

## **DROP Membership Expansion, Sunset Date; KDWP Affiliation in KP&F for Certain Employees; HB 2196**

**HB 2196** authorizes the affiliation of certain persons employed by the Kansas Department of Wildlife and Parks (Department) into the Kansas Police and Firemen's (KP&F) Retirement System on July 1, 2023. The bill also expands the defined membership of the Deferred Retirement Option Program (DROP) to include any member of KP&F who is eligible to participate in DROP and extends the sunset date for DROP from January 1, 2025, to January 1, 2031.

The bill takes effect upon publication in the *Kansas Register*.

### ***KP&F Affiliation***

The bill authorizes the Department to become an eligible employer with the KP&F Retirement System on July 1, 2023, for persons employed in the parks, public lands, or law enforcement division who have completed the coursework for law enforcement officers approved by the Kansas Law Enforcement Training Center and who are certified as full-time police officers or law enforcement officers. The application for affiliation with KP&F will be effective on the July 1 next following application. The bill requires the Division of the Budget and Governor to budget future contributions accordingly.

Under this affiliation, the Department will pay the KP&F employer contribution rate for its qualified employees. As KP&F members, the employees will contribute at the rate of 7.15 percent of compensation rather than to the Kansas Public Employees Retirement System (KPERs or the Retirement System) at the rate of 6.0 percent as they currently do. The determination of benefits will be based upon service credited under KP&F statutes and include participating service earned on and after July 1, 2023. Department employees who become KP&F members and have a vested retirement benefit under KPERs but terminate employment prior to vesting in KP&F will be allowed to have their KP&F service credit apply to KPERs benefits.

### ***Legacy Costs of Affiliation; Amortization, Payment Options***

The bill provides the actuarial legacy cost of \$2,733,769, for the remaining unfunded liabilities in the Retirement System be amortized over 20 years as a level dollar amount, as certified by the KPERs Board of Trustees upon recommendation of its consulting actuary, through an additional payment by the Department. The bill also permits, subject to appropriations, the Department to make a payment in full or payments in two installments for the actuarial legacy cost prior to the expiration of the 20-year amortization period.

### ***DROP Membership Expansion***

The bill expands the defined membership of DROP to include any KP&F member who is eligible to participate and elects to participate in DROP, replacing a definition that includes only a trooper, examiner, or officer of the Kansas Highway Patrol or an agent of the Kansas Bureau of Investigation.