit payments, such payments will be*
9 *continued to the retirant's beneficiary during the balance of the five-*
10 *year certain period.*

11 *(E) Life with 10 years certain. A reduced retirement benefit is*
12 *payable to the retirant during the retirant's lifetime in a monthly amount*
13 *equal to 98% of the monthly payment of the retirement benefit otherwise*
14 *payable under K.S.A. 74-4958, and amendments thereto, and if the*
15 *retirant dies within the ten-year certain period, measured from the*
16 *commencement of retirement benefit payments, such payments will be*
17 *continued to the retirant's beneficiary during the balance of the ten-year*
18 *certain period.*

19 *(F) Life with 15 years certain. A reduced retirement benefit is*
20 *payable to the retirant during the retirant's lifetime in a monthly amount*
21 *equal to 92% of the monthly payment of the retirement benefit otherwise*
22 *payable under K.S.A. 74-4958, and amendments thereto, and if the*
23 *retirant dies within the fifteen-year certain period, measured from the*
24 *commencement of retirement benefit payments, such payments will be*
25 *continued to the retirant's beneficiary during the balance of the fifteen-*
26 *year certain period.*

27 *(G) Lump sum payment at retirement. (i) Pursuant to this option,*
28 *the member must specify a lump sum amount to be paid to the member*
29 *upon the member's retirement. The lump sum amount will be based on*
30 *the actuarial present value of the benefit as provided in K.S.A. 74-4958,*
31 *and amendments thereto. The lump sum amount designated by the*
32 *member must be in 10% increments and shall not exceed 1/2 of the*
33 *actuarial present value of the benefit provided in K.S.A. 74-4958, and*
34 *amendments thereto. If the member's spouse elects a lump sum payment*
35 *as provided in this section pursuant to the provisions of subsection (6),*
36 *the lump sum payment will be based on the present value of the*
37 *retirement option selected by the spouse. The lump sum amount*
38 *designated by the spouse must be in 10% increments and shall not*
39 *exceed 1/2 of the actuarial present value of the option selected in this*
40 *section.*

41 *(ii) Pursuant to this option, the member must elect to have the*
42 *remaining actuarial present value paid in a monthly amount under the*
43 *provisions of K.S.A. 74-4958, and amendments thereto, or subsections*

1 (5)(A) through (5)(F) of this section.

2 (iii) *In the event that the designated joint annuitant pursuant to*
3 *subsection (5)(A), (5)(B) or (5)(C) under this option predeceases the*
4 *retirant, the amount of the retirement benefit otherwise payable to the*
5 *retirant under this option shall be adjusted automatically to the*
6 *retirement benefit which the retirant would have received if no option*
7 *had been elected under this section.*

8 (iv) *The provisions of this subsection shall be effective on and after*
9 *July 1, 2001.*

10 (6) *On and after July 1, 1996, if a member with 20 or more years of*
11 *credited service dies before attaining retirement age, the member's*
12 *spouse, if the spouse is the sole beneficiary for the member's*
13 *accumulated contributions, may elect to receive benefits under one of*
14 *the options provided in this section in lieu of receiving the member's*
15 *accumulated contributions or in lieu of receiving benefits as provided in*
16 *K.S.A. 74-4959, and amendments thereto. Payments under one of the*
17 *options provided in this section to the member's spouse if so elected,*
18 *shall commence on the date that the member would have attained*
19 *retirement age.*

20 (7) *Benefits payable to a joint annuitant shall accrue from the first*
21 *day of the month following the death of a member or retirant and, in the*
22 *case of the joint and $\frac{1}{2}$ to joint annuitant survivor option, the joint and*
23 *survivor option and the joint and $\frac{3}{4}$ to joint annuitant survivor option,*
24 *shall end on the last day of the month in which the joint annuitant dies.*

