

Substitute for HOUSE BILL No. 2333

By Committee on Pension and Benefits

2-11

1 AN ACT concerning retirement and pensions; relating to the Kansas public
2 employees retirement system; normal retirement date; amending K.S.A.
3 74-4914c and K.S.A. 2010 Supp. 74-4914 and 74-4937 and repealing
4 the existing sections.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2010 Supp. 74-4914 is hereby amended to read as
8 follows: 74-4914. (1) The normal retirement date for a member of the
9 system shall be the first day of the month coinciding with or following
10 termination of employment with any participating employer not followed
11 by employment with any participating employer within 60 days and the
12 attainment of age 65 or, commencing July 1, 1993, age 62 with the
13 completion of 10 years of credited service or the first day of the month
14 coinciding with or following the date that the total of the number of years
15 of credited service and the number of years of attained age of the member
16 is equal to or more than 85, *and on and after July 1, 2012, the first day of*

17 *the month coinciding with or following the date the total of such years of*
18 *credited service and attained age is equal to or more than 86, such*
19 *required total to be increased by one in each subsequent year thereafter*
20 *until such required total is 95, to be effective on and after July 1, 2021.*
21 *Members of the system who reach the required total of 85 and meet the*
22 *requirement for normal retirement pursuant to the law in effect prior to*
23 *July, 1, 2012, remain eligible for normal retirement thereafter.* In no event
24 shall a normal retirement date for a member be before six months after the
25 entry date of the participating employer by whom such member is
26 employed. A member may retire on the normal retirement date or on the
27 first day of any month thereafter upon the filing with the office of the
28 retirement system of an application in such form and manner as the board
29 shall prescribe. Nothing herein shall prevent any person, member or
30 retirant from being employed, appointed or elected as an employee,
31 appointee, officer or member of the legislature. Elected officers may retire
32 from the system on any date on or after the attainment of the normal
33 retirement date, but no retirement benefits payable under this act shall be
34 paid until the member has terminated such member's office.

35 (2) No retirant shall make contributions to the system or receive
36 service credit for any service after the date of retirement.

1 (3) Any member who is an employee of an affiliating employer
2 pursuant to K.S.A. 74-4954b and amendments thereto and has not
3 withdrawn such member's accumulated contributions from the Kansas
4 police and firemen's retirement system may retire before such member's
5 normal retirement date on the first day of any month coinciding with or
6 following the attainment of age 55.

7 (4) Any member may retire before such member's normal retirement
8 date on the first day of any month coinciding with or following
9 termination of employment with any participating employer not followed
10 by employment with any participating employer within 60 days and the
11 attainment of age 55 with the completion of 10 years of credited service,
12 but in no event before six months after the entry date, upon the filing with
13 the office of the retirement system of an application for retirement in such
14 form and manner as the board shall prescribe.

15 (5) On or after July 1, 2006, for any retirant who is first employed or
16 appointed in or to any position or office by a participating employer other
17 than a participating employer for which such retirant was employed or
18 appointed during the final two years of such retirant's participation, and, on
19 or after April 1, 2009, for any retirant who is employed by a third-party
20 entity who contracts services with a participating employer other than a
21 participating employer for which such retirant was employed or appointed
22 during the final two years of such retirant's participation to fill a position
23 covered under subsection (a) of K.S.A. 72-5410, and amendments thereto,
24 with such retirant, such participating employer shall pay to the system the
25 actuarially determined employer contribution and the statutorily prescribed
26 employee contribution based on the retirant's compensation during any
27 such period of employment or appointment. If a retirant who retired on or
28 after July 1, 1988, is employed or appointed in or to any position or office
29 for which compensation for service is paid in an amount equal to \$20,000
30 or more in any one such calendar year, by any participating employer for
31 which such retirant was employed or appointed during the final two years
32 of such retirant's participation, and, on or after April 1, 2009, by any third-
33 party entity who contracts services to fill a position covered under
34 subsection (a) of K.S.A. 72-5410, and amendments thereto, with such
35 retirant with a participating employer for which such retirant was
36 employed or appointed during the final two years of such retirant's
37 participation, such retirant shall not receive any retirement benefit for any
38 month for which such retirant serves in such position or office. The
39 participating employer who employs such retirant whether by contract
40 directly with the retirant or through an arrangement with a third-party
41 entity shall report to the system within 30 days of when the compensation
42 paid to the retirant is equal to or exceeds any limitation provided by this
43 section. Any participating employer who contracts services with any such

