

As Amended by House Committee

Session of 2017

HOUSE BILL No. 2289

By Committee on Financial Institutions and Pensions

2-7

1 AN ACT concerning retirement and pensions; relating to the Kansas public
2 employees retirement system and systems thereunder; participating
3 service credit; amending K.S.A. 74-4913 and 74-4956 and repealing
4 the existing sections.
5

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

7 Section 1. K.S.A. 74-4913 is hereby amended to read as follows: 74-
8 4913. (1) Prior service shall be credited as follows:

9 (a) A member shall receive full credit for continuous employment
10 prior to the entry date with such member's employer on the entry date. If
11 the employee was also employed on March 15 of the year immediately
12 preceding the entry date of that employer, then all such previous
13 employment, whether or not continuous, shall be credited; otherwise no
14 credit shall be granted for employment prior to a break in continuous
15 employment. Any member or retirant who was employed by any
16 participating employer on March 15 of the year immediately preceding the
17 entry date of that employer, may apply to the board on such forms as it
18 may prescribe for prior service credit with a participating employer other
19 than the member's entry date employer. Upon receipt of written
20 verification of such employment from the participating employer, the
21 board shall grant such additional prior service credit and with respect to a
22 retirant, shall adjust the amount of the retirement benefit accordingly
23 commencing with the next monthly benefit payment due following receipt
24 of the written verification, except that such retirant shall not be entitled to
25 any retroactive adjustment in the amount of such retirement benefit as a
26 result of the board granting such additional prior service credit. In the case
27 of any person other than a retirant receiving a retirement benefit, such
28 person may make application for an adjustment in the benefit amount in
29 the same manner as a member or retirant, and in such case the adjustment
30 in the benefit amount shall be determined by the board upon the advice of
31 the actuary, and shall commence with the next monthly benefit payment
32 due following receipt of the written verification;

33 (b) leaves of absence and military service shall not be counted as
34 breaks in continuous employment; however, military service which is
35 immediately preceded and followed by employment with a participating
36 employer shall be credited, except that after July 1, 1974, not more than

1 five years' credit for military service shall be granted hereunder to the
2 extent required under USERRA, but leaves of absence shall not be
3 credited;

4 (c) any member who was employed in the Kansas state employment
5 service, now a section of the Kansas division of employment security,
6 during any of the time the Kansas state employment service was loaned by
7 the state to the federal government (January 1, 1942, for the duration of the
8 emergency period of world war II, which service was returned to the state
9 by the federal government effective November 16, 1946) shall be entitled
10 to prior service credit for the time so employed during the period stated for
11 any service rendered under the jurisdiction of the United States
12 employment service for the federal government in like manner as if the
13 employment service had remained under the jurisdiction of the state of
14 Kansas;

15 (d) any member who is not otherwise eligible for service credit as
16 provided for in subsection (1)(a) may be granted credit for the service
17 upon the attainment of 38 quarters of participating service;

18 (e) any member who was employed by the university of Wichita prior
19 to July 1, 1964, shall be entitled to prior service credit for such time of
20 employment under the Kansas public employees retirement system, when
21 such employment is not the basis for other pension rights.

22 (2) Participating service shall be credited as follows: (a) A member
23 shall receive credit for participating service with a participating employer
24 in accordance with the rules and regulations established by the board of
25 trustees, ~~except that. Any period of time~~ **member employed as a fireman**
26 **or policeman, as described in K.S.A. 74-4952(11) or (12), and**
27 **amendments thereto, who is away from work or normal duties while in a**
28 **paid status authorized and approved by a participating employer on and**
29 **after July 1, 2014, including, without limitation, any administrative leave**
30 **with pay and any paid vacation leave, sick leave, personal leave, worker's**
31 **compensation leave, light duty or temporary duty assignment, shall**
32 **constitute participating service and any member shall receive full credit**
33 **for such participating service with a participating employer for any such**
34 **period of time away from work or normal duties. If the member does not**
35 **return to work for the participating employer in the same or a similar**
36 **position at the conclusion of such leave, except for reasons of death or**
37 **disability, the period of the leave shall be removed from service credit**
38 **and the employer and employee contributions for such period of leave**
39 **shall be reimbursed by the system to the employee and the employer**
40 **unless otherwise provided herein. In the case of a decision to**
41 **voluntarily terminate employment, the period of leave exceeding 365**
42 **days shall be removed from service credit and the employer and**
43 **employee contributions for such period of leave shall be reimbursed**

1 **by the system to the employee and employer.** *However*, no more than
2 one calendar quarter of participating service shall be credited for any
3 employment within any one calendar quarter;

4 (b) leaves of absence and military service shall not count as a break in
5 continuous employment. In the case of a leave of absence, the member
6 shall leave such member's accumulated contribution on deposit with the
7 fund; however, the period of military service shall be credited, except that
8 after July 1, 1974, not more than five years' credit for military service shall
9 be granted hereunder to the extent required under USERRA, but leaves of
10 absence shall not be credited. Employees who enter the military service
11 from their employment after the employer's entry date and who have not
12 completed one year of service at the time of their entry into the military
13 service, shall not become members of the retirement system until they
14 return to the employment of that or another participating employer. In the
15 case of such employee whose combined public employment and military
16 service does not equal one year at the time of such employee's return to
17 employment, the date of membership shall be the first day of the payroll
18 period coinciding with or following the completion of one combined
19 public employment and military year of service. Such service shall be
20 granted in accordance with this section;

21 (c) a period of retirement under the system or a period of total
22 disability, immediately followed by employment with a participating
23 employer, shall not count as a break in continuous employment, except
24 that such periods while not employed shall not be credited as participating
25 service;

26 (d) termination of employment, followed by employment with a
27 participating employer within five years after such termination, does not
28 constitute a break in continuous employment if such person has not
29 withdrawn such person's accumulated contribution. Such period while not
30 employed shall not be credited as participating service.

