

HOUSE BILL No. 2760

By Committee on Taxation

3-12

1 AN ACT concerning retirement and pensions; relating to the Kansas public
2 employees retirement system; requiring 180-day re-employment wait;
3 amending K.S.A. 2013 Supp. 74-4914, 74-4937 and 74-49,204 and
4 repealing the existing sections.
5

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

7 Section 1. K.S.A. 2013 Supp. 74-4914 is hereby amended to read as
8 follows: 74-4914. (1) The normal retirement date for a member of the
9 system shall be the first day of the month coinciding with or following
10 termination of employment with any participating employer not followed
11 by employment with any participating employer within ~~60~~ 180 days and
12 the attainment of age 65 or, commencing July 1, 1993, age 62 with the
13 completion of 10 years of credited service or the first day of the month
14 coinciding with or following the date that the total of the number of years
15 of credited service and the number of years of attained age of the member
16 is equal to or more than 85. In no event shall a normal retirement date for a
17 member be before six months after the entry date of the participating
18 employer by whom such member is employed. A member may retire on
19 the normal retirement date or on the first day of any month thereafter upon
20 the filing with the office of the retirement system of an application in such
21 form and manner as the board shall prescribe. Nothing herein shall prevent
22 any person, member or retirant from being employed, appointed or elected
23 as an employee, appointee, officer or member of the legislature. Elected
24 officers may retire from the system on any date on or after the attainment
25 of the normal retirement date, but no retirement benefits payable under this
26 act shall be paid until the member has terminated such member's office.

27 (2) No retirant shall make contributions to the system or receive
28 service credit for any service after the date of retirement.

29 (3) Any member who is an employee of an affiliating employer
30 pursuant to K.S.A. 74-4954b, and amendments thereto, and has not
31 withdrawn such member's accumulated contributions from the Kansas
32 police and firemen's retirement system may retire before such member's
33 normal retirement date on the first day of any month coinciding with or
34 following the attainment of age 55.

35 (4) Any member may retire before such member's normal retirement
36 date on the first day of any month coinciding with or following

1 termination of employment with any participating employer not followed
2 by employment with any participating employer within ~~60~~ 180 days and
3 the attainment of age 55 with the completion of 10 years of credited
4 service, but in no event before six months after the entry date, upon the
5 filing with the office of the retirement system of an application for
6 retirement in such form and manner as the board shall prescribe.

7 (5) On or after July 1, 2006, for any retirant who is first employed or
8 appointed in or to any position or office by a participating employer other
9 than a participating employer for which such retirant was employed or
10 appointed during the final two years of such retirant's participation, and, on
11 or after April 1, 2009, for any retirant who is employed by a third-party
12 entity who contracts services with a participating employer other than a
13 participating employer for which such retirant was employed or appointed
14 during the final two years of such retirant's participation to fill a position
15 covered under subsection (a) of K.S.A. 72-5410, and amendments thereto,
16 with such retirant, such participating employer shall pay to the system the
17 actuarially determined employer contribution and the statutorily prescribed
18 employee contribution based on the retirant's compensation during any
19 such period of employment or appointment. If a retirant who retired on or
20 after July 1, 1988, is employed or appointed in or to any position or office
21 for which compensation for service is paid in an amount equal to \$20,000
22 or more in any one such calendar year, by any participating employer for
23 which such retirant was employed or appointed during the final two years
24 of such retirant's participation, and, on or after April 1, 2009, by any third-
25 party entity who contracts services to fill a position covered under
26 subsection (a) of K.S.A. 72-5410, and amendments thereto, with such
27 retirant with a participating employer for which such retirant was
28 employed or appointed during the final two years of such retirant's
29 participation, such retirant shall not receive any retirement benefit for any
30 month for which such retirant serves in such position or office. The
31 participating employer who employs such retirant whether by contract
32 directly with the retirant or through an arrangement with a third-party
33 entity shall report to the system within 30 days of when the compensation
34 paid to the retirant is equal to or exceeds any limitation provided by this
35 section. Any participating employer who contracts services with any such
36 third-party entity to fill a position covered under subsection (a) of K.S.A.
37 72-5410, and amendments thereto, shall include in such contract a
38 provision or condition which requires the third-party entity to provide the
39 participating employer with the necessary compensation paid information
40 related to any such position filled by the third-party entity with a retirant to
41 enable the participating employer to comply with provisions of this
42 subsection relating to the payment of contributions and reporting
43 requirements. The provisions and requirements provided for in

