

HOUSE BILL No. 2308

By Committee on Education

2-12

1 AN ACT concerning retirement and pensions; relating to the Kansas public
2 employees retirement system and systems thereunder; definition of
3 compensation; employment after retirement; amending K.S.A. 2012
4 Supp. 74-4902, 74-4914 and 74-4937 and repealing the existing
5 sections.
6

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

8 Section 1. K.S.A. 2012 Supp. 74-4902 is hereby amended to read as
9 follows: 74-4902. As used in articles 49 and 49a of chapter 74 of the
10 *Kansas Statutes Annotated*, and amendments thereto, unless otherwise
11 provided or the context otherwise requires:

12 (1) "Accumulated contributions" means the sum of all contributions
13 by a member to the system which are credited to the member's account,
14 with interest allowed thereon;

15 (2) "acts" means the provisions of articles 49 and 49a of the Kansas
16 Statutes Annotated, and amendments thereto;

17 (3) "actuarial equivalent" means an annuity or benefit of equal value
18 to the accumulated contributions, annuity or benefit, when computed upon
19 the basis of the actuarial tables in use by the system. Whenever the amount
20 of any benefit is to be determined on the basis of actuarial assumptions,
21 the assumptions shall be specified in a way that precludes employer
22 discretion;

23 (4) "actuarial tables" means the actuarial tables approved and in use
24 by the board at any given time;

25 (5) "actuary" means the actuary or firm of actuaries employed or
26 retained by the board at any given time;

27 (6) "agent" means the individual designated by each participating
28 employer through whom system transactions and communication are
29 directed;

30 (7) "beneficiary" means, subject to the provisions of K.S.A. 74-4927,
31 and amendments thereto, any natural person or persons, estate or trust, or
32 any combination thereof, named by a member to receive any benefits as
33 provided for by this act. Designations of beneficiaries by a member who is
34 a member of more than one retirement system made on or after July 1,
35 1987, shall be the basis of any benefits payable under all systems unless
36 otherwise provided by law. Except as otherwise provided by subsection

1 (33) of this section, if there is no named beneficiary living at *the* time of
2 *the* member's death, any benefits provided for by this act shall be paid to:
3 (A) The member's surviving spouse; (B) the member's dependent child or
4 children; (C) the member's dependent parent or parents; (D) the member's
5 nondependent child or children; (E) the member's nondependent parent or
6 parents; *or* (F) the estate of the deceased member; in the order of
7 preference as specified in this subsection;

8 (8) "board of trustees," "board" or "trustees" means the managing
9 body of the system which is known as the Kansas public employees
10 retirement system board of trustees;

11 (9) "compensation" means, except as otherwise provided, all salary,
12 wages and other remuneration payable to a member for personal services
13 performed for a participating employer, including maintenance or any
14 allowance in lieu thereof provided a member as part of compensation, but
15 not including reimbursement for travel or moving expenses or on and after
16 July 1, 1994, payment pursuant to an early retirement incentive program
17 made prior to the retirement of the member. Beginning with the employer's
18 fiscal year which begins in calendar year 1991 or for employers other than
19 the state of Kansas, beginning with the fiscal year which begins in
20 calendar year 1992, when the compensation of a member who remains in
21 substantially the same position during any two consecutive years of
22 participating service used in calculating final average salary is increased
23 by an amount which exceeds 15%, then the amount of such increase which
24 exceeds 15% shall not be included in compensation, except that (A) ~~any~~
25 ~~amount of compensation for accumulated sick leave or vacation or annual~~
26 ~~leave paid to the member, (B) any increase in compensation for any~~
27 ~~member due to a reclassification or reallocation of such member's position~~
28 ~~or a reassignment of such member's job classification to a higher range or~~
29 ~~level and (C)(B) any increase in compensation as provided in any contract~~
30 ~~entered into prior to January 1, 1991, and still in force on the effective date~~
31 ~~of this act, pursuant to an early retirement incentive program as provided~~
32 ~~in K.S.A. 72-5395 et seq., and amendments thereto, shall be included in~~
33 ~~the amount of compensation of such member used in determining such~~
34 ~~member's final average salary and shall not be subject to the 15%~~
35 ~~limitation provided in this subsection. Any contributions by such member~~
36 ~~on the amount of such increase which exceeds 15% which is not included~~
37 ~~in compensation shall be returned to the member. Unless otherwise~~
38 ~~provided by law, beginning with the employer's fiscal year coinciding with~~
39 ~~or following July 1, 1985, compensation shall include any amounts for tax~~
40 ~~sheltered annuities or deferred compensation plans. Beginning with the~~
41 ~~employer's fiscal year which begins in calendar year 1991, compensation~~
42 ~~shall include amounts under sections 403b, 457 and 125 of the federal~~
43 ~~internal revenue code of 1986 and, as the board deems appropriate, any~~

