

## HOUSE BILL No. 2743

By Committee on Taxation

2-28

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1 AN ACT concerning retirement and pensions; relating to the Kansas public  
2 employees retirement system and systems related thereto; retirement  
3 benefit options; amending K.S.A. 2013 Supp. 20-2610a, 74-4918, 74-  
4 4964, 74-4964a, 74-49,209, 74-49,311 and 74-49,313 and repealing the  
5 existing sections.  
6

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

8 Section 1. On January 1, 2015, K.S.A. 2013 Supp. 20-2610a is  
9 hereby amended to read as follows: 20-2610a. (a) A judge may elect to  
10 have such judge's retirement annuity paid under one of the options  
11 provided in this section in lieu of having it paid in the form stated in  
12 K.S.A. 20-2610, and amendments thereto. Such election shall be made  
13 before the date of actual retirement. A specific person shall be designated  
14 as joint annuitant at the time of election of the joint and  $\frac{1}{2}$  to joint  
15 annuitant survivor option, joint and survivor option and the joint and  $\frac{3}{4}$  to  
16 joint annuitant survivor option. Except as specifically provided in this  
17 subsection, an option elected by a member as provided in this section shall  
18 not be changed or canceled nor shall the named joint annuitant be changed  
19 after the date of actual retirement of the judge. If a retirant is divorced after  
20 the retirant's date of actual retirement, and the retirant has named the  
21 retirant's ex-spouse as a joint annuitant under subsection (c), the joint  
22 annuitant option may be canceled and the retirant's benefit returned to the  
23 maximum amount of such retirant's retirement benefit commencing the  
24 first month following the date such cancellation is ordered by the district  
25 court of the county where the divorce action was filed. The retirant shall  
26 not receive a refund or interest of any amounts already paid to fund the  
27 original joint annuitant benefit. The retirant may not name a subsequent  
28 joint annuitant once the original joint annuitant option has been canceled.

29 (b) The amount of retirement annuity payable under an option shall  
30 be based on the age of the judge and, if applicable, the age of the joint  
31 annuitant, and shall be such amount as to be the actuarial equivalent of the  
32 retirement annuity otherwise payable under K.S.A. 20-2610, and  
33 amendments thereto, as prescribed in subsection (c). Whenever the amount  
34 of any benefit is to be determined on the basis of actuarial assumptions,  
35 the assumptions shall be specified in a way that precludes employer  
36 discretion. In no case shall the total amount of retirement annuity payable

1 under any option provided in this section be more than 100% of the  
2 retirement annuity which would have been otherwise payable if no option  
3 had been elected under this section.

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

6 (1) *Joint and  $\frac{1}{2}$  to joint annuitant survivor*: A reduced retirement  
7 annuity payable to the judge during the judge's lifetime in a monthly  
8 amount equal to the product of (A) the monthly payment of the retirement  
9 annuity otherwise payable under K.S.A. 20-2610, and amendments  
10 thereto, and (B) the percentage equal to 91% minus 0.4% for each year by  
11 which the age of the judge's joint annuitant is less than the judge's age,  
12 computed to the nearest whole year, or plus 0.4% for each year by which  
13 the age of the judge's joint annuitant is more than the judge's age,  
14 computed to the nearest whole year, with  $\frac{1}{2}$  of that monthly amount  
15 continued to the judge's joint annuitant during such joint annuitant's  
16 remaining lifetime, if any, after the death of the judge. In the event that the  
17 designated joint annuitant under this option predeceases the retired judge,  
18 the amount of the retirement annuity otherwise payable to the judge under  
19 this option shall be adjusted automatically to the retirement annuity which  
20 the judge would have received if no option had been elected under this  
21 section.

22 (2) *Joint and survivor*: A reduced retirement annuity payable to the  
23 judge during the judge's lifetime in a monthly amount equal to the product  
24 of (A) the monthly payment of the retirement annuity otherwise payable  
25 under K.S.A. 20-2610, and amendments thereto, and (B) the percentage  
26 equal to 83% minus 0.6% for each year by which the age of the judge's  
27 joint annuitant is less than the judge's age, computed to the nearest whole  
28 year, or plus 0.6% for each year by which the age of the judge's joint  
29 annuitant is more than the judge's age, computed to the nearest whole year,  
30 with that monthly amount continued to the joint annuitant during the joint  
31 annuitant's remaining lifetime, if any, after the death of judge. In the event  
32 that the designated joint annuitant under this option predeceases the retired  
33 judge, the amount of the retirement annuity otherwise payable to the judge  
34 under this option shall be adjusted automatically to the retirement annuity  
35 which the judge would have received if no option had been elected under  
36 this section.

37 (3) *Joint and  $\frac{3}{4}$  to joint annuitant survivor*: A reduced retirement  
38 annuity payable to the judge during the judge's lifetime in a monthly  
39 amount equal to the product of (A) the monthly payment of the retirement  
40 annuity otherwise payable under K.S.A. 20-2610, and amendments  
41 thereto, and (B) the percentage equal to 87% minus 0.5% for each year by  
42 which the age of the judge's joint annuitant is less than the judge's age,  
43 computed to the nearest whole year, or plus 0.5% for each year by which

1 the age of the judge's joint annuitant is more than the judge's age,  
2 computed to the nearest whole year, with  $\frac{3}{4}$  of that monthly amount  
3 continued to the judge's joint annuitant during such joint annuitant's  
4 remaining lifetime, if any, after the death of the judge. In the event that the  
5 designated joint annuitant under this option predeceases the retired judge,  
6 the amount of the retirement annuity otherwise payable to the judge under  
7 this option shall be adjusted automatically to the retirement annuity which  
8 the judge would have received if no option had been elected under this  
9 section.