25 (8) *The provisions of the law in effect on the retirement date of a*
26 *member under the system shall govern the retirement benefit payable to*
27 *the retirant and any joint annuitant, except, for retirement benefits*
28 *payable after July 1, 1993, for retirants who retired prior to July 1, 1982,*
29 *in the event that the designated joint annuitant under the option*
30 *provided in subsection (5)(A), (B) or (C), as applicable, predeceased the*
31 *retirant, the amount of the retirement benefit otherwise payable to the*
32 *retirant under the option provided in subsection (5)(A), (B) or (C), as*
33 *applicable, shall be adjusted automatically to the retirement benefit*
34 *which the retirant would have received if no option had been elected*
35 *under this section.*

36 (9) *Upon the death of a joint annuitant who is receiving a*
37 *retirement benefit under the provisions of this section, there shall be*
38 *paid to such joint annuitant's beneficiary an amount equal to the excess,*
39 *if any, of the accumulated contributions of the retirant over the sum of*
40 *all retirement benefit payments made to such retirant and such joint*
41 *annuitant. Such joint annuitant shall designate a beneficiary by filing in*
42 *the office of the retirement system such designation at the time of death*
43 *of the retirant. If there is no named beneficiary of such joint annuitant*

1 *living at the time of death of such joint annuitant, any amount provided*
2 *for by this section shall be paid to, in order of preference as follows:*

3 (A) *The joint annuitant's surviving spouse;*

4 (B) *the joint annuitant's dependent child or children;*

5 (C) *the joint annuitant's dependent parent or parents;*

6 (D) *the joint annuitant's nondependent child or children;*

7 (E) *the joint annuitant's nondependent parent or parents; or*

8 (F) *the estate of the deceased joint annuitant.*

9 (10) *The provisions of this section shall apply only to members who*
10 *were appointed or employed prior to July 1, 1989, and who did not make*
11 *an election pursuant to K.S.A. 74-4955a, and amendments thereto.}*

12 Section 1. {Sec. 3.} *K.S.A. 2012 Supp. 74-4915 is hereby amended to*
13 *read as follows: 74-4915. (1) Any member who retires on or after such*
14 *member's normal retirement date shall be entitled to receive an annual*
15 *retirement benefit equal to the sum obtained by adding an amount for*
16 *participating service and an amount for prior service determined as*
17 *provided in this section. The amount for prior service shall be equal to*
18 *1% of the member's prior service annual salary multiplied by the*
19 *number of years of prior service entitled to credit as provided in K.S.A.*
20 *74-4913, and amendments thereto, except that for members retiring on*
21 *or after July 1, 1981, who were last employed by a participating*
22 *employer which had affiliated with the system under K.S.A. 74-4910, 74-*
23 *4912, 74-4929 or 74-4991, and amendments thereto, and for the period*
24 *commencing January 1, 1986, for members retiring before July 1, 1981,*
25 *who were last employed by a participating employer which had affiliated*
26 *with the system under K.S.A. 74-4910, 74-4912, 74-4929 or 74-4991, and*
27 *amendments thereto, except that any increase in benefits under this*
28 *section shall be reduced by any postretirement benefit adjustments*
29 *received by such member prior to July 2, 1985, the amount for prior*
30 *service shall be calculated using final average salary in lieu of prior*
31 *service annual salary and, in the case of any such member who became*
32 *a member under subsection (3) of K.S.A. 74-4925, and amendments*
33 *thereto, and for whom a final average salary cannot be otherwise*
34 *determined, such member's final average salary shall be based on all*
35 *service for which such member received assistance in a plan under*
36 *subsection (2) of K.S.A. 74-4925, and amendments thereto, as certified*
37 *by such employer upon request of the board. For any member who*
38 *retires on or after July 1, 1993, the amount for participating service*
39 *shall be equal to the total of 1.75% of the member's final average salary*
40 *multiplied by the number of years of participating service earned prior to*
41 *January 1, 2014, and, subject to any election made pursuant to the*
42 *provisions of K.S.A. 2012 Supp. 74-49,135, and amendments thereto,*
43 *1.4% or 1.85% of the member's final average salary multiplied by the*

