AN ACT concerning retirement and pensions; relating to the Kansas public
employees retirement system; adjusting the frequency of the actuarial
experience study; amending K.S.A. 74-4908 and 74-4908a and
repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:
Section 1. K.S.A. 74-4908 is hereby amended to read as follows: 74-
4908. (1) The board shall appoint an executive director and shall establish
the compensation therefor. Subject to the direction of the board, the
executive director shall be the managing officer of the system and as such
shall have charge of the office, records and supervision and direction of
the employees of the system. The executive director shall be in the
unclassified service under the Kansas civil service act.
(2) The executive director shall recommend to the board the
administrative organization, the number and qualifications of employees
necessary to carry out the intent of this act and the directions of the board.
Upon approval of the board, the executive director is authorized to employ
such persons in accordance with the Kansas civil service act.
(3) The board of trustees shall select and employ or retain a qualified
actuary who shall serve at its pleasure as its technical advisor on matters
regarding operation of the system. The actuary shall:
(a) Make an annual valuation of the liabilities and reserves of the
system, and a determination of the contributions required by the system to
discharge its liabilities and administrative costs under this act, and
recommend to the board rates of employer contributions required to
establish and maintain the system on an actuarial reserve basis. Such
recommended employer contributions shall not be based on any other
purpose outside of the needs of the system as prescribed by this
subsection.
(b) As soon after the effective date as practicable and once every
three years thereafter, Commencing from the most recent actuarial
experience study completed prior to July 1, 2020, every four years, or
more or less frequently if deemed necessary by the board in the exercise of
the board's fiduciary duty to act in the best interest of the Kansas public
employees retirement fund, make a general investigation of the actuarial
experience under the system including mortality, retirement, employment
turnover and interest, member compensation, inflation and investment returns, and recommend actuarial tables for use in valuations and in calculating actuarial equivalent values based on such investigation. Any adjustment by the board to the frequency of such investigation shall be not more frequent than once every three years and not less frequent than once every five years.

(c) Cooperate with and provide any assistance to the actuary, the legislative coordinating council and the joint committee on pensions, investments and benefits related to the independent actuarial audit and evaluation as provided in K.S.A. 74-4908a, and amendments thereto.

(d) Perform such other duties as may be assigned by the board.

(4) The attorney general of the state shall furnish such legal services as may be necessary upon receipt of a request from the board, except that legal services may be furnished by other counsel as the board in its discretion deems necessary and prudent.

(5) The board shall employ or retain qualified investment counsel or counselors or may negotiate with a trust company to assist and advise in the judicious investment of funds as herein provided.

(6) Subject to limitations imposed pursuant to this subsection and otherwise provided by law, the board may appoint such officers and employees necessary to advise and assist the board in the performance of powers, duties and functions relating to the management and investment of the fund and in such other matters as may be directed by the board. Such appointed officers and employees shall be in the unclassified service under the Kansas civil service act. The provisions of this subsection shall not affect the classified status of any employee in the classified service under the Kansas civil service act who is employed on the date immediately preceding July 1, 2014. The board is authorized to assign any new or vacant position created by the system on or after the effective date of this act to the classified or unclassified service under the Kansas civil service act. The compensation of such appointed officers and employees in the unclassified service under the Kansas civil service act shall be established by the board.

(7) The board may establish a program for the paying of bonus awards to unclassified officers and employees pursuant to procedures established by the board.

Sec. 2. K.S.A. 74-4908a is hereby amended to read as follows:

74-4908a. Commencing in the fiscal year that commenced in calendar year 1995 and at least once every six years thereafter, there shall be an independent actuarial audit and evaluation of the actuarial services and valuations provided to the board of trustees of the Kansas public employees retirement system pursuant to subsection (3) of K.S.A. 74-4908(3), and amendments thereto. Such independent audit and evaluation
shall be conducted by an actuary other than the actuary employed or
retained by the board pursuant to subsection (3) of K.S.A. 74-4908(3), and
amendments thereto. Such independent audit and evaluation shall include
a review of all assumptions, evaluations and methodology utilized by the
actuary employed or retained by the board as provided in subsection (3) of
K.S.A. 74-4908(3), and amendments thereto, and shall express an opinion
regarding the reasonableness or accuracy of the actuarial assumptions,
actuarial cost methods, valuation results and statutory contribution rates
and shall include certifications that the actuarial valuation report was
performed by a qualified actuary, that the valuation was prepared in
accordance with principles of practices prescribed by the actuarial
standards board and that the actuarial calculations were performed by
qualified actuaries in accordance with accepted actuarial procedures and
that such actuary conducting the independent actuarial audit and
evaluation shall perform test work on the data used by the system for the
annual valuation and three-year performance actuarial experience review
required by K.S.A. 74-4908, and amendments thereto. The actuary
conducting the independent actuarial audit and evaluation as required by
this section shall be employed by the legislative coordinating council as
provided in K.S.A. 46-1204, and amendments thereto.

Sec. 3. K.S.A. 74-4908 and 74-4908a are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its
publication in the statute book.