1 other section of the federal internal revenue code of 1986 which defers or
2 excludes amounts from inclusion in income. For purposes of applying
3 limits under the federal internal revenue code "compensation" shall have
4 the meaning as provided in K.S.A. 74-49,123, and amendments thereto.
5 For purposes of this subsection and application to the provisions of
6 subsection (4) of K.S.A. 74-4927, and amendments thereto,
7 "compensation" shall not include any payments made by the state board of
8 regents pursuant to the provisions of subsection (5) of K.S.A. 74-4927a,
9 and amendments thereto, to a member of the faculty or other person
10 defined in subsection (1)(a) of K.S.A. 74-4925, and amendments thereto.
11 *On and after July 1, 2013, for purposes of this subsection and application*
12 *to the provisions of subsection (17) of this section, "compensation" shall*
13 *not include any payment for accumulated sick leave, vacation or annual*
14 *leave paid to the member;*

15 (10) "credited service" means the sum of participating service and
16 prior service and in no event shall credited service include any service
17 which is credited under another retirement plan authorized under any law
18 of this state;

19 (11) "dependent" means a parent or child of a member who is
20 dependent upon the member for at least $\frac{1}{2}$ of such parent or child's
21 support;

22 (12) "effective date" means the date upon which the system becomes
23 effective by operation of law;

24 (13) "eligible employer" means the state of Kansas, and any county,
25 city, township, special district or any instrumentality of any one or several
26 of the aforementioned or any noncommercial public television or radio
27 station located in this state which receives state funds allocated by the
28 Kansas public broadcasting commission whose employees are covered by
29 social security. If a class or several classes of employees of any above
30 defined employer are not covered by social security, such employer shall
31 be deemed an eligible employer only with respect to such class or those
32 classes of employees who are covered by social security;

33 (14) "employee" means any appointed or elective officer or employee
34 of a participating employer whose employment is not seasonal or
35 temporary and whose employment requires at least 1,000 hours of work
36 per year, and any such officer or employee who is concurrently employed
37 performing similar or related tasks by two or more participating
38 employers, who each remit employer and employee contributions on
39 behalf of such officer or employee to the system, and whose combined
40 employment is not seasonal or temporary, and whose combined
41 employment requires at least 1,000 hours of work per year, but not
42 including: (A) Any employee who is a contributing member of the United
43 States civil service retirement system; (B) any employee who is a

1 contributing member of the federal employees retirement system; (C) any
2 employee who is a leased employee as provided in section 414 of the
3 federal internal revenue code of a participating employer; and (D) any
4 employee or class of employees specifically exempted by law. After June
5 30, 1975, no person who is otherwise eligible for membership in the
6 Kansas public employees retirement system shall be barred from such
7 membership by reason of coverage by, eligibility for or future eligibility
8 for a retirement annuity under the provisions of K.S.A. 74-4925, and
9 amendments thereto, except that no person shall receive service credit
10 under the Kansas public employees retirement system for any period of
11 service for which benefits accrue or are granted under a retirement annuity
12 plan under the provisions of K.S.A. 74-4925, and amendments thereto.
13 After June 30, 1982, no person who is otherwise eligible for membership
14 in the Kansas public employees retirement system shall be barred from
15 such membership by reason of coverage by, eligibility for or future
16 eligibility for any benefit under another retirement plan authorized under
17 any law of this state, except that no such person shall receive service credit
18 under the Kansas public employees retirement system for any period of
19 service for which any benefit accrues or is granted under any such
20 retirement plan. Employee shall include persons who are in training at or
21 employed by, or both, a sheltered workshop for the blind operated by the
22 secretary of social and rehabilitation services. The entry date for such
23 persons shall be the beginning of the first pay period of the fiscal year
24 commencing in calendar year 1986. Such persons shall be granted prior
25 service credit in accordance with K.S.A. 74-4913, and amendments
26 thereto. However, such persons classified as home industry employees
27 shall not be covered by the retirement system. Employees shall include
28 any member of a board of county commissioners of any county and any
29 council member or commissioner of a city whose compensation is equal to
30 or exceeds \$5,000 per year;

