

## **Participating Service; KP&F Death Benefits; Board of Regents Retirement Plan; Administration of KPERS; SB 205**

**SB 205** makes numerous changes to the Kansas Public Employees Retirement System (KPERS or Retirement System) pertaining to participating service; Kansas Police and Firemen's (KP&F) death benefits for certain surviving spouses; the Board of Regents Retirement Plan, as it relates to working after retirement; and the administration of KPERS.

### ***Participating Service***

The bill expands the definition of "participating service" for members of KPERS and KP&F. Time away from work or normal duties while in paid status authorized and approved by a participating employer constitutes service credit. Administrative, vacation, sick, or personal leaves—including worker's compensation or light or temporary duty assignments—qualify as service credit without limitation. This provision applies retroactively, starting on July 1, 2014.

If a member does not return to work for the participating employer at the conclusion of the leave, except for death or disability, the service credit will be removed. If a member voluntarily quits employment, the period of leave exceeding 365 days will be removed from the service credit. In either case, the Retirement System will reimburse the employer and employee for contributions made during that period.

Under previous law, the credit for leave types was addressed administratively by KPERS without specific statutory language. Some forms of leave, such as sick and annual, qualified for service credit. If paid administrative leave extended beyond a calendar quarter, service credit was not earned. Some alternative forms of work assignment, such as light duty, could have received service credit while others, such as temporary duty, did not.

### ***KP&F Death Benefits***

The bill revises death benefits for certain surviving spouses covered by KP&F. Upon the service-connected death of a KP&F member, the member's spouse receives an annual spouse's benefit equal to the greater of:

- 50 percent of the member's final average salary; or
- The amount the member would have been paid had the member elected the joint and survivor retirement benefit option and retired as of the first day of the month following the date of death.

Under previous law, a surviving spouse received an annual benefit equal to 50 percent of the member's final average salary plus an additional 10 percent for each child under the age of 18, or 23 if the child was a full-time student, capped not to exceed 75 percent of the member's final average salary. The bill increases the cap to 90 percent.

The benefits apply retroactively, starting on July 1, 2016. KPERS implements the provisions of the bill.

### ***Board of Regents Retirement Plan***

The bill exempts from the working-after-retirement earnings cap those retirees who are reemployed by the Board of Regents and covered by the Regents Retirement Plan, which is not administered by KPERS.

### ***Administration of KPERS***

The bill deletes reference to 8 percent as the Retirement System's actuarial assumed rate of return and inserts language referring to the actuarial assumed rate of return established by the KPERS Board of Trustees.