

SENATE BILL No. 279

By Committee on Ways and Means

2-23

9 AN ACT concerning retirement and pensions; relating to certain em-
10 ployees of educational institutions under management of state board
11 of regents; death and disability benefits; amending K.S.A. 74-4927a
12 and repealing the existing section.
13

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

15 Section 1. K.S.A. 74-4927a is hereby amended to read as follows: 74-
16 4927a. (1) For the purposes of providing the “insured death benefit” and
17 “insured disability benefit” as prescribed in K.S.A. 74-4927 and amend-
18 ments thereto ~~to~~, *the term “member” as used in K.S.A. 74-4927, and*
19 *amendments thereto, shall include those members of the faculty and other*
20 *persons employed by educational institutions under the management of*
21 *the state board of regents as defined in paragraph (a) of subsection (1)*
22 *of K.S.A. 74-4925 and amendments thereto, and who are receiving assis-*
23 *tance in the purchase of retirement annuities as therein provided, the*
24 *term “member” as used in K.S.A. 74-4927 and amendments thereto shall*
25 *include the aforementioned members of the faculty and other persons*
26 *employed by educational institutions under the management of the state*
27 *board of regents and who are receiving such assistance, as defined in*
28 *subsection (1)(a) of K.S.A. 74-4925, and amendments thereto, who are*
29 *eligible to participate in the retirement plan of the state board of regents*
30 *as provided in K.S.A. 74-4925, and amendments thereto.*

31 (2) Each *educational* institution under the *management of the* state
32 board of regents shall pay to the Kansas public employees retirement
33 system in such manner as the board of trustees shall prescribe each payroll
34 period an amount sufficient to pay the employer’s contribution to the
35 group insurance reserve as provided in K.S.A. 74-4927 and amendments
36 thereto. Subsection (2) of K.S.A. 74-4932 and amendments thereto shall
37 also apply in determining such contributions and benefits.

38 (3) Each *educational* institution under the *management of the* state
39 board of regents shall maintain a file of the beneficiaries named by the
40 persons covered under the provisions of this act in the form and manner
41 as prescribed by the board of trustees.

42 (4) ~~In the event that a member of the faculty or other person as~~
43 ~~defined in this section becomes eligible for the insured disability benefit,~~

1 ~~the state board of regents shall continue to provide the assistance includ-~~
2 ~~ing the payment of employers and employees contributions in the pur-~~
3 ~~chase of the retirement annuities as provided in K.S.A. 74-4925 and~~
4 ~~amendments thereto, until the date of retirement. Except as otherwise~~
5 ~~provided, in the event that a member of the faculty or other person defined~~
6 ~~in subsection (1)(a) of K.S.A. 74-4925, and amendments thereto, who is~~
7 ~~an active participant in the retirement plan of the state board of regents~~
8 ~~becomes eligible for and begins to receive the insured disability benefit~~
9 ~~prescribed in K.S.A. 74-4927, and amendments thereto, the state board~~
10 ~~of regents shall continue to make the contributions on behalf of such in-~~
11 ~~dividual to the retirement plan of the state board of regents provided~~
12 ~~under subsection (1)(c) of K.S.A. 74-4925 and 74-4925e, and amendments~~
13 ~~thereto, and shall also contribute to the retirement plan an amount equal~~
14 ~~to the individual's contribution required under subsection (b)(1) of K.S.A.~~
15 ~~74-4925, and amendments thereto. Commencing on and after July 1, 2005,~~
16 ~~such contributions shall cease at the earliest of: (A) The date that the~~
17 ~~individual is no longer entitled to an insured disability benefit under~~
18 ~~K.S.A. 74-4927, and amendments thereto; (B) the date that is five years~~
19 ~~after the date the individual becomes eligible for and begins to receive the~~
20 ~~insured disability benefit prescribed in K.S.A. 74-4927, and amendments~~
21 ~~thereto; or (C) the date required by section 403(b)(3) of the federal inter-~~
22 ~~nal revenue code. For purposes of applying this subsection, compensation~~
23 ~~under subsections (1)(b) and (1)(c) of K.S.A. 74-4925, and amendments~~
24 ~~thereto, means the individual's compensation at the time the individual~~
25 ~~became disabled as defined under the insured disability program pre-~~
26 ~~scribed in K.S.A. 74-4927, and amendments thereto. Retirement plan con-~~
27 ~~tributions under this subsection shall be made in accordance with the~~
28 ~~requirements of section 403(b)(3) of the federal internal revenue code.~~
29 *(5) The state board of regents may establish a plan of long-term dis-*
30 *ability benefits to be paid to members of the faculty or other persons*
31 *defined in subsection (1)(a) of K.S.A. 74-4925, and amendments thereto,*
32 *who become eligible for an insured disability benefit under K.S.A. 74-*
33 *4927, and amendments thereto, and who satisfy the eligibility criteria set*
34 *forth in this subsection. Long-term disability benefits paid under this sub-*
35 *section shall be in the same amount payable to the retirement plan of the*
36 *state board of regents under subsection (4), but shall be paid on a taxable*
37 *basis. Long-term disability benefits under this subsection shall be payable*
38 *to a member of the faculty or other person defined in subsection (1)(a) of*
39 *K.S.A. 74-4925, and amendments thereto, who:*
40 *(A) Is an active participant in the retirement plan of the state board*
41 *of regents on July 1, 2005; has less than 10 years of participation in the*
42 *retirement plan of the state board of regents as of July 1, 2005; becomes*
43 *entitled to the insured disability benefit prescribed in K.S.A. 74-4927, and*