31 (15) "entry date" means the date as of which an eligible employer
32 joins the system. The first entry date pursuant to this act is January 1,
33 1962;

34 (16) "executive director" means the managing officer of the system
35 employed by the board under this act;

36 (17) "final average salary" means in the case of a member who retires
37 prior to January 1, 1977, and in the case of a member who retires after
38 January 1, 1977, and who has less than five years of participating service
39 after January 1, 1967, the average highest annual compensation paid to
40 such member for any five years of the last 10 years of participating service
41 immediately preceding retirement or termination of employment, or in the
42 case of a member who retires on or after January 1, 1977, and who has five
43 or more years of participating service after January 1, 1967, the average

1 highest annual compensation paid to such member on or after January 1,
2 1967, for any five years of participating service preceding retirement or
3 termination of employment, or, in any case, if participating service is less
4 than five years, then the average annual compensation paid to the member
5 during the full period of participating service, or, in any case, if the
6 member has less than one calendar year of participating service such
7 member's final average salary shall be computed by multiplying such
8 member's highest monthly salary received in that year by 12; in the case of
9 a member who became a member under subsection (3) of K.S.A. 74-4925,
10 and amendments thereto, or who became a member with a participating
11 employer as defined in subsection (3) of K.S.A. 74-4931, and amendments
12 thereto and who elects to have compensation paid in other than 12 equal
13 installments, such compensation shall be annualized as if the member had
14 elected to receive 12 equal installments for any such periods preceding
15 retirement; in the case of a member who retires after July 1, 1987, the
16 average highest annual compensation paid to such member for any four
17 years of participating service preceding retirement or termination of
18 employment; in the case of a member who retires on or after July 1, 1993,
19 whose date of membership in the system is prior to July 1, 1993, and any
20 member who is in such member's membership waiting period on July 1,
21 1993, and whose date of membership in the system is on or after July 1,
22 1993, the average highest annual compensation, as defined in subsection
23 (9), paid to such member for any four years of participating service
24 preceding retirement or termination of employment or the average highest
25 annual salary, as defined in subsection ~~(34)~~(33), paid to such member for
26 any three years of participating service preceding retirement or termination
27 of employment, whichever is greater; and in the case of a member who
28 retires on or after July 1, 1993, and whose date of membership in the
29 system is on or after July 1, 1993, the average highest annual salary, as
30 defined in subsection ~~(34)~~(33), paid to such member for any three years of
31 participating service preceding retirement or termination of employment.
32 Final average salary shall not include any purchase of participating service
33 credit by a member as provided in subsection (2) of K.S.A. 74-4919h, and
34 amendments thereto, which is completed within five years of retirement.
35 For any application to purchase or repurchase service credit for a certain
36 period of service as provided by law received by the system after May 17,
37 1994, for any member who will have contributions deducted from such
38 member's compensation at a percentage rate equal to two or three times the
39 employee's rate of contribution or will begin paying to the system a lump-
40 sum amount for such member's purchase or repurchase and such
41 deductions or lump-sum payment commences after the commencement of
42 the first payroll period in the third quarter, "final average salary" shall not
43 include any amount of compensation or salary which is based on such

1 member's purchase or repurchase. Any application to purchase or
2 repurchase multiple periods of service shall be treated as multiple
3 applications. For purposes of this subsection, the date that such member is
4 first hired as an employee for members who are employees of employers
5 that elected to participate in the system on or after January 1, 1994, shall
6 be the date that such employee's employer elected to participate in the
7 system. In the case of any former member who was eligible for assistance
8 pursuant to K.S.A. 74-4925, and amendments thereto, prior to July 1,
9 1998, for the purpose of calculating final average salary of such member,
10 such member's final average salary shall be based on such member's salary
11 while a member of the system or while eligible for assistance pursuant to
12 K.S.A. 74-4925, and amendments thereto, whichever is greater;