1 third-party entity to fill a position covered under subsection (a) of K.S.A.
2 72-5410, and amendments thereto, shall include in such contract a
3 provision or condition which requires the third-party entity to provide the
4 participating employer with the necessary compensation paid information
5 related to any such position filled by the third-party entity with a retirant to
6 enable the participating employer to comply with provisions of this
7 subsection relating to the payment of contributions and reporting
8 requirements. The provisions and requirements provided for in
9 amendments made in this act which relate to positions filled with a retirant
10 or employment of a retirant by a third-party entity shall not apply to any
11 contract for services entered into prior to April 1, 2009, between a
12 participating employer and third-party entity as described in this
13 subsection. Any retirant employed by a participating employer or a third-
14 party entity as provided in this subsection shall not make contributions nor
15 receive additional credit under such system for such service except as
16 provided by this section. Upon request of the executive director of the
17 system, the secretary of revenue shall provide such information as may be
18 needed by the executive director to carry out the provisions of this act. The
19 provisions of this subsection shall not apply to retirants employed as
20 substitute teachers or officers, employees or appointees of the legislature.
21 The provisions of this subsection shall not apply to members of the
22 legislature prior to January 8, 2000. The provisions of this subsection shall
23 not apply to any other elected officials prior to the term of office of such
24 elected official which commences on or after July 1, 2000. The provisions
25 of this subsection shall apply to any other elected official on and after the
26 term of office of such other elected official which commences on or after
27 July 1, 2000. Except as otherwise provided, commencing January 8, 2001,
28 the provisions of this subsection shall apply to members of the legislature.
29 For determination of the amount of compensation paid pursuant to this
30 subsection, for members of the legislature, compensation shall include any
31 amount paid as provided pursuant to subsections (a), (b), (c) and (d) of
32 K.S.A. 46-137a, and amendments thereto, or pursuant to K.S.A. 46-137b,
33 and amendments thereto. Notwithstanding any provision of law to the
34 contrary, when a member of the legislature is paid an amount of
35 compensation of \$20,000 or more in any one calendar year, the member
36 may continue to receive any amount provided in subsections (b) and (d) of
37 K.S.A. 46-137a, and amendments thereto, and still be entitled to receive
38 such member's retirement benefit. Commencing July 1, 2005, the
39 provisions of this subsection shall not apply to retirants who either retired
40 under the provisions of subsection (1), or, if they retired under the
41 provisions of subsection (4), were retired more than 30 days prior to the
42 effective date of this act and are licensed professional nurses or licensed
43 practical nurses employed by the state of Kansas in an institution as

1 defined in subsection (b) of K.S.A. 76-12a01 or subsection (f) of K.S.A.
2 38-2302, and amendments thereto, the Kansas soldiers' home or the
3 Kansas veterans' home. Nothing in this subsection shall be construed to
4 create any right, or to authorize the creation of any right, which is not
5 subject to amendment or nullification by act of the legislature. The
6 participating employer of such retirant shall pay to the system the
7 actuarially determined employer contribution based on the retirant's
8 compensation during any such period of employment.

9 (6) For purposes of this section, any employee of a local
10 governmental unit which has its own pension plan who becomes an
11 employee of a participating employer as a result of a merger or
12 consolidation of services provided by local governmental units, which
13 occurred on January 1, 1994, may count service with such local
14 governmental unit in determining whether such employee has met the
15 years of credited service requirements contained in this section.

16 Sec. 2. K.S.A. 74-4914c is hereby amended to read as follows: 74-
17 4914c. (1) Notwithstanding the provisions of K.S.A. 74-4914, 74-4915
18 and subsection (23) of K.S.A. 74-4902, and amendments thereto, the
19 normal retirement date for all security officers, as defined by paragraph (a)
20 or (b) of subsection (1) of K.S.A. 74-4914a, and amendments thereto, with
21 at least three consecutive years of service as such security officer
22 immediately preceding the date of retirement, shall be the first day of the
23 month coinciding with or following the attainment of age 55, and
24 commencing July 1, 2000, the first day of the month coinciding with or
25 following the date that the total of the number of years of credited service
26 and the number of years of attained age of the security officer is equal to
27 or more than 85, *and on and after July 1, 2012, the first day of the month*
28 *coinciding with or following the date the total of such years of credited*
29 *service and attained age is equal to or more than 86, such required total to*
30 *be increased by one in each subsequent year thereafter until such required*
31 *total is 95, to be effective on and after July 1, 2021. Members of the system*
32 *who reach the required total of 85 and meet the requirement for normal*
33 *retirement pursuant to the law in effect prior to July, 1, 2012, remain*
34 *eligible for normal retirement thereafter. Any such security officer may*
35 retire before such normal retirement date on the first day of any month
36 coinciding with or following the attainment of age 50 or completion of 10
37 years of credited service, whichever occurs later.

