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**MEMORANDUM**

To: Chairman Johnson and members of the Joint Committee on Pensions, Investments and Benefits.  
From: David Wiese, Assistant Revisor  
Date: November 4, 2019  
Subject: **2019 enacted KPERS legislation.**

The following is a brief overview of the KPERS-related bills enacted into law during the 2019 legislative session.

**HB 2031:**

1. Added "contraction of a bloodborne pathogen" to the definition of "service-connected" in the KP&F retirement system. Bloodborne pathogen includes any disease that is present in human blood and is designated as infectious or contagious by the secretary of health and environment through rules and regulations adopted pursuant to K.S.A. 65-128, and amendments thereto;
2. Amended the powers and duties of the KPERS board of trustees to: (A) develop policies and procedures generally applicable to the procurement of goods and services based upon sound business practices; (B) make and enter into contracts and agreements in a manner consistent with the professional services sunshine act, K.S.A. 75-37,130 through 75-37,135, and amendments thereto; and (C) authorize in-state and out-of-state travel for trustees and employees of the system;
3. Established a two-year KPERS membership waiting period, on and after July 1, 2019, for employees employed in direct support positions of community developmental disability organizations;
4. Created a working-after-retirement exemption for KPERS retirants employed by the Kansas academies of the United States department of defense STARBASE program;
5. Exempted retirants who retired on or after July 1, 2016, and before July 1, 2019, from working-after-retirement penalties if determined by the system that such retirants had entered into a prearranged agreement for employment prior to the expiration of the applicable waiting period and upon being notified of the violation, terminated such employment. The bill also authorized the refund of any suspended benefits;
6. Added language allowing the executive director of KPERS to waive working-after-retirement penalties beginning on and after July 1, 2019, when any of the following conditions are satisfied: (A) The retirant's total length of reemployment was less than 21 calendar days; (B) the retirant's total compensation during the total length of reemployment was less than 10% of the amount of such retirant's retirement benefit that would be suspended; or (C) other facts and circumstances indicated that the retirant would not have been reemployed but for an error on the part of the

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participating employer or the retirement system in verifying the retirement status of such retirant and such retirant immediately terminated employment upon being notified of the violation. Beginning with the 2020 session, the executive director is required to submit an annual report on the number of waivers granted in the prior calendar year to the joint committee on pensions, investments and benefits, the house of representatives standing committee on financial institutions and pensions and the senate standing committee on financial institutions and insurance, or the successors of such committees; and

7. Added KBI agents to the definition of member in the Kansas deferred retirement option program (DROP) and extended the sunset date of DROP to January 1, 2025.

**SB 9:**

Transferred \$115,000,000 from the state general fund to the KPERS trust fund during FY2019.

**House Sub for SB 25 (2019 Appropriation act):**

Section 55(b) null and voided the FY19 transfer of up to \$56,000,000 contingent upon actual revenues exceeding the most recent joint estimate of revenue and Section 56(e), which transferred \$51,000,000 from the state general fund to the KPERS trust fund.