

SENATE BILL No. 99

By Legislative Educational Planning Committee

1-25

9 AN ACT concerning retirement; related to plan for certain employees of
10 state board of regents and educational institutions thereunder; amend-
11 ing K.S.A. 74-4925b, 74-4925e and 76-746 and K.S.A. 2004 Supp. 74-
12 4925 and repealing the existing sections.
13

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

15 Section 1. K.S.A. 2004 Supp. 74-4925 is hereby amended to read as
16 follows: 74-4925. (1) The state board of regents shall:

17 (a) ~~Assist Sponsor and maintain a retirement plan under section~~
18 ~~403(b) of the federal internal revenue code for all those~~ members of the
19 faculty and other persons who are employed by the state board of regents
20 or by educational institutions under ~~its~~ *the board's* management and who
21 are in the unclassified service under the Kansas civil service act as pro-
22 vided in subsection (1)(f) of K.S.A. 75-2935 and amendments thereto,
23 ~~except health care employees, as defined by subsection (1)(f) of K.S.A.~~
24 ~~75-2935 and amendments thereto, in the purchase of retirement annuities~~
25 for their service rendered after December 31, 1961, *including* effective
26 on the first day of the first payroll period commencing with or following
27 July 1, 1994, county extension agents employed by Kansas state university
28 under K.S.A. 2-615, and amendments thereto ~~shall be eligible for assis-~~
29 ~~tance by the state board of regents in the purchase of retirement annuities~~
30 ~~under this section. the state board of regents shall not assist any such~~
31 ~~person, except not including: (i) Health care employees, as defined by~~
32 ~~subsection (1)(f) of K.S.A. 75-2935, and amendments thereto; (ii) coop-~~
33 ~~erative extension service employees covered by a federal retirement plan;~~
34 ~~or (iii) student employees. An eligible employee who is employed after~~
35 December 31, 1961, ~~until such person has been employed for a waiting~~
36 ~~period of at least one year except that (i) the state board of regents may~~
37 ~~assist any newly employed person immediately if at the time of the com-~~
38 ~~mencement of employment the person is covered by a valid retirement~~
39 ~~annuity contract issued by a company described in subsection (2) which~~
40 ~~was entered into pursuant to a retirement pension plan adopted for fac-~~
41 ~~ulty members or other persons, or both, employed by an institution of~~
42 ~~higher education and to which such person or such person's employer on~~
43 ~~such person's behalf has been making contributions for at least one year,~~

1 and (ii) all periods of employment with (A) participating employers under
2 the Kansas public employees retirement system, for which employment
3 participating service credit accrued, or (B) institutions of higher education
4 in other states for which employment retirement benefits accrued under
5 a retirement system or plan provided for such employment, shall be cred-
6 ited toward satisfaction of such one-year waiting period if served, in either
7 case, during the five years immediately preceding employment with the
8 state board of regents or with an educational institution under its man-
9 agement in the unclassified service under the Kansas civil service act as
10 provided in subsection (1)(f) of K.S.A. 75-2935 and amendments thereto,
11 in addition to such employment with the state board of regents or with
12 an educational institution under its management, no period of employ-
13 ment as a student employee, as a seasonal or temporary employee or as
14 a part-time employee, whose employment requires less than 1,000 hours
15 of work per year, shall be credited toward the one-year waiting period
16 under subsection (1)(a); this act shall not apply to persons employed in
17 such temporary and part-time positions designated by the state board of
18 regents as exceptions hereto shall participate in such retirement plan
19 when the employee has completed one year of service with the state board
20 of regents or an educational institution under its management, except that:
21 (i) A newly employed eligible employee shall begin participation in the
22 plan immediately, if at the time of the commencement of employment, the
23 eligible employee is covered as a result of employment with an institution
24 of higher education located in the United States, by a retirement plan or
25 program to which employer contributions have been made and benefits
26 accrued for at least one year within the five-year period immediately
27 preceding employment with the state board of regents or with an edu-
28 cational institution under its management; and (ii) all service while in a
29 position eligible for benefits under any state of Kansas retirement plan
30 with respect to which the employee's participation is mandatory, includ-
31 ing service during such plan's waiting period, shall be credited toward
32 the year of service requirement, and an eligible employee who has at least
33 one year in a position eligible for benefits under such retirement plan shall
34 be immediately eligible to participate in the state board of regents retire-
35 ment plan, except that this one-year period must be completed within the
36 five-year period immediately preceding employment with the state board
37 of regents or with an educational institution under the board's manage-
38 ment. For purposes of the immediately preceding clauses (i) and (ii), no
39 period of employment as a student employee, seasonal or temporary em-
40 ployee or employee who works less than half-time shall count toward
41 satisfaction of the year of service requirement. The state board of regents
42 may exclude from eligibility under this subsection any persons employed
43 in such temporary or part-time positions as the board designates;