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

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

24 (6) *Life with 15 years certain.* A reduced retirement annuity payable  
25 to the judge during the judge's lifetime in a monthly amount equal to 88%  
26 of the monthly payment of the retirement annuity otherwise payable under  
27 K.S.A. 20-2610, and amendments thereto, and if the judge dies within the  
28 fifteen-year certain period, measured from the commencement of  
29 retirement annuity payments, such monthly payments shall be continued to  
30 such judge's beneficiary during the balance of the fifteen-year certain  
31 period.

32 (7) *Lump sum payment at retirement.* (A) Pursuant to this option, the  
33 judge must specify a lump sum amount to be paid to the judge upon the  
34 judge's retirement. The lump sum amount will be based on the actuarial  
35 present value of the benefit as provided in K.S.A. 20-2610, and  
36 amendments thereto. The lump sum amount designated by the judge ~~must~~  
37 ~~be in 10% increments and shall not exceed~~  $\frac{1}{2}$  shall be equal to 10%, 20%,  
38 30%, 40%, 50%, 75% or 100% of the actuarial present value of the benefit  
39 provided in K.S.A. 20-2610, and amendments thereto. If the judge's spouse  
40 elects a lump sum payment as provided in this section pursuant to the  
41 provisions of subsection (d), the lump sum payment will be based on the  
42 present value of the retirement option selected by the spouse. The lump  
43 sum amount designated by the spouse ~~must be in 10% increments and~~

1 ~~shall not exceed  $\frac{1}{2}$~~  shall be equal to 10%, 20%, 30%, 40%, 50%, 75% or  
2 100% of the actuarial present value of the option selected in this section.

3 (B) Pursuant to this option, *unless the member designates a lump sum*  
4 *amount of 100% of the actuarial present value of such benefit*, the judge  
5 must elect to have the remaining actuarial present value paid in a monthly  
6 amount under the provisions of K.S.A. 20-2610, and amendments thereto,  
7 or subsections (c)(1) through (c)(6) of this section.

8 (C) In the event that the designated joint annuitant pursuant to  
9 subsection (c)(1), (c)(2) or (c)(3), under this option predeceases the  
10 retirant, the amount of the retirement benefit otherwise payable to the  
11 retirant under the option shall be adjusted automatically to the retirement  
12 benefit which the retirant would have received if no option had been  
13 elected under this section.

14 (D) The provisions of this subsection shall be effective on and after  
15 ~~July 1, 2001~~ January 1, 2015.

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

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

33 (f) Benefits payable to a joint annuitant shall accrue from the first day  
34 of the month following the death of a member or retirant and, in the case  
35 of the joint and  $\frac{1}{2}$  to joint annuitant survivor option, the joint and survivor  
36 option and the joint and  $\frac{3}{4}$  to joint annuitant survivor option, shall end on  
37 the last day of the month in which the joint annuitant dies.

38 (g) The provisions of the law in effect on the retirement date of a  
39 judge under the retirement system for judges shall govern the retirement  
40 annuity payable to the retired judge and any joint annuitant, except, for  
41 retirement benefits payable after July 1, 1993, for judges who retired prior  
42 to July 1, 1982, in the event that the designated joint annuitant under the  
43 option provided in subsection (c)(1), (2) or (3), as applicable, predeceased

1 the judge, the amount of the retirement benefit otherwise payable to the  
2 judge under the option provided in subsection (c)(1), (2) or (3), as  
3 applicable, shall be adjusted automatically to the retirement benefit which  
4 the judge would have received if no option had been elected under this  
5 section.

6 (h) Upon the death of a joint annuitant who is receiving a retirement  
7 benefit under the provisions of this section, there shall be paid to such joint  
8 annuitant's beneficiary an amount equal to the excess, if any, of the  
9 accumulated contributions of the retired judge over the sum of all  
10 retirement benefit payments made to such retired judge and such joint  
11 annuitant. Such joint annuitant shall designate a beneficiary by filing in the  
12 office of the retirement system such designation at the time of death of the  
13 retired judge. If there is no named beneficiary of such joint annuitant  
14 living at the time of death of such joint annuitant, any amount provided for  
15 by this section shall be paid to, in order of preference as follows:

- 16 (1) The joint annuitant's surviving spouse;
- 17 (2) the joint annuitant's dependent child or children;
- 18 (3) the joint annuitant's dependent parent or parents;
- 19 (4) the joint annuitant's nondependent child or children;
- 20 (5) the joint annuitant's nondependent parent or parents; or
- 21 (6) the estate of the deceased joint annuitant.

22 (i) In any event, benefits shall be adjusted as necessary to satisfy the  
23 incidental death benefits regulations under the federal internal revenue  
24 code.

25 Sec. 2. On January 1, 2015, K.S.A. 2013 Supp. 74-4918 is hereby  
26 amended to read as follows: 74-4918. (1) A member may elect to have  
27 such member's retirement benefit paid under one of the options provided in  
28 this section in lieu of having it paid in the form stated in K.S.A. 74-4915,  
29 and amendments thereto. Such election must be made before the date of  
30 actual retirement. A specific person must be designated as joint annuitant  
31 at the time of election of the joint and  $\frac{1}{2}$  to joint annuitant survivor option,  
32 the joint and survivor option and the joint and  $\frac{3}{4}$  to joint annuitant  
33 survivor option. Except as specifically provided in this subsection, an  
34 option elected by a member as provided in this section shall not be  
35 changed or canceled nor shall the named joint annuitant be changed after  
36 the date of actual retirement of the member. If a retirant is divorced after  
37 the retirant's date of actual retirement, and the retirant has named the  
38 retirant's ex-spouse as a joint annuitant under subsection (3), the joint  
39 annuitant option may be canceled and retirant's benefit returned to the  
40 maximum amount of such retirant's retirement benefit commencing the  
41 first month following the date such cancellation is ordered by the district  
42 court of the county where the divorce action was filed. The retirant shall  
43 not receive a refund or interest of any amounts already paid to fund the

1 original joint annuitant benefit. The retirant may not name a subsequent  
2 joint annuitant once the original joint annuitant option has been cancelled.

