

STATE OF KANSAS

HOUSE OF REPRESENTATIVES

MR. CHAIRMAN:

I move to amend **House Substitute for SB 259**, on page 24, following line 3, by inserting:

"New Sec. 29. (a) The board shall establish within the Kansas public employees retirement system a separate defined contribution matching program in accordance with the provisions of K.S.A. 2011 Supp. 74-49b01 *et seq.*, and amendments thereto, and this section. Members of the state contribution matching program shall include all employees of the state and employees of a participating employer which is an eligible employer, as specified in K.S.A. 74-4931, and amendments thereto. The matching contribution program shall not apply to members of the Kansas police and firemen's retirement system and the retirement system for judges, employees which receive annuities pursuant to the provisions of K.S.A. 74-4925, and amendments thereto, and employees of participating employers other than the state of Kansas.

(b) The state shall match each dollar contributed by the employee to the supplemental retirement program up to a maximum state matching contribution of \$25 per month. The state supplemental matching contribution shall be payable to the supplemental retirement account of the employee at the end of each fiscal year and shall not be payable unless the employee is still employed by the employee's participating employer.

(c) The member's supplemental retirement plan for state employees shall be the plan established pursuant to K.S.A. 74-49b07, *et seq.*, and amendments thereto, and the supplemental retirement plan for employees of a participating employer which is an eligible employer, as specified in K.S.A. 74-4931, and amendments thereto, shall be section 403b plans established and selected by the local employers in accordance with K.S.A. 72-8603, and amendments thereto.

(d) Nothing in this section shall prohibit or restrict additional matching programs established by the employer. All funds contributed to the supplemental matching account shall immediately vest to the employee, and be invested in accordance with the instructions of the employee.

Sec. 30. K.S.A. 2011 Supp. 74-49b10 is hereby amended to read as follows: 74-49b10. (a) The board is authorized to enter into a voluntary participation agreement with any employee of the state whereby a portion of the employee's salary or compensation from the state shall be deferred and deducted each payroll period in accordance with subsection (b) and the Kansas public employees deferred compensation plan. Such participation agreement may require each participant to pay a service charge to defray all or part of any significant costs incurred and to be recovered by the state pursuant to subsection (c) of K.S.A. 2011 Supp. 74-49b09, and amendments thereto, as a result of the administration of this act.

(b) Pursuant to this act and such participation agreements, the director of accounts and reports, as a part of the system of regular payroll deductions and using funds either appropriated or otherwise available for such purpose, shall establish a system for the following purposes: (1) To defer each payroll period the amounts authorized in such participation agreements from the salary or compensation of each employee who has entered into a participation agreement; and

(2) to remit these moneys in accordance with the Kansas public employees deferred compensation plan.

(c) (1) Pursuant to section 401(a) of the federal internal revenue code, the board shall establish a separate qualified plan to make contributions as provided pursuant to section 29, and amendments thereto, and may establish~~a~~ an additional qualified plan under which the state may contribute a specified amount, subject to appropriations, to the deferred compensation plan for state employees who have entered into a voluntary participation agreement with the board under this section.

(2) Any state agency that has on its payroll persons participating in any qualified plan

established under subsection (c)(1), shall pay from any moneys available to the state agency for such purpose an amount specified in the qualified plan, subject to appropriations for that purpose.

(d) The Kansas public employees deferred compensation plan shall exist and be in addition to, and shall not be a part of any retirement or pension system for employees. The state shall not be responsible for any loss incurred by any participant under the Kansas public employees deferred compensation plan established and approved pursuant to this act.

(e) Any amount of the employee's salary or compensation that is deferred under such authorized participation agreement shall continue to be included as regular compensation for all purposes of computing retirement and pension benefits earned by any such employee, but any sum deferred or deducted shall not be subject to any state or local income taxes for the year in which such sum is earned but shall be subject to applicable state and local income taxes for the year in which such sum is received by the employee.

(f) A deferred compensation clearing fund shall be established in the state treasury in which all compensation deferred, deducted or contributed in accordance with this act and as provided for in each participation agreement shall be temporarily placed.";

And by renumbering sections accordingly;

Also, on page 24, in line 5, after "74-49,213" by inserting ", 74-49b10";

On page 1, in the title, in line 9, after the semicolon, by inserting "supplemental retirement matching program, deferred compensation plan for public employees;"; in line 10, after "74-49,205" by inserting ", 74-49b10"

_____ District.