AN ACT concerning retirement and pensions; relating to the Kansas public employees retirement system; normal retirement date; amending K.S.A. 74-4914c and K.S.A. 2010 Supp. 74-4914 and 74-4937 and repealing the existing sections.

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

Section 1. K.S.A. 2010 Supp. 74-4914 is hereby amended to read as follows: 74-4914. (1) The normal retirement date for a member of the system shall be the first day of the month coinciding with or following termination of employment with any participating employer not followed by employment with any participating employer within 60 days and the attainment of age 65 or, commencing July 1, 1993, age 62 with the completion of 10 years of credited service or the first day of the month coinciding with or following the date that the total of the number of years of credited service and the number of years of attained age of the member is equal to or more than 85, and on and after July 1, 2012, the first day of the month coinciding with or following the date the total of such years of credited service and attained age is equal to or more than 86, such required total to be increased by one in each subsequent year thereafter until such required total is 95, to be effective on and after July 1, 2021. Members of the system who reach the required total of 85 and meet the requirement for normal retirement pursuant to the law in effect prior to July 1, 2012, remain eligible for normal retirement thereafter. In no event shall a normal retirement date for a member be before six months after the entry date of the participating employer by whom such member is employed. A member may retire on the normal retirement date or on the first day of any month thereafter upon the filing with the office of the retirement system of an application in such form and manner as the board shall prescribe. Nothing herein shall prevent any person, member or retirant from being employed, appointed or elected as an employee, appointee, officer or member of the legislature. Elected officers may retire from the system on any date on or after the attainment of the normal retirement date, but no retirement benefits payable under this act shall be paid until the member has terminated such member's office.

(2) No retirant shall make contributions to the system or receive service credit for any service after the date of retirement.
(3) Any member who is an employee of an affiliating employer pursuant to K.S.A. 74-4954b and amendments thereto and has not withdrawn such member's accumulated contributions from the Kansas police and firemen's retirement system may retire before such member's normal retirement date on the first day of any month coinciding with or following the attainment of age 55.

(4) Any member may retire before such member's normal retirement date on the first day of any month coinciding with or following termination of employment with any participating employer not followed by employment with any participating employer within 60 days and the attainment of age 55 with the completion of 10 years of credited service, but in no event before six months after the entry date, upon the filing with the office of the retirement system of an application for retirement in such form and manner as the board shall prescribe.

(5) On or after July 1, 2006, for any retirant who is first employed or appointed in or to any position or office by a participating employer other than a participating employer for which such retirant was employed or appointed during the final two years of such retirant's participation, and, on or after April 1, 2009, for any retirant who is employed by a third-party entity who contracts services with a participating employer other than a participating employer for which such retirant was employed or appointed during the final two years of such retirant's participation to fill a position covered under subsection (a) of K.S.A. 72-5410, and amendments thereto, with such retirant, such participating employer shall pay to the system the actuarially determined employer contribution and the statutorily prescribed employee contribution based on the retirant's compensation during any such period of employment or appointment. If a retirant who retired on or after July 1, 1988, is employed or appointed in or to any position or office for which compensation for service is paid in an amount equal to $20,000 or more in any one such calendar year, by any participating employer for which such retirant was employed or appointed during the final two years of such retirant's participation, and, on or after April 1, 2009, by any third-party entity who contracts services to fill a position covered under subsection (a) of K.S.A. 72-5410, and amendments thereto, with such retirant with a participating employer for which such retirant was employed or appointed during the final two years of such retirant's participation, such retirant shall not receive any retirement benefit for any month for which such retirant serves in such position or office. The participating employer who employs such retirant whether by contract directly with the retirant or through an arrangement with a third-party entity shall report to the system within 30 days of when the compensation paid to the retirant is equal to or exceeds any limitation provided by this section. Any participating employer who contracts services with any such
third-party entity to fill a position covered under subsection (a) of K.S.A. 72-5410, and amendments thereto, shall include in such contract a provision or condition which requires the third-party entity to provide the participating employer with the necessary compensation paid information related to any such position filled by the third-party entity with a retirant to enable the participating employer to comply with provisions of this subsection relating to the payment of contributions and reporting requirements. The provisions and requirements provided for in amendments made in this act which relate to positions filled with a retirant or employment of a retirant by a third-party entity shall not apply to any contract for services entered into prior to April 1, 2009, between a participating employer and third-party entity as described in this subsection. Any retirant employed by a participating employer or a third-party entity as provided in this subsection shall not make contributions nor receive additional credit under such system for such service except as provided by this section. Upon request of the executive director of the system, the secretary of revenue shall provide such information as may be needed by the executive director to carry out the provisions of this act. The provisions of this subsection shall not apply to members of the legislature prior to January 8, 2000. The provisions of this subsection shall not apply to any other elected officials prior to the term of office which commences on or after July 1, 2000. The provisions of this subsection shall apply to members of the legislature. For determination of the amount of compensation paid pursuant to this subsection, for members of the legislature, compensation shall include any amount paid as provided pursuant to subsections (a), (b), (c) and (d) of K.S.A. 46-137a, and amendments thereto, or pursuant to K.S.A. 46-137b, and amendments thereto. Notwithstanding any provision of law to the contrary, when a member of the legislature is paid an amount of compensation of $20,000 or more in any one calendar year, the member may continue to receive any amount provided in subsections (b) and (d) of K.S.A. 46-137a, and amendments thereto, and still be entitled to receive such member's retirement benefit. Commencing July 1, 2005, the provisions of this subsection shall not apply to retirants who either retired under the provisions of subsection (1), or, if they retired under the provisions of subsection (4), were retired more than 30 days prior to the effective date of this act and are licensed professional nurses or licensed practical nurses employed by the state of Kansas in an institution as
defined in subsection (b) of K.S.A. 76-12a01 or subsection (f) of K.S.A. 38-2302, and amendments thereto, the Kansas soldiers' home or the Kansas veterans' home. Nothing in this subsection shall be construed to create any right, or to authorize the creation of any right, which is not subject to amendment or nullification by act of the legislature. The participating employer of such retirant shall pay to the system the actuarially determined employer contribution based on the retirant's compensation during any such period of employment.

