

**SENATE BILL No. 86**

By Joint Committee on Pensions, Investments and Benefits

1-27

Proposed amendment to SB 86  
House Committee on Insurance and Pensions  
March 17, 2021  
Changing effective date to "Kansas register"  
Prepared by Office of Revisor of Statutes

1 AN ACT concerning retirement and pensions; relating to the Kansas public  
2 employees retirement system and retirement systems thereunder;  
3 conforming certain KPERS provisions with the federal CARES act;  
4 amending K.S.A. 74-49,123 and repealing the existing section.  
5

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

7 Section 1. K.S.A. 74-49,123 is hereby amended to read as follows:  
8 74-49,123. (a) This section applies to the Kansas public employees  
9 retirement system and to all other public retirement plans administered by  
10 the board of trustees.

11 (b) As used in this section:

12 (1) "Federal internal revenue code" means the federal internal  
13 revenue code of 1954 or 1986, as amended and as applicable to a  
14 governmental plan as in effect on July 1, 2008; and

15 (2) "retirement plan" includes the Kansas public employees  
16 retirement system and all other Kansas public retirement plans and benefit  
17 structures, which are administered by the board.

18 (c) In addition to the federal internal revenue code provisions  
19 otherwise noted in each retirement plan's law, and in order to satisfy the  
20 applicable requirements under the federal internal revenue code, the  
21 retirement plans shall be subject to the following provisions,  
22 notwithstanding any other provision of the retirement plan's law:

23 (1) The board shall distribute the corpus and income of the retirement  
24 plan to the members and their beneficiaries in accordance with the  
25 retirement plan's law. At no time prior to the satisfaction of all liabilities  
26 with respect to members and their beneficiaries shall any part of the corpus  
27 and income be used for, or diverted to, purposes other than the exclusive  
28 benefit of the members and their beneficiaries.

29 (2) Forfeitures arising from severance of employment, death or for  
30 any other reason may not be applied to increase the benefits any member  
31 would otherwise receive under the retirement plan's law. However,  
32 forfeitures may be used to reduce an employer's contribution.

33 (3) All benefits paid from the retirement plan shall be distributed in  
34 accordance with a good faith interpretation of the requirements of section  
35 401(a)(9) of the federal internal revenue code and the regulations under  
36 that section. Notwithstanding any other provision of these rules and

1 "actuarial computation" for members hired prior to July 1, 2009, the board  
2 shall use the following:

3 (A) The applicable mortality table is specified in revenue ruling  
4 2001-62 or revenue ruling 2007-67, as applicable; and

5 (B) the applicable interest factor is the actuarially assumed rate of  
6 return established by the board.

7 (2) For purposes of determining an "actuarial equivalent" or an  
8 "actuarial computation" for members hired on or after July 1, 2009, the  
9 board shall use the following:

10 (A) The applicable mortality table is the <sup>50</sup>/<sub>50</sub> male/female blend of the  
11 RP 2000 health annuitant mortality table, projected to 2025; and

12 (B) the applicable interest factor is the actuarially assumed rate of  
13 return established by the board.

14 (3) For converting amounts payable under the partial lump sum  
15 option, the board shall use the following:

16 (A) The applicable mortality table is a <sup>50</sup>/<sub>50</sub> male/female blend of the  
17 1983 group annuity mortality table; and

18 (B) the applicable interest factor is the actuarially assumed rate of  
19 return established by the board.

20 (4) For benefit testing under section 415(b) of the federal internal  
21 revenue code, the factors required by treasury regulations shall be used.

22 The applicable mortality table is specified in revenue ruling 2001-62 for  
23 years prior to January 1, 2009, and notice 2008-85 for years after  
24 December 31, 2008.

25 Sec. 2. K.S.A. 74-49,123 is hereby repealed.

26 Sec. 3. This act shall take effect and be in force from and after its  
27 publication in the ~~statute book~~.