

FEDERAL AND STATE AFFAIRS COMMITTEE

February 17, 1969

\* The meeting was called to order by the Chairman who introduced Rep. Sprague to discuss H.B. 1279. Mr. Sprague explained that this would give the County Engineer in McPherson County credit for prior service; that he was hired from another county before McPherson chose to come under the KAPERS and missed the date for getting credit. Mr. Corkhill explained that this bill is similar to several others other discussion and applies only to the one individual.

\* Rep. Smith was introduced to discuss HB 1267. He stated this bill is another of similar nature but that the individual involved is 64 and time is of the essence; that if nothing is done he has lost out. Mr. Corkhill explained that this is another case where the employee failed to return to employment within the covered period of time. Mr. Corkhill went on to explain Senate Bills 27 and 75, explaining that SB 27 deals with an employee who was at the medical center half time and an employee of the Olathe school system half time; that with this bill the employee can get fulltime credit. Concerning SB 75, a bill which was prepared at the request of the Board of Regents which would give some coverage to spouses under certain circumstances.

\* Rep. White appeared on behalf of HB 1228, stating that last year the Highway Patrol came under a new retirement plan, and that they have individuals in communications who would also like to be included. Mr. Corkhill explained the Policemen and Firemen retirement act which was established on the local level, explaining the limitations on reserves; that an actuarial study was made of 15 plans and it was found they did not meet the needs; that the special nature of this kind of duty make the cost higher than KAPERS; that the communications people felt they should be included even though their duty might not be considered "hazardous". Mr. Turner inquired if these are more active, dangerous jobs and not administrative and Mr. Corkhill stated this is true. He stated the bill is talking about approximately 45 employees. Mr. Turner stated someone else would probably want to come under this next time if the door is opened.

The Chairman called for action on H.B. 1267, and Mr. Turner moved that the bill be recommended for passage. Upon second by Mr. Buchele, the motion carried unanimously.

Mr. Turner moved and Mr. Buchele seconded, that H.B. 1279 be recommended favorably. Motion carried unanimously.

\* 2/18/69

Mr. Turner moved that SB 27 be recommended for passage. Upon second by Mr. Buchele the motion carried unanimously.

Thereupon, Mr. Turner moved that SB 75 be recommended favorably. Motion was seconded by Mr. Buchele and carried unanimously.

Mr. Buchele moved to amend H.B. 1152, stating that he had cleared this with the sponsor; that this would permit the state to have a first class claim against the estate of the beneficiary. Motion was seconded by Mr. Patton and carried unanimously. Thereupon, Mr. Turner moved that HB 1152 as amended, be recommended favorable for passage. Motion was seconded by Mr. Buchele and carried unanimously.

Mr. Turner moved that HB 1160 be recommended favorably. Motion was seconded by Mr. Buchele and carried unanimously.

Mr. Turner moved that H.B. 1173 be recommended for passage. Motion was seconded by Mr. Buchele and carried without dissent.

The meeting was adjourned.

2-17-69 (Exhibit)

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Session of 1969

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## HOUSE BILL No. 1279

By Mr. Sprague

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AN ACT relating to county engineers in certain counties; providing for prior service credit with the Kansas public employees retirement system under certain circumstances and conditions.

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

1     Section 1. Notwithstanding the provisions of K. S. A. 1968 Supp.  
2     74-4913 to the contrary, a county engineer of any county who first  
3     became a member of the Kansas public employees retirement sys-  
4     tem on February 1, 1963, while in the service with a participating  
5     employer, who had previously served as county engineer com-  
6     mencing in August of 1937 through February, 1944, entering the  
7     military service February 29, 1944, and serving in the Army of the  
8     United States until separated from service on December 6, 1945,  
9     and who returned to the position of county engineer with his prev-  
10    ious employer in January of 1946 and served as county engineer for  
11    two (2) separate counties, consecutively, without a break in service  
12    until May 29, 1959, shall receive prior service credit under said  
13    retirement system for employment with all participating employers  
14    for service performed before January 1, 1962, whether such employ-  
15    ment was continuous or not. The prior service benefit shall be com-  
16    puted by using the highest monthly salary the member received  
17    during the calendar year 1961 times twelve (12) as the prior service  
18    annual salary.