1 (b) require such members of the faculty and others described in sub-
2 section (1)(a) who are ~~so assisted by~~ *eligible to participate in the retire-*
3 *ment plan of the state board of regents, as provided in subsection (1)(a),*
4 *to contribute an amount toward the purchase of such retirement annuities*
5 ~~of to such plan equal to 5.5% of their salaries~~ *such member's compensa-*
6 *tion, such contributions to be made through payroll deductions and on a*
7 *pretax basis;*

8 (c) contribute an amount ~~toward the purchase of such retirement~~
9 ~~annuities to the retirement plan of the state board of regents, as provided~~
10 ~~in subsection (1)(a), equal to the percentage amount, as prescribed by~~
11 ~~K.S.A. 74-4925e and amendments thereto, of the total amount of the~~
12 ~~salaries compensation on which such members of the faculty and others~~
13 ~~other persons described in subsection (1)(a) contribute during such peri-~~
14 ~~od for which the contribution of the state board of regents is made; and~~

15 (d) ~~provide, under such rules and regulations as the state board of~~
16 ~~regents may adopt, for the retirement of any such member of the faculty~~
17 ~~or other person described in subsection (1)(a) on account of age or con-~~
18 ~~dition of health, retirement of such member of the faculty or other person~~
19 ~~described in subsection (1)(a) on account of age to be not earlier than the~~
20 ~~55th birthday and prior to January 1, 1994, not later than the end of the~~
21 ~~academic year following the 70th year. On and after January 1, 1994, there~~
22 ~~shall be no mandatory retirement on account of age. Any person who~~
23 ~~retires under this section and who receives benefits from the Kansas pub-~~
24 ~~lic employees retirement system for prior service credit shall have such~~
25 ~~benefits calculated in accordance with the applicable provisions of K.S.A.~~
26 ~~74-4914 and 74-4915 and amendments thereto make the contributions~~
27 ~~required under subsections (1)(b) and (1)(c) in accordance with section~~
28 ~~403(b) of the federal internal revenue code and all other applicable sec-~~
29 ~~tions of the federal internal revenue code and the applicable regulations~~
30 ~~thereunder.~~

31 (2) For the purposes of this section the state board of regents may
32 contract with:

33 (a) Any life insurance company authorized to do business in this state;
34 or

35 (b) ~~any life insurance company organized and operated without profit~~
36 ~~to any private shareholder or individual exclusively for the purpose of~~
37 ~~aiding and strengthening educational institutions by issuing insurance and~~
38 ~~annuity contracts only to or for the benefit of such institution and indi-~~
39 ~~viduals engaged in the services of such institutions, whether or not such~~
40 ~~company is authorized to do business in Kansas. No premium tax or in-~~
41 ~~come tax shall be due or payable on such annuity contract or contracts~~
42 ~~for such retirement programs issued by a company described in this sub-~~
43 ~~section (2)(b), except that neither the purchase nor the issuance of such~~

1 ~~retirement annuities from or by a company described in this subsection~~
2 ~~(2)(b) shall constitute the effecting of a contract of insurance a bank or~~
3 ~~approved non-bank trustee or custodian under section 401(f) of the federal~~
4 ~~internal revenue code, the assets of which are invested in regulated in-~~
5 ~~vestment company stock.~~