3 (2) The amount of retirement benefit payable under an option shall be  
4 based on the age of the member and, if applicable, the age of the joint  
5 annuitant, and shall be such amount as to be the actuarial equivalent of the  
6 retirement benefit otherwise payable under K.S.A. 74-4915, and  
7 amendments thereto, as prescribed in subsection (3). In no case shall the  
8 total amount of retirement benefit paid under any option provided in this  
9 section be more than 100% of the retirement benefit which would have  
10 been otherwise payable if no option had been elected under this section.

11 (3) The following retirement options, which are subject to the  
12 provisions of K.S.A. 74-49,123, and amendments thereto, are available:

13 (A) *Joint and 1/2 to joint annuitant survivor.* A reduced retirement  
14 benefit is payable to the retirant during the retirant's lifetime in a monthly  
15 amount equal to the product of (i) the monthly payment of the retirement  
16 benefit otherwise payable under K.S.A. 74-4915, and amendments thereto,  
17 and (ii) the percentage equal to 91% minus .4% for each year by which the  
18 age of the retirant's joint annuitant is less than the retirant's age, computed  
19 to the nearest whole year, or plus .4% for each year by which the age of  
20 the retirant's joint annuitant is more than the retirant's age, computed to the  
21 nearest whole year, with 1/2 of that monthly amount continued to the  
22 retirant's joint annuitant during such joint annuitant's remaining lifetime, if  
23 any, after the death of the retirant. In the event that the designated joint  
24 annuitant under this option predeceases the retirant, the amount of the  
25 retirement benefit otherwise payable to the retirant under this option shall  
26 be adjusted automatically to the retirement benefit which the retirant  
27 would have received if no option had been elected under this section.

28 (B) *Joint and survivor.* A reduced retirement benefit is payable to the  
29 retirant during the retirant's lifetime in a monthly amount equal to the  
30 product of (i) the monthly payment of the retirement benefit otherwise  
31 payable under K.S.A. 74-4915, and amendments thereto, and (ii) the  
32 percentage equal to 83% minus .6% for each year by which the age of the  
33 retirant's joint annuitant is less than the retirant's age, computed to the  
34 nearest whole year, or plus .6% for each year by which the age of the  
35 retirant's joint annuitant is more than the retirant's age, computed to the  
36 nearest whole year, with that amount continued to the joint annuitant  
37 during the joint annuitant's remaining lifetime, if any, after the death of the  
38 retirant. In the event that the designated joint annuitant under this option  
39 predeceases the retirant, the amount of the retirement benefit otherwise  
40 payable to the retirant under this option shall be adjusted automatically to  
41 the retirement benefit which the retirant would have received if no option  
42 had been elected under this section.

43 (C) *Joint and 3/4 to joint annuitant survivor.* A reduced retirement

1 benefit is payable to the retirant during the retirant's lifetime in a monthly  
2 amount equal to the product of (i) the monthly payment of the retirement  
3 benefit otherwise payable under K.S.A. 74-4915, and amendments thereto,  
4 and (ii) the percentage equal to 87% minus .5% for each year by which the  
5 age of the retirant's joint annuitant is less than the retirant's age, computed  
6 to the nearest whole year, or plus .5% for each year by which the age of  
7 the retirant's joint annuitant is more than the retirant's age, computed to the  
8 nearest whole year, with  $\frac{3}{4}$  of that monthly amount continued to the  
9 retirant's joint annuitant during such joint annuitant's remaining lifetime, if  
10 any, after the death of the retirant. In the event that the designated joint  
11 annuitant under this option predeceases the retirant, the amount of the  
12 retirement benefit otherwise payable to the retirant under this option shall  
13 be adjusted automatically to the retirement benefit which the retirant  
14 would have received if no option had been elected under this section.

15 (D) *Life with 5 years certain.* A reduced retirement benefit is payable  
16 to the retirant during the retirant's lifetime in a monthly amount equal to  
17 98% of the monthly payment of the retirement benefit otherwise payable  
18 under K.S.A. 74-4915, and amendments thereto, and if the retirant dies  
19 within the five-year certain period, measured from the commencement of  
20 retirement benefit payments, such payments shall be continued to the  
21 retirant's beneficiary during the balance of the five-year certain period.

22 (E) *Life with 10 years certain.* A reduced retirement benefit is payable  
23 to the retirant during the retirant's lifetime in a monthly amount equal to  
24 95% of the monthly payment of the retirement benefit otherwise payable  
25 under K.S.A. 74-4915, and amendments thereto, and if the retirant dies  
26 within the ten-year certain period, measured from the commencement of  
27 retirement benefit payments, such payments shall be continued to the  
28 retirant's beneficiary during the balance of the ten-year certain period.

29 (F) *Life with 15 years certain.* A reduced retirement benefit is payable  
30 to the retirant during the retirant's lifetime in a monthly amount equal to  
31 88% of the monthly payment of the retirement benefit otherwise payable  
32 under K.S.A. 74-4915, and amendments thereto, and if the retirant dies  
33 within the fifteen-year certain period, measured from the commencement  
34 of retirement benefit payments, such payments shall be continued to the  
35 retirant's beneficiary during the balance of the fifteen-year certain period.

