

## HOUSE BILL No. 2468

By Committee on Federal and State Affairs

2-14

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9 AN ACT concerning retirement and pensions; relating to the Kansas po-  
10 lice and firemen's retirement system; employee contributions and cost  
11 of living adjustments; amending K.S.A. 74-4965 and repealing the ex-  
12 isting section.  
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14 *Be it enacted by the Legislature of the State of Kansas:*

15 New Section 1. (a) Each member of the Kansas police and firemen's  
16 retirement system first employed on and after July 1, 2005, shall be cov-  
17 ered by the provisions of this section.

18 (b) Each such member of the system, upon retirement and upon the  
19 attainment of age 65 or the completion of five years after such retirant's  
20 retirement shall have such retirant's retirement benefit increased by an  
21 amount equal to 3.0% of the retirement benefit of such member pursuant  
22 to the provisions of K.S.A. 74-4958a, and amendments thereto, in effect  
23 at the time of such member's qualification for such increase in retirement  
24 benefit pursuant to the provisions of this section.

25 (c) Commencing with the first payroll period for services performed  
26 by each such member covered by the provisions of this section, each such  
27 member shall pay as provided pursuant to K.S.A. 74-4939, and amend-  
28 ments thereto, the entire cost of any benefit provided pursuant to the  
29 provisions of this section. Neither the system nor the member's employer  
30 shall be obligated to pay the costs of any benefit provided pursuant to the  
31 provisions of this section.

32 (d) The provisions of this section shall be part of and supplemental  
33 to the provisions of K.S.A. 74-4901, *et seq.*, and amendments thereto.

34 Sec. 2. K.S.A. 74-4965 is hereby amended to read as follows: 74-  
35 4965. (1) Except as otherwise provided in this section, each participating  
36 employer shall, beginning with the first payroll period for services per-  
37 formed after the entry date, deduct from the compensation of each mem-  
38 ber 7% of such member's compensation as employee contributions, ex-  
39 cept that in the case of a member whose employment is covered by social  
40 security and the member is a member of the class certified in the case of  
41 *Brazelton v. Kansas public employees retirement system*, 227 K. 443, 607  
42 P.2d 510 (1980), the deduction from such member's compensation shall  
43 be reduced by the amount of such member's contributions to social se-

1 curity and except that in the case of a member first employed on and after  
2 July 1, 2005, the deduction from such member's compensation shall be  
3 increased by an amount certified by the board necessary to satisfy the  
4 member's obligation pursuant to section 1, and amendments thereto. Such  
5 amount of deduction from such member's compensation certified by the  
6 board shall be one rate established as a group rate for all members first  
7 employed on and after July 1, 2005. Such amount of deduction from such  
8 member's compensation for such members first employed on and after  
9 July 1, 2005, shall be recertified by the board every three years and may  
10 be increased or decreased at such time based on the actuarial experience  
11 of the system during such period.

12 (2) For any member other than a member who is a member of the  
13 class certified in the case of *Brazelton v. Kansas public employees retire-*  
14 *ment system*, 227 K. 443, 607 P.2d 510 (1980), no employee contributions  
15 shall be reduced because of contributions to social security.

16 (3) All such deductions shall be remitted quarterly, or as the board  
17 may otherwise provide, to the executive director for credit to the Kansas  
18 public employees retirement fund and shall be credited to the members'  
19 individual accounts. Interest on each member's accumulated contribu-  
20 tions at the rate determined under subsection (a) of K.S.A. 74-4922 and  
21 amendments thereto shall be added annually to the member's individual  
22 account.

23 (4) For all payroll periods commencing on or after the effective date  
24 of this act, each participating employer shall deduct from the compen-  
25 sation of each member who has received 32 years of credited service, 2%  
26 of such member's compensation as employee contributions.

27 (5) (a) Subject to the provisions of K.S.A. 74-49,123 and amend-  
28 ments thereto, each participating employer, pursuant to the provisions of  
29 section 414(h)(2) of the federal internal revenue code, shall pick up and  
30 pay the contributions which would otherwise be payable by members as  
31 prescribed in subsection (1) commencing with the third quarter of 1984.  
32 The contributions so picked up shall be treated as employer contributions  
33 for purposes of determining the amounts of federal income taxes to with-  
34 hold from the member's compensation.

35 (b) Member contributions picked up by the employer shall be paid  
36 from the same source of funds used for the payment of compensation to  
37 a member. A deduction shall be made from each member's compensation  
38 equal to the amount of the member's contributions picked up by the  
39 employer, provided that such deduction shall not reduce the member's  
40 compensation for purposes of computing benefits under the system.

41 (c) Member contributions picked up by the employer shall be remit-  
42 ted quarterly, or as the board may otherwise provide, to the executive  
43 director for credit to the Kansas public employees retirement fund. Such

1 contributions shall be credited to a separate account within the member's  
2 individual account so that amounts contributed by the member com-  
3 mencing with the third quarter of 1984 may be distinguished from the  
4 member contributions picked up by the employer. Interest shall be added  
5 annually to members' individual accounts.

6 Sec. 3. K.S.A. 74-4965 is hereby repealed.

7 Sec. 4. This act shall take effect and be in force from and after its  
8 publication in the statute book.