

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Pensions and Benefits** recommends **HB 2253** be amended on page 1, following line 6, by inserting:

"Section 1. K.S.A. 2014 Supp. 74-4914 is hereby amended to read as follows: 74-4914.

(1) The normal retirement date for a member of the system shall be the first day of the month coinciding with or following termination of employment with any participating employer not followed by employment with any participating employer within 60 days and the attainment of age 65 or, commencing July 1, 1993, age 62 with the completion of 10 years of credited service or the first day of the month coinciding with or following the date that the total of the number of years of credited service and the number of years of attained age of the member is equal to or more than 85. In no event shall a normal retirement date for a member be before six months after the entry date of the participating employer by whom such member is employed. A member may retire on the normal retirement date or on the first day of any month thereafter upon the filing with the office of the retirement system of an application in such form and manner as the board shall prescribe. Nothing herein shall prevent any person, member or retirant from being employed, appointed or elected as an employee, appointee, officer or member of the legislature. Elected officers may retire from the system on any date on or after the attainment of the normal retirement date, but no retirement benefits payable under this act shall be paid until the member has terminated such member's office.

(2) Except as provided in subsection (7), no retirant shall make contributions to the system or receive service credit for any service after the date of retirement.

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member who is an employee of an affiliating employer pursuant to K.S.A. 74-4954b, and amendments thereto and has not withdrawn such member's accumulated contributions from the Kansas police and firemen's retirement system may retire before such member's normal retirement date on the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

(4) 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 with any participating employer not followed by employment with any participating employer within 60 days and the attainment of age 55 with the completion of 10 years of credited service, but in no event before six months after the entry date, upon the filing with the office of the retirement system of an application for retirement in such form and manner as the board shall prescribe.

(5) Except as provided in subsection (7), on or after July 1, 2006, for any retirant who is first employed or appointed in or to any position or office by a participating employer other than a participating employer for which such retirant was employed or appointed during the final two years of such retirant's participation, and, on or after April 1, 2009, for any retirant who is employed by a third-party entity who contracts services with a participating employer other than a participating employer for which such retirant was employed or appointed during the final two years of such retirant's participation to fill a position covered under ~~subsection (a)~~ of K.S.A. 72-5410(a), and amendments thereto, with such retirant, such participating employer shall pay to the system the actuarially determined employer contribution and the statutorily prescribed employee contribution based on the retirant's compensation during any such period of employment or appointment. If a retirant who retired on or after July 1, 1988, is employed or appointed in or to any position or office for which compensation for service is paid in an amount equal to \$20,000 or more in any one such calendar year, by any participating employer for which such retirant was employed or appointed during the final two

years of such retirant's participation, and, on or after April 1, 2009, by any third-party entity who contracts services to fill a position covered under ~~subsection (a)~~ of K.S.A. 72-5410(a), and amendments thereto, with such retirant with a participating employer for which such retirant was employed or appointed 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 who employs such retirant whether by contract directly with the retirant or through an arrangement with a third-party entity 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 participating employer who contracts services with any such third-party entity to fill a position covered under ~~subsection (a)~~ of K.S.A. 72-5410(a), and amendments thereto, shall include in such contract a provision or condition which requires the third-party entity to provide the participating employer with the necessary compensation paid information related to any such position filled by the third-party entity with a retirant to enable the participating employer to comply with provisions of this subsection relating to the payment of contributions and reporting requirements. The provisions and requirements provided for in amendments made in this act which relate to positions filled with a retirant or employment of a retirant by a third-party entity shall not apply to any contract for services entered into prior to April 1, 2009, between a participating employer and third-party entity as described in this subsection. Any retirant employed by a participating employer or a third-party entity as provided in this subsection 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. The provisions of this subsection shall not apply to retirants employed as substitute teachers or officers, employees or appointees of the legislature. The provisions of this