6 (3) (a) Such member of the faculty or other person described in sub-
7 section (1)(a) shall also be a member of the Kansas public employees
8 retirement system, but only for the purpose of granting retirement ben-
9 efits based on prior service only which was rendered prior to January 1,
10 1962, which shall be credited to the member as provided in subsection
11 (1) of K.S.A. 74-4913 and amendments thereto, except that such member
12 of the faculty or other person described in subsection (1)(a) who was
13 employed prior to July 1, 1962, who has not yet retired and who is em-
14 ployed on July 1, 1988, on an academic year contract, shall receive credit
15 for 12 months of prior service for each nine months of prior service for
16 which such member or person was employed on an academic year con-
17 tract prior to July 1, 1962. For the purpose of determining eligibility for
18 a vested benefit, service by such a member of the faculty or other person
19 after December 31, 1961, shall be construed to be credited service under
20 subsection (2) of K.S.A. 74-4917 and amendments thereto.

21 (b) Any member of the faculty or other person described in subsec-
22 tion (1)(a) who retires after 10 years of continuous service immediately
23 preceding retirement shall be granted a retirement benefit based on prior
24 service only which was rendered prior to January 1, 1962. Application for
25 such benefit shall be in such form and manner as *prescribed by* the board
26 ~~shall prescribe of trustees of the Kansas public employees retirement~~
27 ~~system.~~

28 (4) ~~For the purpose of establishing a procedure whereby the state~~
29 ~~board of regents and any member of the faculty or other person described~~
30 ~~in subsection (1)(a), subject to rules and regulations of the state board of~~
31 ~~regents, may take advantage of section 403(a) or (b) of the federal internal~~
32 ~~revenue code of 1986 or any other section of the federal internal revenue~~
33 ~~code of 1986 which defers or excludes amounts from inclusion in income,~~
34 ~~any member of the faculty or any other person described in subsection~~
35 ~~(1)(a), whether or not such person has satisfied the one-year waiting pe-~~
36 ~~riod requirement under subsection (1)(a), may request in writing that the~~
37 ~~state board of regents reduce such person's annual salary, as fixed by the~~
38 ~~board, in an amount equal to not less than 5% nor more than the per-~~
39 ~~centage allowed under section 403(b) of the federal internal revenue code~~
40 ~~of 1986, as designated by such member of the faculty or other person~~
41 ~~described in subsection (1)(a), of the gross amount of such annual salary.~~
42 ~~In the event of such request by a faculty member or other person who is~~
43 ~~required to make the contribution as provided in subsection (1)(b), such~~

1 ~~person shall not be required to make such contribution and the state~~
2 ~~board of regents shall provide a sum equal to the percentage amount, as~~
3 ~~prescribed by K.S.A. 74-4925e and amendments thereto, of the gross~~
4 ~~annual salary of the member of the faculty or other person and shall~~
5 ~~purchase for and on behalf of each such person whose salary has been so~~
6 ~~reduced a retirement annuity contract or contracts, the annual premiums~~
7 ~~for which shall be equal to the sum of the amount of the salary reduction~~
8 ~~of the member of the faculty or other person and the amount paid by the~~
9 ~~state board of regents. In the event of such request by a faculty member~~
10 ~~or other person who is serving the one-year waiting period pursuant to~~
11 ~~subsection (1)(a) who is not required to make the contribution as provided~~
12 ~~in subsection (1)(b), the state board of regents shall purchase for and on~~
13 ~~behalf of each such person whose salary has been so reduced a retirement~~
14 ~~annuity contract or contracts, the annual premiums for which shall be~~
15 ~~equal to the sum of the amount of the salary reduction of the member~~
16 ~~of the faculty or other person, but the state board of regents shall not~~
17 ~~provide the sum equal to the percentage amount, as prescribed by K.S.A.~~
18 ~~74-4925e and amendments thereto, of the gross annual salary of such~~
19 ~~person as provided for such person who is required to make the contri-~~
20 ~~bution as provided in subsection (1)(b). Such retirement annuity contracts~~
21 ~~may be purchased by the state board of regents from companies described~~
22 ~~in subsection (2)(a) and subsection (2)(b) or from noninsurance compa-~~
23 ~~nies who offer retirement plans that meet the requirements of section~~
24 ~~403(b) of the federal internal revenue code of 1986, except that the state~~
25 ~~board of regents may require that the first 5% of the gross amount of~~
26 ~~such person's annual salary which is reduced under this subsection (4)~~
27 ~~and the amount equal to the percentage amount, as prescribed by K.S.A.~~
28 ~~74-4925e and amendments thereto, of the gross amount of such person's~~
29 ~~annual salary which is provided by the state board of regents for the~~
30 ~~purchase of retirement annuity contracts under this subsection (4), if~~
31 ~~required to be provided under this subsection (4), shall be used to pur-~~
32 ~~chase such retirement annuity contracts from such company or companies~~
33 ~~as may be designated by the state board of regents for such purposes.~~
34 ~~The director of accounts and reports is authorized to draw warrants on~~
35 ~~the state treasurer upon the filing with the director of proper vouchers~~
36 ~~for the amount of the premium on the retirement annuity contract to be~~
37 ~~paid pursuant to the terms of such contracts and this act.~~
38 ~~—(5)—All employees who are described in subsection (1)(a) and who~~
39 ~~commence such employment on and after July 1, 1976, shall receive as-~~
40 ~~sistance under subsection (1) and shall be covered by a valid retirement~~
41 ~~annuity contract issued by a company described in subsection (2).~~
42 ~~—(6)—Any employee of the state board of regents or of an educational~~
43 ~~institution under its management, other than an elected official, who is~~