1 *number of years of participating service earned on and after January 1,*
2 *2014. If the federal internal revenue service fails to grant an approval or*
3 *issues an adverse decision as described in K.S.A. 2012 Supp. 74-49,135,*
4 *and amendments thereto, the amount for participating service earned on*
5 *and after January 1, 2014, shall be 1.85% of the member's final average*
6 *salary multiplied by the number of years of participating service earned on*
7 *and after January 1, 2014. Notwithstanding any provision of law to the*
8 *contrary, service that is purchased under the provisions of K.S.A. 74-*
9 *4919a et seq., and amendments thereto, shall be credited at a rate which*
10 *equals 1.4% of the member's final average salary for members that elect*
11 *the 1.4% multiplier pursuant to subsection (b)(2) of K.S.A. 2012 Supp.*
12 *74-49,135, and amendments thereto, and 1.75% of the member's final*
13 *average salary for members that elect the 1.85% multiplier pursuant to*
14 *subsection (b)(1) of K.S.A. 2012 Supp. 74-49,135, and amendments*
15 *thereto.*

16 (2) (A) *Any member who retires on or after July 1, 1993, but before*
17 *the normal retirement date and has attained age 60 but has not attained*
18 *age 62 with the completion of 10 years of credited service, shall receive*
19 *an annual retirement benefit equal to the annual retirement benefit*
20 *payable had the member retired on the normal retirement date but based*
21 *upon the member's final average salary and years of participating and*
22 *prior service credited to the date of actual retirement reduced by an*
23 *amount equal to the product of (i) such annual retirement benefit*
24 *payable had the member retired on the normal retirement date,*
25 *multiplied by (ii) the product of 0.2% multiplied by the number of*
26 *months' difference, to the nearest whole month, between the member's*
27 *attained age at the time of retirement and age 62.*

28 (B) *Any member who retires on or after July 1, 1993, but before the*
29 *normal retirement date and has attained age 55 but has not attained age*
30 *60 with the completion of 10 years of credited service, shall receive an*
31 *annual retirement benefit equal to the annual retirement benefit payable*
32 *had the member retired on the normal retirement date but based upon*
33 *the member's final average salary and years of participating and prior*
34 *service credited to the date of actual retirement reduced by an amount*
35 *equal to the total of: (i) (a) The product of such annual retirement*
36 *benefit payable had the member retired on the normal retirement date,*
37 *multiplied by (b) the product of 0.6% multiplied by the number of*
38 *months' difference, to the nearest whole month, between the member's*
39 *attained age at the time of retirement and age 60; and*

40 (ii) *on and after July 1, 1993, the product of such annual*
41 *retirement benefit payable had the member retired on the normal*
42 *retirement date, multiplied by 4.8%.*

43 (3) *Upon death of a retirant, there shall be paid to such retirant's*

1 *beneficiary an amount equal to the excess, if any, of such retirant's*
2 *accumulated contributions over the sum of all retirement benefit*
3 *payments made.*

4 *(4) Such annual retirement benefits shall be paid in equal monthly*
5 *installments, except that the board may provide for the payment of*
6 *retirement benefits which total less than \$240 a year on other than a*
7 *monthly basis.*

8 *(5) In the event that an application in such form as may be*
9 *prescribed by the board for any amount due under the provisions of this*
10 *act, is not filed with the office of the retirement system by the person*
11 *entitled to same within five years of the date such amount became due*
12 *and payable, an amount equal to same shall be transferred to the*
13 *retirement benefit accumulation reserve and such amount shall no*
14 *longer be due and payable, except that if any such person shall present*
15 *evidence satisfactory to the board that such person's failure to file such*
16 *application within that time period was due to lack of knowledge or*
17 *incapacity on such person's part, the amount equal to the amount*
18 *originally due shall be transferred from the retirement benefit*
19 *accumulation reserve to the reserve or reserves from which such*
20 *transfer was initially made and the amount originally due shall be paid*
21 *to such person.*