subsection shall not apply to members of the legislature prior to January 8, 2000. The provisions of this subsection shall not apply to any other elected officials prior to the term of office of such elected official which commences on or after July 1, 2000. The provisions of this subsection shall apply to any other elected official on and after the term of office of such other elected official which commences on or after July 1, 2000. Except as otherwise provided, commencing January 8, 2001, the provisions of this subsection shall apply to members of the legislature. For determination of the amount of compensation paid pursuant to this subsection, for members of the legislature, compensation shall include any amount paid as provided pursuant to ~~subsections (a), (b), (c) and (d) of K.S.A. 46-137a(a), (b), (c) and (d),~~ and amendments thereto, or pursuant to K.S.A. 46-137b, and amendments thereto. Notwithstanding any provision of law to the contrary, when a member of the legislature is paid an amount of compensation of \$20,000 or more in any one calendar year, the member may continue to receive any amount provided in ~~subsections (b) and (d) of K.S.A. 46-137a(b) and (d),~~ and amendments thereto, and still be entitled to receive such member's retirement benefit. Commencing July 1, 2005, the provisions of this subsection shall not apply to retirants who either retired under the provisions of subsection (1), or, if they retired under the provisions of subsection (4), were retired more than 30 days prior to the effective date of this act and are licensed professional nurses or licensed practical nurses employed by the state of Kansas in an institution as defined in ~~subsection (b) of K.S.A. 76-12a01(b) or subsection (f) of K.S.A. 38-2302(f),~~ and amendments thereto, the Kansas soldiers' home or the Kansas veterans' home. Nothing in this subsection shall be construed to create any right, or to authorize the creation of any right, which is not subject to amendment or nullification by act of the legislature. The participating employer of such retirant shall pay to the system the actuarially determined employer contribution based on the retirant's compensation during any such period of employment.

- (6) For purposes of this section, any employee of a local governmental unit which has its own

pension plan who becomes an employee of a participating employer as a result of a merger or consolidation of services provided by local governmental units, which occurred on January 1, 1994, may count service with such local governmental unit in determining whether such employee has met the years of credited service requirements contained in this section.

(7) (a) Except as provided in K.S.A. 74-4937(3) and (4), and amendments thereto, and the provisions of this subsection, commencing July 1, 2016, and ending June 30, 2017, for any retirant who is first employed or appointed in or to any position covered under K.S.A. 74-4902(14) or 74-4932(4), and amendments thereto, by a participating employer, without any prearranged agreement with such participating employer and not prior to 60 days after such retirant's retirement date, such retirant shall have such retirant's retirement benefit suspended pursuant to this subsection. In such case, such retirant shall once again become an active and vested member of the system under and subject to the provisions of K.S.A. 74-49,301, and amendments thereto, unless specifically provided under the provisions of this subsection.

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

(i) Licensed professional nurses or licensed practical nurses employed by the state of Kansas in an institution as defined in K.S.A. 76-12a01(b) or 38-2302(f), and amendments thereto, the Kansas soldiers' home or the Kansas veterans' home;

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

(iii) employed or appointed in or to any position not covered under K.S.A. 74-4902(14) or 74-4932(4), and amendments thereto, who is paid an amount that is less than \$20,000 in calendar year 2016 or 2017. Any such retirant who is employed or appointed in or to any position or office for which compensation for service is paid in an amount equal to \$20,000 or more in any one such calendar year,

by any participating employer for which such retirant was employed or appointed and, by any third-party entity who contracts services to fill a position, such retirant shall not receive any retirement benefit for any month for which such retirant serves in such position or office. The participating employer who employs such retirant whether by contract directly with the retirant or through an arrangement with a third-party entity 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 participating employer who contracts services with any such third-party entity to fill a position shall include in such contract a provision or condition which requires the third-party entity to provide the participating employer with the necessary compensation paid information related to any such position filled by the third-party entity with a retirant to enable the participating employer to comply with provisions of this subsection relating to the payment of contributions and reporting requirements; or

(iv) any retirant who is employed by a third-party entity who contracts services with a participating employer to fill a position that would otherwise be a position covered under K.S.A. 74-4902(14) or 74-4932(4), and amendments thereto. Such participating employer shall pay to the system the actuarially determined employer contribution and the statutorily prescribed employee contribution based on the retirant's compensation during any such period of employment or appointment. The participating employer who employs such retirant whether by contract directly with the retirant or through an arrangement with a third-party entity 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 participating employer who contracts services with any such third-party entity to fill a position covered under K.S.A. 72-5410(a), and amendments thereto, shall include in such contract a provision or condition which requires the third-party entity to provide the participating employer with the necessary compensation paid information related to any such position filled by the third-party entity with a

retirant to enable the participating employer to comply with provisions of this subsection relating to the payment of contributions and reporting requirements.

(c) Existing service credit of a retirant who becomes a member of the system pursuant to this subsection shall be used to determine the retirant's employer credits for the retirant's retirement annuity account pursuant to K.S.A. 74-49,307, and amendments thereto.

(d) (1) Each retirant who becomes a member of the system pursuant to this subsection shall make member contributions as required pursuant to K.S.A. 74-49,305, and amendments thereto, which shall be credited to the retirant's annuity savings account pursuant to K.S.A. 74-49,306, and amendments thereto.

(2) The participating employer of a retirant who becomes a member of the system pursuant to this subsection shall pay to the system employer contributions as provided in K.S.A. 74-4920, and amendments thereto.

