AN ACT concerning retirement and pensions; relating to the Kansas public employees retirement system; adjusting the frequency of the actuarial experience study; amending K.S.A. 74-4908 and 74-4908a and repealing the existing sections.

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

Section. 1. K.S.A. 74-4908 is hereby amended to read as follows: 74-4908. (1) The board shall appoint an executive director and shall establish the compensation therefor. Subject to the direction of the board, the executive director shall be the managing officer of the system and shall have charge of the office, records and supervision and direction of the employees of the system. The executive director shall be in the unclassified service under the Kansas civil service act.

(2) The executive director shall recommend to the board the administrative organization, the number and qualifications of employees necessary to carry out the intent of this act and the directions of the board. Upon approval of the board, the executive director is authorized to employ such persons in accordance with the Kansas civil service act.

(3) The board of trustees shall select and employ or retain a qualified actuary who shall serve at its pleasure as its technical advisor on matters regarding operation of the system. The actuary shall:

(a) Make an annual valuation of the liabilities and reserves of the system, and a determination of the contributions required by the system to discharge its liabilities and administrative costs under this act, and recommend to the board rates of employer contributions required to establish and maintain the system on an actuarial reserve basis. Such recommended employer contributions shall not be based on any other purpose outside of the needs of the system as prescribed by this subsection;

(b) As soon after the effective date as practicable and once every three years thereafter, commencing from the most recent actuarial experience study completed prior to July 1, 2021, every four years, or more or less frequently if deemed necessary by the board in the exercise of the board's fiduciary duty to act in the best interest of the Kansas public employees retirement fund, make a general investigation of the actuarial experience under the system including mortality, retirement, employment
shall be conducted by an actuary other than the actuary employed or
retained by the board pursuant to subsection (3) of K.S.A. 74-4908(3), and
amendments thereto. Such independent audit and evaluation shall include
a review of all assumptions, evaluations and methodology utilized by the
actuary employed or retained by the board as provided in subsection (3) of
K.S.A. 74-4908(3), and amendments thereto, and shall express an opinion
regarding the reasonableness or accuracy of the actuarial assumptions,
actuarial cost methods, valuation results and statutory contribution rates
and shall include certifications that the actuarial valuation report was
performed by a qualified actuary, that the valuation was prepared in
accordance with principles of practices prescribed by the actuarial
standards board and that the actuarial calculations were performed by
qualified actuaries in accordance with accepted actuarial procedures and
that such actuary conducting the independent actuarial audit and
evaluation shall perform test work on the data used by the system for the
annual valuation and three year performance actuarial experience review
required by K.S.A. 74-4908, and amendments thereto. The actuary
classifying the independent actuarial audit and evaluation as required by
this section shall be employed by the legislative coordinating council as
provided in K.S.A. 46-1204, and amendments thereto.
Sec. 3. K.S.A. 74-4908 and 74-4908a are hereby repealed.
Sec. 4. This act shall take effect and be in force from and after its
publication in the