36 (G) *Lump sum payment at retirement.* (i) Pursuant to this option, the  
37 member must specify a lump sum amount to be paid to the member upon  
38 the member's retirement. The lump sum amount will be based on the  
39 actuarial present value of the benefit as provided in K.S.A. 74-4915, and  
40 amendments thereto. The lump sum amount designated by the member  
41 ~~must be in 10% increments and shall not exceed  $\frac{1}{2}$~~  shall be equal to 10%,  
42 20%, 30%, 40%, 50%, 75% or 100% of the actuarial present value of the  
43 benefit provided in K.S.A. 74-4915, and amendments thereto. If the

1 member's spouse elects a lump sum payment as provided in this section  
2 pursuant to the provisions of subsection (4), the lump sum payment will be  
3 based on the present value of the retirement option selected by the spouse.  
4 The lump sum amount designated by the spouse ~~must be in 10%~~  
5 ~~increments and shall not exceed  $\frac{1}{2}$~~  shall be equal to 10%, 20%, 30%,  
6 40%, 50%, 75% or 100% of the actuarial present value of the option  
7 selected in this section.

8 (ii) Pursuant to this option, *unless the member designates a lump sum*  
9 *amount of 100% of the actuarial present value of such benefit*, the member  
10 must elect to have the remaining actuarial present value paid in a monthly  
11 amount under the provisions of K.S.A. 74-4915, and amendments thereto,  
12 or subsections (3)(A) through (3)(F) of this section.

13 (iii) In the event that the designated joint annuitant pursuant to  
14 subsection (3)(A), (3)(B) or (3)(C) under this option predeceases the  
15 retirant, the amount of the retirement benefit otherwise payable to the  
16 retirant under this option shall be adjusted automatically to the retirement  
17 benefit which the retirant would have received if no option had been  
18 elected under this section.

19 (iv) The provisions of this subsection shall be effective on and after  
20 ~~July 1, 2001~~ January 1, 2015.

21 (4) If a member, who is eligible to retire in accordance with the  
22 provisions of K.S.A. 74-4914, and amendments thereto, dies without  
23 having actually retired, the member's spouse, if the spouse is the sole  
24 beneficiary for the member's accumulated contributions, may elect to  
25 receive benefits under one of the options provided in this section in lieu of  
26 receiving the member's accumulated contributions.

27 (5) The benefits of subsection (4) shall be available in the case of  
28 death within the first six months after the entry date of the member's  
29 participating employer.

30 (6) On and after May 1, 2004, if a member with 10 or more years of  
31 credited service dies before attaining retirement age, the member's spouse,  
32 if the spouse is the sole beneficiary for the member's accumulated  
33 contributions, may elect to receive benefits under one of the options  
34 provided in this section in lieu of receiving the member's accumulated  
35 contributions. Payments under one of the options provided in this section  
36 to the member's spouse if so elected, shall commence on the date that the  
37 member would have been eligible for normal retirement pursuant to  
38 subsection (1) of K.S.A. 74-4914, and amendments thereto, or would have  
39 been eligible for early retirement pursuant to subsection (4) of K.S.A. 74-  
40 4914, and amendments thereto, if such early retirement date occurs earlier.

41 (7) Benefits payable to a joint annuitant shall accrue from the first  
42 day of the month following the death of a member or retirant and, in the  
43 case of the joint and  $\frac{1}{2}$  to joint annuitant survivor option, the joint and



1 survivor option and the joint and  $\frac{3}{4}$  to joint annuitant survivor option, shall  
2 end on the last day of the month in which the joint annuitant dies.

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

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

- 23 (A) The joint annuitant's surviving spouse;
- 24 (B) the joint annuitant's dependent child or children;
- 25 (C) the joint annuitant's dependent parent or parents;
- 26 (D) the joint annuitant's nondependent child or children;
- 27 (E) the joint annuitant's nondependent parent or parents; or
- 28 (F) the estate of the deceased joint annuitant.

29 Sec. 3. On January 1, 2015, K.S.A. 2013 Supp. 74-4964 is hereby  
30 amended to read as follows: 74-4964. (1) A member may elect to have  
31 such member's retirement benefit paid under one of the options provided in  
32 this section in lieu of having it paid in the form stated in subsections (1)  
33 and (2) of K.S.A. 74-4958, and amendments thereto. Such election must  
34 be made before the date of actual retirement. Only a specific individual  
35 person may be designated as a joint annuitant at the time of election of the  
36 joint and  $\frac{1}{2}$  to joint annuitant survivor option, the joint and survivor option  
37 and the joint and  $\frac{3}{4}$  to joint annuitant survivor option. Except as  
38 specifically provided in this subsection, an option elected by a member as  
39 provided in this section shall not be changed or canceled nor shall the  
40 named joint annuitant be changed after the date of actual retirement of the  
41 member. If a retirant is divorced after the retirant's date of actual  
42 retirement, and the retirant has named the retirant's ex-spouse as a joint  
43 annuitant under subsection (5), the joint annuitant option may be canceled

1 and the retirant's benefit returned to the maximum amount of such  
2 retirant's retirement benefit commencing the first month following the date  
3 such cancellation is ordered by the district court of the county where the  
4 divorce action was filed. The retirant shall not receive a refund or interest  
5 of any amounts already paid to fund the original joint annuitant benefit.  
6 The retirant may not name a subsequent joint annuitant once the original  
7 joint annuitant option has been canceled.

8 (2) The amount of a retirement benefit payable under an option shall  
9 be based on the age of the member and, if applicable, the age of the joint  
10 annuitant, and shall be such amount as to be the actuarial equivalent of the  
11 retirement benefit otherwise payable under subsections (1) or (2) of K.S.A.  
12 74-4958, and amendments thereto, as prescribed under subsection (5). In  
13 no case shall the total amount of retirement benefit paid under any option  
14 provided in this section be more than 100% of the retirement benefit which  
15 would have been otherwise payable if no option had been elected under  
16 this section.