(e) Any retirant who becomes a member of the system pursuant to this subsection may take a partial or full lump-sum payment of the balance in the retirant's annuity savings account and retirement annuity account upon leaving employment. If the retirant has a minimum account balance of \$6,000, including both employee contributions and employer pay credits and interest credits, less any lump-sum payment, the retirant shall receive an annuity based on the balance in the retirant's annuity savings account pursuant to K.S.A. 74-49,311 and 74-49,313, and amendments thereto.

(f) A retirant who becomes a member of the system pursuant to this subsection shall not be eligible for any purchases of service credit pursuant to K.S.A. 74-4919a, and amendments thereto, nor the plan of long-term disability benefits pursuant to K.S.A. 74-4927, and amendments thereto. Such retirant shall be eligible for the plan of death benefits pursuant to K.S.A. 74-4927, and amendments thereto.

(g) All benefits payable under the provisions of this subsection are subject to the provisions of K.S.A. 74-49,123, and amendments thereto.

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

Also on page 1, in line 31, after "(3)" by inserting "(a)"; also in line 31, by striking "Commencing July 1, 2009" and inserting "Before July 1, 2016";

On page 2, in line 22, after the period by inserting:

"(b) On and after July 1, 2016, the provisions of K.S.A. 74-4914(5) and (7), and amendments thereto, shall not apply to retirants who either retired under the provisions of K.S.A. 74-4914(1), and amendments thereto, related to normal retirement, or, if they retired under the provisions of K.S.A. 74-4914(4), and amendments thereto, related to early retirement, were retired more than 60 days prior to the effective date of this act, and are subsequently hired without any prearranged agreement with such participating employer prior to retirement, in a position as a special teacher as defined in K.S.A. 72-962, and amendments thereto. The provisions of this subsection do not apply to retirants who retired under K.S.A. 74-4914(4), and amendments thereto, which relates to early retirement prior to age 62. Except as otherwise provided, when a retirant is employed by the same school district or a different school district with which such retirant was employed during the final two years of such retirant's participation or employed by a third-party entity who contracts services with a school district to fill a special teacher position, the retirant hired may continue to receive such retirant's full retirement benefit and shall not be subject to the provisions of K.S.A. 74-4914(5) which relate to an earnings limitation which when met or exceeded requires that the retirant not receive a retirement benefit for any month for which such retirant serves in a position described herein. The participating employer of such retirant shall pay to the system the actuarially determined employer contribution based on the retirant's



compensation during any such period of employment plus 8%. The provisions of this subsection shall not apply to retirants employed as substitute teachers. The provisions of K.S.A. 74-4914(5), and amendments thereto, shall be applicable to retirants employed as special teachers, except as specifically provided in this subsection. Nothing in this subsection shall be construed to create any right, or to authorize the creation of any right, which is not subject to amendment or nullification by act of the legislature.

(c)";

Also on page 2, following line 26, by inserting:

"(4) (a) On and after July 1, 2016, a school district may hire a retired licensed professional to fill a non-special teacher position if such retirant has been retired more than 60 days prior to the effective date of this act, and if such school district submits a request to the state board of education, on a form provided by the state board of education, along with a certified report from the school board of such school district that details all of the efforts taken by the school district to fill such non-special teacher position with a non-retired, licensed replacement. Such certified report shall include:

- (i) The date the vacant position was posted internally and externally;
- (ii) the number of applications received;
- (iii) the number and dates of any interviews conducted;
- (iv) the specific reason that non-retired applicants did not meet the requirements for the open position, as compared to the retirant the school district proposes to hire; and
- (v) a certification that there was no prearranged agreement between the participating employer and the retirant the school district proposes to hire.

(b) The state board of education shall review each request and certified report and, upon determining that the certified report meets the criteria of this subsection, shall approve the request of

the school district to hire the retirant specified in such request. If such certified report does not meet the criteria of this subsection, the state board of education shall deny such request.

(c) If the school district's request is approved by the state board of education, such school district may hire the retirant specified in the request for a period not to exceed one school year. A retirant hired under the provisions of this subsection may continue to receive such retirant's full retirement benefit and shall not be subject to the provisions of K.S.A. 74-4914(5), and amendments thereto, which relate to an earnings limitation which when met or exceeded requires that the retirant not receive a retirement benefit for any month for which such retirant serves in a position as described herein. The participating employer of such retirant shall pay to the system the actuarially determined employer contribution based on the retirant's compensation during any such period of employment plus 8%. The provisions of this subsection shall not apply to retirants employed as substitute teachers. The provisions of K.S.A. 74-4914(5), and amendments thereto, shall be applicable to retirants employed as described in this subsection, except as specifically provided in this subsection. Nothing in this subsection shall be construed to create any right, or to authorize the creation of any right, which is not subject to amendment or nullification by act of the legislature. The provisions of K.S.A. 74-4914(7), and amendments thereto, shall not apply to retirants employed pursuant to the provisions of this subsection.