22 *(6) The participating employer, when an employee files an*
23 *application for retirement, shall certify to the system all member*
24 *contributions of such employee which have not been reported previously.*
25 *In the event the amount certified results in an overpayment of retirement*
26 *benefits, the employer shall be held responsible for the contribution*
27 *amount previously certified from the time of commencement of the*
28 *overpayment of retirement benefits until the time that such overpayment*
29 *is discovered by the system. At the time that such overpayment of*
30 *retirement benefits is discovered by the system, the system shall adjust*
31 *the amount of retirement benefits paid to the employee to the correct*
32 *amount based on the participating employer's certification of member*
33 *contributions which had not been previously reported. The participating*
34 *employer of the employee who has had such member's retirement*
35 *benefits adjusted as provided in this subsection shall notify such*
36 *employee of such overpayment and such adjustment of retirement*
37 *benefits. If the contributions previously certified are lower than the*
38 *actual amount reported, the employer shall be responsible for remitting*
39 *the correct amount and the member's monthly benefit shall be*
40 *recalculated based on the amount reported by the employer. When an*
41 *employee in school employment files such an application, the*
42 *participating employer responsible for any such amounts as provided in*
43 *this subsection shall be the employee's eligible employer as specified in*

1 subsection (1), (2) or (3) of K.S.A. 74-4931, and amendments thereto,
2 and shall not be the state of Kansas. The provisions of law in effect on
3 the retirement date of a member under the system shall govern the
4 retirement benefit payable to the retirant, any joint annuitant and any
5 beneficiary.

6 *Sec. ~~2~~ {4.}* K.S.A. 2012 Supp. 74-4919 is hereby amended to read as
7 follows: 74-4919. (1) Except as otherwise provided, each participating
8 employer, beginning with the first payroll for services performed after
9 the entry date, shall deduct from the compensation of each member 4%
10 of such member's compensation as employee contributions. Subject to
11 any election made pursuant to the provisions of K.S.A. 2012 Supp. 74-
12 49,135, and amendments thereto, each participating employer, for
13 services performed by an employee first employed prior to July 1, 2009,
14 shall deduct from the compensation of each member, the following
15 amounts expressed as a percentage of compensation during the
16 following periods: (a) Commencing January 1, 2014, for members who
17 elected to receive an amount for participating service equal to the total
18 of 1.4% of such member's final average salary, 4% of such member's
19 compensation as employee contributions; and (b) commencing January
20 1, 2014, for members who elected to receive an amount for participating
21 service equal to the total of 1.85% of such member's final average
22 salary, who did not make an election pursuant to K.S.A. 2012 Supp. 74-
23 49,135, and amendments thereto, ~~or if the federal internal revenue service~~
24 ~~fails to grant an approval or issues an adverse decision as described in~~
25 ~~K.S.A. 2012 Supp. 74-49,135, and amendments thereto,~~ 5% of such
26 member's compensation as employee contributions, and commencing
27 January 1, 2015, and in each subsequent calendar year, 6% of such
28 member's compensation as employee contributions. Such deductions
29 shall be remitted quarterly, or as the board may otherwise provide, to the
30 executive director for deposit in the Kansas public employees retirement
31 fund. Such deductions shall be credited to the members' individual
32 accounts and interest shall be added annually to such accounts.

33 (2) (a) Subject to the provisions of K.S.A. 74-49,123, and
34 amendments thereto, each participating employer, pursuant to the
35 provisions of section 414(h)(2) of the federal internal revenue code,
36 shall pick up and pay the contributions which would otherwise be
37 payable by members as prescribed in subsection (1) commencing with
38 the third quarter of 1984. The contributions so picked up shall be treated
39 as employer contributions for purposes of determining the amounts of
40 federal income taxes to withhold from the member's compensation.

41 (b) Member contributions picked up by the employer shall be paid
42 from the same source of funds used for the payment of compensation to
43 a member. A deduction shall be made from each member's compensation

1 *equal to the amount of the member's contributions picked up by the*
2 *employer, provided that such deduction shall not reduce the member's*
3 *compensation for purposes of computing benefits under the system.*

4 *(c) Member contributions picked up by the employer shall be*
5 *remitted quarterly, or as the board may otherwise provide, to the*
6 *executive director for credit to the Kansas public employees retirement*
7 *fund. Such contributions shall be credited to a separate account within*
8 *the member's individual account so that amounts contributed by the*
9 *member commencing with the third quarter of 1984 may be*
10 *distinguished from the member contributions picked up by the employer.*
11 *Interest shall be added annually to members' individual accounts.*