19    Sec. 2. This act shall take effect and be in force from and after  
20    its publication in the statute book.

Name Francis R. Rankin

Social Security Number 514-16-7658

Additional Annual Benefit

\$ 2,523.00

Additional Monthly Benefit

\$ 210.25

Present Monthly Benefit (if any)

\*NONE

Additional Reserve Figure

\$ 27,879.00

Comments: \* Member not presently retired.

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following such last retirement. [K. S. A. 72-5512; L. 1965, ch. 414, § 4; L. 1967, ch. 383, § 1; July 1.]

**72-5513. Disability annuity; medical examinations; return to service.** Any participating member in the Kansas school retirement system who has performed school service in Kansas for a period of fifteen (15) years or more, and who prior to age sixty (60) has such physical or mental disability as to be unable to perform school service, may be granted a disability annuity, the amount of which shall be a service annuity determined on the assumption that the member retired at age sixty (60) plus a savings annuity in the amount of the actuarial value of the savings account at the attained age. This amendment shall apply from and after July 1, 1967, to those persons who have been granted a disability annuity prior to that date and shall apply to those persons who shall be granted a disability annuity on or after July 1, 1967. In such cases the board is authorized to provide for medical examinations and to secure other evidence at the expense of the board. Such medical examinations shall be repeated at least once in every five (5) years, and may be ordered at any time until the annuitant attains age sixty-five (65). In case any person receiving a disability annuity shall recover, or if he shall refuse to be examined, then the disability annuity shall cease. But employment outside of school service at part-time work or at full-time work suited to a partly disabled person shall not of itself be sufficient reason to cease paying such disability annuity. In case any person receives a disability annuity and later recovers and returns to school service, the service record of that person shall include all school service, both before and after disability, but the retirement annuity finally paid shall be reduced by actuarial computation in proportion to the total amount of the disability annuity paid. [K. S. A. 72-5513; L. 1967, ch. 383, § 2; July 1.]

**72-5515. Deductions from salary; disposition of moneys; how credited; certification by county superintendent.** All boards and other agencies of the state of Kansas shall deduct four percent (4%) from the gross salary of any school employee as hereinafter provided. Such deductions shall be applicable to the first five thousand dollars (\$5,000) of the gross salary paid to any contributing full-time school employee in each school year. Such deductions shall be applicable only to the first two thousand five hundred dollars (\$2,500) of the gross salary paid during a

school year to any contributing school employee who is eligible to receive only one-half year of service credit in such school year. Such boards and other agencies of the state shall transmit quarterly the amounts so deducted, to the state retirement board, in such manner as the board may direct, and the retirement board shall pay the same into the state treasury and the state treasurer shall credit the same to the school employees savings fund: *Provided*, That the district boards of one- and two-teacher schools which are under the supervision of the county superintendent of public instruction shall transmit such amounts quarterly to the county superintendent and the county superintendent shall forward quarterly the amount so received by him to the retirement board, all of which shall be done in such manner as the retirement board may direct, and the retirement board shall deposit the same in the state treasury and the state treasurer shall credit the same to the school employees savings fund. The amount of such deduction, less the proportionate share of administration expense under this act, shall be credited to individual savings accounts.

Payments made to school employees for attendance at teachers' institutes shall not be considered payments of salary within the meaning of this section. It shall be the duty of the county superintendent to certify to the retirement board during the month of September the names of all school employees on his staff and the employees of small districts which are required by the foregoing provisions of this section to transmit deductions direct to said county superintendent. [K. S. A. 72-5515; L. 1965, ch. 413, § 2; Sept. 1.]

