

Changes in KPERS Retirement Law; HB 2213

HB 2213, the 2013 KPERS Omnibus bill, modifies the Kansas Public Employees Retirement System (KPERS), the Retirement System for Judges, and the Kansas Police and Fireman's (KP&F) Retirement System.

Updates to 2012 KPERS Retirement Law

The bill revises the KPERS Act of 2015, enacted in 2012, and other KPERS provisions to correct certain technical errors in the current Tier 1 and Tier 2 plans, and in the Tier 3 plan (the new cash balance plan):

- Corrects internal references in statute relating to a member failing to make an election;
- Clarifies the higher 1.85 multiplier applies to Tier 2 members retiring under early retirement provisions, as well as to those retiring on or after normal retirement dates;
- Conforms the term "additional interest rate" to match the term "additional interest credit," as used elsewhere in the law;
- Clarifies a vested member who terminates with ten years of service without withdrawing the employee's contributions and interest may retire under early retirement provisions at age 55;
- Changes a reference to the "pre-2014 act" (Tiers 1 and 2) to the "pre-2015 act" to reflect the effective date of the Tier 3 cash balance plan; and
- Corrects internal references to ensure members retiring under either early retirement provisions or at normal retirement are eligible for the \$4,000 retiree death benefit.

Updates to Judges, KP&F Retirement Plans

The bill makes changes in the Retirement System for Judges and the KP&F Retirement System.

The changes in the KP&F plan:

- Raise the cap on maximum KP&F member retirement benefits from 80.0 percent to 90.0 percent of final average salary;

- Increase the KP&F employee contribution rate from 7.0 percent to 7.15 percent for all years of service to self-fund the benefit increase from the active KP&F employees; and
- Permit active KP&F members to pay a lump-sum amount prior to or on the member's date of retirement if they are currently employed and eligible for the higher retirement benefit, if they have more than 32 years of service, and if they elect to enhance the individual retirement benefit at their own cost.

The changes in both the Judges and KP&F plans:

- Allow retired members who divorce after retirement to have the District Court order the cancellation of the joint annuitant option for the ex-spouse. Additionally, the retired member's benefit would be returned to the maximum amount, if ordered by the District Court of the county where the divorce action was filed. The retired member would not be able to name a subsequent joint annuitant once the original joint annuitant option has been canceled.

The bill is effective upon publication in the *Kansas Register*.