

HOUSE BILL No. 2673

By Committee on Appropriations

1-24

10 AN ACT concerning retirement and pensions; relating to the Kansas
11 public employees retirement system; regarding employment after re-
12 tirement for licensed professional nurses and licensed practical nurses
13 at state institutions; **[purchase of service credit;] [postretirement**
14 **benefit adjustment, lottery revenue fund;]** amending K.S.A. 2007
15 Supp. 74-4914 **[and 74-8768]** and repealing the existing ~~section~~
16 **[sections]**.
17

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

19 Section 1. K.S.A. 2007 Supp. 74-4914 is hereby amended to read as
20 follows: 74-4914. (1) The normal retirement date for a member of the
21 system shall be the first day of the month coinciding with or following
22 termination of employment with any participating employer not followed
23 by employment with any participating employer within 30 days and the
24 attainment of age 65 or, commencing July 1, 1993, age 62 with the com-
25 pletion of 10 years of credited service or the first day of the month co-
26 inciding with or following the date that the total of the number of years
27 of credited service and the number of years of attained age of the member
28 is equal to or more than 85. In no event shall a normal retirement date
29 for a member be before six months after the entry date of the participating
30 employer by whom such member is employed. A member may retire on
31 the normal retirement date or on the first day of any month thereafter
32 upon the filing with the office of the retirement system of an application
33 in such form and manner as the board shall prescribe. Nothing herein
34 shall prevent any person, member or retirant from being employed, ap-
35 pointed or elected as an employee, appointee, officer or member of the
36 legislature. Elected officers may retire from the system on any date on
37 or after the attainment of the normal retirement date, but no retirement
38 benefits payable under this act shall be paid until the member has ter-
39 minated such member's office.

40 (2) No retirant shall make contributions to the system or receive serv-
41 ice credit for any service after the date of retirement.

42 (3) Any member who is an employee of an affiliating employer pur-
43 suant to K.S.A. 74-4954b and amendments thereto and has not withdrawn

1 such member's accumulated contributions from the Kansas police and
2 firemen's retirement system may retire before such member's normal
3 retirement date on the first day of any month coinciding with or following
4 the attainment of age 55.

5 (4) Any member may retire before such member's normal retirement
6 date on the first day of any month coinciding with or following termination
7 of employment with any participating employer not followed by employ-
8 ment with any participating employer within 30 days and the attainment
9 of age 55 with the completion of 10 years of credited service, but in no
10 event before six months after the entry date, upon the filing with the
11 office of the retirement system of an application for retirement in such
12 form and manner as the board shall prescribe.

13 (5) On or after July 1, 2006, for any retirant who is first employed or
14 appointed in or to any position or office by a participating employer other
15 than a participating employer for which such retirant was employed or
16 appointed during the final two years of such retirant's participation, such
17 participating employer shall pay to the system the actuarially determined
18 employer contribution and the statutorily prescribed employee contri-
19 bution based on the retirant's compensation during any such period of
20 employment or appointment. If a retirant who retired on or after July 1,
21 1988, is employed or appointed in or to any position or office for which
22 compensation for service is paid in an amount equal to \$15,000 or more,
23 ~~or commencing in calendar year [years] 2006 [and 2007], and all cal-~~
24 ~~endar years thereafter, [an amount equal to] \$20,000 or more in any~~
25 ~~one such calendar year[, or commencing in calendar year 2008, and~~
26 ~~all calendar years thereafter, an amount equal to \$25,000 or more~~
27 ~~in any one such calendar year], by any participating employer for~~
28 ~~which such retirant was employed or appointed during the final two years~~
29 ~~of such retirant's participation, such retirant shall not receive any retire-~~
30 ~~ment benefit for any month for which such retirant serves in such position~~
31 ~~or office. The participating employer shall report to the system within 30~~
32 ~~days of when the compensation paid to the retirant is equal to or exceeds~~
33 ~~any limitation provided by this section. Any retirant employed by a par-~~
34 ~~ticipating employer shall not make contributions nor receive additional~~
35 ~~credit under such system for such service except as provided by this sec-~~
36 ~~tion. Upon request of the executive director of the system, the secretary~~
37 ~~of revenue shall provide such information as may be needed by the ex-~~
38 ~~ecutive director to carry out the provisions of this act. The provisions of~~
39 ~~this subsection shall not apply to retirants employed as substitute teachers~~
40 ~~or officers, employees or appointees of the legislature. The provisions of~~
41 ~~this subsection shall not apply to members of the legislature prior to~~
42 ~~January 8, 2000. The provisions of this subsection shall not apply to any~~
43 ~~other elected officials prior to the term of office of such elected official~~