17 (3) If a member who was, up to the entry date of such member's  
18 employer, covered by a pension system under the provisions of K.S.A. 13-  
19 14a01 to 13-14a14, inclusive, or 14-10a01 to 14-10a15, inclusive, and  
20 amendments thereto, so elects one of the options under this section,  
21 payment of such option shall be in lieu of any payments provided in  
22 subsection (3) of K.S.A. 74-4958, and amendments thereto.

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

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

35 (A) *Joint and 1/2 to joint annuitant survivor.* A reduced retirement  
36 benefit is payable to the retirant during the retirant's lifetime in a monthly  
37 amount equal to the product of (A) the monthly payment of the retirement  
38 annuity otherwise payable under K.S.A. 74-4958, and amendments  
39 thereto, and (B) the percentage equal to 94.5% minus 0.2% for each year  
40 by which the age of the retirant's joint annuitant is less than the retirant's  
41 age, computed to the nearest whole year, or plus 0.2% for each year by  
42 which the age of the retirant's joint annuitant is more than the retirant's  
43 age, computed to the nearest whole year, with 1/2 of that monthly amount

1 continued to the retirant's joint annuitant during such joint annuitant's  
2 remaining lifetime, if any, after the death of the retirant. In the event that  
3 the designated joint annuitant under this option predeceases the retirant,  
4 the amount of the retirement benefit otherwise payable to the retirant under  
5 this option shall be adjusted automatically to the retirement benefit which  
6 the retirant would have received if no option had been elected under this  
7 section.

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

23 (C) *Joint and  $\frac{3}{4}$  to joint annuitant survivor.* A reduced retirement  
24 benefit is payable to the retirant during the retirant's lifetime in a monthly  
25 amount equal to the product of (A) the monthly payment of the retirement  
26 annuity otherwise payable under K.S.A. 74-4958, and amendments  
27 thereto, and (B) the percentage equal to 91% minus 0.3% for each year by  
28 which the age of the retirant's joint annuitant is less than the retirant's age,  
29 computed to the nearest whole year, or plus 0.3% for each year by which  
30 the age of the retirant's joint annuitant is more than the retirant's age,  
31 computed to the nearest whole year, with  $\frac{3}{4}$  of that monthly amount  
32 continued to the retirant's joint annuitant during such joint annuitant's  
33 remaining lifetime, if any, after the death of the retirant. In the event that  
34 the designated joint annuitant under this option predeceases the retirant,  
35 the amount of the retirement benefit otherwise payable to the retirant under  
36 this option shall be adjusted automatically to the retirement benefit which  
37 the retirant would have received if no option had been elected under this  
38 section.

39 (D) *Life with 5 years certain.* A reduced retirement benefit is payable  
40 to the retirant during the retirant's lifetime in a monthly amount equal to  
41 99% of the monthly payment of the retirement benefit otherwise payable  
42 under K.S.A. 74-4958, and amendments thereto, and if the retirant dies  
43 within the five-year certain period, measured from the commencement of

1 retirement benefit payments, such payments will be continued to the  
2 retirant's beneficiary during the balance of the five-year certain period.

3 (E) *Life with 10 years certain.* A reduced retirement benefit is payable  
4 to the retirant during the retirant's lifetime in a monthly amount equal to  
5 98% of the monthly payment of the retirement benefit otherwise payable  
6 under K.S.A. 74-4958, and amendments thereto, and if the retirant dies  
7 within the ten-year certain period, measured from the commencement of  
8 retirement benefit payments, such payments will be continued to the  
9 retirant's beneficiary during the balance of the ten-year certain period.

10 (F) *Life with 15 years certain.* A reduced retirement benefit is payable  
11 to the retirant during the retirant's lifetime in a monthly amount equal to  
12 92% of the monthly payment of the retirement benefit otherwise payable  
13 under K.S.A. 74-4958, and amendments thereto, and if the retirant dies  
14 within the fifteen-year certain period, measured from the commencement  
15 of retirement benefit payments, such payments will be continued to the  
16 retirant's beneficiary during the balance of the fifteen-year certain period.

17 (G) *Lump sum payment at retirement.* (i) Pursuant to this option, the  
18 member must specify a lump sum amount to be paid to the member upon  
19 the member's retirement. The lump sum amount will be based on the  
20 actuarial present value of the benefit as provided in K.S.A. 74-4958, and  
21 amendments thereto. The lump sum amount designated by the member  
22 ~~must be in 10% increments and shall not exceed~~<sup>+1/2</sup> *shall be equal to 10%,*  
23 *20%, 30%, 40%, 50%, 75% or 100%* of the actuarial present value of the  
24 benefit provided in K.S.A. 74-4958, and amendments thereto. If the  
25 member's spouse elects a lump sum payment as provided in this section  
26 pursuant to the provisions of subsection (6), the lump sum payment will be  
27 based on the present value of the retirement option selected by the spouse.  
28 The lump sum amount designated by the spouse ~~must be in 10%~~  
29 ~~increments and shall not exceed~~<sup>+1/2</sup> *shall be equal to 10%, 20%, 30%,*  
30 *40%, 50%, 75% or 100%* of the actuarial present value of the option  
31 selected in this section.

32 (ii) Pursuant to this option, *unless the member designates a lump sum*  
33 *amount of 100% of the actuarial present value of such benefit,* the member  
34 must elect to have the remaining actuarial present value paid in a monthly  
35 amount under the provisions of K.S.A. 74-4958, and amendments thereto,  
36 or subsections (5)(A) through (5)(F) of this section.

37 (iii) In the event that the designated joint annuitant pursuant to  
38 subsection (5)(A), (5)(B) or (5)(C) under this option predeceases the  
39 retirant, the amount of the retirement benefit otherwise payable to the  
40 retirant under this option shall be adjusted automatically to the retirement  
41 benefit which the retirant would have received if no option had been  
42 elected under this section.