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

Sec. 2. K.S.A. 74-4914c is hereby amended to read as follows:

74-4914c. (1) Notwithstanding the provisions of K.S.A. 74-4914, 74-4915 and subsection (23) of K.S.A. 74-4902, and amendments thereto, the normal retirement date for all security officers, as defined by paragraph (a) or (b) of subsection (1) of K.S.A. 74-4914a, and amendments thereto, with at least three consecutive years of service as such security officer immediately preceding the date of retirement, shall be the first day of the month coinciding with or following the attainment of age 55, and commencing July 1, 2000, the first day of the month coinciding with or following the date that the total of the number of years of credited service and the number of years of attained age of the security officer is equal to or more than 85, and on and after July 1, 2012, the first day of the month coinciding with or following the date the total of such years of credited service and attained age is equal to or more than 86, such required total to be increased by one in each subsequent year thereafter until such required total is 95, to be effective on and after July 1, 2021. Members of the system who reach the required total of 85 and meet the requirement for normal retirement pursuant to the law in effect prior to July 1, 2012, remain eligible for normal retirement thereafter. Any such security officer may retire before such normal retirement date on the first day of any month coinciding with or following the attainment of age 50 or completion of 10 years of credited service, whichever occurs later.

(2) (a) Except as otherwise provided in paragraph (b) of this subsection (2), any security officer, as defined by paragraph (a) or (b) of subsection (1) of K.S.A. 74-4914a, and amendments thereto, who retires before the normal retirement date shall receive an annual retirement benefit equal to the annual retirement benefit payable had such security officer retired on the normal retirement date but based upon such security
officer's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the product of (i) such annual retirement benefit payable had such security officer retired on the normal retirement date, multiplied by (ii) the product of .6% multiplied by the number of months difference, to the nearest whole month, between such security officer's attained age at the time of retirement and age 55.

(b) Any security officer, as defined by paragraph (a) or (b) of subsection (1) of K.S.A. 74-4914a and amendments thereto, who retires on or after July 1, 1982, and prior to July 1, 1987, before the normal retirement date shall receive an annual retirement benefit equal to the annual retirement benefit payable had such security officer retired on the normal retirement date but based upon such security officer's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the product of (i) such annual retirement benefit payable had such security officer retired on the normal retirement date, multiplied by (ii) the product of .3% multiplied by the number of months difference, to the nearest whole month, between such security officer's attained age at the time of retirement and age 55.

(c) Any security officer, as defined by paragraph (a) or (b) of subsection (1) of K.S.A. 74-4914a, and amendments thereto, who retires on or after July 1, 1990, before the normal retirement date shall receive an annual retirement benefit equal to the annual retirement benefit payable had such security officer retired on the normal retirement date but based upon such security officer's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the product of (i) such annual retirement benefit payable had such security officer retired on the normal retirement date, multiplied by (ii) the product of .2% multiplied by the number of months difference, to the nearest whole month, between such security officer's attained age at the time of retirement and age 55.

(3) Notwithstanding the provisions of K.S.A. 74-4914, 74-4915 and subsection (23) of K.S.A. 74-4902, and amendments thereto, the normal retirement date for all security officers, as defined by paragraph (c), (d), (e) or (f) of subsection (1) of K.S.A. 74-4914a, and amendments thereto, with at least three consecutive years of service as such security officer immediately preceding the date of retirement, shall be the first day of the month coinciding with or following the attainment of age 60, and commencing July 1, 2000, the first day of the month coinciding with or following the date that the total of the number of years of credited service and the number of years of attained age of the security officer is equal to or more than 85. Any such security officer may retire before such normal retirement date on the first day of any month coinciding with or following
the attainment of age 55 or completion of 10 years of credited service, whichever occurs later.