12 ~~Section 1, Sec. 3, {5,}~~ K.S.A. 2012 Supp. 74-49,135 is hereby
13 amended to read as follows: 74-49,135. (a) ~~The provisions of this section~~
14 ~~and any related provisions shall not be implemented until the board of~~
15 ~~trustees of the Kansas public employees retirement system has obtained~~
16 ~~approval for the election and related provisions specified in this section~~
17 ~~from the federal internal revenue service. The board may implement the~~
18 ~~remainder of this act prior to implementation of this section. To that end,~~
19 ~~this section and provisions related thereto are severable from the~~
20 ~~remainder of this act and shall be repealed if the federal internal revenue~~
21 ~~service refuses to grant such approval or issues an adverse decision.~~

22 (b) Except as otherwise provided in this act, a member of the system
23 under the provisions of K.S.A. 74-4901 et seq., and amendments thereto,
24 on July 1, 2013, may elect to: (1) Contribute, commencing January 1,
25 2014, 5% of such member's compensation as employee contributions, and
26 commencing January 1, 2015, and in each subsequent calendar year, 6% of
27 such member's compensation as employee contributions, and to receive an
28 amount for participating service equal to the total of 1.85% of such
29 member's final average salary; or (2) continue to contribute 4% of such
30 member's compensation as employee contributions, and to receive an
31 amount for participating service equal to the total of 1.4% of such
32 member's final average salary. Members shall make such election within a
33 90-day period established by the board.

34 (c) (1) Elections made pursuant to this section shall be made on a
35 form and in a manner prescribed by the board.

36 (2) A member failing to make an election pursuant to subsection (b)
37 shall contribute, *commencing January 1, 2014, 5% of such member's*
38 *compensation as employee contributions, and commencing January 1,*
39 *2015, and in each subsequent year, 6% of such member's compensation as*
40 *employee contributions, and shall receive an amount for participating*
41 *service equal to the total of 1.85% of the member's final average salary.*

42 (3) An election under this section, including the default election
43 pursuant to subsection ~~(d)~~(2) (c) (2), is a one-time irrevocable election.

1 Sec. ~~2~~ ~~4~~ ~~6~~. K.S.A. 2012 Supp. 74-49,205 is hereby amended to read
2 as follows: 74-49,205. For any member who is first employed by a
3 participating employer on or after July 1, 2009, and who retires on or after
4 such member's normal retirement date, *or such member's retirement date*
5 *pursuant to early retirement as provided pursuant to K.S.A. 2012 Supp.*
6 *74-49,206, and amendments thereto, but prior to ~~January 1, 2014~~ July 1,*
7 *2012, the amount for participating service shall be equal to the total of*
8 *1.75% of the member's final average salary, and for any member who*
9 *retires on or after such member's normal retirement date, *or such**
10 *member's retirement date pursuant to early retirement as provided*
11 *pursuant to K.S.A. 2012 Supp. 74-49,206, and amendments thereto, and on*
12 *and after ~~January 1, 2014~~ July 1, 2012, the amount for participating service*
13 *shall be equal to 1.85% of the member's final average salary, multiplied by*
14 *the number of years of participating service to be used in determining such*
15 *member's annual retirement benefit. *Notwithstanding any law to the**
16 *contrary, for any member who retired on and after July 1, 2012, but prior*
17 *to the effective date of this act, such member's annual retirement benefit*
18 *shall be redetermined with the amount for participating service to be used*
19 *in determining such member's annual retirement benefit equal to 1.85% of*
20 *the member's final average salary. Any underpayment to such member for*
21 *any monthly retirement benefit as determined pursuant to this section shall*
22 *be paid to such member by the system by means of a one-time*
23 *redetermination benefit payment in a form and manner prescribed by the*
24 *board.*

25 Sec. ~~3~~ ~~5~~ ~~7~~. K.S.A. 2012 Supp. 74-49,301 is hereby amended to read
26 as follows: 74-49,301. (a) The provisions of K.S.A. 2012 Supp. 74-49,301
27 through 74-49,318, and amendments thereto, shall be known and may be
28 cited as the Kansas public employees retirement system act of 2015.