1 *amendments thereto, before July 1, 2010; and has been a participant in*
2 *the retirement plan of the state board of regents continuously from July*
3 *1, 2005, until the date entitled to the insured disability benefit prescribed*
4 *in K.S.A. 74-4927, and amendments thereto;*

5 *(B) is an active participant in the retirement plan of the state board*
6 *of regents on July 1, 2005; has 10 or more years of participation in the*
7 *retirement plan of the state board of regents as of July 1, 2005; becomes*
8 *entitled to the insured disability benefit prescribed in K.S.A. 74-4927, and*
9 *amendments thereto; and has been a participant in the retirement plan*
10 *of the state board of regents continuously from July 1, 2005, until the date*
11 *entitled to the insured disability benefit prescribed in K.S.A. 74-4927, and*
12 *amendments thereto;*

13 *(C) is receiving the insured disability benefit prescribed in K.S.A. 74-*
14 *4927, and amendments thereto, on July 1, 2005; or*

15 *(D) is disabled within the meaning of K.S.A. 74-4927, and amend-*
16 *ments thereto, on July 1, 2005, but is still in the waiting period, if any,*
17 *before the insured disability benefit prescribed in K.S.A. 74-4927, and*
18 *amendments thereto, begins.*

19 *In no event is an individual who is not an active participant in the*
20 *retirement plan of the state board of regents on July 1, 2005, entitled to*
21 *a long-term disability benefit under this subsection. An eligible individual*
22 *shall begin receiving long-term disability benefits under this subsection at*
23 *such time that the individual is no longer entitled to retirement plan con-*
24 *tributions under subsection (4), and shall cease receiving long-term dis-*
25 *ability benefits under this subsection at such time that the individual is*
26 *no longer entitled to the insured disability benefit prescribed in K.S.A.*
27 *74-4927, and amendments thereto. In no event shall long-term disability*
28 *benefits payable under this subsection in any way reduce the insured*
29 *disability benefits prescribed in K.S.A. 74-4927, and amendments thereto,*
30 *nor shall long-term disability benefits payable under this subsection in*
31 *any way delay the commencement of payment of the insured disability*
32 *benefits prescribed in K.S.A. 74-4927, and amendments thereto.*

33 *(6) The state board of regents shall have the authority to establish*
34 *and adjust from time to time the procedures for financing and adminis-*
35 *tering the long-term disability plan authorized by this section. The long-*
36 *term disability benefit may be financed directly by the state board of*
37 *regents or by one or more insurance companies authorized and licensed*
38 *to transact group life and group accident and health insurance in Kansas.*
39 *The state board of regents may also contract with one or more insurance*
40 *companies authorized and licensed to transact group life and group ac-*
41 *cident and health insurance in Kansas to underwrite or to administer, or*
42 *both, the long-term disability benefit under this section. Each such con-*
43 *tract with an insurance company under this subsection shall be entered*

1 *into on the basis of competitive bids solicited and administered by the*
2 *state board of regents, and such competitive bids shall be based on spec-*
3 *ifications prepared by the board.*

4 (7) *In the event the state board of regents purchases one or more*
5 *policies of group insurance from such company or companies to finance*
6 *the long-term disability plan, the board shall have the authority to sub-*
7 *sequently cancel one or more of such policies and, notwithstanding any*
8 *other provision of law, to release each company which issued any such*
9 *anceled policy from any liability for future benefits under any such policy*
10 *and to have the reserves established by such company under any such*
11 *anceled policy returned to the state board of regents.*

12 ~~(5)~~ (8) Any member of the faculty or other person ~~as defined in this~~
13 ~~section~~ K.S.A. 74-4927, and amendments thereto, may elect to continue
14 to participate in the ~~plan of death and long term disability benefits in-~~
15 ~~sured disability plan and insured death plan~~ as prescribed in K.S.A. 74-
16 4927, and amendments thereto, while on leave of absence without com-
17 pensation from an educational institution under the management of the
18 state board of regents. Such member or person's election is valid only if
19 such member or person files notice of such election with such member's
20 or person's educational institution. Such member or person shall remit
21 an amount equal to the required contributions to such educational insti-
22 tution. The educational institution shall report and remit such contribu-
23 tions in the same form and manner as other contributions are remitted
24 by such educational institution. Such contributions shall not be more than
25 such contributions would have been had such member or person not
26 commenced such leave of absence. Upon returning to employment with
27 an educational institution under the management of the state board of
28 regents, for such member or person who elects to continue coverage as
29 provided in this subsection, the provisions of subsections (1) through ~~(4)~~
30 (5) of this section shall apply.

31 Sec. 2. K.S.A. 74-4927a is hereby repealed.

32 Sec. 3. This act shall take effect and be in force from and after its
33 publication in the statute book.