

## HOUSE BILL No. 2656

By Committee on Pensions and Benefits

2-9

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1 AN ACT concerning retirement and pensions; relating to the Kansas public  
2 employees retirement system; employment after retirement; exempting  
3 certain retirants in school employment from earnings limitation;  
4 amending K.S.A. 2015 Supp. 74-4914 and repealing the existing  
5 section.  
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7 *Be it enacted by the Legislature of the State of Kansas:*

8 Section 1. K.S.A. 2015 Supp. 74-4914 is hereby amended to read as  
9 follows: 74-4914. (1) The normal retirement date for a member of the  
10 system shall be the first day of the month coinciding with or following  
11 termination of employment with any participating employer not followed  
12 by employment with any participating employer within 60 days and the  
13 attainment of age 65 or, commencing July 1, 1993, age 62 with the  
14 completion of 10 years of credited service or the first day of the month  
15 coinciding with or following the date that the total of the number of years  
16 of credited service and the number of years of attained age of the member  
17 is equal to or more than 85. In no event shall a normal retirement date for a  
18 member be before six months after the entry date of the participating  
19 employer by whom such member is employed. A member may retire on  
20 the normal retirement date or on the first day of any month thereafter upon  
21 the filing with the office of the retirement system of an application in such  
22 form and manner as the board shall prescribe. Nothing herein shall prevent  
23 any person, member or retirant from being employed, appointed or elected  
24 as an employee, appointee, officer or member of the legislature. Elected  
25 officers may retire from the system on any date on or after the attainment  
26 of the normal retirement date, but no retirement benefits payable under this  
27 act shall be paid until the member has terminated such member's office.

28 (2) No retirant shall make contributions to the system or receive  
29 service credit for any service after the date of retirement.

30 (3) Any member who is an employee of an affiliating employer  
31 pursuant to K.S.A. 74-4954b, and amendments thereto, and has not  
32 withdrawn such member's accumulated contributions from the Kansas  
33 police and firemen's retirement system may retire before such member's  
34 normal retirement date on the first day of any month coinciding with or  
35 following the attainment of age 55.

36 (4) Any member may retire before such member's normal retirement

1 date on the first day of any month coinciding with or following  
2 termination of employment with any participating employer not followed  
3 by employment with any participating employer within 60 days and the  
4 attainment of age 55 with the completion of 10 years of credited service,  
5 but in no event before six months after the entry date, upon the filing with  
6 the office of the retirement system of an application for retirement in such  
7 form and manner as the board shall prescribe.

8 (5) Except as provided in subsection (7), on or after July 1, 2006, for  
9 any retirant who is first employed or appointed in or to any position or  
10 office by a participating employer other than a participating employer for  
11 which such retirant was employed or appointed during the final two years  
12 of such retirant's participation, and, on or after April 1, 2009, for any  
13 retirant who is employed by a third-party entity who contracts services  
14 with a participating employer other than a participating employer for  
15 which such retirant was employed or appointed during the final two years  
16 of such retirant's participation to fill a position covered under K.S.A. 72-  
17 5410(a), and amendments thereto, with such retirant, such participating  
18 employer shall pay to the system the actuarially determined employer  
19 contribution and the statutorily prescribed employee contribution based on  
20 the retirant's compensation during any such period of employment or  
21 appointment. If a retirant who retired on or after July 1, 1988, is employed  
22 or appointed in or to any position or office for which compensation for  
23 service is paid in an amount equal to \$20,000 or more in any one such  
24 calendar year, or \$25,000 or more in any one calendar year between July 1,  
25 2016, and July 1, 2021, by any participating employer for which such  
26 retirant was employed or appointed during the final two years of such  
27 retirant's participation, and, on or after April 1, 2009, by any third-party  
28 entity who contracts services to fill a position covered under K.S.A. 72-  
29 5410(a), and amendments thereto, with such retirant with a participating  
30 employer for which such retirant was employed or appointed during the  
31 final two years of such retirant's participation, such retirant shall not  
32 receive any retirement benefit for any month for which such retirant serves  
33 in such position or office. The participating employer who employs such  
34 retirant whether by contract directly with the retirant or through an  
35 arrangement with a third-party entity shall report to the system within 30  
36 days of when the compensation paid to the retirant is equal to or exceeds  
37 any limitation provided by this section. Any participating employer who  
38 contracts services with any such third-party entity to fill a position covered  
39 under K.S.A. 72-5410(a), and amendments thereto, shall include in such  
40 contract a provision or condition which requires the third-party entity to  
41 provide the participating employer with the necessary compensation paid  
42 information related to any such position filled by the third-party entity  
43 with a retirant to enable the participating employer to comply with