1 which commences on or after July 1, 2000. The provisions of this sub-
2 section shall apply to any other elected official on and after the term of
3 office of such other elected official which commences on or after July 1,
4 2000. Except as otherwise provided, commencing January 8, 2001, the
5 provisions of this subsection shall apply to members of the legislature.
6 For determination of the amount of compensation paid pursuant to this
7 subsection, for members of the legislature, compensation shall include
8 any amount paid as provided pursuant to subsections (a), (b), (c) and (d)
9 of K.S.A. 46-137a, and amendments thereto, or pursuant to K.S.A. 46-
10 137b, and amendments thereto. Notwithstanding any provision of law to
11 the contrary, when a member of the legislature is paid an amount of
12 compensation of \$15,000 or more, ~~or commencing in calendar year~~
13 ~~[years] 2006 [and 2007], and all calendar years thereafter, [an amount~~
14 ~~equal to] \$20,000 or more in any one calendar year[, or commencing~~
15 ~~in calendar year 2008, and all calendar years thereafter, an amount~~
16 ~~equal to \$25,000 or more in any one such calendar year], the mem-
17 ber may continue to receive any amount provided in subsections (b) and
18 (d) of K.S.A. 46-137a, and amendments thereto, and still be entitled to
19 receive such member's retirement benefit. Commencing July 1, 2005,
20 ~~and ending June 30, 2008~~, the provisions of this subsection shall not apply
21 to retirants who either retired under the provisions of subsection (1), or,
22 if they retired under the provisions of subsection (4), were retired more
23 than 30 days prior to the effective date of this act and are licensed pro-
24 fessional nurses or licensed practical nurses employed by the state of
25 Kansas ~~at the Osawatimic state hospital, Rainbow mental health facility,~~
26 ~~Larned state hospital, Parsons state hospital and training center, Kansas~~
27 ~~neurological institute in an institution as defined in subsection (b) of~~
28 ~~K.S.A. 76-12a01 or subsection (f) of K.S.A. 38-2302, the Kansas soldiers'~~
29 ~~home or the Kansas veterans' home. The participating employer of such~~
30 ~~retirant shall pay to the system the actuarially determined employer con-~~
31 ~~tribution based on the retirant's compensation during any such period of~~
32 ~~employment.~~~~

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

40 **[New Sec. 2. Any member of the Kansas public employees re-**
41 **irement system may purchase up to two years of participating**
42 **service credit for service as approved, directly related journeyman**
43 **experience above the apprenticeship as required by K.A.R. 91-1-9**

1 prior to the revocation of such regulation on May 1, 1982, or K.A.R.
2 91-1-39 prior to the revocation of such regulation on June 30,
3 2003, for day trade, personal service and public service teachers
4 which commenced on or after January 1, 1962. Such purchase of
5 participating service credit shall be made in accordance with the
6 provisions of K.S.A. 74-49,123, and amendments thereto. The ben-
7 efit for each such period of service purchased by the member shall
8 be equal to 1.75% of the final average salary of any such member.
9 Such member may purchase such participating service credit by
10 submitting proof of such service acceptable to the board of trust-
11 tees and by making application therefor prior to the date of re-
12 tirement of such member for such purchase and to have such mem-
13 ber's employee contributions deducted from such member's
14 compensation at an additional rate of contribution, in addition to
15 the employee's rate of contribution as provided in K.S.A. 74-4919,
16 and amendments thereto, based upon the member's attained age
17 at the time of purchase and using actuarial assumptions and tables
18 in use by the retirement system at such time of purchase for such
19 periods of service. Such additional rate of contribution shall com-
20 mence at the beginning of the quarter following the date upon
21 which such member made application for such purchase and shall
22 remain in effect until all of the full quarters of such service have
23 been purchased. In lieu of the deduction of employee contribu-
24 tions as provided in this section, any such member may purchase
25 such participating service credit by means of a single lump-sum
26 payment in an amount equal to the then present value of benefits
27 being purchased as determined by the actuary using the member's
28 attained age at the time of purchase, annual compensation at the
29 time of purchase and the actuarial assumptions and tables cur-
30 rently in use by the system. The lump-sum payment shall be made
31 immediately upon being notified of the amount due under this
32 purchase method. The provisions of this section shall be part of
33 and supplemental to the provisions of K.S.A. 74-4901 et seq., and
34 amendments thereto.]

35 [New Sec. 3. (a) The retirement benefit, pension or annuity
36 payments accruing after June 30, 2008, to each retirant shall be
37 increased by an amount equal to 3.0% of the retirement benefit,
38 pension or annuity payment in effect on July 1, 2008, from the
39 retirant's retirement system and shall be paid by such retirement
40 system to the retirant during such period.

41 [(b) As used in this section:

42 [(1) "Retirant" means (A) any person who is a member or spe-
43 cial member of a retirement system and who retired prior to July

1 **1, 2007, and (B) any person who is a joint annuitant or beneficiary**
2 **of any member described in clause (A).**

3 [(2) “Retirement system” means the Kansas public employees
4 retirement system, the Kansas police and firemen’s retirement sys-
5 tem, the state school retirement system and the retirement system
6 for judges.

7 [Sec. 4. K.S.A. 2007 Supp. 74-8768 is hereby amended to read
8 as follows: 74-8768. [(a) There is hereby created the expanded lot-
9 tery act revenues fund in the state treasury. All expenditures and
10 transfers from such fund shall be made in accordance with appro-
11 priation acts. All moneys credited to such fund shall be expended
12 or transferred only for the purposes of *payment of the postretirement*
13 *benefit payment for members of the Kansas public employees retirement*
14 *system as provided by subsection (b), reduction of state debt, state*
15 **infrastructure improvements and reduction of local ad valorem tax**
16 **in the same manner as provided for allocation of amounts in the**
17 **local ad valorem tax reduction fund.**

18 [(b) *On or before the 15th day of each calendar month prior to Au-*
19 *gust, 2009, and each year thereafter, the director of accounts and reports*
20 *shall transfer from the expanded lottery act revenues fund to the Kansas*
21 *public employees retirement fund an amount equal to 30% of all moneys*
22 *credited to the expanded lottery act revenues fund during the preceding*
23 *month. Moneys transferred pursuant to this subsection shall be used only*
24 *to pay the postretirement benefit payment as provided in section 2, and*
25 *amendments thereto.*]

26 Sec. 2 [5]. K.S.A. 2007 Supp. 74-4914 is [and 74-8768 are] hereby
27 repealed.

28 Sec. 3 [6]. This act shall take effect and be in force from and after
29 its publication in the statute book.