1 ~~receiving or is eligible for assistance by the state board of regents in the~~
2 ~~purchase of a retirement annuity under this section and who becomes~~
3 ~~ineligible for such assistance because such employee's position is reclas-~~
4 ~~sified to a position in the classified service under the Kansas civil service~~
5 ~~act or who becomes ineligible for such assistance because such employee~~
6 ~~transfers to a position in the classified service under the Kansas civil serv-~~
7 ~~ice act with the state board of regents or an educational institution under~~
8 ~~its management, shall become a member of the Kansas public employees~~
9 ~~retirement system in accordance with the provisions of subsection (5) of~~
10 ~~K.S.A. 74-4911 and amendments thereto, unless such employee files a~~
11 ~~written election in the office of the Kansas public employees retirement~~
12 ~~system, in the form and manner prescribed by the board of trustees~~
13 ~~thereof, to remain eligible for assistance by the state board of regents~~
14 ~~under this section.~~ *Any employee who becomes eligible to participate in*
15 *the retirement plan of the state board of regents, as provided in subsection*
16 *(1)(a), after a reclassification or transfer from a position covered by the*
17 *Kansas public employees retirement system, and who has accrued benefits*
18 *under the Kansas public employees retirement system, may file a one-*
19 *time, irrevocable written election to continue participation in the Kansas*
20 *public employees retirement system. Failure to file such written election*
21 *shall be presumed to be an election not to continue participation in the*
22 *Kansas public employees retirement system and to become a participant*
23 *in the retirement plan of the state board of regents. Any participant in*
24 *the retirement plan of the state board of regents who is reclassified or*
25 *transferred to a position for the state board of regents or an educational*
26 *institution under its management that qualifies for participation in the*
27 *Kansas public employees retirement system in accordance with subsection*
28 *(5) of K.S.A. 74-4911, and amendments thereto, may file a one-time irrev-*
29 *ocable written election to continue participation in the retirement plan of*
30 *the state board of regents. Failure to file such written election shall be*
31 *presumed to be an election not to remain eligible for assistance by the*
32 *state board of regents under this section and to become a member of the*
33 *Kansas public employees retirement system under subsection (5) of K.S.A.*
34 *74-4911, and amendments thereto. Such election shall be filed prior to the*
35 *first day of the first complete payroll period occurring after the effective*
36 *date of such reclassification or transfer, and shall be effective on the first*
37 *day of the first complete payroll period after the effective date of such*
38 *reclassification or transfer.* ~~Failure to file such written election shall be~~
39 ~~presumed to be an election not to remain eligible for assistance by the~~
40 ~~state board of regents under this section and to become a member of the~~
41 ~~Kansas public employees retirement system under subsection (5) of~~
42 ~~K.S.A. 74-4911 and amendments thereto. Such election, whether to rem-~~
43 ~~ain eligible for such assistance or to become a member of such system,~~

1 ~~shall be effective as of the effective date of such reclassification or transfer~~
2 ~~and~~ shall be irrevocable.