13 (18) "fiscal year" means, for the Kansas public employees retirement
14 system, the period commencing July 1 of any year and ending June 30 of
15 the next;

16 (19) "Kansas public employees retirement fund" means the fund
17 created by this act for payment of expenses and benefits under the system
18 and referred to as the fund;

19 (20) "leave of absence" means a period of absence from employment
20 without pay, authorized and approved by the employer, and which after the
21 effective date does not exceed one year;

22 (21) "member" means an eligible employee who is in the system and
23 is making the required employee contributions; any former employee who
24 has made the required contributions to the system and has not received a
25 refund if such member is within five years of termination of employment
26 with a participating employer; or any former employee who has made the
27 required contributions to the system, has not yet received a refund and has
28 been granted a vested benefit;

29 (22) "military service" means service in the uniformed forces of the
30 United States, for which retirement benefit credit must be given under the
31 provisions of USERRA or service in the armed forces of the United States
32 or in the commissioned corps of the United States public health service,
33 which service is immediately preceded by a period of employment as an
34 employee or by the entering into of an employment contract with a
35 participating employer and is followed by return to employment as an
36 employee with the same or another participating employer within 12
37 months immediately following discharge from such military service,
38 except that if the board determines that such return within 12 months was
39 made impossible by reason of a service-connected disability, the period
40 within which the employee must return to employment with a participating
41 employer shall be extended not more than two years from the date of
42 discharge or separation from military service;

43 (23) "normal retirement date" means the date on or after which a

1 member may retire with full retirement benefits pursuant to K.S.A. 74-
2 4914, and amendments thereto;

3 (24) "participating employer" means an eligible employer who has
4 agreed to make contributions to the system on behalf of its employees;

5 (25) "participating service" means the period of employment after the
6 entry date for which credit is granted a member;

7 (26) "prior service" means the period of employment of a member
8 prior to the entry date for which credit is granted a member under this act;

9 (27) "prior service annual salary" means the highest annual salary, not
10 including any amounts received as payment for overtime or as
11 reimbursement for travel or moving expense, received for personal
12 services by the member from the current employer in any one of the three
13 calendar years immediately preceding January 1, 1962, or the entry date of
14 the employer, whichever is later, except that if a member entered the
15 employment of the state during the calendar year 1961, the prior service
16 annual salary shall be computed by multiplying such member's highest
17 monthly salary received in that year by 12;

18 (28) "retirant" means a member who has retired under this system;

19 (29) "retirement benefit" means a monthly income or the actuarial
20 equivalent thereof paid in such manner as specified by the member
21 pursuant to this act or as otherwise allowed to be paid at the discretion of
22 the board, with benefits accruing from the first day of the month
23 coinciding with or following retirement and ending on the last day of the
24 month in which death occurs. Upon proper identification a surviving
25 spouse may negotiate the warrant issued in the name of the retirant. If
26 there is no surviving spouse, the last warrant shall be payable to the
27 designated beneficiary;

28 (30) "retirement system" or "system" means the Kansas public
29 employees retirement system as established by this act and as it may be
30 amended;

31 (31) "social security" means the old age, survivors and disability
32 insurance section of the federal social security act;

33 (32) "trust" means an express trust, created by a trust instrument,
34 including a will, designated by a member to receive payment of the
35 insured death benefit under K.S.A. 74-4927, and amendments thereto and
36 payment of the member's accumulated contributions under subsection (1)
37 of K.S.A. 74-4916, and amendments thereto. A designation of a trust shall
38 be filed with the board. If no will is admitted to probate within six months
39 after the death of the member or no trustee qualifies within such six
40 months or if the designated trust fails, for any reason whatsoever, the
41 insured death benefit under K.S.A. 74-4927, and amendments thereto and
42 the member's accumulated contributions under subsection (1) of K.S.A.
43 74-4916, and amendments thereto, shall be paid in accordance with the

