

## REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Pensions and Benefits** recommends **HB 2700** be amended on page 1, following line 9, by inserting:

"Section 1. K.S.A. 2015 Supp. 46-2201 is hereby amended to read as follows: 46-2201.

(a) There is hereby created the joint committee on pensions, investments and benefits which shall be composed of five senators and eight members of the house of representatives. The five senate members shall be the chairperson of the standing committee on ways and means of the senate, or a member of such committee appointed by the chairperson, two members appointed by the president and two members appointed by the minority leader. The eight representative members shall be the chairperson of the standing committee on appropriations of the house of representatives, or a member of such committee appointed by the chairperson, four members appointed by the speaker and three members appointed by the minority leader.

(b) All members of the joint committee on pensions, investments and benefits shall serve for terms ending on the first day of the regular legislative session in odd-numbered years. ~~The chairperson and vice-chairperson serving on the effective date of this act will continue to serve in such capacities through June 30, 1998. On and after July 1, 1998, and until the first day of the 1999 regular legislative session, the chairperson shall be one of the senate members of the joint committee selected by the president and the vice-chairperson shall be one of the representative members selected by the speaker. Thereafter,~~ On and after the first day of the regular legislative session in odd-numbered years, the chairperson shall be one of the representative members of the joint committee selected by the speaker and the vice-chairperson

shall be one of the senate members selected by the president and on and after the first day of the regular legislative session in even-numbered years, the chairperson shall be one of the senate members of the joint committee selected by the president and the vice-chairperson shall be one of the representative members of the joint committee selected by the speaker. The chairperson and vice-chairperson of the joint committee shall serve in such capacities until the first day of the regular legislative session in the ensuing year. The vice-chairperson shall exercise all of the powers of the chairperson in the absence of the chairperson.

(c) The joint committee on pensions, investments and benefits shall meet at any time and at any place within the state on call of the chairperson. Members of the joint committee shall receive compensation and travel expenses and subsistence expenses or allowances as provided in K.S.A. 75-3212, and amendments thereto, when attending meetings of such committee authorized by the legislative coordinating council.

(d) In accordance with K.S.A. 46-1204, and amendments thereto, the legislative coordinating council may provide for such professional services as may be requested by the joint committee on pensions, investments and benefits.

(e) The joint committee on pensions, investments and benefits may introduce such legislation as deemed necessary in performing such committee's functions.

(f) The joint committee on pensions, investments and benefits shall:

(1) Monitor, review and make recommendations regarding investment policies and objectives formulated by the board of trustees of the Kansas public employees retirement system;

(2) review and make recommendations relating to benefits for members under the Kansas public employees retirement system;

(3) consider and make recommendations to the standing committee of the senate specified by the president of the senate relating to the confirmation of members of the board of trustees of the

Kansas public employees retirement system appointed pursuant to K.S.A. 74-4905, and amendments thereto. The information provided by the Kansas bureau of investigation or other criminal justice agency pursuant to K.S.A. 74-4905(h), and amendments thereto, relating to the confirmation of members of the board to the standing committee of the senate specified by the president shall be forwarded by the Kansas bureau of investigation or such other criminal justice agency to such joint committee for such joint committee's consideration and other than conviction data, shall be confidential and shall not be disclosed except to members and employees of the joint committee as necessary to determine qualifications of such member. The committee, in accordance with K.S.A. 75-4319, and amendments thereto, shall recess for a closed or executive meeting to receive and discuss information received by the committee pursuant to this subsection;

(4) review and make recommendations relating to the inclusion of city and county correctional officers as eligible members of the Kansas police and firemen's retirement system; and

(5) review reports ~~and approve or deny appeals~~ regarding working after retirement exceptions pursuant to K.S.A. 74-4914 and 74-4937, and amendments thereto. The joint committee may appoint a subcommittee to carry out the provisions of this subsection.";

On page 2, in line 33, by striking "who retired on or after July 1, 1988,";

On page 4, in line 39, after "apply" by inserting ", except as specifically provided in this subsection,";

On page 5, in line 6, before the semicolon by inserting ". Any retirant employed by a school district in a position under K.S.A. 74-4937(4) or (5), and amendments thereto, shall be subject to the provisions of subsection (7)(h) which relate to a limitation on the total term of employment with any participating employer in which a retirant may receive such retirant's full retirement benefit";