3 (5) A participant in the retirement plan of the state board of regents,
4 as provided in subsection (1)(a), who takes a leave of absence and accepts
5 a position in the executive branch of government of the state of Kansas
6 may file a one-time, irrevocable written election to continue participation
7 in such retirement plan. Such election shall be filed prior to the first day
8 of the first complete payroll period after commencement of service for the
9 executive branch of government, and shall be effective as of the effective
10 date of such employment. Failure to file such a written election shall be
11 presumed to be an election not to continue participation in the retirement
12 plan of the state board of regents. The state board of regents shall con-
13 tribute an amount to the retirement plan on behalf of an eligible employee
14 who has made such an election equal to the percentage amount, as pre-
15 scribed by K.S.A. 74-4925e, and amendments thereto, of the employee's
16 compensation from the state for providing such services.

17 (6) A participant in the retirement plan of the state board of regents,
18 as provided in subsection (1)(a), who takes a leave of absence and is
19 elected or appointed as a member of the legislature of the state of Kansas
20 may file a one-time, irrevocable written election to continue participation
21 in such retirement plan for purposes of subsection (1)(c) only. Such elec-
22 tion shall be filed prior to the first day of the first complete payroll period
23 after commencement of service for the legislature or, for any employee
24 who is a member of the legislature on January 8, 2001, prior to the first
25 day of the first complete payroll period after July 1, 2001. Elections shall
26 be effective as of the effective date of such employment, except that for
27 any employee who files an election as provided in this subsection and who
28 was a member of the legislature on January 8, 2001, such election shall
29 be effective on January 8, 2001. Failure to file such a written election shall
30 be presumed to be an election not to continue participation in the retire-
31 ment plan of the state board of regents. The state board of regents shall
32 contribute an amount to the retirement plan on behalf of an eligible em-
33 ployee who has made such an election equal to the percentage amount,
34 as prescribed by K.S.A. 74-4925e, and amendments thereto, of the com-
35 pensation of such employee in effect on the date immediately preceding
36 such leave of absence. Any employee who makes an election as provided
37 under this subsection shall be eligible for the insured death benefit and
38 insured disability benefit in the same manner as provided under the pro-
39 visions of K.S.A. 74-4927a, and amendments thereto. The provisions of
40 this subsection are intended to further the public policy of encouraging
41 persons to serve in elective office.

42 (7) The state board of regents shall adopt uniform rules, regulations
43 and policies applicable to members of the faculty and other persons, ~~who~~

1 are employed by the state board of regents or by any educational insti-
2 tution under its management and who are in the unclassified service under
3 the Kansas civil service act as provided in subsection (1)(f) of K.S.A.
4 75-2035 and amendments thereto, except health care employees, as defined
5 by subsection (1)(f) of K.S.A. 75-2035 and amendments thereto
6 described in subsection (1)(a), for the purposes of administering the provisions
7 of this section and the provision of retirement annuities and other
8 benefits hereunder *retirement plan of the state board of regents, as provided*
9 *in subsection (1)(a).* All ~~assistance provided~~ *actions undertaken* by
10 the state board of regents ~~for such persons~~, and agreements entered into
11 ~~therefor~~, pursuant to this section prior to the effective date are hereby
12 authorized, confirmed and validated.

13 ~~(8) Any employee described in subsection (1)(a) who is on leave of~~
14 ~~absence and who accepts a position in the executive branch of govern-~~
15 ~~ment may file a written election in the office of the Kansas public em-~~
16 ~~ployees retirement system, in the form and manner prescribed by the~~
17 ~~board, to remain eligible for assistance by the state board of regents under~~
18 ~~this section prior to the first day of the first complete payroll period~~
19 ~~occurring after the commencement of such service in the executive~~
20 ~~branch of government. Failure to file such written election shall be pre-~~
21 ~~sumed to be an election not to remain eligible for assistance by the state~~
22 ~~board of regents. The state board of regents shall contribute an amount~~
23 ~~toward the purchase of retirement annuities on behalf of such employee~~
24 ~~equal to the sum of the amounts provided in subsection (1)(c).~~