1 provisions of subsection (7) of this section as in other cases where there is
2 no named beneficiary living at the time of the member's death and any
3 payments so made shall be a full discharge and release to the system from
4 any further claims;

5 (33) "salary" means all salary and wages payable to a member for
6 personal services performed for a participating employer, including
7 maintenance or any allowance in lieu thereof provided a member as part of
8 salary. Salary shall not include reimbursement for travel or moving
9 expenses, payment for accumulated sick leave or vacation or annual leave,
10 severance pay or any other payments to the member determined by the
11 board to not be payments for personal services performed for a
12 participating employer constituting salary or on and after July 1, 1994,
13 payment pursuant to an early retirement incentive program made prior to
14 the retirement of the member. When the salary of a member who remains
15 in substantially the same position during any two consecutive years of
16 participating service used in calculating final average salary is increased
17 by an amount which exceeds 15%, then the amount of such increase which
18 exceeds 15% shall not be included in salary. Any contributions by such
19 member on the amount of such increase which exceeds 15% which is not
20 included in compensation shall be returned to the member. Unless
21 otherwise provided by law, salary shall include any amounts for tax
22 sheltered annuities or deferred compensation plans. Salary shall include
23 amounts under sections 403b, 457 and 125 of the federal internal revenue
24 code of 1986 and, as the board deems appropriate, any other section of the
25 federal internal revenue code of 1986 which defers or excludes amounts
26 from inclusion in income. For purposes of applying limits under the
27 federal internal revenue code "salary" shall have the meaning as provided
28 in K.S.A. 74-49,123, and amendments thereto. In any case, if participating
29 service is less than three years, then the average annual salary paid to the
30 member during the full period of participating service, or, in any case, if
31 the member has less than one calendar year of participating service such
32 member's final average salary shall be computed by multiplying such
33 member's highest monthly salary received in that year by 12;

34 (34) "federal internal revenue code" means the federal internal
35 revenue code of 1954 or 1986, as in effect on July 1, 2008, and as
36 applicable to a governmental plan; and

37 (35) "USERRA" means the federal uniformed services employment
38 and reemployment rights act of 1994 as in effect on July 1, 2008.

39 Sec. 2. K.S.A. 2012 Supp. 74-4914 is hereby amended to read as
40 follows: 74-4914. (1) The normal retirement date for a member of the
41 system shall be the first day of the month coinciding with or following
42 termination of employment with any participating employer not followed
43 by employment with any participating employer within 60 days and the

1 attainment of age 65 or, commencing July 1, 1993, age 62 with the
2 completion of 10 years of credited service or the first day of the month
3 coinciding with or following the date that the total of the number of years
4 of credited service and the number of years of attained age of the member
5 is equal to or more than 85. In no event shall a normal retirement date for a
6 member be before six months after the entry date of the participating
7 employer by whom such member is employed. A member may retire on
8 the normal retirement date or on the first day of any month thereafter upon
9 the filing with the office of the retirement system of an application in such
10 form and manner as the board shall prescribe. Nothing herein shall prevent
11 any person, member or retirant from being employed, appointed or elected
12 as an employee, appointee, officer or member of the legislature. Elected
13 officers may retire from the system on any date on or after the attainment
14 of the normal retirement date, but no retirement benefits payable under this
15 act shall be paid until the member has terminated such member's office.

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

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

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

32 (5) On or after July 1, 2006, for any retirant who is first employed or
33 appointed in or to any position or office by a participating employer ~~other~~
34 ~~than a participating employer for which such retirant was employed or~~
35 ~~appointed during the final two years of such retirant's participation;~~ and, on
36 or after April 1, 2009, for any retirant who is employed by a third-party
37 entity who contracts services with a participating employer ~~other than a~~
38 ~~participating employer for which such retirant was employed or appointed~~
39 ~~during the final two years of such retirant's participation to fill a position~~
40 ~~covered under subsection (a) of K.S.A. 72-5410, and amendments thereto,~~
41 ~~with such retirant,~~ such participating employer shall pay to the system the
42 actuarially determined employer contribution and the statutorily prescribed
43 employee contribution based on the retirant's compensation during any