1 provisions of this subsection relating to the payment of contributions and  
2 reporting requirements. The provisions and requirements provided for in  
3 amendments made in this act which relate to positions filled with a retirant  
4 or employment of a retirant by a third-party entity shall not apply to any  
5 contract for services entered into prior to April 1, 2009, between a  
6 participating employer and third-party entity as described in this  
7 subsection. Any retirant employed by a participating employer or a third-  
8 party entity as provided in this subsection shall not make contributions nor  
9 receive additional credit under such system for such service except as  
10 provided by this section. Upon request of the executive director of the  
11 system, the secretary of revenue shall provide such information as may be  
12 needed by the executive director to carry out the provisions of this act. The  
13 provisions of this subsection shall not apply to retirants employed as  
14 substitute teachers or officers, employees or appointees of the legislature.  
15 The provisions of this subsection shall not apply to members of the  
16 legislature prior to January 8, 2000. The provisions of this subsection shall  
17 not apply to any other elected officials prior to the term of office of such  
18 elected official which commences on or after July 1, 2000. The provisions  
19 of this subsection shall apply to any other elected official, except an  
20 elected city or county officer as further provided in this subsection, on and  
21 after the term of office of such other elected official which commences on  
22 or after July 1, 2000. Notwithstanding any provisions of law to the  
23 contrary, when an elected city or county officer is retired under the  
24 provisions of subsection (1) or (4) of this section and is paid an amount of  
25 compensation of \$25,000 or more in any one calendar year between July 1,  
26 2016, and July 1, 2021, such officer may receive such officer's salary, and  
27 still be entitled to receive such officer's retirement benefit pursuant to the  
28 provisions of K.S.A. 74-4915 et seq., and amendments thereto. Except as  
29 otherwise provided, commencing January 8, 2001, the provisions of this  
30 subsection shall apply to members of the legislature. For determination of  
31 the amount of compensation paid pursuant to this subsection, for members  
32 of the legislature, compensation shall include any amount paid as provided  
33 pursuant to K.S.A. 46-137a(a), (b), (c) and (d), and amendments thereto,  
34 or pursuant to K.S.A. 46-137b, and amendments thereto. Notwithstanding  
35 any provision of law to the contrary, when a member of the legislature is  
36 paid an amount of compensation of \$20,000 or more in any one calendar  
37 year, the member may continue to receive any amount provided in K.S.A.  
38 46-137a(b) and (d), and amendments thereto, and still be entitled to  
39 receive such member's retirement benefit. Commencing July 1, 2005, the  
40 provisions of this subsection shall not apply to retirants who either retired  
41 under the provisions of subsection (1), or, if they retired under the  
42 provisions of subsection (4), were retired more than 30 days prior to the  
43 effective date of this act and are licensed professional nurses or licensed

1 practical nurses employed by the state of Kansas in an institution as  
2 defined in K.S.A. 76-12a01(b) or K.S.A. 38-2302(f), and amendments  
3 thereto, the Kansas soldiers' home or the Kansas veterans' home. Nothing  
4 in this subsection shall be construed to create any right, or to authorize the  
5 creation of any right, which is not subject to amendment or nullification by  
6 act of the legislature. The participating employer of such retirant shall pay  
7 to the system the actuarially determined employer contribution based on  
8 the retirant's compensation during any such period of employment.

9 (6) For purposes of this section, any employee of a local  
10 governmental unit which has its own pension plan who becomes an  
11 employee of a participating employer as a result of a merger or  
12 consolidation of services provided by local governmental units, which  
13 occurred on January 1, 1994, may count service with such local  
14 governmental unit in determining whether such employee has met the  
15 years of credited service requirements contained in this section.

16 (7) (a) Except as provided in K.S.A. 74-4937(3), (4), or (5), and  
17 amendments thereto, and the provisions of this subsection, commencing  
18 July 1, 2016, and ending July 1, 2021, any retirant who is employed or  
19 appointed in or to any position by a participating employer or a third-party  
20 entity who contracts services with a participating employer to fill a  
21 position, without any prearranged agreement with such participating  
22 employer and not prior to 60 days after such retirant's retirement date, shall  
23 not receive any retirement benefit for any month in any calendar year in  
24 which the retirant receives compensation in an amount equal to \$25,000 or  
25 more, pursuant to this subsection. The provisions of this subsection shall  
26 apply to members of the legislature.