**72-5517. Same; permanent reserves; investment; interest prorated.** The funds accumulated in the employees savings fund from such deductions shall be handled as permanent reserves. These reserves shall be invested by the board only in assets eligible for the investment of funds of legal reserve life insurance companies in the state of Kansas as stated in K. S. A. 40-403, with the exception of subsections (d) and (h) of said section: *Provided*, That total investments in common stocks permitted under such section may be made in an amount of up to fifteen percent (15%) of the total book value of the fund and that the common stock of any bank which is a member of the federal deposit insurance corporation and has capital funds, represented by capital, surplus and undivided profits, of at least twenty million dollars (\$20,000,000) shall be deemed eligible for investment under

said section without regard to the common stock of such bank. The national exchange and national exchange act of 1934: *Provided*, That the term "admitted assets" shall be deemed to include the fund, and the provision of investments and loans to policyholders and loans to policyholders shall be applicable with respect to investments. The board shall employ a qualified investment counsel or trust company to assist in the prudent investment of the funds provided for. All interest received thereon shall be paid once each twelve (12) months to the individual savings accounts of the employees, to turn over all securities to the treasurer for safekeeping. [L. 1965, ch. 415, § 1; July 1.]

**72-5518. Retirement; service amount; years of service; benefits for certain retirement; service credit only, determined by employees.** On retirement an employee shall receive:

(a) A savings annuity actuarial equivalent of the amount of his savings account, less the cost of the option provided for in section 72-5512, and

(b) a service annuity as provided in the state of Kansas.

The amount of any service annuity shall be for persons who have less than 10 years of school service, \$1.00 per month for each year of school service, \$2.00 per month for each year of school service, 25 or more years of school service, \$2.00 per month for each year of school service exceeding 35 years of school service.

Those retiring with 10 or more years of school service shall receive up to ten (10) years of school service if the school employee if the school employee immediately is in Kansas, but such payment shall be twenty-five (25) or more years of school service by counting out-of-state service who attain said benefit shall be nonmember service shall be fifty cents (\$3.50) per year of Kansas school service. Annuity for such persons shall be twenty-five (25) or more years of school service and who retire after

## HOUSE BILL No. 1267

By Mr. Smith

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AN ACT providing for prior service credit for certain employees under the Kansas public employees retirement system under certain circumstances and conditions.

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

1     Section 1. Notwithstanding the provisions of K. S. A. 1968 Supp.  
2     74-4913 to the contrary any employee of the state of Kansas who first  
3     became a member of the Kansas public employees retirement system  
4     on May 1, 1963 and who was first employed by the state of Kansas  
5     on November 15, 1937 and who served with the United States Navy  
6     from December 1, 1942 until October 4, 1945 and who returned to  
7     service with the state of Kansas on October 22, 1945 and was so  
8     employed until July 31, 1957 shall receive prior service credit for  
9     such prior service with the state of Kansas and said military service  
10    with the United States Navy, such prior service benefit shall be  
11    computed by using a prior service annual salary of four thousand  
12    seven hundred forty dollars (\$4,740).

13    Sec. 2. This act shall take effect and be in force from and after  
14    its publication in the statute book.

Name Seward S. Greider

Social Security Number 515-30-5710

Additional Annual Benefit \$948.00

Additional Monthly Benefit \$ 79.00

Present Monthly Benefit (if any) \*None

Additional Reserve Figure \$9,536.88

Comments: \*Member not presently retired.

## HOUSE BILL No. 1228

By Mr. White

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AN ACT relating to the Kansas police and firemen's retirement system; providing for eligibility and crediting of service; amending K. S. A. 1968 Supp. 74-4972, and repealing the existing section.

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

1     Section 1. K. S. A. 1968 Supp. 74-4972 is hereby amended to read  
2 as follows: 74-4972. "Patrolman" or "patrolmen" means all *radio-*  
3 *telephone operators*, troopers, examiners and officers of the Kansas  
4 highway patrol, but shall not include the superintendent or adminis-  
5 trative employees of the Kansas highway patrol. For all purposes  
6 of this act, the words "patrolman" or "patrolmen" shall include any  
7 *radio-telephone operator*, trooper, examiner or officer who, while  
8 on active duty with the patrol, shall be appointed and become  
9 superintendent. Wherever the word "policeman" is used in K. S. A.  
10 ~~1967~~ 1968 Supp. 74-4951 *et seq.*, it shall be construed to include  
11 the word patrolman as defined herein.