(d) The department of education shall submit a report to the legislature and to the joint committee on pensions, investments and benefits at the beginning of the regular session of the legislature in 2018. The report shall include, by each school district, the number of requests to hire retirants submitted to the state board of education, the number of retirants hired and the positions for which such retirants were hired pursuant to the provisions of this subsection.

(e) The provisions of this subsection shall expire on July 1, 2017.

Sec. 3. K.S.A. 2014 Supp. 74-49,301 is hereby amended to read as follows: 74-49,301. (a) The provisions of K.S.A. 2014 Supp. 74-49,301 through 74-49,318, and amendments thereto, shall be known and may be cited as the Kansas public employees retirement system act of 2015.

(b) Any employee who is first employed by a participating employer on or after January 1, 2015, shall be a member of the system under the provisions of this act on the first day of employment of such employee with such participating employer.

(c) (1) Any non-vested employee other than an elected official of a participating employer who has been employed in a covered position as defined in K.S.A. 2014 Supp. 74-49,202, and amendments thereto, other than with a school employer, shall remain a member of the Kansas public employees retirement system as provided pursuant to K.S.A. 74-4901 et seq., and amendments thereto, on and after July 1, 2009, if the member: (A) Does not leave covered employment with a participating employer for a period of time exceeding 30 consecutive days; (B) does not withdraw such member's annuity savings account as defined by K.S.A. 74-49,302, and amendments thereto, forfeiting such member's membership in the interim; and (C) returns to covered employment with a participating employer in a covered position within such 30-day time period.

(2) Any non-vested employee other than an elected official of a participating employer who has been employed in a covered position with a participating school employer, shall remain a member of the Kansas public employees retirement system as provided pursuant to K.S.A. 74-4901 et seq., and amendments thereto, if the member: (A) Was employed in a covered position with a participating school employer for the duration of the school year and immediately returns to covered employment with another participating school employer at the beginning of the following school year; and (B) does not withdraw such member's annuity savings account as defined by K.S.A. 74-49,302, and amendments thereto, forfeiting such member's membership in the interim.

(d) This act does not apply to members of the Kansas police and firemen's retirement system, K.S.A. 74-4951 et seq., and amendments thereto, the retirement system for judges, K.S.A. 20-2601 et seq., and amendments thereto, and security officers as provided in K.S.A. 74-4914a, and amendments thereto.

(e) Except as provided in K.S.A. 74-4914(7), and amendments thereto, a system member may not simultaneously be a member of the pre-2015 plan and the plan established pursuant to this act. A period of service may not be credited in more than one retirement plan within the system.

(f) The board of trustees of the Kansas public employees retirement system shall administer the provisions of this act in the same manner as the board administers the provisions of K.S.A. 74-4901 et seq., and amendments thereto, except as specifically provided in this act.

(g) Unless specifically provided in this act, the provisions of K.S.A. 74-4901 et seq., and amendments thereto, shall be applicable to this act. In an event that a conflict exists between the provisions of this act and the provisions of K.S.A. 74-4901 et seq., and amendments thereto, the provisions of this act shall control, and to that end, no legal or contractual rights shall inure to the benefit of members or participating employers under this act with regard to the provisions of K.S.A. 74-4901 et seq., and amendments thereto, when the provisions of this act control.

(h) Each participating employer as provided in this act and each employee as defined by this act shall be subject to the provisions of this act as specified in this act and subject to the provisions of K.S.A. 74-4901 et seq., and amendments thereto, as appropriate as to terms, conditions and requirements not specifically covered in this act. The provisions of this act shall not apply to members of the Kansas public employees retirement system as provided in K.S.A. 74-4901 et seq., and 74-49,201 et seq., and amendments thereto, first employed by a participating employer prior to January 1, 2015, unless otherwise provided in this act.

(i) The provisions of this act shall be part of and supplemental to the provisions of K.S.A. 74-4901 et seq., and amendments thereto, subject to the limitations contained in this act.";

Also on page 2, in line 27, after "Supp." by inserting "74-4914,"; also in line 27, by striking "is" and inserting "and 74-49,301 are";

And by renumbering sections accordingly;

On page 1, in the title, in line 2, by striking all after the second "retirement"; in line 3, by striking all before "special" and inserting a semicolon; also in line 3, after "provisions" by inserting "for certain retirants employed as teachers"; in line 4, after "Supp." by inserting "74-4914,"; also in line 4, after "74-4937" by inserting "and 74-49,301" also in line 4, by striking "section" and inserting "sections"; and the bill be passed as amended.

\_\_\_\_\_ Chairperson