25 ~~—(9) Any employee described in subsection (1)(a) who is on leave of~~
26 ~~absence and who is elected or appointed as a member of the legislature~~
27 ~~may file a written election in the office of the state board of regents, in~~
28 ~~the form and manner prescribed by the board, to remain eligible for~~
29 ~~assistance by the state board of regents under this section prior to the~~
30 ~~first day of the first complete payroll period occurring after the com-~~
31 ~~menecement of such service in the legislature or for any employee who is~~
32 ~~a member of the legislature on January 8, 2001, prior to the first day of~~
33 ~~the first complete payroll period occurring after July 1, 2001. Failure to~~
34 ~~file such written election shall be presumed to be an election not to~~
35 ~~remain eligible for assistance by the state board of regents. For any em-~~
36 ~~ployee who files an election as provided in this subsection and who was~~
37 ~~a member of the legislature on January 8, 2001, such election shall be~~
38 ~~effective on January 8, 2001. The state board of regents shall contribute~~
39 ~~an amount toward the purchase of retirement annuities on behalf of such~~
40 ~~employee equal to the percentage amount, as prescribed by K.S.A. 74-~~
41 ~~4925e, and amendments thereto, on the biweekly rate of the salary of~~
42 ~~such employee with the state board of regents in effect on the date pre-~~
43 ~~ceding such leave of absence and continuing throughout such leave of~~

1 absence. Any such employee who makes an election as provided by this
2 subsection shall be eligible for the insured death benefit and insured
3 disability benefit in the same manner as provided under the provisions of
4 K.S.A. 74-4927a, and amendments thereto. The provisions of this section
5 are intended to further the public policy of encouraging persons to serve
6 in elective office.

7 ~~—(10)—~~ Any employee who filed a written election under subsection (9)
8 prior to July 1, 2001, and who is a member of the legislature after January
9 14, 2002, may file a written election in the office of the state board of
10 regents, in a form and manner prescribed by the board, to be eligible for
11 an amount to be contributed for any periods prior to January 8, 2001,
12 that an employee was on leave of absence and who was elected or ap-
13 pointed as a member of the legislature. The board of regents shall submit
14 a request to the director of legislative administrative services to calculate
15 an amount to be contributed toward the purchase of the employee's re-
16 tirement annuities and to include in the request a certification of the dates
17 for leaves of absence taken by the employee prior to January 8, 2001, for
18 the purpose of serving in the legislature during regular sessions. The
19 amount shall be calculated by the director of legislative administrative
20 services for periods during which the legislature was in regular session,
21 first by annualizing the compensation and expenses allowance under sub-
22 sections (a) and (b) of K.S.A. 46-137a and amendments thereto paid to
23 any such legislator during those periods, and second, by applying the
24 annual interest earnings assumed by the board of trustees of the Kansas
25 public employees retirement system for the purpose of anticipating ac-
26 tual gains on investments for the same time periods. The amount cal-
27 culated by the director of legislative administrative services shall be sub-
28 mitted to the board of regents. The board of regents shall contribute such
29 amount submitted toward the purchase of retirement annuities on behalf
30 of such employee.

31 Sec. 2. K.S.A. 74-4925b is hereby amended to read as follows: 74-
32 4925b. The state board of regents may establish a procedure whereby
33 any ~~person employed by~~ *employee of the state board of regents or any*
34 ~~educational institution under its control who is not described in clause~~
35 ~~(a) of subsection (1) of K.S.A. 74-4925 and including unclassified em-~~
36 ~~ployees who are members of the cooperative extension service and ap-~~
37 ~~pointed pursuant to the federal Smith-Lever Act, as amended, may, sub-~~
38 ~~ject to rules and regulations of said board of regents, request said board~~
39 ~~of regents in writing for a reduction in compensation and the contribution~~
40 ~~thereof for tax sheltered annuities as permitted under the provisions of~~
41 ~~the internal revenue code of 1954, as amended. For the purposes of the~~
42 ~~Kansas public employees' retirement system, "compensation" as used in~~
43 ~~this act shall have the meaning ascribed thereto in K.S.A. 74-4932 and~~