43 (iv) The provisions of this subsection shall be effective on and after

1 ~~July 1, 2001~~ *January 1, 2015.*

2 (6) On and after July 1, 1996, if a member with 20 or more years of  
3 credited service dies before attaining retirement age, the member's spouse,  
4 if the spouse is the sole beneficiary for the member's accumulated  
5 contributions, may elect to receive benefits under one of the options  
6 provided in this section in lieu of receiving the member's accumulated  
7 contributions or in lieu of receiving benefits as provided in K.S.A. 74-  
8 4959, and amendments thereto. Payments under one of the options  
9 provided in this section to the member's spouse if so elected, shall  
10 commence on the date that the member would have attained retirement  
11 age.

12 (7) Benefits payable to a joint annuitant shall accrue from the first  
13 day of the month following the death of a member or retirant and, in the  
14 case of the joint and  $\frac{1}{2}$  to joint annuitant survivor option, the joint and  
15 survivor option and the joint and  $\frac{3}{4}$  to joint annuitant survivor option, shall  
16 end on the last day of the month in which the joint annuitant dies.

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

27 (9) Upon the death of a joint annuitant who is receiving a retirement  
28 benefit under the provisions of this section, there shall be paid to such joint  
29 annuitant's beneficiary an amount equal to the excess, if any, of the  
30 accumulated contributions of the retirant over the sum of all retirement  
31 benefit payments made to such retirant and such joint annuitant. Such joint  
32 annuitant shall designate a beneficiary by filing in the office of the  
33 retirement system such designation at the time of death of the retirant. If  
34 there is no named beneficiary of such joint annuitant living at the time of  
35 death of such joint annuitant, any amount provided for by this section shall  
36 be paid to, in order of preference as follows:

- 37 (A) The joint annuitant's surviving spouse;  
38 (B) the joint annuitant's dependent child or children;  
39 (C) the joint annuitant's dependent parent or parents;  
40 (D) the joint annuitant's nondependent child or children;  
41 (E) the joint annuitant's nondependent parent or parents; or  
42 (F) the estate of the deceased joint annuitant.
- 43 (10) The provisions of this section shall apply only to members who

1 were appointed or employed prior to July 1, 1989, and who did not make  
2 an election pursuant to K.S.A. 74-4955a, and amendments thereto.

3 Sec. 4. On January 1, 2015, K.S.A. 2013 Supp. 74-4964a is hereby  
4 amended to read as follows: 74-4964a. (1) A member may elect to have  
5 such member's retirement benefit paid under one of the options provided in  
6 this section in lieu of having it paid in the form stated in subsections (1)  
7 and (2) of K.S.A. 74-4958, and amendments thereto. Such election must  
8 be made before the date of actual retirement. Only a specific individual  
9 person may be designated as a joint annuitant at the time of election of the  
10 joint and  $\frac{1}{2}$  to joint annuitant survivor option, the joint and survivor option  
11 and the joint and  $\frac{3}{4}$  to joint annuitant survivor option. Under no  
12 circumstances may an option be changed or canceled nor the named joint  
13 annuitant changed after the date of actual retirement of the member.

14 (2) The amount of a retirement benefit payable under an option shall  
15 be based on the age of the member and, if applicable, the age of the joint  
16 annuitant, and shall be such amount as to be the actuarial equivalent of the  
17 retirement benefit otherwise payable under subsections (1) or (2) of K.S.A.  
18 74-4958, and amendments thereto, as prescribed under subsection (5). In  
19 no case shall the total amount of retirement benefit paid under any option  
20 provided in this section be more than 100% of the retirement benefit which  
21 would have been otherwise payable if no option had been elected under  
22 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. 13-  
25 14a01 through 13-14a14, inclusive or 14-10a01 through 14-10a15,  
26 inclusive, and amendments thereto, so elects one of the options under this  
27 section, payment of such option shall be in lieu of any payments provided  
28 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 options  
37 provided in this section, in lieu of receiving the member's accumulated  
38 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  $\frac{1}{2}$  to joint annuitant survivor.* A reduced retirement  
42 benefit is payable to the retirant during the retirant's lifetime in a monthly  
43 amount equal to the product of (A) the monthly payment of the retirement

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

14 (B) *Joint and survivor.* A reduced retirement benefit is payable to the  
15 retirant during the retirant's lifetime in a monthly amount equal to the  
16 product of (A) the monthly payment of the retirement annuity otherwise  
17 payable under K.S.A. 74-4958, and amendments thereto and (B) the  
18 percentage equal to 88% minus .4% for each year by which the age of the  
19 retirant's joint annuitant is less than the retirant's age, computed to the  
20 nearest whole year, or plus .4% for each year by which the age of the  
21 retirant's joint annuitant is more than the retirant's age, computed to the  
22 nearest whole year, with that monthly amount continued to the joint  
23 annuitant during the joint annuitant's remaining lifetime, if any, after the  
24 death of retirant. In the event that the designated joint annuitant under this  
25 option predeceases the retirant, the amount of the retirement benefit  
26 otherwise payable to the retirant under this option shall be adjusted  
27 automatically to the retirement benefit which the retirant would have  
28 received if no option had been elected under this section.

