

## SENATE BILL No. 527

By Committee on Ways and Means

2-3

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9 AN ACT concerning retirement and pensions; relating to the Kansas  
10 public employees retirement system and certain systems thereunder;  
11 federal nontaxable distributions to certain retirants.  
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13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. (a) This section applies to the Kansas public employees  
15 retirement system and to all other public retirement plans administered  
16 by the board of trustees.

17 (b) As used in this section:

18 (1) "Eligible retired public safety officer" means the same as provided  
19 in section 402(l) of the federal internal revenue code;

20 (2) "federal internal revenue code" means the federal internal reve-  
21 nue code of 1986, as in effect on January 1, 2010.

22 (3) "public safety officer" means the same as provided in section  
23 402(l) of the federal internal revenue code; and

24 (4) "qualified health insurance premiums" means the same as pro-  
25 vided in section 402(l) of the federal internal revenue code.

26 (c) The purpose of this section is to authorize the board of trustees  
27 of the Kansas public employees retirement system to implement the pro-  
28 visions of section 402(l) of the federal internal revenue code. This section  
29 shall be interpreted in accordance with that purpose.

30 (d) Notwithstanding any other law to the contrary, the board of trus-  
31 tees of the Kansas public employees retirement system may adopt rules  
32 and procedures effective on and after January 1, 2010, to:

33 (1) Permit certain retired members of the system, as identified by  
34 the board, who are eligible retired public safety officers to elect to have  
35 a direct deduction of qualified health insurance premiums made from  
36 their monthly retirement or disability benefits; and

37 (2) implement the provisions of section 402(l) of the federal internal  
38 revenue code so that these direct deductions of qualified health insurance  
39 premiums shall be excludable from gross income to the extent permitted  
40 by federal law.

41 (e) The provisions of this section shall be part of and supplemental  
42 to the provisions of K.S.A. 74-4901 et seq., and amendments thereto.  
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1     Sec. 2. This act shall take effect and be in force from and after its  
2     publication in the statute book.