1 amendments made in this act which relate to positions filled with a retirant
2 or employment of a retirant by a third-party entity shall not apply to any
3 contract for services entered into prior to April 1, 2009, between a
4 participating employer and third-party entity as described in this
5 subsection. Any retirant employed by a participating employer or a third-
6 party entity as provided in this subsection shall not make contributions nor
7 receive additional credit under such system for such service except as
8 provided by this section. Upon request of the executive director of the
9 system, the secretary of revenue shall provide such information as may be
10 needed by the executive director to carry out the provisions of this act. The
11 provisions of this subsection shall not apply to retirants employed as
12 substitute teachers or officers, employees or appointees of the legislature.
13 The provisions of this subsection shall not apply to members of the
14 legislature prior to January 8, 2000. The provisions of this subsection shall
15 not apply to any other elected officials prior to the term of office of such
16 elected official which commences on or after July 1, 2000. The provisions
17 of this subsection shall apply to any other elected official on and after the
18 term of office of such other elected official which commences on or after
19 July 1, 2000. Except as otherwise provided, commencing January 8, 2001,
20 the provisions of this subsection shall apply to members of the legislature.
21 For determination of the amount of compensation paid pursuant to this
22 subsection, for members of the legislature, compensation shall include any
23 amount paid as provided pursuant to subsections (a), (b), (c) and (d) of
24 K.S.A. 46-137a, and amendments thereto, or pursuant to K.S.A. 46-137b,
25 and amendments thereto. Notwithstanding any provision of law to the
26 contrary, when a member of the legislature is paid an amount of
27 compensation of \$20,000 or more in any one calendar year, the member
28 may continue to receive any amount provided in subsections (b) and (d) of
29 K.S.A. 46-137a, and amendments thereto, and still be entitled to receive
30 such member's retirement benefit. Commencing July 1, 2005, the
31 provisions of this subsection shall not apply to retirants who either retired
32 under the provisions of subsection (1), or, if they retired under the
33 provisions of subsection (4), were retired more than 30 days prior to the
34 effective date of this act and are licensed professional nurses or licensed
35 practical nurses employed by the state of Kansas in an institution as
36 defined in subsection (b) of K.S.A. 76-12a01 or subsection (f) of K.S.A.
37 38-2302, and amendments thereto, the Kansas soldiers' home or the
38 Kansas veterans' home. Nothing in this subsection shall be construed to
39 create any right, or to authorize the creation of any right, which is not
40 subject to amendment or nullification by act of the legislature. The
41 participating employer of such retirant shall pay to the system the
42 actuarially determined employer contribution based on the retirant's
43 compensation during any such period of employment.

1 (6) For purposes of this section, any employee of a local
2 governmental unit which has its own pension plan who becomes an
3 employee of a participating employer as a result of a merger or
4 consolidation of services provided by local governmental units, which
5 occurred on January 1, 1994, may count service with such local
6 governmental unit in determining whether such employee has met the
7 years of credited service requirements contained in this section.