1 such period of employment or appointment. If a retirant who retired on or
2 after July 1, 1988, is employed or appointed in or to any position or office
3 for which compensation for service is paid in an amount equal to \$20,000
4 or more in any one such calendar year, by any participating employer ~~for~~
5 ~~which such retirant was employed or appointed during the final two years~~
6 ~~of such retirant's participation~~, and, on or after April 1, 2009, by any third-
7 party entity who contracts services to fill a position covered under
8 subsection (a) of K.S.A. 72-5410, and amendments thereto, with such
9 retirant with a participating employer ~~for which such retirant was~~
10 ~~employed or appointed during the final two years of such retirant's~~
11 ~~participation~~, such retirant shall not receive any retirement benefit for any
12 month for which such retirant serves in such position or office. The
13 participating employer who employs such retirant whether by contract
14 directly with the retirant or through an arrangement with a third-party
15 entity shall report to the system within 30 days of when the compensation
16 paid to the retirant is equal to or exceeds any limitation provided by this
17 section. Any participating employer who contracts services with any such
18 third-party entity to fill a position covered under subsection (a) of K.S.A.
19 72-5410, and amendments thereto, shall include in such contract a
20 provision or condition which requires the third-party entity to provide the
21 participating employer with the necessary compensation paid information
22 related to any such position filled by the third-party entity with a retirant to
23 enable the participating employer to comply with provisions of this
24 subsection relating to the payment of contributions and reporting
25 requirements. The provisions and requirements provided for in
26 amendments made in this act which relate to positions filled with a retirant
27 or employment of a retirant by a third-party entity shall not apply to any
28 contract for services entered into prior to April 1, 2009, between a
29 participating employer and third-party entity as described in this
30 subsection. Any retirant employed by a participating employer or a third-
31 party entity as provided in this subsection shall not make contributions nor
32 receive additional credit under such system for such service except as
33 provided by this section. Upon request of the executive director of the
34 system, the secretary of revenue shall provide such information as may be
35 needed by the executive director to carry out the provisions of this act. The
36 provisions of this subsection shall not apply to retirants employed as
37 substitute teachers or officers, employees or appointees of the legislature.
38 The provisions of this subsection shall not apply to members of the
39 legislature prior to January 8, 2000. The provisions of this subsection shall
40 not apply to any other elected officials prior to the term of office of such
41 elected official which commences on or after July 1, 2000. The provisions
42 of this subsection shall apply to any other elected official on and after the
43 term of office of such other elected official which commences on or after

1 July 1, 2000. Except as otherwise provided, commencing January 8, 2001,
2 the provisions of this subsection shall apply to members of the legislature.
3 For determination of the amount of compensation paid pursuant to this
4 subsection, for members of the legislature, compensation shall include any
5 amount paid as provided pursuant to subsections (a), (b), (c) and (d) of
6 K.S.A. 46-137a, and amendments thereto, or pursuant to K.S.A. 46-137b,
7 and amendments thereto. Notwithstanding any provision of law to the
8 contrary, when a member of the legislature is paid an amount of
9 compensation of \$20,000 or more in any one calendar year, the member
10 may continue to receive any amount provided in subsections (b) and (d) of
11 K.S.A. 46-137a, and amendments thereto, and still be entitled to receive
12 such member's retirement benefit. Commencing July 1, 2005, the
13 provisions of this subsection shall not apply to retirants who either retired
14 under the provisions of subsection (1), or, if they retired under the
15 provisions of subsection (4), were retired more than 30 days prior to the
16 effective date of this act and are licensed professional nurses or licensed
17 practical nurses employed by the state of Kansas in an institution as
18 defined in subsection (b) of K.S.A. 76-12a01 or subsection (f) of K.S.A.
19 38-2302, and amendments thereto, the Kansas soldiers' home or the
20 Kansas veterans' home. Nothing in this subsection shall be construed to
21 create any right, or to authorize the creation of any right, which is not
22 subject to amendment or nullification by act of the legislature. The
23 participating employer of such retirant shall pay to the system the
24 actuarially determined employer contribution based on the retirant's
25 compensation during any such period of employment.

