

**HOUSE BILL No. 2352**

By Committee on Pensions and Benefits

2-14

1 AN ACT concerning retirement and pensions; relating to the Kansas police  
2 and firemen's retirement system; maximum retirement benefits;  
3 employee contributions; amending K.S.A. 74-4958, 74-4958a and 74-  
4 4965 and repealing the existing sections.  
5

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

7 Section 1. K.S.A. 74-4958 is hereby amended to read as follows: 74-  
8 4958. (1) Any member who retires on or after July 1, 1993, shall be  
9 entitled to receive an age and service retirement benefit equal to 2.5% of  
10 such member's final average salary multiplied by the number of years of  
11 credited service *for which the member contributed at the contribution rate*  
12 *prescribed by subsection (1) of K.S.A. 74-4965, and amendments thereto,*  
13 *or for which such member made a lump sum repayment in accordance*  
14 *with the provisions of K.S.A. 74-4965, and amendments thereto, except*  
15 *that in no case shall such retirement benefit exceed*~~80%~~ *90% of such*  
16 *member's final average salary.*

17 (2) Any member who is appointed or employed prior to July 1, 1989,  
18 who does not make an election pursuant to K.S.A. 74-4955a, and  
19 amendments thereto, and who retires before such member's normal  
20 retirement date shall receive an early retirement benefit equal to the annual  
21 retirement benefit payable had the member retired on the normal  
22 retirement date reduced by an amount equal to the product of (A) such  
23 annual retirement benefit payable had the member retired on the normal  
24 retirement date, multiplied by (B) the product of .4% multiplied by the  
25 number of months difference, to the nearest whole month, between the  
26 member's attained age at the time of retirement and age 55.

27 (3) Upon the death after retirement of a member who was covered, up  
28 to the entry date of the member's employer, by a pension system under the  
29 provisions of K.S.A. 12-5001 to 12-5007, inclusive, and amendments  
30 thereto, or K.S.A. 13-14a01 to 13-14a14, inclusive, and amendments  
31 thereto, or K.S.A. 14-10a01 to 14-10a15, inclusive, and amendments  
32 thereto, and who had not elected to retire under one of the options  
33 provided under K.S.A. 74-4964, and amendments thereto, the member's  
34 spouse, if such spouse was the member's lawfully wedded spouse for a  
35 period of not less than one year at the time of the member's retirement or if  
36 such spouse had been the member's lawfully wedded spouse for at least

1 three years after the time of the member's retirement, shall receive: (A)  
2 Pursuant to the provisions of K.S.A. 74-49,128, and amendments thereto, a  
3 lump-sum benefit equal to  $\frac{1}{2}$  the member's final average salary at the time  
4 of the member's retirement; and (B) an annual spouse's benefit equal to  
5 75% of the member's retirement benefit payable in monthly installments,  
6 to accrue from the last day of the month following the member's date of  
7 death and ending on the last day of the month in which the spouse dies.  
8 Commencing on the effective date of this act, any surviving spouse, who  
9 was receiving benefits pursuant to this section and who had such benefits  
10 terminated by reason of such spouse's remarriage, shall be entitled to once  
11 again receive benefits pursuant to this section, except that such surviving  
12 spouse shall not be entitled to recover any benefits not received after the  
13 termination of benefits by reason of such surviving spouse's remarriage but  
14 before the effective date of this act. If there is no surviving spouse, or if  
15 after the death of the spouse there remain one or more children under the  
16 age of 18 years or one or more children under the age of 23 years who is a  
17 full-time student as provided in K.S.A. 74-49,117, and amendments  
18 thereto, the spouse's benefit shall be payable, subject to the provisions of  
19 K.S.A. 74-49,123, and amendments thereto, in equal shares to such  
20 children and each child's share shall end on the last day of the month in  
21 which such child attains the age of 18 years or dies, whichever occurs  
22 earlier or in which such child attains the age of 23 years if such child is a  
23 full-time student as provided in K.S.A. 74-49,117, and amendments  
24 thereto. Commencing on the effective date of this act, any child who was  
25 receiving benefits pursuant to this section and who had such benefits  
26 terminated by reason of such child's marriage, shall be entitled to once  
27 again receive benefits pursuant to this section subject to the limitations  
28 contained in this section, except that such child shall not be entitled to  
29 recover any benefits not received after the termination of benefits by  
30 reason of such child's marriage but before the effective date of this act. All  
31 payments due under this section to a minor shall be made to a legally  
32 appointed conservator of such minor as provided in subsection (7) of  
33 K.S.A. 74-4902, and amendments thereto. No person shall be entitled to  
34 receive more than one benefit under the provisions of this subsection. Any  
35 person who otherwise meets the qualifications to receive more than one  
36 benefit under this subsection shall elect the benefit such person shall  
37 receive.

38 (4) Upon the death after retirement of a member who had not elected  
39 to retire under one of the options provided under K.S.A. 74-4964, and  
40 amendments thereto, such member's beneficiary shall receive an amount  
41 equal to the excess, if any, of such member's accumulated contributions  
42 over the sum of all retirement benefit payments made.

