

HOUSE BILL No. 2654

By Committee on Pensions and Benefits

2-9

1 AN ACT concerning the Kansas public employees retirement system;
2 employment after retirement; exempting certain licensed health care
3 professionals from earnings limitation; amending K.S.A. 2015 Supp.
4 74-4914 and repealing the existing section.

5

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

7 Section 1. K.S.A. 2015 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 days and the
12 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31 withdrawn such member's accumulated contributions from the Kansas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 days and the
3 attainment of age 55 with the completion of 10 years of credited service,
4 but in no event before six months after the entry date, upon the filing with
5 the office of the retirement system of an application for retirement in such
6 form and manner as the board shall prescribe.

7 (5) Except as provided in subsection (7), on or after July 1, 2006, for
8 any retirant who is first employed or appointed in or to any position or
9 office by a participating employer other than a participating employer for
10 which such retirant was employed or appointed during the final two years
11 of such retirant's participation, and, on or after April 1, 2009, for any
12 retirant who is employed by a third-party entity who contracts services
13 with a participating employer other than a participating employer for
14 which such retirant was employed or appointed during the final two years
15 of such retirant's participation to fill a position covered under K.S.A. 72-
16 5410(a), and amendments thereto, with such retirant, such participating
17 employer shall pay to the system the actuarially determined employer
18 contribution and the statutorily prescribed employee contribution based on
19 the retirant's compensation during any such period of employment or
20 appointment. If a retirant who retired on or after July 1, 1988, is employed
21 or appointed in or to any position or office for which compensation for
22 service is paid in an amount equal to \$20,000 or more in any one such
23 calendar year, or \$25,000 or more in any one calendar year between July 1,
24 2016, and July 1, 2021, by any participating employer for which such
25 retirant was employed or appointed during the final two years of such
26 retirant's participation, and, on or after April 1, 2009, by any third-party
27 entity who contracts services to fill a position covered under K.S.A. 72-
28 5410(a), and amendments thereto, with such retirant with a participating
29 employer for which such retirant was employed or appointed during the
30 final two years of such retirant's participation, such retirant shall not
31 receive any retirement benefit for any month for which such retirant serves
32 in such position or office. The participating employer who employs such
33 retirant whether by contract directly with the retirant or through an
34 arrangement with a third-party entity shall report to the system within 30
35 days of when the compensation paid to the retirant is equal to or exceeds
36 any limitation provided by this section. Any participating employer who
37 contracts services with any such third-party entity to fill a position covered
38 under K.S.A. 72-5410(a), and amendments thereto, shall include in such
39 contract a provision or condition which requires the third-party entity to
40 provide the participating employer with the necessary compensation paid
41 information related to any such position filled by the third-party entity
42 with a retirant to enable the participating employer to comply with
43 provisions of this subsection relating to the payment of contributions and

1 reporting requirements. The provisions and requirements provided for in
2 amendments made in this act which relate to positions filled with a retirant
3 or employment of a retirant by a third-party entity shall not apply to any
4 contract for services entered into prior to April 1, 2009, between a
5 participating employer and third-party entity as described in this
6 subsection. Any retirant employed by a participating employer or a third-
7 party entity as provided in this subsection shall not make contributions nor
8 receive additional credit under such system for such service except as
9 provided by this section. Upon request of the executive director of the
10 system, the secretary of revenue shall provide such information as may be
11 needed by the executive director to carry out the provisions of this act. The
12 provisions of this subsection shall not apply to retirants employed as
13 substitute teachers or officers, employees or appointees of the legislature.
14 The provisions of this subsection shall not apply to members of the
15 legislature prior to January 8, 2000. The provisions of this subsection shall
16 not apply to any other elected officials prior to the term of office of such
17 elected official which commences on or after July 1, 2000. The provisions
18 of this subsection shall apply to any other elected official, except an
19 elected city or county officer as further provided in this subsection, on and
20 after the term of office of such other elected official which commences on
21 or after July 1, 2000. Notwithstanding any provisions of law to the
22 contrary, when an elected city or county officer is retired under the
23 provisions of subsection (1) or (4) of this section and is paid an amount of
24 compensation of \$25,000 or more in any one calendar year between July 1,
25 2016, and July 1, 2021, such officer may receive such officer's salary, and
26 still be entitled to receive such officer's retirement benefit pursuant to the
27 provisions of K.S.A. 74-4915 et seq., and amendments thereto. Except as
28 otherwise provided, commencing January 8, 2001, the provisions of this
29 subsection shall apply to members of the legislature. For determination of
30 the amount of compensation paid pursuant to this subsection, for members
31 of the legislature, compensation shall include any amount paid as provided
32 pursuant to K.S.A. 46-137a(a), (b), (c) and (d), and amendments thereto,
33 or pursuant to K.S.A. 46-137b, and amendments thereto. Notwithstanding
34 any provision of law to the contrary, when a member of the legislature is
35 paid an amount of compensation of \$20,000 or more in any one calendar
36 year, the member may continue to receive any amount provided in K.S.A.
37 46-137a(b) and (d), and amendments thereto, and still be entitled to
38 receive such member's retirement benefit. Commencing July 1, 2005, the
39 provisions of this subsection shall not apply to retirants who either retired
40 under the provisions of subsection (1), or, if they retired under the
41 provisions of subsection (4), were retired more than 30 days prior to the
42 effective date of this act and are licensed professional nurses or licensed
43 practical nurses employed by the state of Kansas in an institution as

1 defined in K.S.A. 76-12a01(b) or K.S.A. 38-2302(f), and amendments
2 thereto, the Kansas soldiers' home or the Kansas veterans' home. Nothing
3 in this subsection shall be construed to create any right, or to authorize the
4 creation of any right, which is not subject to amendment or nullification by
5 act of the legislature. The participating employer of such retirant shall pay
6 to the system the actuarially determined employer contribution based on
7 the retirant's compensation during any such period of employment.

