

HOUSE BILL No. 2196

AN ACT concerning retirement and pensions; relating to the Kansas police and firemen's retirement system; providing for membership affiliation for certain law enforcement officers and employees of the Kansas department of wildlife and parks; establishing employee and employer contributions; amortizing certain actuarial legacy costs for such affiliation, exception; expanding Kansas deferred retirement option program membership to all members of the Kansas police and firemen's retirement system; extending the expiration date of such program; amending K.S.A. 2022 Supp. 74-4986l, 74-4986p and 74-4986r and repealing the existing sections.

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

New Section 1. (a) (1) On July 1, 2023, the Kansas department of wildlife and parks shall be an eligible employer as defined in K.S.A. 74-4952, and amendments thereto, and shall affiliate with the Kansas police and firemen's retirement system established under the provisions of K.S.A. 74-4951 et seq., and amendments thereto, pursuant to the provisions of this section for membership in the system of officers and employees employed by the Kansas department of wildlife and parks who have successfully completed the required course of instruction for law enforcement officers approved by the Kansas law enforcement training center and are certified as a full-time police officer or law enforcement officer pursuant to the provisions of K.S.A. 74-5607a, and amendments thereto, and who are employed in the parks, public lands or law enforcement division. For purposes of such affiliation for membership in the system of such members, the Kansas department of wildlife and parks shall be considered a new participating employer. The Kansas department of wildlife and parks shall make application for affiliation with such system in the manner provided by K.S.A. 74-4954, and amendments thereto, to be effective on the July 1 next following application. The Kansas department of wildlife and parks shall affiliate for membership in the system of such officers and employees for participating service credit.

(2) The Kansas department of wildlife and parks shall appropriate and pay a sum sufficient to satisfy any obligations as certified by the board of trustees of the retirement system based on an actuarial valuation of the cost of such affiliation, and the employer contributions of the Kansas department of wildlife and parks shall be as provided in K.S.A. 74-4967(1), and amendments thereto.

(b) Each such officer and employee who is employed by the Kansas department of wildlife and parks on or after the entry date of the Kansas department of wildlife and parks into the Kansas police and firemen's retirement system as provided in this section shall become a member of the Kansas police and firemen's retirement system on the first day of such employment and shall be subject to the provisions of K.S.A. 74-4951 et seq., and amendments thereto, as applicable.

(c) The division of the budget and the governor shall include in the budget and in the budget request for appropriations for personnel services the amount required to satisfy the employer's obligation under this section as certified by the board of trustees of the system, and shall present the same to the legislature for allowance and appropriation.

(d) The determination of retirement, death or disability benefits shall be computed upon the basis of credited services, as used in K.S.A. 74-4951 et seq., and amendments thereto, but shall include only participating service with the Kansas department of wildlife and parks, commencing on and after the effective date of affiliation by the Kansas department of wildlife and parks with the Kansas police and firemen's retirement system.

(e) In the case of a member who retires on or after July 1, 2023, whose date of membership in the system is prior to July 1, 1993, and any member who was in such member's membership waiting period on July 1, 1993, and whose date of membership in the system is on or after July 1, 1993, shall have such member's employer certify to the Kansas public employees retirement system the number of hours of such member's sick and annual leaves at the time of such member's transfer to the Kansas police and firemen's retirement system. Upon the date of such member's retirement from the Kansas public employees retirement

system, such member may use in the calculation of the member's retirement benefit, the average highest annual compensation, as defined in K.S.A. 74-4902(9), and amendments thereto, which shall include but not exceed compensation for the number of sick and annual leave hours certified to the Kansas public employees retirement system on the date of the member's transfer, paid to such member for any four years of participating service preceding the transfer to the Kansas police and firemen's retirement system, or the average highest annual salary, as defined in K.S.A. 74-4902(33), and amendments thereto, paid to such member for any three years of participating service preceding retirement or termination of employment, whichever is greater.

