

## HOUSE BILL No. 2602

By Committee on Pensions and Benefits

2-10

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1 AN ACT concerning retirement and pensions; relating to the Kansas public  
2 employees retirement system; increasing the percentage of unclassified  
3 employees allowed to be employed by the system; amending K.S.A.  
4 2013 Supp. 74-4908 and repealing the existing section.  
5

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

7 Section 1. K.S.A. 2013 Supp. 74-4908 is hereby amended to read as  
8 follows: 74-4908. (1) The board shall appoint an executive director and  
9 shall establish the compensation therefor. Subject to the direction of the  
10 board, the executive director shall be the managing officer of the system  
11 and as such shall have charge of the office, records and supervision and  
12 direction of the employees of the system. The executive director shall be in  
13 the unclassified service under the Kansas civil service act.

14 (2) The executive director shall recommend to the board the  
15 administrative organization, the number and qualifications of employees  
16 necessary to carry out the intent of this act and the directions of the board.  
17 Upon approval of the board, the executive director is authorized to employ  
18 such persons in accordance with the Kansas civil service act.

19 (3) The board of trustees shall select and employ or retain a qualified  
20 actuary who shall serve at its pleasure as its technical advisor on matters  
21 regarding operation of the system. The actuary shall:

22 (a) Make an annual valuation of the liabilities and reserves of the  
23 system, and a determination of the contributions required by the system to  
24 discharge its liabilities and administrative costs under this act, and  
25 recommend to the board rates of employer contributions required to  
26 establish and maintain the system on an actuarial reserve basis. Such  
27 recommended employer contributions shall not be based on any other  
28 purpose outside of the needs of the system as prescribed by this  
29 subsection.

30 (b) As soon after the effective date as practicable and once every  
31 three years thereafter, make a general investigation of the actuarial  
32 experience under the system including mortality, retirement, employment  
33 turnover and interest, and recommend actuarial tables for use in valuations  
34 and in calculating actuarial equivalent values based on such investigation.

35 (c) Cooperate with and provide any assistance to the actuary, the  
36 legislative coordinating council and the joint committee on pensions,

1 investments and benefits related to the independent actuarial audit and  
2 evaluation as provided in K.S.A. 74-4908a, and amendments thereto.

3 (d) Perform such other duties as may be assigned by the board.

4 (4) The attorney general of the state shall furnish such legal services  
5 as may be necessary upon receipt of a request from the board, except that  
6 legal services may be furnished by other counsel as the board in its  
7 discretion deems necessary and prudent.

8 (5) The board shall employ or retain qualified investment counsel or  
9 counselors or may negotiate with a trust company to assist and advise in  
10 the judicious investment of funds as herein provided.

11 (6) Subject to limitations imposed pursuant to this subsection and  
12 otherwise provided by law, the board may appoint such officers and  
13 employees necessary to advise and assist the board in the performance of  
14 powers, duties and functions relating to the management and investment of  
15 the fund and in such other matters as may be directed by the board. Such  
16 appointed officers and employees shall be in the unclassified service under  
17 the Kansas civil service act. Not more than ~~25%~~ 50% of the total number  
18 of officers and employees appointed or employed by the system shall be in  
19 the unclassified service. The provisions of this subsection shall not affect  
20 the classified status of any employee in the classified service under the  
21 Kansas civil service act who is employed on the date immediately  
22 preceding the effective date of this act. The board is authorized to assign  
23 any new or vacant position created by the system on or after the effective  
24 date of this act to the classified or unclassified service under the Kansas  
25 civil service act. The compensation of such appointed officers and  
26 employees in the unclassified service under the Kansas civil service act  
27 shall be established by the board.

28 (7) The board may establish a program for the paying of bonus  
29 awards to unclassified officers and employees pursuant to procedures  
30 established by the board.

31 Sec. 2. K.S.A. 2013 Supp. 74-4908 is hereby repealed.

32 Sec. 3. This act shall take effect and be in force from and after its  
33 publication in the statute book.