43 (5) The provisions of law in effect on the retirement date of a member

1 under the system shall govern the retirement benefit payable to the retirant,  
2 any joint annuitant and any beneficiary.

3 Sec. 2. K.S.A. 74-4958a is hereby amended to read as follows: 74-  
4 4958a. (1) Any member who retires on or after July 1, 1993, shall be  
5 entitled to receive an age and service retirement benefit equal to 2.5% of  
6 such member's final average salary multiplied by the number of years of  
7 credited service *for which the member contributed at the contribution rate*  
8 *prescribed by subsection (1) of K.S.A. 74-4965, and amendments thereto,*  
9 *or for which such member made a lump sum repayment in accordance*  
10 *with the provisions of K.S.A. 74-4965, and amendments thereto, except*  
11 *that in no case shall such retirement benefit exceed*~~80%~~ *90%* of such  
12 member's final average salary.

13 (2) Any member who retires before such member's normal retirement  
14 date shall receive an early retirement benefit equal to the annual retirement  
15 benefit payable had the member retired on the normal retirement date  
16 reduced by an amount equal to the product of (A) such annual retirement  
17 benefit payable had the member retired on the normal retirement date,  
18 multiplied by (B) the product of .4% multiplied by the number of months  
19 difference, to the nearest whole month, between the member's attained age  
20 at the time of retirement and age 55.

21 (3) Pursuant to the provisions of K.S.A. 74-49,128, and amendments  
22 thereto, upon the death after retirement of a member who was covered, up  
23 to the entry date of the member's employer, by a pension system under the  
24 provisions of K.S.A. 12-5001 to 12-5007, inclusive, and amendments  
25 thereto, or K.S.A. 13-14a01 to 13-14a14, inclusive, and amendments  
26 thereto, or K.S.A. 14-10a01 to 14-10a15, inclusive, and amendments  
27 thereto, and who had not elected to retire under one of the options  
28 provided under K.S.A. 74-4964, and amendments thereto, the member's  
29 spouse, if such spouse was the member's lawfully wedded spouse for a  
30 period of not less than one year at the time of the member's retirement or if  
31 such spouse had been the member's lawfully wedded spouse for at least  
32 three years after the time of the member's retirement, shall receive: (A)  
33 Pursuant to the provisions of K.S.A. 74-49,128, and amendments thereto, a  
34 lump-sum benefit equal to  $\frac{1}{2}$  the member's final average salary at the time  
35 of the member's retirement; and (B) an annual spouse's benefit equal to  
36 75% of the member's retirement benefit payable in monthly installments,  
37 to accrue from the first day of the month following the member's date of  
38 death and ending on the last day of the month in which the spouse dies.  
39 Commencing on the effective date of this act, any surviving spouse, who  
40 was receiving benefits pursuant to this section and who had such benefits  
41 terminated by reason of such spouse's remarriage, shall be entitled to once  
42 again receive benefits pursuant to this section, except that such surviving  
43 spouse shall not be entitled to recover any benefits not received after the

1 termination of benefits by reason of such surviving spouse's remarriage but  
2 before the effective date of this act. If there is no surviving spouse, or if  
3 after the death of the spouse there remain one or more children under the  
4 age of 18 years or one or more children under the age of 23 years who is a  
5 full-time student as provided in K.S.A. 74-49,117, and amendments  
6 thereto, the spouse's benefit shall be payable, subject to the provisions of  
7 K.S.A. 74-49,123, and amendments thereto, in equal shares to such  
8 children and each child's share shall end on the last day of the month in  
9 which such child attains the age of 18 years or dies, whichever occurs  
10 earlier or in which such child attains the age of 23 years, if such child is a  
11 full-time student as provided in K.S.A. 74-49,117, and amendments  
12 thereto. Commencing on the effective date of this act, any child who was  
13 receiving benefits pursuant to this section and who had such benefits  
14 terminated by reason of such child's marriage, shall be entitled to once  
15 again receive benefits pursuant to this section subject to the limitations  
16 contained in this section, except that such child shall not be entitled to  
17 recover any benefits not received after the termination of benefits by  
18 reason of such child's marriage but before the effective date of this act. All  
19 payments due under this section to a minor shall be made to a legally  
20 appointed conservator of such minor as provided in subsection (7) of  
21 K.S.A. 74-4902, and amendments thereto. No person shall be entitled to  
22 receive more than one benefit under the provisions of this subsection. Any  
23 person who otherwise meets the qualifications to receive more than one  
24 benefit under this subsection shall elect the benefit such person shall  
25 receive.

26 (4) Upon the death after retirement of a member who had not elected  
27 to retire under one of the options provided under K.S.A. 74-4964, and  
28 amendments thereto, such member's beneficiary shall receive an amount  
29 equal to the excess, if any, of such member's accumulated contributions  
30 over the sum of all retirement benefit payments made.

31 (5) The provisions of this section shall be effective on and after July  
32 1, 1989, and shall apply only to members who were appointed or  
33 employed prior to July 1, 1989, and who made an election pursuant to  
34 K.S.A. 74-4955a, and amendments thereto; and persons appointed or  
35 employed on or after July 1, 1989.