12     *New Sec. 2.* All radio-telephone operators employed by the  
13 Kansas highway patrol, on or before January 1, 1970, covered by  
14 the Kansas public employees retirement system shall be transferred  
15 to the Kansas police and firemen's retirement system. Such trans-  
16 ferred employees shall receive credit only for prior service as radio-  
17 telephone operators except as otherwise provided in this act. Upon  
18 notice of such transfer authorization, the board of trustees shall  
19 cause to be transferred to the credit of the employee under the  
20 Kansas police and firemen's retirement system such amounts as  
21 may be presently credited to the employee's account for contribu-



tion under the Kansas public employees retirement system and an equivalent amount to the employer's account for contributions for such employee.

*New Sec. 3.* All radio-telephone operators employed by the Kansas highway patrol on or after January 1, 1970, shall become members of the Kansas police and firemen's retirement system on the first day of the month coinciding with or following such employment.

*New Sec. 4.* Any radio-telephone operator who becomes a member of the Kansas police and firemen's retirement system shall be entitled to rights and benefits corresponding to the rights and benefits of persons becoming members of such system after the employer's entry date.

Sec. 5. K. S. A. 1968 Supp. 74-4972 is hereby repealed.

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

BOARD OF TRUSTEES  
FRED E. GULICK, *Chairman*  
THOMAS L. WANDS, JR., *Vice-chairman*  
VIRGIL A. BASGALL  
JAMES W. BIBB  
R. CHARLES CLEVINGER  
EUGENE LEE  
JAMES R. SURFACE

STATE OF KANSAS



JOHN K. CORKHILL, *Executive Secretary*

Area Code 913

Phone 286-3021

## PUBLIC EMPLOYEES RETIREMENT SYSTEM

Twelfth Floor—State Office Building

TOPEKA, KANSAS 66612

February 17, 1969

### Memorandum

To: James W. Bibb, Budget Director

From: John K. Corkhill, Executive Secretary  
Kansas Public Employees Retirement System

Subject: Fiscal Note on House Bill No. 1228.

This bill provides for the transfer of radio-telephone operators of the Kansas Highway Patrol from the Kansas Public Employees Retirement System to the Kansas Police and Firemen's Retirement System on January 1, 1970.

It further provides for a transfer of accumulated contributions of the employee-member from KPERS to KP&F and an equivalent amount of the employer contributions to the appropriate reserves.

An actuarial study of this group will be required to determine if the rate of contribution presently being made by the Highway Patrol for the patrolmen that are covered by KP&F would be applicable to this group. The current rate of contribution is 35.8% of covered payroll for the employer and 7% by the employee; offset against this would be employer social security contributions of 4.8% and current KPERS contribution of 5.8%. The December paid in January payroll of the 45 employees who are presently radio-telephone operators was \$24,629.30. Projected this would make an annual payroll of \$295,551.60. Thirty-five point eight percent of covered payroll would amount to \$105,807 less the employer social security contribution of \$14,186 and KPERS contribution of \$17,142 for a total offset of \$31,328. This leaves a net increase in employer contribution of \$74,479.

The cost of the actuarial study would be approximately \$500. The change would have a minimal fiscal effect on the agency in that there would be a cost factor for additional and new pamphlets, brochures, forms, and so forth not to exceed \$200.

Very truly yours,

John K. Corkhill  
Executive Secretary

JKC:sk

A MEMORANDUM RELATING TO SENATE BILL #75

Senate Bill #75 refers to K.S.A. 74-4925 which section provides for a retirement annuity program for members of the faculty in the institutions under the State Board of Regents.

Those members of the faculty who were employed on January 1, 1962 whose principle duties were teaching or supervision of teachers were granted prior service credit under subsection (3) of K.S.A. 74-4926 as members of KPERS.

There is an inconsistency between the faculty KPERS members plan and the regular KPERS plan.

Under the regular KPERS plan if an employee over age 60 has ten years of service and dies before his actual retirement, his or her surviving spouse may receive a benefit under Option A in lieu of the member's accumulated contributions.