Also on page 5, in line 7, after "(iii)" by inserting "employed by a school district in a position that required a license under K.S.A. 72-1388, and amendments thereto, or other provision of law

requiring a similar license and subject to the provisions of K.S.A. 74-4940, and amendments thereto, and who retired at age 62 or later. The school district shall pay to the system a 30% employer contribution based on the retirant's compensation during any such period of employment. On or before July 1, 2019, and at least every three years thereafter, the board, in consultation with the system's consulting actuary, shall evaluate the plan's experience with employment of such retirants and the corresponding employer contribution rate to assess whether the employer contribution rate can be expected to fund adverse experience or higher liabilities accruing under the system in connection with employment of such retirants, to the extent that such liability can be ascertained or estimated. Based on this evaluation of the plan's experience, the board may certify to the division of the budget, in the case of the state, and to the agent for each other participating employer, a new rate if needed to more fully fund such adverse experience or additional liabilities, but such rate shall not be less than 30%;

(iv) ";

On page 6, in line 3, by striking "the actuarially determined" and inserting "a 30%"; in line 5, by striking "plus 8%" and inserting ". On or before July 1, 2019, and at least every three years thereafter, the board, in consultation with the system's consulting actuary, shall evaluate the plan's experience with employment of such retirants and the corresponding employer contribution rate to assess whether the employer contribution rate can be expected to fund adverse experience or higher liabilities accruing under the system in connection with employment of such retirants, to the extent that such liability can be ascertained or estimated. Based on this evaluation of the plan's experience, the board may certify to the division of the budget, in the case of the state, and to the agent for each other participating employer, a new rate if needed to more fully fund such adverse experience or additional liabilities, but such rate shall not be less than 30%"; also in line 5, after the semicolon, by inserting "and";

Also on page 6, in line 10, by striking "appeal" and inserting "assurance protocol"; also in line 10, by striking all after "the"; in line 11, by striking all before "to" and inserting "system"; in line 12, by

striking "one year" and inserting "one-year increments for a total extension not to exceed three years. A written assurance protocol shall be submitted to the system for each one-year increment extension. If a school district submits a written assurance protocol, such written assurance protocol shall be signed by the superintendent and the board president of such school district. If a municipality, as defined in K.S.A. 75-1117, and amendments thereto, other than a school district, submits a written assurance protocol, such written assurance protocol shall be signed by the governing body or such governing body's designee for such municipality";

Also on page 6, in line 12, by striking "appeal" and inserting "assurance protocol"; also in line 12, by striking "include"; by striking all in lines 13 and 14; in line 15, by striking all before the period and inserting "state that the position was advertised on multiple platforms for a minimum of 30 calendar days and that at least one of the following conditions occurred:

- (i) No applications were submitted for the position;
- (ii) if applications were submitted, none of the applicants met the reference screening criteria of the employer; or
- (iii) if applications were submitted, none of the applicants possessed the appropriate licensure, certification or other necessary credentials for the position";

Also on page 6, following line 23, by inserting:

"(h) Any retirant hired by any participating employer under the provisions of subsection (7)(d) or K.S.A. 74-4937(4) or (5), and amendments thereto, may continue to receive such retirant's full retirement benefit so long as such retirant's total term of employment with all participating employers under one or more of such provisions does not exceed 48 months or four school years, whichever is less. After such period, such retirant shall not receive any retirement benefit for any month in any calendar year in which such retirant receives compensation in an amount equal to \$25,000 or more in such calendar year.";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 7, in line 23, by striking "2017" and inserting "2020";

On page 8, in line 18, by striking "2017" and inserting "2020";

On page 9, in line 11, by striking "the actuarially determined" and inserting "a 30%"; in line 12, by striking "plus 8%"; in line 13, before "The" by inserting "On or before July 1, 2019, and at least every three years thereafter, the board, in consultation with the system's consulting actuary, shall evaluate the plan's experience with employment of such retirants and the corresponding employer contribution rate to assess whether the employer contribution rate can be expected to fund adverse experience or higher liabilities accruing under the system in connection with employment of such retirants, to the extent that such liability can be ascertained or estimated. Based on this evaluation of the plan's experience, the board may certify to the division of the budget, in the case of the state, and to the agent for each other participating employer, a new rate if needed to more fully fund such adverse experience or additional liabilities, but such rate shall not be less than 30%.";

