SESSION OF 2014

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2564

As Recommended by House Committee on
Pensions and Benefits

Brief*  

HB 2564 would change a waiting period after retirement from 30 to 60 days for the Kansas Public Employees Retirement System (KPERS) tier 2 members, the separation period required before being eligible to return to work for any KPERS participating employer.

Background  

The 60-day separation period after retirement currently applies to KPERS tier 1 members, but legislation making the original change from 30 to 60 days inadvertently omitted the tier 2 members. The amendment proposed in the bill corrects the omission, and would apply on and after July 1, 2014, to anyone retiring from that group who returns to work after KPERS retirement for any KPERS participating employer. The KPERS plans are Internal Revenue Service (IRS) compliant plans, and the IRS requires a break in service after retirement and before returning to certain work. The 60-day statutory period meets one of the IRS requirements and helps in maintaining the KPERS tax-exempt status as long as each plan meets the IRS requirements. The KPERS tier 2 group was established on July 1, 2009, and its plan has IRS approval based on a 60-day separation period.

The KPERS Board of Trustees requested the bill, and the KPERS Executive Director spoke in favor of the correction at the House Committee hearing. No other conferees testified on the bill.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at http://www.kslegislature.org
The fiscal note indicates there would be no impact for passage of this bill.