8 Sec. 2. K.S.A. 2013 Supp. 74-4937 is hereby amended to read as
9 follows: 74-4937. (1) The normal retirement date of a member of the
10 system who is in school employment and who is subject to K.S.A. 74-
11 4940, and amendments thereto, shall be the first day of the month
12 coinciding with or following termination of employment not followed by
13 employment with any participating employer within ~~60~~ 180 days and the
14 attainment of age 65 or, commencing July 1, 1986, age 65 or age 60 with
15 the completion of 35 years of credited service or at any age with the
16 completion of 40 years of credited service, or commencing July 1, 1993,
17 any alternative normal retirement date already prescribed by law or age 62
18 with the completion of 10 years of credited service or the first day of the
19 month coinciding with or following the date that the total of the number of
20 years of credited service and the number of years of attained age of the
21 member is equal to or more than 85. Each member upon giving prior
22 notice to the appointing authority and the retirement system may retire on
23 the normal retirement date or the first day of any month thereafter.

24 (2) Any member who is in school employment and who is subject to
25 K.S.A. 74-4940, and amendments thereto, may retire before such
26 member's normal retirement date on the first day of the month coinciding
27 with or following termination of employment not followed by employment
28 with any participating employer within ~~60~~ 180 days and the attainment of
29 age 55 with the completion of 10 years of credited service, upon the filing
30 with the office of the retirement system of an application for retirement in
31 such form and manner as the board shall prescribe.

32 (3) Commencing July 1, 2009, the provisions of subsection (5) of
33 K.S.A. 74-4914, and amendments thereto, which relate to an earnings
34 limitation which when met or exceeded requires that the retirant not
35 receive a retirement benefit for any month for which such retirant serves in
36 a position as described herein shall not apply to retirants who either retired
37 under the provisions of subsection (1) of K.S.A. 74-4914, and amendments
38 thereto, related to normal retirement, or, if they retired under the
39 provisions of subsection (4) of K.S.A. 74-4914, and amendments thereto,
40 related to early retirement, were retired more than 60 days prior to the
41 effective date of this act, and are subsequently hired in a position that
42 requires a license under K.S.A. 72-1388, and amendments thereto, or other
43 provision of law. The provisions of this subsection do not apply to retirants

1 who retired under subsection (4) of K.S.A. 74-4914, and amendments
2 thereto, which relates to early retirement prior to age 62. Except as
3 otherwise provided, when a retirant is employed by the same school
4 district or a different school district with which such retirant was employed
5 during the final two years of such retirant's participation or employed by a
6 third-party entity who contracts services with a school district to fill a
7 position as described in this subsection, the participating employer of such
8 retirant shall pay to the system the actuarially determined employer
9 contribution based on the retirant's compensation during any such period
10 of employment plus 8%. The provisions of this subsection shall not apply
11 to retirants employed as substitute teachers. The provisions of subsection
12 (5) of K.S.A. 74-4914, and amendments thereto, shall be applicable to
13 retirants employed as described in this subsection, except as specifically
14 provided in this subsection. Nothing in this subsection shall be construed
15 to create any right, or to authorize the creation of any right, which is not
16 subject to amendment or nullification by act of the legislature. The
17 provisions of this subsection shall expire on July 1, 2015. After such date
18 the Kansas public employees retirement system and its actuary shall report
19 the experience to the joint committee on pensions, investments and
20 benefits.

21 Sec. 3. K.S.A. 2013 Supp. 74-49,204 is hereby amended to read as
22 follows: 74-49,204. The normal retirement date for a member of the
23 system first employed by a participating employer on or after July 1, 2009,
24 shall be the first day of the month coinciding with or following termination
25 of employment with any participating employer not followed by
26 employment with any participating employer within ~~30~~ 180 days and the
27 attainment of age 65 with the completion of five years of credited service,
28 or age 60 with the completion of 30 years of credited service. The
29 provisions of this section shall apply to a member of the retirement system
30 who is in school employment and who is subject to K.S.A. 74-4940, and
31 amendments thereto.

32 Sec. 4. K.S.A. 2013 Supp. 74-4914, 74-4937 and 74-49,204 are
33 hereby repealed.

34 Sec. 5. This act shall take effect and be in force from and after its
35 publication in the statute book.