Also on page 9, in line 28, by striking "appeal" and inserting "assurance protocol"; also in line 28, by striking all after "the"; in line 29, by striking all before "to" and inserting "system"; in line 30, after the first period by inserting "Such written assurance protocol shall be signed by the superintendent and the board president of the school district."; also in line 30, by striking "appeal" and inserting "assurance protocol"; also in line 30, by striking "include"; by striking all in lines 31 through 34; in line 35, by striking all before the period and inserting "state that the position was advertised on multiple platforms for a minimum of 30 calendar days and that at least one of the following conditions occurred:

- (i) No applications were submitted for the position;
- (ii) if applications were submitted, none of the applicants met the reference screening criteria of the employer; or
- (iii) if applications were submitted, none of the applicants possessed an appropriate teaching

license for the state of Kansas or possessed the appropriate credentials to receive any type of teaching license from the state of Kansas";

On page 10, in line 36, by striking all after "system"; in line 37, by striking "determined" and inserting "a 30%"; in line 38, by striking "plus 8%"; also in line 38, before "The" by inserting "On or before July 1, 2019, and at least every three years thereafter, the board, in consultation with the system's consulting actuary, shall evaluate the plan's experience with employment of such retirants and the corresponding employer contribution rate to assess whether the employer contribution rate can be expected to fund adverse experience or higher liabilities accruing under the system in connection with employment of such retirants, to the extent that such liability can be ascertained or estimated. Based on this evaluation of the plan's experience, the board may certify to the division of the budget, in the case of the state, and to the agent for each other participating employer, a new rate if needed to more fully fund such adverse experience or additional liabilities, but such rate shall not be less than 30%.";

On page 11, in line 12, by striking "appeal" and inserting "assurance protocol"; also in line 12, by striking all after "the"; in line 13, by striking all before "to" and inserting "system"; in line 14, after the period by inserting "Such written assurance protocol shall be signed by the superintendent and the board president of the school district."; also in line 14, by striking "appeal" and inserting "assurance protocol"; also in line 14, by striking "include"; by striking all in lines 15 through 18; in line 19, by striking all before the period and inserting "state that the position was advertised on multiple platforms for a minimum of 30 calendar days and that at least one of the following conditions occurred:

- (i) No applications were submitted for the position;
- (ii) if applications were submitted, none of the applicants met the reference screening criteria of the employer; or
- (iii) if applications were submitted, none of the applicants possessed an appropriate teaching license for the state of Kansas or possessed the appropriate credentials to receive any type of teaching

license from the state of Kansas";

Also on page 11, following line 25, by inserting:

"(7) Any retirant hired by any participating employer under the provisions of subsection (4) or (5) or K.S.A. 74-4914(7)(d), and amendments thereto, may continue to receive such retirant's full retirement benefit so long as such retirant's total term of employment with all participating employers under one or more of such provisions does not exceed 48 months or four school years, whichever is less. After such period, such retirant shall not receive any retirement benefit for any month in any calendar year in which such retirant receives compensation in an amount equal to \$25,000 or more in such calendar year.

Sec. 4. K.S.A. 2015 Supp. 74-4957 is hereby amended to read as follows: 74-4957. (1) The normal retirement date for a member of the system who is appointed or employed prior to July 1, 1989, and who does not make an election pursuant to K.S.A. 74-4955a, and amendments thereto, shall be the first day of the month coinciding with or following termination of employment not followed by employment with any participating employer within 30 days, and the attainment of age 55 and the completion of 20 years of credited service or the completion of 32 years of credited service regardless of the age of the member. Any member may retire on such member's normal retirement date or on the first day of any month thereafter.

(2) *Early retirement.* Any member who is appointed or employed prior to July 1, 1989, and who does not make an election pursuant to K.S.A. 74-4955a, and amendments thereto, may retire before such member's normal retirement date on the first day of any month coinciding with or following termination of employment not followed by employment with any participating employer within 30 days and the attainment of age 50 and the completion of 20 years of credited service.

