

HOUSE BILL No. 2243

By Committee on Insurance and Pensions

2-4

Proposed amendment to HB 2243
Senate Committee on Financial Institutions and Insurance
March 18, 2021
Prepared by Office of Revisor of Statutes
Effective date changed to "Kansas register"

1 AN ACT concerning retirement and pensions; relating to the Kansas public
2 employees retirement system; adjusting the frequency of the actuarial
3 experience study; amending K.S.A. 74-4908 and 74-4908a and
4 repealing the existing sections.
5

6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section. 1. K.S.A. 74-4908 is hereby amended to read as
8 follows: 74-4908. (1) The board shall appoint an executive director and
9 shall establish the compensation therefor. Subject to the direction of the
10 board, the executive director shall be the managing officer of the system
11 and ~~as such~~ shall have charge of the office, records and supervision and
12 direction of the employees of the system. The executive director shall be in
13 the unclassified service under the Kansas civil service act.

14 (2) The executive director shall recommend to the board the
15 administrative organization, the number and qualifications of employees
16 necessary to carry out the intent of this act and the directions of the board.
17 Upon approval of the board, the executive director is authorized to employ
18 such persons in accordance with the Kansas civil service act.

19 (3) The board of trustees shall select and employ or retain a qualified
20 actuary who shall serve at its pleasure as its technical advisor on matters
21 regarding operation of the system. The actuary shall:

22 (a) Make an annual valuation of the liabilities and reserves of the
23 system, and a determination of the contributions required by the system to
24 discharge its liabilities and administrative costs under this act, and
25 recommend to the board rates of employer contributions required to
26 establish and maintain the system on an actuarial reserve basis. Such
27 recommended employer contributions shall not be based on any other
28 purpose outside of the needs of the system as prescribed by this
29 subsection;

30 (b) ~~As soon after the effective date as practicable and once every~~
31 ~~three years thereafter, commencing from the most recent actuarial~~
32 ~~experience study completed prior to July 1, 2021, every four years, or~~
33 ~~more or less frequently if deemed necessary by the board in the exercise of~~
34 ~~the board's fiduciary duty to act in the best interest of the Kansas public~~
35 ~~employees retirement fund, make a general investigation of the actuarial~~
36 ~~experience under the system including mortality, retirement, employment~~

1 shall be conducted by an actuary other than the actuary employed or
2 retained by the board pursuant to ~~subsection (3) of~~ K.S.A. 74-4908(3), and
3 amendments thereto. Such independent audit and evaluation shall include
4 a review of all assumptions, evaluations and methodology utilized by the
5 actuary employed or retained by the board as provided in ~~subsection (3) of~~
6 K.S.A. 74-4908(3), and amendments thereto, and shall express an opinion
7 regarding the reasonableness or accuracy of the actuarial assumptions,
8 actuarial cost methods, valuation results and statutory contribution rates
9 and shall include certifications that the actuarial valuation report was
10 performed by a qualified actuary, that the valuation was prepared in
11 accordance with principles of practices prescribed by the actuarial
12 standards board and that the actuarial calculations were performed by
13 qualified actuaries in accordance with accepted actuarial procedures and
14 that such actuary conducting the independent actuarial audit and
15 evaluation shall perform test work on the data used by the system for the
16 annual *valuation* and ~~three-year performance~~ *actuarial experience* review
17 required by K.S.A. 74-4908, and amendments thereto. The actuary
18 conducting the independent actuarial audit and evaluation as required by
19 this section shall be employed by the legislative coordinating council as
20 provided in K.S.A. 46-1204, and amendments thereto.

21 Sec. 3. K.S.A. 74-4908 and 74-4908a are hereby repealed.

22 Sec. 4. This act shall take effect and be in force from and after its
23 publication in the ~~statute book~~.