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MEMORANDUM

To: Chairman Johnson and members of the House Committee on Pensions and Benefits

From: David Wiese, Assistant Revisor

Date: 2/3/2016

Subject: HB 2541; Sharing of account information, tax treatment and local governmental unit plan option under Kansas public employees deferred compensation act.

House Bill No. 2541 provides for the sharing of a KPERS 457 plan participant's KPERS retirement account information with the KPERS 457 plan contracting party for the purpose of facilitating the participant's comprehensive retirement income planning.

The bill also provides for the tax treatment of Roth 457 plans under the Kansas public employees deferred compensation act. Amounts contributed to a Roth 457 plan shall be subject to state withholding and income taxes for the year in which such sum is contributed, but shall not be subject to state income taxes for the year in which distributions are received by the employee.

Finally, the bill allows the KPERS board to establish a 401(a) plan under which local employers participating in the deferred compensation plan may contribute a specified amount to such plan.

The bill becomes effective upon publication in the statute book.