27 (b) The provisions of this subsection shall not apply to retirants that  
28 are:

29 (i) Licensed professional nurses or licensed practical nurses  
30 employed by the state of Kansas in an institution as defined in K.S.A. 76-  
31 12a01(b) or 38-2302(f), and amendments thereto, the Kansas soldiers'  
32 home or the Kansas veterans' home. The participating employer of such  
33 retirant shall pay to the system the actuarially determined employer  
34 contribution based on the retirant's compensation and the statutorily  
35 prescribed employee contribution during any such period of employment;

36 (ii) employed by a school district in a position as provided in K.S.A.  
37 74-4937(3), (4) or (5), and amendments thereto;

38 (iii) *employed by a school district in a position that requires a license*  
39 *under K.S.A. 72-1388, and amendments thereto, or other provision of law*  
40 *requiring a similar license and who retired at age 62 or later. The school*  
41 *district shall pay to the system the actuarially determined employer*  
42 *contribution based on the retirant's compensation during any such period*  
43 *of employment plus 8%;*

1       (iv) certified law enforcement officers employed by the law  
2 enforcement training center. Such law enforcement officers shall receive  
3 their benefits notwithstanding this subsection. The law enforcement  
4 training center shall pay to the system the actuarial determined employer  
5 contribution and the statutorily prescribed employee contribution based on  
6 the retirant's compensation during any such period of employment;

7       ~~(iv)~~ (v) members of the Kansas police and firemen's retirement  
8 system pursuant to K.S.A. 74-4951 et seq., and amendments thereto, or  
9 members of the retirement system for judges pursuant to K.S.A. 20-2601  
10 et seq., and amendments thereto;

11       ~~(v)~~ (vi) employed as substitute teachers or officers, employees or  
12 appointees of the legislature; and

13       ~~(vi)~~ (vii) employed by, or have accepted employment from, a  
14 participating employer prior to May 1, 2015. Any break in continuous  
15 employment by a retirant or move to a different position by a retirant  
16 during the effective period of this subsection shall be deemed new  
17 employment and shall subject the retirant to the provisions of this  
18 subsection.

19       (c) The participating employer shall enroll all retirants and report to  
20 the system when compensation is paid to a retirant as provided in this  
21 subsection. Upon request of the executive director of the system, the  
22 participating employer shall provide such information as may be needed  
23 by the executive director to carry out the provisions of this subsection. Any  
24 participating employer who hires a retirant covered by this subsection shall  
25 pay to the system the statutorily prescribed employer contribution rate for  
26 such retirant, without regard to whether the retirant is receiving benefits.  
27 No retirant shall receive credit for service while employed under the  
28 provisions of this subsection.

29       (d) A participating employer may employ a retirant without regard to  
30 the compensation limitation in this subsection for a period of one calendar  
31 year or one school year, as the case may be, if the following requirements  
32 are met:

33       (i) The employer certifies to the board that the position being filled  
34 has been vacated due to an unexpected emergency or the employer has  
35 been unsuccessful in filling the position;

36       (ii) the employer pays to the system the actuarially determined  
37 employer contribution based on the retirant's compensation during any  
38 such period of employment plus 8%;

39       (iii) the employer maintains documentation of its efforts to fill the  
40 position with a non-retirant and provides such documentation to the joint  
41 committee on pensions, investments and benefits upon request of the  
42 committee.

43       (e) An employer may submit a written appeal to the joint committee

1 on pensions, investments and benefits to extend the exception provided for  
2 in subsection (7)(d) by one year. Such written appeal shall include  
3 documentation of the employer's efforts to fill the position with a non-  
4 retirant. Granting or denial of such extension shall be at the sole discretion  
5 of the committee.

6 (f) On July 1, 2016, and at least every five years thereafter, the joint  
7 committee on pensions, investments and benefits shall study the issue of  
8 whether the compensation limitation prescribed in this subsection should  
9 be adjusted. The committee shall consider the effect of inflation and data  
10 on member retirement benefits and active employee compensation.

11 (g) Nothing in this subsection shall be construed to create any right,  
12 or to authorize the creation of any right, which is not subject to  
13 amendment or nullification by act of the legislature.

14 Sec. 2. K.S.A. 2015 Supp. 74-4914 is hereby repealed.

15 Sec. 3. This act shall take effect and be in force from and after its  
16 publication in the statute book.