26 (6) For purposes of this section, any employee of a local
27 governmental unit which has its own pension plan who becomes an
28 employee of a participating employer as a result of a merger or
29 consolidation of services provided by local governmental units, which
30 occurred on January 1, 1994, may count service with such local
31 governmental unit in determining whether such employee has met the
32 years of credited service requirements contained in this section.

33 Sec. 3. K.S.A. 2012 Supp. 74-4937 is hereby amended to read as
34 follows: 74-4937. (1) The normal retirement date of a member of the
35 system who is in school employment and who is subject to K.S.A. 74-
36 4940, and amendments thereto, shall be the first day of the month
37 coinciding with or following termination of employment not followed by
38 employment with any participating employer within 60 days and the
39 attainment of age 65 or, commencing July 1, 1986, age 65 or age 60 with
40 the completion of 35 years of credited service or at any age with the
41 completion of 40 years of credited service, or commencing July 1, 1993,
42 any alternative normal retirement date already prescribed by law or age 62
43 with the completion of 10 years of credited service or the first day of the

1 month coinciding with or following the date that the total of the number of
2 years of credited service and the number of years of attained age of the
3 member is equal to or more than 85. Each member upon giving prior
4 notice to the appointing authority and the retirement system may retire on
5 the normal retirement date or the first day of any month thereafter.

6 (2) Any member who is in school employment and who is subject to
7 K.S.A. 74-4940, and amendments thereto, may retire before such
8 member's normal retirement date on the first day of the month coinciding
9 with or following termination of employment not followed by employment
10 with any participating employer within 60 days and the attainment of age
11 55 with the completion of 10 years of credited service, upon the filing with
12 the office of the retirement system of an application for retirement in such
13 form and manner as the board shall prescribe.

14 ~~(3) Commencing July 1, 2009, the provisions of subsection (5) of~~
15 ~~K.S.A. 74-4914, and amendments thereto, which relate to an earnings~~
16 ~~limitation which when met or exceeded requires that the retirant not~~
17 ~~receive a retirement benefit for any month for which such retirant serves in~~
18 ~~a position as described herein shall not apply to retirants who either retired~~
19 ~~under the provisions of subsection (1) of K.S.A. 74-4914, and amendments~~
20 ~~thereto, related to normal retirement, or, if they retired under the~~
21 ~~provisions of subsection (4) of K.S.A. 74-4914, and amendments thereto,~~
22 ~~related to early retirement, were retired more than 60 days prior to the~~
23 ~~effective date of this act, and are subsequently hired in a position that~~
24 ~~requires a license under K.S.A. 72-1388, and amendments thereto, or other~~
25 ~~provision of law. The provisions of this subsection do not apply to retirants~~
26 ~~who retired under subsection (4) of K.S.A. 74-4914, and amendments~~
27 ~~thereto, which relates to early retirement prior to age 62. Except as~~
28 ~~otherwise provided, when a retirant is employed by the same school~~
29 ~~district or a different school district with which such retirant was employed~~
30 ~~during the final two years of such retirant's participation or employed by a~~
31 ~~third-party entity who contracts services with a school district to fill a~~
32 ~~position as described in this subsection, the participating employer of such~~
33 ~~retirant shall pay to the system the actuarially determined employer~~
34 ~~contribution based on the retirant's compensation during any such period~~
35 ~~of employment plus 8%. The provisions of this subsection shall not apply~~
36 ~~to retirants employed as substitute teachers. The provisions of subsection~~
37 ~~(5) of K.S.A. 74-4914, and amendments thereto, shall be applicable to~~
38 ~~retirants employed as described in this subsection, except as specifically~~
39 ~~provided in this subsection. Nothing in this subsection shall be construed~~
40 ~~to create any right, or to authorize the creation of any right, which is not~~
41 ~~subject to amendment or nullification by act of the legislature. The~~
42 ~~provisions of this subsection shall expire on July 1, 2015. After such date~~
43 ~~the Kansas public employees retirement system and its actuary shall report~~

1 ~~the experience to the joint committee on pensions, investments and~~
2 ~~benefits.~~

3 Sec. 4. K.S.A. 2012 Supp. 74-4902, 74-4914 and 74-4937 are hereby
4 repealed.

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