Under the faculty KPERS plan, however, there is no early retirement provision (that is retirement after age 60 and before age 65) except for reasons of health. Therefore, there is no Option A benefit for a surviving spouse if a member of the faculty dies between age 60 and 65 unless there is a health consideration.

This section creates problems of interpretation as to what point in time an employee may have been disabled for health reasons. This bill is to correct this situation, it provides that if a faculty KPERS member who has attained age 60 having ten or more years of credited prior service whose spouse is his beneficiary and who had not yet retired and who dies while still in the service of the state of Kansas, the surviving spouse may be granted a benefit under Option A as if the member had retired on date of his death.

The Actuaries of the Retirement System have determined that the value of these benefits would be approximately \$21,000. They point out that as time goes on this group will reduce and therefore, this benefit will tend to decrease over the years. The cost would be approximately three to four one-hundredths of a percent of payroll and that the present employer contribution is sufficient to cover the cost of this benefit.

## EXPLANATION OF SENATE BILL NO. 27

This act concerns the State School Retirement System and provides a solution to a problem which arose when an employee of an agency of the state of Kansas worked half-time for the state and at the same time worked half-time for a school district as a school teacher. The Public Employees Retirement System prohibits membership for a person who is covered by another retirement system under the laws of Kansas.

Under the provisions of the School Retirement System this employee could only get credit for half-time service. This bill will permit her to contribute toward school retirement as if she were on a full time basis and it will permit her to get full time school credit.

This provides for such an employee to remit the required amount back to July 1, 1967 and it further provides that after the beginning of the school year 1969 an employee must request within fifteen (15) days after the beginning of the school year that the school-employer make these deductions.

## EXPLANATION OF HOUSE BILL NO. 1250

This bill amends the section of the Retirement Act that prescribes the retirement date and procedures for retirement. It further prescribes that a person who has retired under the Retirement Act may not be employed by a participating employer except as a member of the Legislature or if he is elected to a public office. In the event that a retirant is elected to a public office with a participating employer or if a retirant is employed, elected or appointed to any position or office with any non-participating public agency then retirement benefits will not be paid for any month in which he serves in such position.

It further provides at the present time that a retirant may be employed by any public agency for a period not to exceed thirty (30) days in a calendar year and still draw his retirement benefits. The proposed amendment makes this period that a retirant may be employed ninety (90) days instead of thirty (30).

It further makes clear that three (3) calendar months shall be considered ninety (90) days and that compensation for any part of the day will constitute a full day in computing the total number of days employed.

Section 4 of this section is being stricken in its entirety in that it was applicable only to persons retired prior to January 1, 1963 and is no longer operable and should be stricken to avoid confusion.

3670

January 15, 1969

Honorable Steadman Ball  
Senate Chambers  
Capitol Building  
Topeka, Kansas 66612

Re: Ruth W. (Drake) Jackson

Dear Senator Ball:

The above-captioned person was first employed by the state of Kansas in the State Tax Commission July 1, 1933 through March 1937. She left state service until November 1, 1941 when she returned to serve as Justice Walter Thiele's secretary and she worked for him until October 1, 1953. Her next service with the state of Kansas was as a legislative employee (being secretary to Senator Harper) during the Budget Session in January of 1962 (January 10, 1962 to February 7, 1962).

Because of the retirement of Helen Stickel, legal clerk for the Judicial Council, an experienced and knowledgeable person was needed to take over Mrs. Stickel's responsibilities. Mrs. Jackson was requested to come to work for the Judicial Council and she commenced working for the Council on July 1, 1962 and she is working to this date.

Mrs. Jackson, of course, had served the state of Kansas sixteen (16) years prior to the establishment of the Retirement System on January 1, 1962. Unfortunately, she had attained her 60th birthday on November 25, 1961; therefore, she was not eligible for membership in the Kansas Public Employees Retirement System when she was employed by the Judicial Council on July 1, 1962.

At the request of Justice Schroeder we have calculated that if legislation was adopted providing for Mrs. Jackson to be eligible for membership in the Retirement System as of July 1, 1962 and to be retired as of July 1, 1969; and all employer and employee contributions made as of and subsequent to July 1, 1962, Ruth Jackson would contribute \$1,315.20 and the Judicial Council as her employer would contribute a total of \$1,497.32.