(4) (a) Except as otherwise provided in paragraph (b) of this subsection (4), any security officer, as defined by paragraph (c), (d), (e) or (f) of subsection (1) of K.S.A. 74-4914a, and amendments thereto, who retires before the normal retirement date shall receive an annual retirement benefit equal to the annual retirement benefit payable had such security officer retired on the normal retirement date but based upon such security officer's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the product of (i) such annual retirement benefit payable had such security officer retired on the normal retirement date, multiplied by (ii) the product of .6% multiplied by the number of months difference, to the nearest whole month, between such security officer's attained age at the time of retirement and age 60.

(b) Any security officer, as defined by paragraph (c), (d), (e) or (f) of subsection (1) of K.S.A. 74-4914a, and amendments thereto, who retires on or after July 1, 1982, and prior to July 1, 1987, before the normal retirement date shall receive an annual retirement benefit equal to the annual retirement benefit payable had such security officer retired on the normal retirement date but based upon such security officer's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the product of (i) such annual retirement benefit payable had such security officer retired on the normal retirement date, multiplied by (ii) the product of .3% multiplied by the number of months difference, to the nearest whole month, between such security officer's attained age at the time of retirement and age 60.

(c) Any security officer, as defined by paragraph (c), (d), (e) or (f) of subsection (1) of K.S.A. 74-4914a, and amendments thereto, who retires on or after July 1, 1990, before the normal retirement date shall receive an annual retirement benefit equal to the annual retirement benefit payable had such security officer retired on the normal retirement date but based upon such security officer's final average salary and years of participating and prior service credited to the date of actual retirement reduced by an amount equal to the product of (i) such annual retirement benefit payable had such security officer retired on the normal retirement date, multiplied by (ii) the product of .2% multiplied by the number of months difference, to the nearest whole month, between such security officer's attained age at the time of retirement and age 60.

Sec. 3. K.S.A. 2010 Supp. 74-4937 is hereby amended to read as follows: 74-4937. (1) The normal retirement date of a member of the system who is in school employment and who is subject to K.S.A. 74-4940, and amendments thereto, shall be the first day of the month
coinciding with or following termination of employment not followed by employment with any participating employer within 60 days and the attainment of age 65 or, commencing July 1, 1986, age 65 or age 60 with the completion of 35 years of credited service or at any age with the completion of 40 years of credited service, or commencing July 1, 1993, any alternative normal retirement date already prescribed by law or age 62 with the completion of 10 years of credited service or, prior to July 1, 2012, the first day of the month coinciding with or following the date that the total of the number of years of credited service and the number of years of attained age of the member is equal to or more than 85, and on and after July 1, 2012, the first day of the month coinciding with or following the date the total of such years of credited service and attained age is equal to or more than 86, such required total to be increased by one in each subsequent year thereafter until such required total is 95, to be effective on and after July 1, 2021. Members of the system who reach the required total of 85 and meet the requirement for normal retirement pursuant to the law in effect prior to July 1, 2012, remain eligible for normal retirement thereafter. Each member upon giving prior notice to the appointing authority and the retirement system may retire on the normal retirement date or the first day of any month thereafter.

(2) Any member who is in school employment and who is subject to K.S.A. 74-4940, and amendments thereto, may retire before such member's normal retirement date on the first day of the month coinciding with or following termination of employment not followed by employment with any participating employer within 60 days and the attainment of age 55 with the completion of 10 years of credited service, upon the filing with the office of the retirement system of an application for retirement in such form and manner as the board shall prescribe.

(3) Commencing July 1, 2009, the provisions of subsection (5) of K.S.A. 74-4914, and amendments thereto, which relate to an earnings limitation which when met or exceeded requires that the retirant not receive a retirement benefit for any month for which such retirant serves in a position as described herein shall not apply to retirants who either retired under the provisions of subsection (l) of K.S.A. 74-4914, and amendments thereto, related to normal retirement, or, if they retired under the provisions of subsection (4) of K.S.A. 74-4914, and amendments thereto, related to early retirement, were retired more than 60 days prior to the effective date of this act, and are subsequently hired in a position that requires a license under K.S.A. 72-1388, and amendments thereto, or other provision of law. The provisions of this subsection do not apply to retirants who retired under subsection (4) of K.S.A. 74-4914, and amendments thereto, which relates to early retirement prior to age 62. Except as otherwise provided, when a retirant is employed by the same school
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district or a different school district with which such retirant was employed during the final two years of such retirant's participation or employed by a third-party entity who contracts services with a school district to fill a position as described in this subsection, the participating employer of such retirant shall pay to the system the actuarially determined employer contribution based on the retirant's compensation during any such period of employment plus 8%. The provisions of this subsection shall not apply to retirants employed as substitute teachers. The provisions of subsection (5) of K.S.A. 74-4914, and amendments thereto, shall be applicable to retirants employed as described in this subsection, except as specifically provided in this subsection. Nothing in this subsection shall be construed to create any right, or to authorize the creation of any right, which is not subject to amendment or nullification by act of the legislature. The provisions of this subsection shall expire on July 1, 2012. After such date the Kansas public employees retirement system and its actuary shall report the experience to the joint committee on pensions, investments and benefits.

Sec. 4. K.S.A. 74-4914c and K.S.A. 2010 Supp. 74-4914 and 74-4937 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.