

SENATE BILL No. 364

By Joint Committee on Pensions, Investments and Benefits

2-22

9 AN ACT concerning retirement and pensions; relating to the Kansas
10 public employees retirement system; providing a permanent cost-of-
11 living adjustment; employee contributions; amending K.S.A. 74-4919
12 and repealing the existing section.
13

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

15 New Section 1. (a) Beginning July 1, 2010, and on July 1 of each year
16 thereafter, the retirement benefit, pension or annuity payments to each
17 retirant shall be increased by an annual cost-of-living adjustment in an
18 amount equal to 2.0% multiplied by the annual retirement benefit, pen-
19 sion or annuity payment in effect on that date and shall be paid by the
20 system to the retirant during each such period. The first increase for a
21 retirant shall be on the second July 1 following the member's retirement
22 date. Subsequent increases shall occur on each July 1 thereafter.

23 (b) As used in this section, "retirant" means: (A) Any person who is
24 a member or special member of the Kansas public employees retirement
25 system, who retires after July 1, 2009, and who is at least 65 years of age;
26 and (B) any person who is a joint annuitant or beneficiary of any member
27 or special member described in clause (A).

28 Sec. 2. K.S.A. 74-4919 is hereby amended to read as follows: 74-
29 4919. (1) Each participating employer, beginning with the first payroll for
30 services performed after the entry date, shall deduct from the compen-
31 sation of each member 4% of such member's compensation as employee
32 contributions, *except that commencing with the first payroll period co-*
33 *inciding with or following July 1, 2009, 6% of such member's compen-*
34 *sation as employee contributions*. Such deductions shall be remitted quar-
35 terly, or as the board may otherwise provide, to the executive director for
36 deposit in the Kansas public employees retirement fund. Such deductions
37 shall be credited to the members' individual accounts and interest shall
38 be added annually to such accounts.

39 (2) (a) Subject to the provisions of K.S.A. 74-49,123 and amend-
40 ments thereto, each participating employer, pursuant to the provisions of
41 section 414(h)(2) of the federal internal revenue code, shall pick up and
42 pay the contributions which would otherwise be payable by members as
43 prescribed in subsection (1) commencing with the third quarter of 1984.

1 The contributions so picked up shall be treated as employer contributions
2 for purposes of determining the amounts of federal income taxes to with-
3 hold from the member's compensation.

4 (b) Member contributions picked up by the employer shall be paid
5 from the same source of funds used for the payment of compensation to
6 a member. A deduction shall be made from each member's compensation
7 equal to the amount of the member's contributions picked up by the
8 employer, provided that such deduction shall not reduce the member's
9 compensation for purposes of computing benefits under the system.

10 (c) Member contributions picked up by the employer shall be remit-
11 ted quarterly, or as the board may otherwise provide, to the executive
12 director for credit to the Kansas public employees retirement fund. Such
13 contributions shall be credited to a separate account within the member's
14 individual account so that amounts contributed by the member com-
15 mencing with the third quarter of 1984 may be distinguished from the
16 member contributions picked up by the employer. Interest shall be added
17 annually to members' individual accounts.

18 Sec. 3. K.S.A. 74-4919 is hereby repealed.

19 Sec. 4. This act shall take effect and be in force on and after July 1,
20 2009, and its publication in the statute book.