

74-4924. False information, criminal penalty; correction of errors; withdrawal of contributions, deduction from amounts due; limitations on recovery by system; system to not recover certain overpayments. (1) Any person who shall knowingly make any false statement, or who shall falsify or permit to be falsified any record necessary for carrying out the intent of this act for the purpose of committing fraud, shall be subject to the provisions of subsection (a) of K.S.A. 2014 Supp. 21-6004, and amendments thereto.

(2) Should any error in any records or in any calculation of the Kansas public employees retirement system result in any member or beneficiary receiving more or less than he would have been entitled to receive had the records or calculations been correct, the board shall correct such error, and, as far as practicable, make future payments in such a manner that the actuarial equivalent of the benefit to which such member or beneficiary was entitled shall be paid and may recover any overpayments. In the event a member has withdrawn, all or part of, such member's accumulated contributions in a manner not in compliance with the provisions of this act or the regulations of the system, the member shall forfeit all service credit related to such withdrawn accumulated contributions.

(3) (a) Notwithstanding the provisions of subsection (2) and except as provided in subsection (3)(d), the board is not required to collect any benefit overpayment that is of more than 60 months' standing when discovered, if any errors in the records or calculations of the system that resulted in such overpayment are attributable solely to incorrect procedures or calculations by the system and there is no evidence of fraud or misconduct on the part of the member or other person receiving the benefit.

(b) The board shall make reasonable efforts to recover all benefit overpayment of 60 months' standing or less, including the imposition of an actuarially calculated reduction in an ongoing monthly benefit payment or the deduction of the total overpaid amount from any refund of contributions or group life insurance benefits that become due and payable to the member or member's beneficiary.

(c) No monthly benefit reduction imposed under this section for the purpose of collecting an overpayment shall result in a monthly benefit payment that is more than 10% lower than the monthly benefit payment would have been without such collection-related reduction, except that the monthly benefit payment in all cases must first be reduced to the correct amount as provided by the terms of this section before the 10% cap on collection-related reductions is imposed.

(d) Notwithstanding the provisions of this section, on and after the effective date of this act, the board shall not collect any benefit overpayment, attributable to errors in the calculation of benefits by the system that resulted in such overpayments to any person that first occurred after and as a result of a statutory increase in benefits passed by the legislature in 1993, and there is no evidence of fraud or other misconduct on the part of the person receiving the benefit.

History: L. 1961, ch. 427, § 24; L. 1963, ch. 412, § 16; L. 1968, ch. 128, § 3; L. 1974, ch. 339, § 1; L. 1998, ch. 201, § 28; L. 2000, ch. 152, § 15; L. 2008, ch. 113, § 14; L. 2011, ch. 30, § 253; July 1.