1 ~~for cooperative extension service employees compensation shall mean the~~
2 ~~total of all salaries and wages paid by the federal, state and county for~~
3 ~~personal services performed as a member of the cooperative extension~~
4 ~~service the board's management, but not including student employees,~~
5 ~~subject to the rules and regulations of the state board of regents, may~~
6 ~~voluntarily request that the state board of regents reduce the employee's~~
7 ~~compensation and contribute such to an investment provider who has~~
8 ~~been approved by the state board of regents to offer contracts in accord-~~
9 ~~ance with section 403(b) of the federal internal revenue code. The state~~
10 ~~board of regents may exclude from eligibility under this section any per-~~
11 ~~sons employed in such temporary or part-time positions as the board~~
12 ~~designates.~~

13 Sec. 3. K.S.A. 74-4925e is hereby amended to read as follows: 74-
14 4925e. On and after the effective date of this act, the percentage amount
15 to be contributed ~~or provided~~ by the state board of regents under sub-
16 section (1)(c) ~~or subsection (4)~~ of K.S.A. 74-4925, and amendments
17 thereto, shall be computed on the basis of 8.5% for payroll periods
18 chargeable to the fiscal year ending June 30, 1994.

19 Sec. 4. K.S.A. 76-746 is hereby amended to read as follows: 76-746.
20 (a) The state board of regents is hereby authorized to develop and im-
21 plement a phased-retirement program for unclassified employees of state
22 educational institutions under the ~~control and supervision~~ *management*
23 of the board in accordance with the provisions of this act. Subject to rules
24 and regulations adopted by the state board of regents, each state educa-
25 tional institution may enter into phased-retirement agreements under this
26 section with unclassified employees of the institution. Such agreements
27 shall provide that the unclassified employee shall accept an appointment
28 in a position which is less than the employee's current appointment but
29 which is at least $\frac{1}{4}$ time, and the state educational institution shall pay on
30 behalf of the employee: (1) The amount specified by the Kansas state
31 employees health care commission under K.S.A. 75-6508, and amend-
32 ments thereto, as if the employee is serving under a full-time appointment
33 as an employee of the state educational institution and participating in
34 the state health care benefits program to provide for such participation
35 of the employee;; (2) the amount *of contributions* required ~~to assist in~~
36 ~~the purchase of retirement annuities~~ under *subsection (1)(c)* of K.S.A. 74-
37 4925, and amendments thereto, ~~as if the employee is serving under a full-~~
38 ~~time appointment as an employee of the state educational institution;;~~
39 and (3) the amount required as contributions under subsection (2) of
40 K.S.A. 74-4927a, and amendments thereto, ~~as if the employee is serving~~
41 ~~under a full-time appointment as an employee of the state educational~~
42 ~~institution at the full-time equivalent salary.~~ For each unclassified em-
43 ployee who has entered into a phased-retirement agreement with a state

1 educational institution under this section, the ~~full-time equivalent salary,~~
2 ~~calculated as if the employee is serving under a full-time appointment as~~
3 ~~an employee of the state educational institution,~~ *compensation that the*
4 *employee would have been entitled to receive based upon the employee's*
5 *percentage appointment immediately preceding entry into phased-retire-*
6 *ment shall be utilized for the purposes of calculating all employer pro-*
7 *vided benefits, including but not limited to, compensation for accumu-*
8 *lated sick leave, the insured death benefit and the insured disability*
9 *benefit under K.S.A. 74-4927, and amendments thereto, and calculating*
10 *final average salary as defined in subsection (17) of K.S.A. 74-4902, and*
11 *amendments thereto, and retirement plan contributions under subsection*
12 *(1)(c) of K.S.A. 74-4925, and amendments thereto.*

13 (b) For the purposes of this section, the term “unclassified employee”
14 means an employee of a state educational institution, except health care
15 employees, who is within the unclassified service under the Kansas civil
16 service act, *who is a participant in the retirement plan of the state board*
17 *of regents, as provided in subsection (1)(a) of K.S.A. 74-4925, and amend-*
18 *ments thereto,* and who meets minimum age and service requirements as
19 determined and prescribed by the board of regents.

20 Sec. 5. K.S.A. 74-4925b, 74-4925e and 76-746 and K.S.A. 2004 Supp.
21 74-4925 are hereby repealed.

22 Sec. 6. This act shall take effect and be in force from and after its
23 publication in the statute book.