(f) Any rights or benefits accruing to any such officer or employee employed by the Kansas department of wildlife and parks prior to the effective date of affiliation shall be determined pursuant to the provisions of K.S.A. 74-4901 et seq., and amendments thereto. Any officer and employee who becomes a member pursuant to this section, who has a vested retirement benefit pursuant to K.S.A. 74-4917, and amendments thereto, and who terminates employment prior to attaining a vested benefit pursuant to K.S.A. 74-4963, and amendments thereto, may have such service credited for purposes of computing retirement benefits pursuant to K.S.A. 74-4901 et seq., and amendments thereto.

(g) Beginning with the first payment of compensation for services of such officer or employee after becoming a member of the Kansas police and firemen's retirement system, the employer shall deduct from the compensation of such member 7.15% as the employee contribution to the system. Such deductions shall be remitted, deposited and credited as provided in K.S.A. 74-4965, and amendments thereto.

(h) (1) Except as provided in paragraph (2), the actuarial legacy cost of \$2,733,769 for the remaining unfunded liabilities in the Kansas public employees retirement system shall be amortized over 20 years as a level dollar amount, as certified by the board upon recommendation of the consulting actuary, through an additional annual payment by the Kansas department of wildlife and parks.

(2) Subject to appropriations, the Kansas department of wildlife and parks may make a payment in full or payments in two installments for such actuarial legacy cost prior to the expiration of the 20-year amortization period.

Sec. 2. K.S.A. 2022 Supp. 74-4986l is hereby amended to read as follows: 74-4986l. (a) As used in this act, unless otherwise provided or the context otherwise requires:

(1) "Act" means the Kansas deferred retirement option program act;

(2) "board" means the board of trustees of the Kansas public employees retirement system;

(3) "DROP" means the deferred retirement option program established by K.S.A. 74-4986m, and amendments thereto;

(4) "DROP account" means the notional account to which is credited the monthly DROP accrual;

(5) "DROP period" means the period of time that a member elects to participate in the DROP pursuant to K.S.A. 74-4986n, and amendments thereto;

(6) "member" means ~~a trooper, examiner or officer of the Kansas highway patrol or an agent of the Kansas bureau of investigation~~ any member of the Kansas police and firemen's retirement system who is eligible to participate in the DROP and who elects to participate in the DROP as provided in this act;

(7) "monthly DROP accrual" means the amount equal to the monthly retirement benefit that would have been payable to the member had the member terminated service and retired on the day the member elected; and

(8) "system" means the Kansas police and firemen's retirement system.

(b) Unless specifically provided in this section or in this act, words and phrases used in this act mean the same as provided under the

provisions of K.S.A. 74-4901 et seq. and 74-4951 et seq., and amendments thereto.

Sec. 3. K.S.A. 2022 Supp. 74-4986p is hereby amended to read as follows: 74-4986p. (a) A member's participation in the DROP ceases on the occurrence of the earliest of the following:

(1) Termination of the member's active service with ~~the Kansas highway patrol or Kansas bureau of investigation~~ *a participating employer of the system*;

(2) the last day of the member's elected DROP period that begins on the effective date of the member's election to participate in the DROP;

(3) retirement due to disability as defined in K.S.A. 74-4952, and amendments thereto; or

(4) the member's death.

(b) If a member dies before taking a distribution from such member's DROP account, the member's designated beneficiary shall receive a lump-sum payment equal to the member's DROP account balance, including any lump sum credited as provided in K.S.A. 74-4986o(d), and amendments thereto. If the DROP member has not named a beneficiary for such member's DROP account, the amount in the DROP account shall be paid to the beneficiary of the member's retirement benefit.

Sec. 4. K.S.A. 2022 Supp. 74-4986r is hereby amended to read as follows: 74-4986r. The provisions of K.S.A. 74-4986k through 74-4986r, and amendments thereto, shall expire on January 1, ~~2025~~ 2031.

Sec. 5. K.S.A. 2022 Supp. 74-4986l, 74-4986p and 74-4986r are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and was adopted by that body

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.