29 (b) Any employee who is first employed by a participating employer
30 on or after January 1, 2015, shall be a member of the system under the
31 provisions of this act on the first day of employment of such employee
32 with such participating employer.

33 (c) (1) *Any non-vested employee other than an elected official of a*
34 *participating employer who has been employed in a covered position as*
35 *defined in K.S.A. 2012 Supp. 74-49,202, and amendments thereto, other*
36 *than with a school employer, shall remain a member of the Kansas public*
37 *employees retirement system as provided pursuant to K.S.A. 74-4901 et*
38 *seq., and amendments thereto, on and after July 1, 2009, if the member:*
39 *(A) Does not leave covered employment with a participating employer for*
40 *a period of time exceeding 30 consecutive days; (B) does not withdraw*
41 *such member's annuity savings account as defined by K.S.A. 74-49,302,*
42 *and amendments thereto, forfeiting such member's membership in the*
43 *interim; and (C) returns to covered employment with a participating*

1 *employer in a covered position within such 30-day time period.*

2 (2) *Any non-vested employee other than an elected official of a*
3 *participating employer who has been employed in a covered position with*
4 *a participating school employer, shall remain a member of the Kansas*
5 *public employees retirement system as provided pursuant to K.S.A. 74-*
6 *4901 et seq., and amendments thereto, if the member: (A) Was employed in*
7 *a covered position with a participating school employer for the duration of*
8 *the school year and immediately returns to covered employment with*
9 *another participating school employer at the beginning of the following*
10 *school year; and (B) does not withdraw such member's annuity savings*
11 *account as defined by K.S.A. 74-49,302, and amendments thereto,*
12 *forfeiting such member's membership in the interim.*

13 (d) This act does not apply to members of the Kansas police and
14 firemen's retirement system, K.S.A. 74-4951 et seq., and amendments
15 thereto, the retirement system for judges, K.S.A. 20-2601 et seq., and
16 amendments thereto, and security officers as provided in K.S.A. 74-4914a,
17 and amendments thereto.

18 ~~(d)~~(e) A system member may not simultaneously be a member of the
19 pre-2015 plan and the plan established pursuant to this act. A period of
20 service may not be credited in more than one retirement plan within the
21 system.

22 ~~(e)~~(f) The board of trustees of the Kansas public employees
23 retirement system shall administer the provisions of this act in the same
24 manner as the board administers the provisions of K.S.A. 74-4901 et seq.,
25 and amendments thereto, except as specifically provided in this act.

26 ~~(f)~~(g) Unless specifically provided in this act, the provisions of
27 K.S.A. 74-4901 et seq., and amendments thereto, shall be applicable to this
28 act. In an event that a conflict exists between the provisions of this act and
29 the provisions of K.S.A. 74-4901 et seq., and amendments thereto, the
30 provisions of this act shall control, and to that end, no legal or contractual
31 rights shall inure to the benefit of members or participating employers
32 under this act with regard to the provisions of K.S.A. 74-4901 et seq., and
33 amendments thereto, when the provisions of this act control.

34 ~~(g)~~(h) Each participating employer as provided in this act and each
35 employee as defined by this act shall be subject to the provisions of this
36 act as specified in this act and subject to the provisions of K.S.A. 74-4901
37 et seq., and amendments thereto, as appropriate as to terms, conditions and
38 requirements not specifically covered in this act. The provisions of this act
39 shall not apply to members of the Kansas public employees retirement
40 system as provided in K.S.A. 74-4901 et seq., and 74-49,201 et seq., and
41 amendments thereto, first employed by a participating employer prior to
42 January 1, 2015, unless otherwise provided in this act.

43 ~~(h)~~(i) The provisions of this act shall be part of and supplemental to

1 the provisions of K.S.A. 74-4901 et seq., and amendments thereto, subject
2 to the limitations contained in this act.

3 ~~Sec. 4-6-8.~~ K.S.A. 2012 Supp. 74-49,306 is hereby amended to read
4 as follows: 74-49,306. (a) A member's annuity savings account is the sum
5 of the member's mandatory contributions plus the interest credits on those
6 contributions, which shall be credited no less frequently than quarterly
7 based on the account balances as of the last day of the preceding quarter.
8 Effective January 1, 2015, the interest credits are 5.25% per annum. The
9 legislature may from time to time prospectively change the interest credits,
10 and expressly reserves the right to do so.

