

SENATE BILL No. 505

By Committee on Ways and Means

2-13

1 AN ACT concerning retirement and pensions; relating to the Kansas public
2 employees retirement system; *making and concerning appropriations*
3 *for the fiscal year ending June 30, 2025; authorizing certain*
4 *transfers from the state general fund to the Kansas public employees*
5 *retirement fund; increasing the retirement benefit multiplier for*
6 *members who are security officers of the department of corrections;*
7 *amending K.S.A. 74-4915 and 74-49,205 and repealing the existing*
8 *sections.*

9
10 *Be it enacted by the Legislature of the State of Kansas:*

11 *New Section 1.*

12
13 **KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM**

14 *(a) On July 1, 2024, or as soon thereafter as moneys are available,*
15 *the director of accounts and reports shall transfer \$22,300,000 from the*
16 *state general fund to the Kansas public employees retirement fund (365-*
17 *00-7002-7000) of the Kansas public employees retirement system:*
18 *Provided, That the transfer shall be for the full payment of the unfunded*
19 *actuarial liability incurred by increasing the retirement benefit*
20 *multiplier for members who are security officers of the department of*
21 *corrections for participating service earned under K.S.A. 74-4914a, and*
22 *amendments thereto.*

23 ~~Sec. 2.—Section 1.~~ K.S.A. 74-4915 is hereby amended to read as
24 follows: 74-4915. (1) (A) Any member who retires on or after such
25 member's normal retirement date shall be entitled to receive an annual
26 retirement benefit equal to the sum obtained by adding an amount for
27 participating service and an amount for prior service determined as
28 provided in this section. The amount for prior service shall be equal to 1%
29 of the member's prior service annual salary multiplied by the number of
30 years of prior service entitled to credit as provided in K.S.A. 74-4913, and
31 amendments thereto, except that for members retiring on or after July 1,
32 1981, who were last employed by a participating employer which had
33 affiliated with the system under K.S.A. 74-4910, 74-4912, 74-4929 or 74-
34 4991, and amendments thereto, and for the period commencing January 1,
35 1986, for members retiring before July 1, 1981, who were last employed
36 by a participating employer which had affiliated with the system under

1 K.S.A. 74-4910, 74-4912, 74-4929 or 74-4991, and amendments thereto,
2 except that any increase in benefits under this section shall be reduced by
3 any postretirement benefit adjustments received by such member prior to
4 July 2, 1985, the amount for prior service shall be calculated using final
5 average salary in lieu of prior service annual salary and, in the case of any
6 such member who became a member under ~~subsection (3) of K.S.A. 74-~~
7 ~~4925(3)~~, and amendments thereto, and for whom a final average salary
8 cannot be otherwise determined, such member's final average salary shall
9 be based on all service for which such member received assistance in a
10 plan under ~~subsection (2) of K.S.A. 74-4925(2)~~, and amendments thereto,
11 as certified by such employer upon request of the board.

12 *(B) Except as provided by paragraph (C), for any member who*
13 *retires on or after July 1, 1993, the amount for participating service shall*
14 *be equal to the total of 1.75% of the member's final average salary*
15 *multiplied by the number of years of participating service earned prior to*
16 *January 1, 2014, and, subject to any election made pursuant to the*
17 *provisions of K.S.A. 74-49,135, and amendments thereto, 1.4% or 1.85%*
18 *of the member's final average salary multiplied by the number of years of*
19 *participating service earned on and after January 1, 2014. If the federal*
20 *internal revenue service fails to grant an approval or issues an adverse*
21 *decision as described in K.S.A. 74-49,135, and amendments thereto, the*
22 *amount for participating service earned on and after January 1, 2014, shall*
23 *be 1.85% of the member's final average salary multiplied by the number of*
24 *years of participating service earned on and after January 1, 2014.*
25 *Notwithstanding any provision of law to the contrary, service that is*
26 *purchased under the provisions of K.S.A. 74-4919a et seq., and*
27 *amendments thereto, shall be credited at a rate which equals 1.4% of the*
28 *member's final average salary for members that elect the 1.4% multiplier*
29 *pursuant to ~~subsection (b)(2) of K.S.A. 74-49,135(b)(2)~~, and amendments*
30 *thereto, and 1.75% of the member's final average salary for members that*
31 *elect the 1.85% multiplier pursuant to ~~subsection (b)(1) of K.S.A. 74-~~*
32 *49,135(b)(1), and amendments thereto.*

33 *(C) For any member who is a security officer as defined by K.S.A.*
34 *74-4914a, and amendments thereto, and who retires on or after July 1,*
35 *2024, the amount for participating service **earned under K.S.A. 74-4914a,***
36 ***and amendments thereto,** shall be equal to the total of 2% of the*
37 *member's final average salary multiplied by the number of years of*
38 *participating service.*

39 (2) (A) Any member who retires on or after July 1, 1993, but before
40 the normal retirement date and has attained age 60 but has not attained age
41 62 with the completion of 10 years of credited service, shall receive an
42 annual retirement benefit equal to the annual retirement benefit payable
43 had the member retired on the normal retirement date but based upon the

1 member'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 the member
4 retired on the normal retirement date, multiplied by (ii) the product of .2%
5 multiplied by the number of months' difference, to the nearest whole
6 month, between the member's attained age at the time of retirement and
7 age 62.