38 (2) (a) Except as otherwise provided in paragraph (b) of this
39 subsection (2), any security officer, as defined by paragraph (a) or (b) of
40 subsection (1) of K.S.A. 74-4914a, and amendments thereto, who retires
41 before the normal retirement date shall receive an annual retirement
42 benefit equal to the annual retirement benefit payable had such security
43 officer retired on the normal retirement date but based upon such security

1 officer's final average salary and years of participating and prior service
2 credited to the date of actual retirement reduced by an amount equal to the
3 product of (i) such annual retirement benefit payable had such security
4 officer retired on the normal retirement date, multiplied by (ii) the product
5 of .6% multiplied by the number of months difference, to the nearest
6 whole month, between such security officer's attained age at the time of
7 retirement and age 55.

8 (b) Any security officer, as defined by paragraph (a) or (b) of
9 subsection (1) of K.S.A. 74-4914a and amendments thereto, who retires on
10 or after July 1, 1982, and prior to July 1, 1987, before the normal
11 retirement date shall receive an annual retirement benefit equal to the
12 annual retirement benefit payable had such security officer retired on the
13 normal retirement date but based upon such security officer's final average
14 salary and years of participating and prior service credited to the date of
15 actual retirement reduced by an amount equal to the product of (i) such
16 annual retirement benefit payable had such security officer retired on the
17 normal retirement date, multiplied by (ii) the product of .3% multiplied by
18 the number of months difference, to the nearest whole month, between
19 such security officer's attained age at the time of retirement and age 55.

20 (c) Any security officer, as defined by paragraph (a) or (b) of
21 subsection (1) of K.S.A. 74-4914a, and amendments thereto, who retires
22 on or after July 1, 1990, before the normal retirement date shall receive an
23 annual retirement benefit equal to the annual retirement benefit payable
24 had such security officer retired on the normal retirement date but based
25 upon such security officer's final average salary and years of participating
26 and prior service credited to the date of actual retirement reduced by an
27 amount equal to the product of (i) such annual retirement benefit payable
28 had such security officer retired on the normal retirement date, multiplied
29 by (ii) the product of .2% multiplied by the number of months difference,
30 to the nearest whole month, between such security officer's attained age at
31 the time of retirement and age 55.

32 (3) Notwithstanding the provisions of K.S.A. 74-4914, 74-4915 and
33 subsection (23) of K.S.A. 74-4902, *and amendments thereto*, the normal
34 retirement date for all security officers, as defined by paragraph (c), (d),
35 (e) or (f) of subsection (1) of K.S.A. 74-4914a, and amendments thereto,
36 with at least three consecutive years of service as such security officer
37 immediately preceding the date of retirement, shall be the first day of the
38 month coinciding with or following the attainment of age 60, and
39 commencing July 1, 2000, the first day of the month coinciding with or
40 following the date that the total of the number of years of credited service
41 and the number of years of attained age of the security officer is equal to
42 or more than 85. Any such security officer may retire before such normal
43 retirement date on the first day of any month coinciding with or following

1 the attainment of age 55 or completion of 10 years of credited service,
2 whichever occurs later.

3 (4) (a) Except as otherwise provided in paragraph (b) of this
4 subsection (4), any security officer, as defined by paragraph (c), (d), (e) or
5 (f) of subsection (1) of K.S.A. 74-4914a, and amendments thereto, who
6 retires before the normal retirement date shall receive an annual retirement
7 benefit equal to the annual retirement benefit payable had such security
8 officer retired on the normal retirement date but based upon such security
9 officer's final average salary and years of participating and prior service
10 credited to the date of actual retirement reduced by an amount equal to the
11 product of (i) such annual retirement benefit payable had such security
12 officer retired on the normal retirement date, multiplied by (ii) the product
13 of .6% multiplied by the number of months difference, to the nearest
14 whole month, between such security officer's attained age at the time of
15 retirement and age 60.

16 (b) Any security officer, as defined by paragraph (c), (d), (e) or (f) of
17 subsection (1) of K.S.A. 74-4914a, and amendments thereto, who retires
18 on or after July 1, 1982, and prior to July 1, 1987, before the normal
19 retirement date shall receive an annual retirement benefit equal to the
20 annual retirement benefit payable had such security officer retired on the
21 normal retirement date but based upon such security officer's final average
22 salary and years of participating and prior service credited to the date of
23 actual retirement reduced by an amount equal to the product of (i) such
24 annual retirement benefit payable had such security officer retired on the
25 normal retirement date, multiplied by (ii) the product of .3% multiplied by
26 the number of months difference, to the nearest whole month, between
27 such security officer's attained age at the time of retirement and age 60.