11 (b) The board may, in the board's discretion, from time to time
12 provide for an additional interest credit, subject to the following
13 conditions: (1) The additional interest credit may not exceed 4% per
14 annum;

15 (2) if the funding ratio of the system as a whole is equal to or more
16 than 80% as certified by the board, the board shall provide for an
17 additional interest credit which may not exceed the lesser of 4% or a
18 percentage of the rate of return on the system's assets that is above 8% for
19 a fiscal year which such percentage is equal to the funding ratio of the
20 system as a whole for each fiscal year;

21 (3) the additional interest ~~rate~~ *credit* for a fiscal year shall not be
22 granted unless the rate of return on the system's assets is at least 10% for
23 that fiscal year; and

24 (4) if the funding ratio of the system as a whole is less than 80% as
25 certified by the board, the board shall consider the funding of the system,
26 market conditions, investment returns and other related factors specified
27 by the board.

28 (c) The member's annuity savings account is vested from the date that
29 the employee becomes a member of the plan.

30 (d) Interest credits under subsections (a) and (b) shall not be granted
31 on the member's annuity savings account following the end of the second
32 plan year following the member's termination of employment under the
33 plan without vesting in the retirement annuity account as provided in
34 K.S.A. 2012 Supp. 74-49,312, and amendments thereto.

35 (e) For a member to be eligible for an additional interest credit, the
36 member shall have an account balance at the time the interest credit is
37 posted to the account.

38 ~~Sec. 5-7-9.~~ K.S.A. 2012 Supp. 74-49,308 is hereby amended to read
39 as follows: 74-49,308. (a) A member's retirement annuity account is the
40 sum of all employer credits to the account plus the interest credits on the
41 account, which shall be credited no less frequently than quarterly, based on
42 the account balances as of the last day of the preceding quarter. Effective
43 January 1, 2015, the interest credits are 5.25% per annum. The legislature

1 may from time to time prospectively change the interest credits, and
2 expressly reserves the right to do so.

3 (b) The board may, in the board's discretion, from time to time
4 provide for an additional interest credit, subject to the following
5 conditions: (1) The additional interest credit may not exceed 4% per
6 annum;

7 (2) if the funding ratio of the system as a whole, is equal to or more
8 than 80% as certified by the board, the board shall provide for an
9 additional interest credit which may not exceed the lesser of 4% or a
10 percentage of the rate of return on the system's assets that is above 8% for
11 a fiscal year which such percentage is equal to the overall funded ratio of
12 the system as a whole for each fiscal year;

13 (3) the additional interest ~~rate~~ *credit* for a fiscal year shall not be
14 granted unless the rate of return on the system's assets is at least 10% for
15 that fiscal year; and

16 (4) if the funding ratio of the system as a whole is less than 80% as
17 certified by the board, the board shall consider the funding of the system,
18 market conditions, investment returns and other related factors specified
19 by the board.

20 (c) For a member to be eligible for an additional interest credit, the
21 member shall have an account balance at the time the interest credit is
22 posted to the account.

23 (d) Interest credits under subsections (a) and (b) shall not be granted
24 on the member's non-vested retirement annuity account following the end
25 of the second plan year following the member's termination of
26 employment covered under the plan.

27 ~~Sec. 6. 8.10.~~ K.S.A. 2012 Supp. 74-49,313 is hereby amended to
28 read as follows: 74-49,313. (a) Except as provided in subsection (e), a
29 member who has a nonforfeitable interest in the member's retirement
30 annuity account, at any time after termination from service and the
31 attainment of normal retirement age, shall receive an annuity based upon
32 the balance in such member's retirement annuity account, using mortality
33 rates established by the board by official action as of the member's annuity
34 start date and interest rates established by the legislature as of the
35 member's annuity start date, and such interest rate shall initially be 6%.
36 The legislature may from time to time prospectively change the interest
37 rate and the board may from time to time prospectively change the
38 mortality rates, and the legislature expressly reserves such rights to do so.