29 (C) *Joint and  $\frac{3}{4}$  to joint annuitant survivor.* A reduced retirement  
30 benefit is payable to the retirant during the retirant's lifetime in a monthly  
31 amount equal to the product of (A) the monthly payment of the retirement  
32 annuity otherwise payable under K.S.A. 74-4958, and amendments thereto  
33 and (B) the percentage equal to 91% minus .3% for each year by which the  
34 age of the retirant's joint annuitant is less than the retirant's age, computed  
35 to the nearest whole year, or plus .3% for each year by which the age of  
36 the retirant's joint annuitant is more than the retirant's age, computed to the  
37 nearest whole year, with  $\frac{3}{4}$  of that monthly amount continued to the  
38 retirant's joint annuitant during such joint annuitant's remaining lifetime, if  
39 any, after the death of the retirant. In the event that the designated joint  
40 annuitant under this option predeceases the retirant, the amount of the  
41 retirement benefit otherwise payable to the retirant under this option shall  
42 be adjusted automatically to the retirement benefit which the retirant  
43 would have received if no option had been elected under this section.

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

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

15 (F) *Life with 15 years certain.* A reduced retirement benefit is payable  
16 to the retirant during the retirant's lifetime in a monthly amount equal to  
17 92% of the monthly payment of the retirement benefit otherwise payable  
18 under K.S.A. 74-4958, and amendments thereto, and if the retirant dies  
19 within the fifteen-year certain period, measured from the commencement  
20 of retirement benefit payments, such payments will be continued to the  
21 retirant's beneficiary during the balance of the fifteen-year certain period.

22 (G) *Lump sum payment at retirement.* (i) Pursuant to this option, the  
23 member must specify a lump sum amount to be paid to the member upon  
24 the member's retirement. The lump sum amount will be based on the  
25 actuarial present value of the benefit as provided in K.S.A. 74-4958a, and  
26 amendments thereto. The lump sum amount designated by the member  
27 ~~must be in 10% increments and shall not exceed  $\frac{1}{2}$~~  shall be equal to 10%,  
28 20%, 30%, 40%, 50%, 75% or 100% of the actuarial present value of the  
29 benefit provided in K.S.A. 74-4958a, and amendments thereto. If the  
30 member's spouse elects a lump sum payment as provided in this section  
31 pursuant to the provisions of subsection (6), the lump sum payment will be  
32 based on the present value of the retirement option selected by the spouse.  
33 The lump sum amount designated by the spouse ~~must be in 10%~~  
34 ~~increments and shall not exceed  $\frac{1}{2}$~~  shall be equal to 10%, 20%, 30%,  
35 40%, 50%, 75% or 100% of the actuarial present value of the option  
36 selected in this section.

37 (ii) Pursuant to this option, *unless the member designates a lump sum*  
38 *amount of 100% of the actuarial present value of such benefit,* the member  
39 must elect to have the remaining actuarial present value paid in a monthly  
40 amount under the provisions of K.S.A. 74-4958a, and amendments thereto,  
41 or subsections (5)(A) through (5)(F) of this section.

42 (iii) In the event that the designated joint annuitant pursuant to  
43 subsection (5)(A), (5)(B) or (5)(C) under this option predeceases the



1     retirant, the amount of the retirement benefit otherwise payable to the  
2     retirant under this option shall be adjusted automatically to the retirement  
3     benefit which the retirant would have received if no option had been  
4     elected under this section.

5     (iv) The provisions of this subsection shall be effective on and after  
6     ~~July 1, 2001~~ *January 1, 2015*.

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

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

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

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

42    (A) The joint annuitant's surviving spouse;

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

- 1 (C) the joint annuitant's dependent parent or parents;
- 2 (D) the joint annuitant's nondependent child or children;
- 3 (E) the joint annuitant's nondependent parent or parents; or
- 4 (F) the estate of the deceased joint annuitant.

5 (10) The provisions of this section shall be effective on and after July  
6 1, 1989, and shall apply only to members who were appointed or  
7 employed prior to July 1, 1989, and who made an election pursuant to  
8 K.S.A. 74-4955a, and amendments thereto; and persons appointed or  
9 employed on or after July 1, 1989.

10 Sec. 5. On January 1, 2015, K.S.A. 2013 Supp. 74-49,209 is hereby  
11 amended to read as follows: 74-49,209. Any member who is first  
12 employed by a participating employer on or after July 1, 2009, may elect  
13 to have such member's retirement benefit paid under one of the options  
14 provided in K.S.A. 74-4918, and amendments thereto, in lieu of having it  
15 paid in the form stated in K.S.A. 2013 Supp. 74-49,205 and K.S.A. 74-  
16 4915, and amendments thereto, ~~except that any such member or such~~  
17 ~~member's spouse that elects to be paid a lump sum amount to be paid to~~  
18 ~~the member upon retirement as provided pursuant to K.S.A. 74-4918, and~~  
19 ~~amendments thereto, shall be paid in 10% increments and shall not exceed~~  
20 ~~30% of the actuarial present value of the benefit provided in K.S.A. 2013~~  
21 ~~Supp. 74-49,205 and K.S.A. 74-4915, and amendments thereto; and. For~~  
22 any such member who elects any joint and survivor options provided in  
23 K.S.A. 74-4918, and amendments thereto, such member shall have such  
24 member's annual retirement benefit determined and then reduced by an  
25 amount recommended by the actuary employed by the system and  
26 approved by the board.

27 Sec. 6. On January 1, 2015, K.S.A. 2013 Supp. 74-49,311 is hereby  
28 amended to read as follows: 74-49,311. (a) A member who is eligible for a  
29 benefit under subsection (a) or (b) of K.S.A. 2013 Supp. 74-49,313, and  
30 amendments thereto, shall be entitled to a distribution of such member's  
31 annuity savings account. Such distribution shall be made using mortality  
32 rates and interest rates as provided in subsection (a) of K.S.A. 2013 Supp.  
33 74-49,313, and amendments thereto, and may be made in any of the  
34 annuity options described in subsection (c) of K.S.A. 2013 Supp. 74-  
35 49,313, and amendments thereto. In lieu of an annuity, a member entitled  
36 to a benefit under subsection (a) of K.S.A. 2013 Supp. 74-49,313, and  
37 amendments thereto, may elect to receive a lump-sum of such member's  
38 annuity savings account ~~of any fixed dollar amount or percent, but in no~~  
39 ~~event may the lump sum option elected under this section and the lump-~~  
40 ~~sum option elected under subsection (c) of K.S.A. 2013 Supp. 74-49,313,~~  
41 ~~and amendments thereto, exceed 30% which such lump sum amount shall~~  
42 ~~be equal to 10%, 20%, 30%, 40%, 50%, 75% or 100% of the total value of~~  
43 such member's annuity savings account and retirement annuity account.

