14-10a02. Pension funds for police and fire departments; establishment, maintenance and funding; tax levy, use of proceeds; employee benefits contribution fund. The governing bodies of all cities of the second class, with a population in excess of 6,000 located in counties having a population of 10,000 or more, maintaining an organized police and fire department, may establish and maintain a separate pension fund for each department, which shall be set aside and used exclusively for the payment of pensions and disability benefits as authorized in K.S.A. 14-10a01 et seq., and amendments thereto. Whenever the amount of any benefit is to be determined on the basis of actuarial assumptions, the assumptions shall be specified in a way that precludes employer discretion. Each such pension fund shall be maintained and funded in accordance with the minimum funding standards prescribed in K.S.A. 12-5002, and amendments thereto. For the purpose of creating, maintaining and funding such pension funds, the governing body of each such city of the second class is hereby authorized and shall:

(a) Accept gifts, grants, bequests, gratuities or any other money and credit the same to the pension fund designated by the donor;

(b) levy an assessment against each officer and member of each department equal to 7% of such officer's or member's monthly salary or compensation, such assessment amount to be deducted from the regular payroll and to be transferred into such pension fund;

(c) place into such funds the proceeds of all lost or stolen securities, money or personal property which shall remain unclaimed in possession of any department of the city for six months, together with the proceeds of all unclaimed or confiscated property of any nature which shall have been in custody of the police department for a period of six months. The city is authorized to sell at public auction such property and place the proceeds into such pension funds in equal shares;

(d) transfer into such pension funds the unencumbered balance, including investments, in any existing pension fund or funds, except that if there is more than one pension fund existing in such city then each of such existing funds, other than the firemen's and policemen's relief funds, shall be transferred into the new pension fund of a like classification. Upon the termination of any pension fund or funds, the rights of members to benefits accrued at the date of termination to the extent funded or to the amount in members' accounts at the date of termination are nonforfeitable;

(e) carry forward the balance in such funds at the close of each budget year as revenue for the next ensuing year;

(f) transfer into said fund any proceeds from any municipally owned utility at the discretion of the governing body;

(g) levy annually at the time for the levying of taxes for city purposes, a tax upon all of the taxable tangible property in such city for each pension fund to make annual contributions to each pension fund as required under K.S.A. 12-5002, and amendments thereto, and to maintain and fund each pension fund on an actuarial reserve basis in accordance with the provisions of K.S.A. 14-10a05, and amendments thereto, and to pay a portion of the principal and interest on bonds issued by such city under the authority of K.S.A. 12-1774, and amendments thereto. In lieu of levying the tax authorized in this section, the annual contribution required of the city may be paid from any employee benefits contribution fund established pursuant to K.S.A. 12-16,102, and amendments thereto; and

(h) administer such funds in the manner required to satisfy the applicable qualification requirements for governmental plans as specified in the federal internal revenue code of 1954 or 1986, as in effect on July 1, 2008, and as applicable for a governmental plan in accordance with the provisions of K.S.A. 74-49,123, and amendments thereto.

History: L. 1945, ch. 144, § 2; L. 1970, ch. 81, § 15; L. 1975, ch. 494, § 27; L. 1976, ch. 89, § 5; L. 1978, ch. 67, § 5; L. 1979, ch. 52, § 76; L. 1998, ch. 64, § 10; L. 2008, ch. 113, § 5; July 1.