39 (b) Except as provided in subsection (e), a member who has a vested
40 interest in the member's retirement annuity account, who terminates ~~after~~
41 ~~attainment of age 55 covered employment, without forfeiting interest in~~
42 ~~such member's account,~~ with the completion of at least 10 years of service,
43 shall **be eligible to receive, upon attainment of age 55,** an annuity based

1 upon employer credits and interest credits in such member's retirement
2 annuity account, using mortality rates established by the board by official
3 action as of the member's annuity start date and an interest rate established
4 by the legislature as of the member's annuity start date, and such interest
5 rate shall initially be 6%. The legislature may from time to time
6 prospectively change the interest rate and the board may from time to time
7 prospectively change the mortality rates, and the legislature expressly
8 reserves such rights to do so.

9 (c) The form of benefit payable under subsections (a) and (b) shall be
10 a single life annuity with 10-year certain. The member may elect any
11 option described in K.S.A. 74-4918, and amendments thereto, except the
12 partial lump-sum option, subject to actuarial factors established by the
13 board from time to time. The benefit option selected may include a self-
14 funded cost-of-living adjustment feature, in which the account value is
15 converted to a benefit amount that increases by a fixed percentage over
16 time. One or more fixed percentages shall be established by the board,
17 which may be changed from time to time. In lieu of a part of an annuity,
18 for a member entitled to a benefit under subsection (a), the member may
19 elect to receive a lump-sum of such member's retirement annuity account
20 of any fixed dollar amount or percent, but in no event may the lump-sum
21 option elected under this section and the lump-sum option elected under
22 subsection (a) of K.S.A. 2012 Supp. 74-49,311, and amendments thereto,
23 exceed 30% of the total value of such member's annuity savings account
24 and retirement annuity account.

25 (d) Except as provided in subsection (e), in the case of an active or
26 inactive member:

27 (1) Who is vested in the member's retirement annuity account;
28 (2) who has five or more years of service at death; and
29 (3) who dies before attaining normal retirement age, with such
30 member's spouse at time of death designated as such member's sole
31 primary beneficiary, the member's surviving spouse on and after the date
32 the member would have attained normal retirement age had such member
33 not died, shall receive an annuity based upon employer credits and interest
34 credits in the retirement annuity account, using factors established by the
35 board by official action as of the beneficiary's annuity start date. The form
36 of benefit shall be a single life annuity with 10-year certain.

37 (e) If a member's vested retirement annuity account is less than
38 \$1,000 upon separation from service, or the total of the member's vested
39 retirement annuity account and annuity savings account balance is less
40 than \$1,000, the account balance or balances shall be mandatorily
41 distributed to the member in accordance with section 401(a)(31)(B) of the
42 federal internal revenue code. If the member does not elect to have such
43 distribution paid directly to an eligible retirement plan specified by the

1 participant in a direct rollover or to receive the distribution directly, then
2 the board will pay the distribution to the member directly.

3 Sec. ~~7.~~ 9. ~~11.~~ K.S.A. 2012 Supp. 74-49,315 is hereby amended to
4 read as follows: 74-49,315. A member's beneficiary shall be determined as
5 provided in the ~~pre-2014~~ *pre-2015* plan. Upon filing a written application
6 with the board after the death of a member receiving a benefit under
7 ~~subsection~~ *subsections* (a) or (b) of K.S.A. 2012 Supp. 74-49,313, and
8 amendments thereto, the member's beneficiary is entitled to a \$4,000 death
9 benefit as provided in K.S.A. 74-4989, and amendments thereto.

10 Sec. ~~8.~~ ~~10.~~ ~~12.~~ K.S.A. 2012 Supp. ~~{20-2610a,}~~ 74-4915, 74-4919,
11 ~~{74-4964,}~~ 74-49,135, 74-49,205, 74-49,301, 74-49,306, 74-49,308, 74-
12 49,313 and 74-49,315 are hereby repealed.

13 Sec. ~~9.~~ ~~11.~~ ~~13.~~ This act shall take effect and be in force from and
14 after its publication in the Kansas register.