31 (3) In determining the number of years of credited prior service or
32 participating service a fractional year of six months or more shall be
33 considered as one year and a fractional year of less than six months shall
34 be disregarded.

35 Sec. 2. K.S.A. 74-4956 is hereby amended to read as follows: 74-
36 4956. (1) Prior service shall be credited as follows:

37 (a) Each member shall receive:

38 (i) Full credit for all employment, whether or not continuous, as
39 either a policeman or fireman prior to the entry date with such member's
40 employer who is such member's employer on the entry date;

41 (ii) full credit for all employment, whether or not continuous, as
42 either a police or fireman prior to the entry date of such police or firemen's
43 employer, with a participating employer, if such member has at least 20

1 years of credited service; and

2 (iii) for all continuous employment with the same employer other
3 than either as policeman or fireman, immediately preceding such service
4 as a policeman or fireman, one month of credit for each two months of
5 service. Any member or retirant who has been credited with prior service
6 as provided in this section may apply to the board on such forms as the
7 board prescribes for prior service credit with a participating employer
8 under the Kansas police and firemen's retirement system other than such
9 member's entry date employer. Each member shall receive full credit for
10 all employment as either a policeman or fireman with such other
11 participating employers and shall receive one month of credit for each two
12 months of continuous service with other participating employers for
13 continuous employment preceding service as a policeman or fireman.
14 Upon receipt of written verification of such employment from such other
15 participating employer, the board may grant such additional prior service
16 credit. With respect to a retirant, the board shall adjust the amount of the
17 retirement benefit accordingly commencing with the next monthly benefit
18 payment due following receipt of written verification. In the case of any
19 person other than a retirant receiving a retirement benefit, such person may
20 make application for an adjustment in the benefit amount in the same
21 manner as a member or retirant, and in such case the adjustment in the
22 benefit amount shall be determined by the board upon the advice of the
23 actuary, and shall commence with the next monthly benefit payment due
24 following receipt of written verification, except that no additional prior
25 service credit shall be granted for any service with another participating
26 employer for which benefits are being received or will be received. A
27 retirant or any other person receiving a retirement benefit shall not be
28 entitled to any retroactive adjustment in the amount of retirement benefit
29 as a result of the board granting such additional prior service credit.

30 If a member was employed as a fireman, other than as a volunteer
31 fireman, by a township which is annexed by a participating employer the
32 member's retirement benefits and death and disability benefits shall be
33 computed on the basis of credited service. Continuous service as a fireman
34 with a township prior to annexation by a member, who became a member
35 immediately following the annexation, shall be considered credited
36 service.

37 No such service shall be considered credited service for the purpose of
38 computing years of service if such fireman is receiving or will become
39 eligible to receive benefits as a result of such service with the township.

40 (b) Leaves of absence and military service shall not be counted as
41 breaks in continuous employment; however, military service which is
42 preceded within 30 days and followed by employment with a participating
43 employer shall be credited, except that after July 1, 1974, not more than

1 five years credit for military service shall be granted hereunder to the
2 extent required by the provisions of USERRA, but leaves of absence shall
3 not be credited.

4 (2) Participating service shall be credited as follows: (a) A member
5 shall receive credit for participating service with a participating employer
6 in accordance with the rules and regulations established by the board. *Any*
7 *period of time away from work or normal duties while in a paid status*
8 *authorized and approved by a participating employer on and after July 1,*
9 *2014, including, without limitation, any administrative leave with pay and*
10 *any paid vacation leave, sick leave, personal leave, worker's*
11 *compensation leave, light duty or temporary duty assignment, shall*
12 *constitute participating service and any member shall receive full credit*
13 *for such participating service with a participating employer for any such*
14 *period of time away from work or normal duties.* **If the member does not**
15 **return to work for the participating employer in the same or a similar**
16 **position at the conclusion of such leave, except for reasons of death or**
17 **disability, the period of the leave shall be removed from service credit**
18 **and the employer and employee contributions for such period of leave**
19 **shall be reimbursed by the system to the employee and the employer**
20 **unless otherwise provided herein. In the case of a decision to**
21 **voluntarily terminate employment, the period of leave exceeding 365**
22 **days shall be removed from service credit and the employer and**
23 **employee contributions for such period of leave shall be reimbursed**
24 **by the system to the employee and employer.** No more than one calendar
25 quarter of participating service shall be credited for employment within
26 any one calendar quarter.

27 (b) Leaves of absence shall not be counted as a termination of
28 employment provided the member leaves such member's accumulated
29 contributions on deposit with the system and returns to employment with
30 the employer granting such leave; however, the period of leave of absence
31 shall not be credited service.

32 (c) To the extent required under the provisions of USERRA, military
33 service shall not count as a break in continuous employment.

34 (d) Termination of employment with a participating employer
35 followed by employment with the same or another participating employer
36 within two years shall not constitute a termination of membership
37 provided the member leaves such member's accumulated contributions on
38 deposit with the system; however, the period while not employed shall not
39 be credited.

40 (3) In determining the number of years of credited service for
41 calculation of retirement benefits a fractional year of six months or more
42 of credited service shall be considered as one year and a fractional year of
43 less than six months of credited service shall be disregarded.

1 Sec. 3. K.S.A. 74-4913 and 74-4956 are hereby repealed.

2 Sec. 4. This act shall take effect and be in force from and after its
3 publication in the statute book.