

## 2018 Kansas Statutes

**74-4922. Reserves of the fund; crediting of interest.** The executive director shall maintain such records as are necessary to determine the following reserves.

(a) *Member's accumulated contribution reserve.* This reserve shall be maintained within the fund for each member and for each member having a vested benefit. Each such reserve account shall be credited with the employee's contributions upon receipt thereof and shall be credited on June 30 each year with interest: (1) At the actuarial assumption rate adopted by the board on the balance in the employee's account as of the preceding December 31 for those who first became members prior to July 1, 1993; and (2) 4% for those who first became members on and after July 1, 1993. For the purposes of crediting interest upon accumulated contributions, the term member shall include the beneficiary of a member during the twelve-month period following the death of a member and the beneficiary of a member pursuant to subsection (6) of K.S.A. 74-4918 and amendments thereto during any period commencing on the date of death of such member and ending on the date that the member would have attained retirement age. Refunds of employee's accumulated contributions prior to retirement shall be made from this reserve. Upon commencement of payments of the retirement benefit, the amount in this reserve account for the retiring member or members, shall be transferred to the retirement benefit payment reserve.

(b) *Retirement benefit accumulation reserve.* This reserve within the fund shall be credited with the portion of employer contributions for retirement benefits both for prior service and for participating service and with income of the fund not otherwise directed by law to a different reserve. The board shall credit interest to all other reserves and reserve accounts as provided by law at rates determined by the board. Interest so credited shall be transferred from the retirement benefit accumulation reserve. Separate reserve accounts shall not be maintained for each participating employer joining the system on the first entry date. The board shall determine whether or not separate reserve accounts shall be maintained for each participating employer joining the system after the first entry date.

(c) *Retirement benefit payment reserve.* (i) This reserve within the fund will be credited with the amount transferred from the member's accumulated contributions reserve and from the retirement benefit accumulation reserve and with interest allocated to this reserve at the rate determined each year by the board. This reserve shall be charged with payments of retirement benefits including payments upon death of the excess of member's accumulated contributions over retirement benefit payments paid to date of death. Annually, upon receipt of the actuarial valuation as of the end of the previous fiscal year the board shall cause certain adjustments to be made which shall be made prior to the end of the fiscal year immediately following the fiscal year for which the actuarial valuation is applicable.

(ii) The amount of these adjustments shall be the difference between the amount required by the current actuarial valuation and the amount required by the previous year's actuarial valuation plus amounts transferred to this reserve less amounts paid out of this reserve during the fiscal year to be adjusted. Such adjustments required to maintain this reserve on an actuarial reserve basis as of June 30 of the previous fiscal year shall be accomplished by transfers to or from, as applicable, the retirement benefit accumulation reserve.

(d) *Expense reserve.* This reserve within the fund shall be credited with interest allocated to this reserve at the rate determined each year by the board. It shall be charged with payments of all expenses incurred in connection with the administration of the system.

**History:** L. 1961, ch. 427, § 22; L. 1965, ch. 446, § 7; L. 1976, ch. 346, § 1; L. 1981, ch. 315, § 1; L. 1982, ch. 319, § 28; L. 1991, ch. 237, § 9; L. 1993, ch. 227, § 28; L. 1998, ch. 64, § 51; L. 2001, ch. 209, § 21; May 31.