1 (b) A member who is not eligible for a benefit under subsection (a) or  
2 (b) of K.S.A. 2013 Supp. 74-49,313, and amendments thereto, but who  
3 terminates employment in any covered position under the system, may  
4 elect to take a distribution of such member's entire annuity savings account  
5 balance, but the member shall then forfeit the entire balance in the  
6 member's retirement annuity account.

7 (c) In the case of an active or inactive member:

8 (1) Who is vested in the member's annuity savings account;

9 (2) who has five or more years of service at death; and

10 (3) who dies before attaining normal retirement age, with such  
11 member's spouse at time of death designated as such member's sole  
12 primary beneficiary, the member's surviving spouse on and after the date  
13 the member would have attained normal retirement age had such member  
14 not died, shall receive an annuity based upon such member's contributions  
15 and interest credits in the annuity savings account, using factors  
16 established by the board by official action as of the beneficiary's annuity  
17 start date. The form of benefit shall be a single life annuity with 10-year  
18 certain.

19 Sec. 7. On January 1, 2015, K.S.A. 2013 Supp. 74-49,313 is hereby  
20 amended to read as follows: 74-49,313. (a) Except as provided in  
21 subsection (e), a member who has a nonforfeitable interest in the member's  
22 retirement annuity account, at any time after termination from service and  
23 the attainment of normal retirement age, shall receive an annuity based  
24 upon the balance in such member's retirement annuity account, using  
25 mortality rates established by the board by official action as of the  
26 member's annuity start date and interest rates established by the legislature  
27 as of the member's annuity start date, and such interest rate shall initially  
28 be 6%. The legislature may from time to time prospectively change the  
29 interest rate and the board may from time to time prospectively change the  
30 mortality rates, and the legislature expressly reserves such rights to do so.

31 (b) Except as provided in subsection (e), a member who has a vested  
32 interest in the member's retirement annuity account, who terminates  
33 covered employment, without forfeiting such member's account, with the  
34 completion of at least 10 years of service, shall be eligible to receive, upon  
35 attainment of age 55, an annuity based upon employer credits and interest  
36 credits in such member's retirement annuity account, using mortality rates  
37 established by the board by official action as of the member's annuity start  
38 date and an interest rate established by the legislature as of the member's  
39 annuity start date, and such interest rate shall initially be 6%. The  
40 legislature may from time to time prospectively change the interest rate  
41 and the board may from time to time prospectively change the mortality  
42 rates, and the legislature expressly reserves such rights to do so.

43 (c) The form of benefit payable under subsections (a) and (b) shall be

1 a single life annuity with 10-year certain. The member may elect any  
2 option described in K.S.A. 74-4918, and amendments thereto, except the  
3 partial lump-sum option, subject to actuarial factors established by the  
4 board from time to time. The benefit option selected may include a self-  
5 funded cost-of-living adjustment feature, in which the account value is  
6 converted to a benefit amount that increases by a fixed percentage over  
7 time. One or more fixed percentages shall be established by the board,  
8 which may be changed from time to time. In lieu of a part of an annuity,  
9 for a member entitled to a benefit under subsection (a), the member may  
10 elect to receive a lump-sum of such member's retirement annuity account  
11 ~~of any fixed dollar amount or percent, but in no event may the lump-sum~~  
12 ~~option elected under this section and the lump-sum option elected under~~  
13 ~~subsection (a) of K.S.A. 2013 Supp. 74-49,311, and amendments thereto,~~  
14 ~~exceed 30% which such lump sum amount shall be equal to 10%, 20%,~~  
15 ~~30%, 40%, 50%, 75% or 100% of the total value of such member's annuity~~  
16 ~~savings account and retirement annuity account.~~

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

19 (1) Who is vested in the member's retirement annuity account;

20 (2) who has five or more years of service at death; and

21 (3) who dies before attaining normal retirement age, with such  
22 member's spouse at time of death designated as such member's sole  
23 primary beneficiary, the member's surviving spouse on and after the date  
24 the member would have attained normal retirement age had such member  
25 not died, shall receive an annuity based upon employer credits and interest  
26 credits in the retirement annuity account, using factors established by the  
27 board by official action as of the beneficiary's annuity start date. The form  
28 of benefit shall be a single life annuity with 10-year certain.

29 (e) If a member's vested retirement annuity account is less than  
30 \$1,000 upon separation from service, or the total of the member's vested  
31 retirement annuity account and annuity savings account balance is less  
32 than \$1,000, the account balance or balances shall be mandatorily  
33 distributed to the member in accordance with section 401(a)(31)(B) of the  
34 federal internal revenue code. If the member does not elect to have such  
35 distribution paid directly to an eligible retirement plan specified by the  
36 participant in a direct rollover or to receive the distribution directly, then  
37 the board will pay the distribution to the member directly.

38 Sec. 8. On January 1, 2015, K.S.A. 2013 Supp. 20-2610a, 74-4918,  
39 74-4964, 74-4964a, 74-49,209, 74-49,311 and 74-49,313 are hereby  
40 repealed.

41 Sec. 9. This act shall take effect and be in force from and after  
42 January 1, 2015, and its publication in the statute book.