

HOUSE BILL No. 2700

By Committee on Taxation

2-12

1 AN ACT concerning retirement and pensions; relating to the Kansas public
2 employees retirement system and systems thereunder; normal
3 retirement; requiring certification that there is no prearranged
4 agreement of employment with participating employers prior to
5 retirement; providing certain penalties for violations thereof; amending
6 K.S.A. 2015 Supp. 74-4914 and 74-4937 and repealing the existing
7 sections.
8

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

10 Section 1. K.S.A. 2015 Supp. 74-4914 is hereby amended to read as
11 follows: 74-4914. (1) The normal retirement date for a member of the
12 system shall be the first day of the month coinciding with or following
13 termination of employment with any participating employer not followed
14 by employment with any participating employer within 60 days and
15 without any prearranged agreement for employment with any
16 participating employer, and the attainment of age 65 or, commencing July
17 1, 1993, age 62 with the completion of 10 years of credited service or the
18 first day of the month coinciding with or following the date that the total
19 of the number of years of credited service and the number of years of
20 attained age of the member is equal to or more than 85. In no event shall a
21 normal retirement date for a member be before six months after the entry
22 date of the participating employer by whom such member is employed. A
23 member may retire on the normal retirement date or on the first day of any
24 month thereafter upon the filing with the office of the retirement system of
25 an application in such form and manner as the board shall prescribe. Such
26 application shall contain a certification by the member that the member
27 will not be employed with any participating employer within 60 days of
28 retirement and the member has not entered into a prearranged agreement
29 for employment with any participating employer. Nothing herein shall
30 prevent any person, member or retiree from being employed, appointed or
31 elected as an employee, appointee, officer or member of the legislature.
32 Elected officers may retire from the system on any date on or after the
33 attainment of the normal retirement date, but no retirement benefits
34 payable under this act shall be paid until the member has terminated such
35 member's office.

36 (2) No retiree shall make contributions to the system or receive

Proposed amendment #1 to HB 2700

3/9/2016

House Committee on Pensions and Benefits

Extending sunset on grandfathered school exemption to 7/1/2020

Prepared by David Wiese, Office of Revisor of Statutes

employment after retirement; extending certain special provisions;

1 first day of the month coinciding with or following the date that the total
2 of the number of years of credited service and the number of years of
3 attained age of the member is equal to or more than 85. Each member
4 upon giving prior notice to the appointing authority and the retirement
5 system may retire on the normal retirement date or the first day of any
6 month thereafter. *Such member's application for retirement shall contain a
7 certification by the member that the member will not be employed with any
8 participating employer within 60 days of retirement and the member has
9 not entered into a prearranged agreement for employment with any
10 participating employer.*

11 (2) Any member who is in school employment and who is subject to
12 K.S.A. 74-4940, and amendments thereto, may retire before such
13 member's normal retirement date on the first day of the month coinciding
14 with or following termination of employment not followed by employment
15 with any participating employer within 60 days and the attainment of age
16 55 with the completion of 10 years of credited service, upon the filing with
17 the office of the retirement system of an application for retirement in such
18 form and manner as the board shall prescribe. *The member's application
19 for retirement shall contain a certification by the member that the member
20 will not be employed with any participating employer within 60 days of
21 retirement and the member has not entered into a prearranged agreement
22 for employment with any participating employer.*

23 (3) Before July 1, ~~2017~~, the provisions of K.S.A. 74-4914(5), and
24 amendments thereto, which relate to an earnings limitation which when
25 met or exceeded requires that the retiree not receive a retirement benefit
26 for any month for which such retiree serves in a position as described
27 herein shall not apply to retirees who either retired under the provisions of
28 K.S.A. 74-4914(1), and amendments thereto, related to normal retirement,
29 or, if they retired under the provisions of K.S.A. 74-4914(4), and
30 amendments thereto, related to early retirement, were retired more than 60
31 days prior to May 28, 2009, and are subsequently hired in a position that
32 requires a license under K.S.A. 72-1388, and amendments thereto, or other
33 provision of law. The provisions of this subsection shall only apply to
34 retirees who retired prior to May 1, 2015. The provisions of this
35 subsection do not apply to retirees who retired under K.S.A. 74-4914(4),
36 and amendments thereto, which relates to early retirement prior to age 62.
37 Except as otherwise provided, when a retiree is employed by the same
38 school district or a different school district with which such retiree was
39 employed during the final two years of such retiree's participation or
40 employed by a third-party entity who contracts services with a school
41 district to fill a position as described in this subsection, the participating
42 employer of such retiree shall pay to the system the actuarially
43 determined employer contribution based on the retiree's compensation

1 during any such period of employment plus 8%. The participating
2 employer shall enroll all retirees and report to the system when
3 compensation is paid to a retiree as provided in this subsection. Such
4 notice shall contain a certification by the appointing authority of the
5 participating employer that any hired retiree has not been employed by
6 the participating employer within 60 days of such retiree's retirement and
7 that there was no prearranged agreement for employment between the
8 participating employer and the hired retiree. Upon request of the
9 executive director of the system, the participating employer shall provide
10 such information as may be needed by the executive director to carry out
11 the provisions of this subsection. The provisions of this subsection shall
12 not apply to retirees employed as substitute teachers. The provisions of
13 K.S.A. 74-4914(5), and amendments thereto, shall be applicable to
14 retirees employed as described in this subsection, except as specifically
15 provided in this subsection. Nothing in this subsection shall be construed
16 to create any right, or to authorize the creation of any right, which is not
17 subject to amendment or nullification by act of the legislature. The
18 provisions of this subsection shall expire on June 30, 2017. After such date
19 the Kansas public employees retirement system and its actuary shall report
20 the experience to the joint committee on pensions, investments and
21 benefits.

22 (4) (a) On and after July 1, 2016, a school district may hire a retired
23 licensed professional to fill a special teacher position as defined in K.S.A.
24 72-962, and amendments thereto, if such retiree is hired not prior to 60
25 days after such retiree's retirement date without any prearrangement with
26 such school district in the manner prescribed in this subsection. The
27 participating employer shall enroll all retirees and report to the system
28 when compensation is paid to a retiree as provided in this subsection.
29 Such notice shall contain a certification by the appointing authority of the
30 participating employer that any hired retiree has not been employed by
31 the participating employer within 60 days of such retiree's retirement and
32 that there was no prearranged agreement for employment between the
33 participating employer and the hired retiree. Upon request of the
34 executive director of the system, the participating employer shall provide
35 such information as may be needed by the executive director to carry out
36 the provisions of this subsection.

37 (b) A retiree hired under the provisions of this subsection may
38 continue to receive such retiree's full retirement benefit for a period not to
39 exceed three school years or 36 months, whichever is less, and shall not be
40 subject to the provisions of K.S.A. 74-4914(5), and amendments thereto,
41 which relate to a compensation limitation which when met or exceeded
42 requires that the retiree not receive a retirement benefit for any month for
43 which such retiree serves in a position as described herein. Such retiree