8 (B) Any member who retires on or after July 1, 1993, but before the
9 normal retirement date and has attained age 55 but has not attained age 60
10 with the completion of 10 years of credited service, shall receive an annual
11 retirement benefit equal to the annual retirement benefit payable had the
12 member retired on the normal retirement date but based upon the member's
13 final average salary and years of participating and prior service credited to
14 the date of actual retirement reduced by an amount equal to the total of: (i)
15 (a) The product of such annual retirement benefit payable had the member
16 retired on the normal retirement date, multiplied by (b) the product of .6%
17 multiplied by the number of months' difference, to the nearest whole
18 month, between the member's attained age at the time of retirement and
19 age 60; and

20 (ii) on and after July 1, 1993, the product of such annual retirement
21 benefit payable had the member retired on the normal retirement date,
22 multiplied by 4.8%.

23 (3) Upon death of a retirant, there shall be paid to such retirant's
24 beneficiary an amount equal to the excess, if any, of such retirant's
25 accumulated contributions over the sum of all retirement benefit payments
26 made.

27 (4) Such annual retirement benefits shall be paid in equal monthly
28 installments, except that the board may provide for the payment of
29 retirement benefits which total less than \$240 a year on other than a
30 monthly basis.

31 (5) In the event that an application in such form as may be prescribed
32 by the board for any amount due under the provisions of this act, is not
33 filed with the office of the retirement system by the person entitled to same
34 within five years of the date such amount became due and payable, an
35 amount equal to same shall be transferred to the retirement benefit
36 accumulation reserve and such amount shall no longer be due and payable,
37 except that if any such person shall present evidence satisfactory to the
38 board that such person's failure to file such application within that time
39 period was due to lack of knowledge or incapacity on such person's part,
40 the amount equal to the amount originally due shall be transferred from the
41 retirement benefit accumulation reserve to the reserve or reserves from
42 which such transfer was initially made and the amount originally due shall
43 be paid to such person.

1 (6) The participating employer, when an employee files an
2 application for retirement, shall certify to the system all member
3 contributions of such employee which have not been reported previously.
4 In the event the amount certified results in an overpayment of retirement
5 benefits, the employer shall be held responsible for the contribution
6 amount previously certified from the time of commencement of the
7 overpayment of retirement benefits until the time that such overpayment is
8 discovered by the system. At the time that such overpayment of retirement
9 benefits is discovered by the system, the system shall adjust the amount of
10 retirement benefits paid to the employee to the correct amount based on
11 the participating employer's certification of member contributions which
12 had not been previously reported. The participating employer of the
13 employee who has had such member's retirement benefits adjusted as
14 provided in this subsection shall notify such employee of such
15 overpayment and such adjustment of retirement benefits. If the
16 contributions previously certified are lower than the actual amount
17 reported, the employer shall be responsible for remitting the correct
18 amount and the member's monthly benefit shall be recalculated based on
19 the amount reported by the employer. When an employee in school
20 employment files such an application, the participating employer
21 responsible for any such amounts as provided in this subsection shall be
22 the employee's eligible employer as specified in ~~subsection (1), (2) or (3)~~
23 ~~of~~ K.S.A. 74-4931(1), (2) or (3), and amendments thereto, and shall not be
24 the state of Kansas. The provisions of law in effect on the retirement date
25 of a member under the system shall govern the retirement benefit payable
26 to the retirant, any joint annuitant and any beneficiary.

27 Sec. ~~2~~. 3. K.S.A. 74-49,205 is hereby amended to read as follows: 74-
28 49,205. (a) *Except as provided in subsection (b)*, for any member who is
29 first employed by a participating employer on or after July 1, 2009, and
30 who retires on or after such member's normal retirement date, or such
31 member's retirement date pursuant to early retirement as provided pursuant
32 to K.S.A. 74-49,206, and amendments thereto, but prior to July 1, 2012,
33 the amount for participating service shall be equal to the total of 1.75% of
34 the member's final average salary, and for any member who retires on or
35 after such member's normal retirement date, or such member's retirement
36 date pursuant to early retirement as provided pursuant to K.S.A. 74-
37 49,206, and amendments thereto, and on and after July 1, 2012, the
38 amount for participating service shall be equal to 1.85% of the member's
39 final average salary, multiplied by the number of years of participating
40 service to be used in determining such member's annual retirement benefit.
41 Notwithstanding any law to the contrary, for any member who retired on
42 and after July 1, 2012, but prior to the effective date of this act, such
43 member's annual retirement benefit shall be redetermined with the amount

1 for participating service to be used in determining such member's annual
2 retirement benefit equal to 1.85% of the member's final average salary.
3 Any underpayment to such member for any monthly retirement benefit as
4 determined pursuant to this section shall be paid to such member by the
5 system by means of a one-time redetermination benefit payment in a form
6 and manner prescribed by the board.

7 *(b) For any member who is a security officer as defined by K.S.A. 74-*
8 *4914a, and amendments thereto, and who retires on or after July 1, 2024,*
9 *the amount for participating service **earned under K.S.A. 74-4914a, and***
10 ***amendments thereto**, shall be equal to the total of 2% of the member's*
11 *final average salary multiplied by the number of years of participating*
12 *service.*

13 Sec. ~~3~~ 4. K.S.A. 74-4915 and 74-49,205 are hereby repealed.

14 Sec. ~~4~~ 5. This act shall take effect and be in force from and after its
15 publication in the statute book.