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

15 (7) (a) Except as provided in K.S.A. 74-4937(3), (4), or (5), and
16 amendments thereto, and the provisions of this subsection, commencing
17 July 1, 2016, and ending July 1, 2021, any retirant who is employed or
18 appointed in or to any position by a participating employer or a third-party
19 entity who contracts services with a participating employer to fill a
20 position, without any prearranged agreement with such participating
21 employer and not prior to 60 days after such retirant's retirement date, shall
22 not receive any retirement benefit for any month in any calendar year in
23 which the retirant receives compensation in an amount equal to \$25,000 or
24 more, pursuant to this subsection. The provisions of this subsection shall
25 apply to members of the legislature.

26 (b) The provisions of this subsection shall not apply to retirants that
27 are:

28 (i) Licensed professional nurses or licensed practical nurses
29 employed by the state of Kansas in an institution as defined in K.S.A. 76-
30 12a01(b) or 38-2302(f), and amendments thereto, the Kansas soldiers'
31 home or the Kansas veterans' home. The participating employer of such
32 retirant shall pay to the system the actuarially determined employer
33 contribution based on the retirant's compensation and the statutorily
34 prescribed employee contribution during any such period of employment;

35 (ii) employed by a school district in a position as provided in K.S.A.
36 74-4937(3), (4) or (5), and amendments thereto;

37 (iii) certified law enforcement officers employed by the law
38 enforcement training center. Such law enforcement officers shall receive
39 their benefits notwithstanding this subsection. The law enforcement
40 training center shall pay to the system the actuarial determined employer
41 contribution and the statutorily prescribed employee contribution based on
42 the retirant's compensation during any such period of employment;

43 (iv) members of the Kansas police and firemen's retirement system

1 pursuant to K.S.A. 74-4951 et seq., and amendments thereto, or members
2 of the retirement system for judges pursuant to K.S.A. 20-2601 et seq., and
3 amendments thereto;

4 (v) employed as substitute teachers or officers, employees or
5 appointees of the legislature; ~~and~~

6 (vi) employed by, or have accepted employment from, a participating
7 employer prior to May 1, 2015. Any break in continuous employment by a
8 retirant or move to a different position by a retirant during the effective
9 period of this subsection shall be deemed new employment and shall
10 subject the retirant to the provisions of this subsection; *and*

11 *(vii) licensed by the board of nursing or the state board of healing*
12 *arts and employed by a hospital or county health department. The*
13 *participating employer of such retirant shall pay to the system the*
14 *actuarially determined employer contribution based on the retirant's*
15 *compensation and the statutorily prescribed employee contribution during*
16 *any such period of employment.*

17 (c) The participating employer shall enroll all retirants and report to
18 the system when compensation is paid to a retirant as provided in this
19 subsection. Upon request of the executive director of the system, the
20 participating employer shall provide such information as may be needed
21 by the executive director to carry out the provisions of this subsection. Any
22 participating employer who hires a retirant covered by this subsection shall
23 pay to the system the statutorily prescribed employer contribution rate for
24 such retirant, without regard to whether the retirant is receiving benefits.
25 No retirant shall receive credit for service while employed under the
26 provisions of this subsection.

27 (d) A participating employer may employ a retirant without regard to
28 the compensation limitation in this subsection for a period of one calendar
29 year or one school year, as the case may be, if the following requirements
30 are met:

31 (i) The employer certifies to the board that the position being filled
32 has been vacated due to an unexpected emergency or the employer has
33 been unsuccessful in filling the position;

34 (ii) the employer pays to the system the actuarially determined
35 employer contribution based on the retirant's compensation during any
36 such period of employment plus 8%;

37 (iii) the employer maintains documentation of its efforts to fill the
38 position with a non-retirant and provides such documentation to the joint
39 committee on pensions, investments and benefits upon request of the
40 committee.

41 (e) An employer may submit a written appeal to the joint committee
42 on pensions, investments and benefits to extend the exception provided for
43 in subsection (7)(d) by one year. Such written appeal shall include

1 documentation of the employer's efforts to fill the position with a non-
2 retirant. Granting or denial of such extension shall be at the sole discretion
3 of the committee.

4 (f) On July 1, 2016, and at least every five years thereafter, the joint
5 committee on pensions, investments and benefits shall study the issue of
6 whether the compensation limitation prescribed in this subsection should
7 be adjusted. The committee shall consider the effect of inflation and data
8 on member retirement benefits and active employee compensation.

9 (g) Nothing in this subsection shall be construed to create any right,
10 or to authorize the creation of any right, which is not subject to
11 amendment or nullification by act of the legislature.

12 Sec. 2. K.S.A. 2015 Supp. 74-4914 is hereby repealed.

13 Sec. 3. This act shall take effect and be in force from and after its
14 publication in the statute book.