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300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

MEMORANDUM

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

From: Office of Revisor of Statutes

Date: February 14, 2022

Subject: **HB 2593; Reducing the KPERS working after retirement employer contribution rate to only the statutory rate and decreasing the waiting period to 60 days for certain retirants employed by a school district for a period ending June 30, 2024.**

House Bill No. 2593 establishes a KPERS working after retirement exception for a limited period commencing from the effective date of the bill until June 30, 2024. During such period, a school district may hire an eligible retired school employee (teachers, supervisors, principals, superintendents and any other professional employees who are required to hold a teacher's or school administrator's certificate), if such employee is hired not prior to 60 days after such employee's retirement date and without any prearranged agreement with the school district. This 60-day waiting period is regardless of age unlike the current working after retirement requirement of a waiting period 180 days if the retirant is under the age of 62 or 60 days if age 62 or older.

The bill also reduces the required employer contribution rate when hiring such retirants to the statutory employer contribution rate for all compensation earned by the retirant in a calendar year. Current law requires the employer to contribute at the statutory rate on the first \$25,000 of compensation earned in a calendar year and at 30% on all compensation above \$25,000.

The bill also provides that all contracts for employment entered into pursuant to this exception shall expire on or before June 30, 2024.

The bill also deletes language from previous working after retirement exceptions that expired January 1, 2018, and makes technical amendments to reference the redesignated subsections and paragraphs.

HB 2593 becomes effective upon publication in the Kansas register.