28 (c) Any security officer, as defined by paragraph (c), (d), (e) or (f) of
29 subsection (1) of K.S.A. 74-4914a, and amendments thereto, who retires
30 on or after July 1, 1990, before the normal retirement date shall receive an
31 annual retirement benefit equal to the annual retirement benefit payable
32 had such security officer retired on the normal retirement date but based
33 upon such security officer's final average salary and years of participating
34 and prior service credited to the date of actual retirement reduced by an
35 amount equal to the product of (i) such annual retirement benefit payable
36 had such security officer retired on the normal retirement date, multiplied
37 by (ii) the product of .2% multiplied by the number of months difference,
38 to the nearest whole month, between such security officer's attained age at
39 the time of retirement and age 60.

40 Sec. 3. K.S.A. 2010 Supp. 74-4937 is hereby amended to read as
41 follows: 74-4937. (1) The normal retirement date of a member of the
42 system who is in school employment and who is subject to K.S.A. 74-
43 4940, and amendments thereto, shall be the first day of the month

1 coinciding with or following termination of employment not followed by
2 employment with any participating employer within 60 days and the
3 attainment of age 65 or, commencing July 1, 1986, age 65 or age 60 with
4 the completion of 35 years of credited service or at any age with the
5 completion of 40 years of credited service, or commencing July 1, 1993,
6 any alternative normal retirement date already prescribed by law or age 62
7 with the completion of 10 years of credited service or, *prior to July 1,*
8 *2012, the first day of the month coinciding with or following the date that*
9 *the total of the number of years of credited service and the number of*
10 *years of attained age of the member is equal to or more than 85, and on*
11 *and after July 1, 2012, the first day of the month coinciding with or*
12 *following the date the total of such years of credited service and attained*
13 *age is equal to or more than 86, such required total to be increased by one*
14 *in each subsequent year thereafter until such required total is 95, to be*
15 *effective on and after July 1, 2021. Members of the system who reach the*
16 *required total of 85 and meet the requirement for normal retirement*
17 *pursuant to the law in effect prior to July, 1, 2012, remain eligible for*
18 *normal retirement thereafter. Each member upon giving prior notice to the*
19 *appointing authority and the retirement system may retire on the normal*
20 *retirement date or the first day of any month thereafter.*

21 (2) Any member who is in school employment and who is subject to
22 K.S.A. 74-4940, and amendments thereto, may retire before such
23 member's normal retirement date on the first day of the month coinciding
24 with or following termination of employment not followed by employment
25 with any participating employer within 60 days and the attainment of age
26 55 with the completion of 10 years of credited service, upon the filing with
27 the office of the retirement system of an application for retirement in such
28 form and manner as the board shall prescribe.

29 (3) Commencing July 1, 2009, the provisions of subsection (5) of
30 K.S.A. 74-4914, and amendments thereto, which relate to an earnings
31 limitation which when met or exceeded requires that the retirant not
32 receive a retirement benefit for any month for which such retirant serves in
33 a position as described herein shall not apply to retirants who either retired
34 under the provisions of subsection (1) of K.S.A. 74-4914, and amendments
35 thereto, related to normal retirement, or, if they retired under the
36 provisions of subsection (4) of K.S.A. 74-4914, and amendments thereto,
37 related to early retirement, were retired more than 60 days prior to the
38 effective date of this act, and are subsequently hired in a position that
39 requires a license under K.S.A. 72-1388, and amendments thereto, or other
40 provision of law. The provisions of this subsection do not apply to retirants
41 who retired under subsection (4) of K.S.A. 74-4914, and amendments
42 thereto, which relates to early retirement prior to age 62. Except as
43 otherwise provided, when a retirant is employed by the same school

1 district or a different school district with which such retirant was employed
2 during the final two years of such retirant's participation or employed by a
3 third-party entity who contracts services with a school district to fill a
4 position as described in this subsection, the participating employer of such
5 retirant shall pay to the system the actuarially determined employer
6 contribution based on the retirant's compensation during any such period
7 of employment plus 8%. The provisions of this subsection shall not apply
8 to retirants employed as substitute teachers. The provisions of subsection
9 (5) of K.S.A. 74-4914, and amendments thereto, shall be applicable to
10 retirants employed as described in this subsection, except as specifically
11 provided in this subsection. Nothing in this subsection shall be construed
12 to create any right, or to authorize the creation of any right, which is not
13 subject to amendment or nullification by act of the legislature. The
14 provisions of this subsection shall expire on July 1, 2012. After such date
15 the Kansas public employees retirement system and its actuary shall report
16 the experience to the joint committee on pensions, investments and
17 benefits.

18 Sec. 4. K.S.A. 74-4914c and K.S.A. 2010 Supp. 74-4914 and 74-
19 4937 are hereby repealed.

20 Sec. 5. This act shall take effect and be in force from and after its
21 publication in the statute book.
22