(3) Notwithstanding the provisions of subsections (1) and (2) of this section and K.S.A. 74-4955a, 74-4957a, 74-4958a, 74-4960a, 74-4963a and 74-4964a, and amendments thereto, the normal



retirement date for any member who was, up to the entry date of such member's employer, covered by a pension system under the provisions of K.S.A. 13-14a01 to 13-14a14, inclusive, or 14-10a01 to 14-10a15, inclusive, and amendments thereto, shall be the first day of the month coinciding with or following the attainment of age 50 and the completion of 25 years of credited service.

(4) In no event shall a member be eligible to retire until such member has been a contributing member of the system for 12 months of participating service, and shall have given such member's employer prior notice of retirement.

(5) If a retirant who retired on or after July 1, 1994, is employed, elected or appointed in or to any position or office for which compensation for service is paid in an amount equal to ~~\$15,000~~ \$25,000 or more in any one such calendar year, by the same state agency or the same police or fire department of any county, city, township or special district or the same sheriff's office of a county during the final two years of such retirant's participation, such retirant shall not receive any retirement benefit for any month for which such retirant serves in such position or office. The participating employer shall report to the system within 30 days of when the compensation paid to the retirant is equal to or exceeds any limitation provided by this section. Any retirant employed by a participating employer in the Kansas police and firemen's retirement system shall not make contributions nor receive additional credit under such system for such service except as provided by this section. Upon request of the executive director of the system, the secretary of revenue shall provide such information as may be needed by the executive director to carry out the provisions of this act.

Sec. 5. K.S.A. 74-4957a is hereby amended to read as follows: 74-4957a. (1) The normal retirement date for a member of the system who is appointed or employed on or after July 1, 1989, or who makes an election pursuant to K.S.A. 74-4955a, and amendments thereto, to be covered by the provisions of this act shall be the first day of the month coinciding with or following termination of employment not followed by employment with any participating employer within 30 days and the

attainment of age 55 and the completion of 20 years of credited service, age 50 and the completion of 25 years of credited service or age 60 with the completion of 15 years of credited service. Any such member may retire on such member's normal retirement date or on the first day of any month thereafter.

(2) Any member may retire before such member's normal retirement date on the first day of any month coinciding with or following termination of employment not followed by employment with any participating employer within 30 days and the attainment of age 50 and the completion of 20 years of credited service.

(3) In no event shall a member be eligible to retire until such member has been a contributing member of the system for 12 months of participating service, and shall have given such member's employer prior notice of retirement.

(4) If a retirant who retired on or after July 1, 1996, is employed, elected or appointed in or to any position or office for which compensation for service is paid in an amount equal to ~~\$15,000~~ \$25,000 or more in any one such calendar year, by the same state agency or the same police or fire department of any county, city, township or special district or the same sheriff's office of a county during the final two years of such retirant's participation, such retirant shall not receive any retirement benefit for any month for which such retirant serves in such position or office. The participating employer shall report to the system within 30 days of when the compensation paid to the retirant is equal to or exceeds any limitation provided by this section. Any retirant employed by a participating employer in the Kansas police and firemen's retirement system shall not make contributions nor receive additional credit under such system for such service except as provided by this section. Upon request of the executive director of the system, the secretary of revenue shall provide such information as may be needed by the executive director to carry out the provisions of this act.

(5) The provisions of this section shall be effective on and after July 1, 1989, and shall apply

only to members who were appointed or employed prior to July 1, 1989, and who made an election pursuant to K.S.A. 74-4955a<sub>2</sub> and amendments thereto; and persons appointed or employed on or after July 1, 1989.";

Also on page 11, in line 26, after "K.S.A." by inserting "74-4957a and K.S.A."; also in line 26, after "Supp." by inserting "46-2201,"; also in line 26, by striking "and" and inserting a comma; also in line 26, after "74-4937" by inserting "and 74-4957";

And by renumbering sections accordingly;

On page 1, in the title, in line 5, after the second semicolon by inserting "employment after retirement; special provisions for certain retirants; certain duties of the joint committee on pensions, investments and benefits; employer rate of contribution; increasing compensation limitation for members of the Kansas police and firemen's retirement system;"; in line 6, after "K.S.A." by inserting "74-4957a and K.S.A."; also in line 6, after "Supp." by inserting "46-2201,"; also in line 6, by striking the first "and" and inserting a comma; also in line 6, after "74-4937" by inserting "and 74-4957"; and the bill be passed as amended.

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Chairperson