Senator Ball

-2-

January 15, 1969

With the above contributions being made, Ruth Jackson would be eligible to receive a retirement benefit in the amount of \$89.50 per month for her life under the drafted bill attached.

Very truly yours,

John K. Corkhill  
Executive Secretary

JKC:sk

Attachments



AN ACT concerning certain employees of participating employers of the Kansas Public Employees Retirement System providing; eligibility for membership; prior service salary; payment of contributions and crediting of service.

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

Section 1. Notwithstanding the provisions of K.S.A. 1967 Supp. 74-4902; K.S.A. 1967 Supp. 74-4911 and K.S.A. 1967 Supp. 74-4913, an employee of a participating employer who was employed by the legislature on January 15, 1962 and was employed on July 1, 1943 and July 1, 1962 by the participating employer by whom said employee is employed on the effective date of this act, such employee shall be an eligible member of the System as of July 1, 1962 upon the payment of appropriate employer and employee contributions and shall be entitled to receive full credit for employment with said participating employer prior to said participating employer's entry date. The prior service annual salary in such case shall be the compensation (not including any amount received as payment for overtime or as reimbursement for travel or moving expense) received for personal services by the employee from the employer during the last twelve (12) months of employment prior to January 1, 1962.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.

RUTH W. JACKSON, SOCIAL SECURITY NUMBER 513-03-3285  
EMPLOYMENT WITH JUDICIAL COUNCIL

PERIOD	COMPENSATION	EMPLOYEE CONTRIBUTION	EMPLOYER CONTRIBUTION	INSURANCE CONTRIBUTION
7-1-62 to 12-31-62 @ \$250	\$ 1,500.00	\$ 60.00	\$ 80.25	\$ --
1-1-63 to 6-30-63 @ \$265	1,590.00	63.60	85.07	--
63 to 12-31-63 @ \$300	1,800.00	72.00	96.30	--
Calendar year 1964 @ \$300	3,600.00	144.00	168.30	--
Calendar year 1965 @ \$300	3,600.00	144.00	144.00	--
1-1-66 to 3-31-66 @ \$300	900.00	36.00	36.00	--
4-1-66 to 12-31-66 @ \$510	4,590.00	183.60	183.60	15.30
Calendar year 1967 @ \$510	6,120.00	244.80	244.80	30.60
Calendar year 1968 @ \$510	<u>6,120.00</u>	<u>244.80</u>	<u>244.80</u>	<u>30.60</u>
Subtotal	\$ 29,820.00	\$1,192.80	\$1,283.12	\$ 76.50
1-1-69 to 7-1-69 @ \$510	<u>3,060.00</u>	<u>122.40</u>	<u>122.40</u>	<u>15.30</u>
Total	<u>\$ 32,880.00</u>	<u>\$1,315.20</u>	<u>\$1,405.52</u>	<u>\$ 91.80</u>

For each month before 7-1-69  
that the bill became effective  
each total above would be  
reduced as follows:

\$ 510.00	\$ 20.40	\$ 20.40	\$ 2.55
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Contributions per month after  
7-1-69 would be as follows:

\$ 510.00	\$ 20.40	\$ 27.03	\$ 2.55
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January 15, 1969

ESTIMATE ONLY

Agency Ident. No. \_\_\_\_\_

Calculation of Retirement Benefit For:

Name: Ruth W. Jackson

Soc. Sec. No. 513-03-3285

Retirement Date \_\_\_\_\_

Prior Service Benefit:

Prior Service Annual Salary	\$ 4200.00
Multiply by 1%	x .01
Total	\$ 42.00
Multiply total by years of prior service	x 16
Total Prior Service Benefit	\$ 672.00

Participating Service Benefit:

Final Average Salary	\$ 4020.00
Multiply by 1 1/4%	x .0125
Total	\$ 50.25
Multiply total by years of participating service	x 8
Total Participating Service Benefit	\$ 402.00

Total Annual Prior and Participating Benefits \$ 1074.00

Monthly Benefit \$ 89.50

Remarks: \_\_\_\_\_

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