36 (6) The provisions of law in effect on the retirement date of a member  
37 under the system shall govern the retirement benefit payable to the retirant,  
38 any joint annuitant and any beneficiary.

39 Sec. 3. K.S.A. 74-4965 is hereby amended to read as follows: 74-  
40 4965. (1) ~~Except as otherwise provided in this section~~ *Commencing with*  
41 *the first payroll period beginning on or after July 1, 2013*, each  
42 participating employer shall, ~~beginning with the first payroll period for~~  
43 ~~services performed after the entry date~~, deduct from the compensation of

1 each member—7% 7.15% of such member's compensation as employee  
2 contributions, except that in the case of a member whose employment is  
3 covered by social security and the member is a member of the class  
4 certified in the case of *Brazelton v. Kansas public employees retirement*  
5 *system*, 227 K. 443, 607 P.2d 510 (1980), the deduction from such  
6 member's compensation shall be reduced by the amount of such member's  
7 contributions to social security. *For participating employers who join the*  
8 *system on or after July 1, 2013, such deduction shall commence beginning*  
9 *with the first payroll period for services performed after the entry date.*

10 (2) For any member other than a member who is a member of the  
11 class certified in the case of *Brazelton v. Kansas public employees*  
12 *retirement system*, 227 K. 443, 607 P.2d 510 (1980), no employee  
13 contributions shall be reduced because of contributions to social security.

14 (3) All such deductions shall be remitted quarterly, or as the board  
15 may otherwise provide, to the executive director for credit to the Kansas  
16 public employees retirement fund and shall be credited to the members'  
17 individual accounts. Interest on each member's accumulated contributions  
18 at the rate determined under subsection (a) of K.S.A. 74-4922, and  
19 amendments thereto, shall be added annually to the member's individual  
20 account.

21 (4) ~~For all payroll periods commencing on or after the effective date~~  
22 ~~of this act, each participating employer shall deduct from the~~  
23 ~~compensation of each member who has received 32 years of credited~~  
24 ~~service, 2% of such member's compensation as employee contributions.~~  
25 *For each member that is having 2% of such member's compensation*  
26 *deducted as employee contributions on July 1, 2013, for all payroll*  
27 *periods commencing on or after July 1, 2013, the participating employer*  
28 *shall deduct from the compensation of each such member 7.15% of such*  
29 *member's compensation as employee contributions. Such member may*  
30 *repay in a lump sum prior to or on such member's date of retirement, an*  
31 *amount equal to the difference between contributions actually made by the*  
32 *member and contributions which would have been made had such member*  
33 *always been contributing at the employee contribution rate prescribed by*  
34 *subsection (1) for all such service earned during the period of time the*  
35 *member made contributions at the 2% employee contribution rate, with*  
36 *interest. Such repayment, if made at retirement, may be deducted from the*  
37 *proceeds of the partial lump sum retirement options at subsection (5)(G)*  
38 *of K.S.A. 74-4964, and amendments thereto, in the event the member*  
39 *elects such option. Such member shall pay the actual amount plus interest*  
40 *at a rate specified by the board. Any member who makes such a payment*  
41 *shall be entitled to service credit for purposes of calculation of retirement*  
42 *benefits pursuant to the provisions of K.S.A. 74-4958 and 74-4958a, and*  
43 *amendments thereto, for all years of service wherein such member*

1 *contributed at the employee contribution rate prescribed by subsection*  
2 *(1), including all years of service such member previously paid at the 2%*  
3 *employee contribution rate but prior to or on such member's date of*  
4 *retirement repaid the difference pursuant to this subsection.*

5 (5) (a) Subject to the provisions of K.S.A. 74-49,123, and  
6 amendments thereto, each participating employer, pursuant to the  
7 provisions of section 414(h)(2) of the federal internal revenue code, shall  
8 pick up and pay the contributions which would otherwise be payable by  
9 members as prescribed in subsection (1) ~~commencing with the third~~  
10 ~~quarter of 1984.~~ The contributions so picked up shall be treated as  
11 employer contributions for purposes of determining the amounts of federal  
12 income taxes to withhold from the member's compensation.

13 (b) Member contributions picked up by the employer shall be paid  
14 from the same source of funds used for the payment of compensation to a  
15 member. A deduction shall be made from each member's compensation  
16 equal to the amount of the member's contributions picked up by the  
17 employer, provided that such deduction shall not reduce the member's  
18 compensation for purposes of computing benefits under the system.

19 (c) Member contributions picked up by the employer shall be  
20 remitted quarterly, or as the board may otherwise provide, to the executive  
21 director for credit to the Kansas public employees retirement fund. Such  
22 contributions shall be credited to a separate account within the member's  
23 individual account so that amounts contributed by the member  
24 ~~commencing with the third quarter of 1984~~ may be distinguished from the  
25 member contributions picked up by the employer. Interest shall be added  
26 annually to members' individual accounts.

27 Sec. 4. K.S.A. 74-4958, 74-4958a and 74-4965 are hereby repealed.

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