MINUTES

SPECIAL COMMITTEE ON WAYS AND MEANS

November 7, 1975

Members Present

Senator Ross O. Doyen, Chairman
Senator T.D. Saar, Jr.
Senator Joe Warren
Senator D. Wayne Zimmerman
Representative Wendell Lady, Vice Chairman
Representative William Bunten
Representative James Cubit
Representative Keith Farrar
Representative Mike Hayden
Representative James Holderman
Representative Irving Niles

Staff Present

Robert Haley, Legislative Research Department Marlin Rein, Legislative Research Department Carl Tramel, Legislative Research Department Jim Wilson, Revisor of Statutes Office Alden Shields, Legislative Research Department

Chairman Ross O. Doyen called to order the final interim committee meeting of the Special Committee on Ways and Means at 9:10 a.m., November 7, 1975.

Carl Tramel, legislative fiscal analyst, introduced State Attorney General Curt Schneider. Mr. Schneider, in turn, introduced John Martin of the Attorney General's office.

The Committee's attention was drawn to a prepared statement by Mr. Schneider. (See Exhibit A.) It was pointed out that Kansas was one of 39 states which does not have a department of justice, law or public safety agency, headed by the attorney general. Mr. Schneider further indicated that by provision of recent legislation, more agencies have been given their own counsel over whom he has no control.

The Attorney General proposed that a unified Department of Justice be organized, through which all civil actions and legal proceedings of the State of Kansas would be controlled. The Attorney General himseld would determine whether or not an agency should employ counsel. Due to the present workload in the Office of the Attorney General, it would be necessary to shift funds appropriated to other agencies for legal counsel to a Department of Justice. Mr. Schneider was of the opinion that legal services could be provided at a cheaper cost through salaried staff rather than hiring of counsel on a retainer or hourly basis. He further stressed that the creation of a Department of Justice would require both a realignment for legal services and adequate funding.

Following the Attorney General's prepared remarks, Representative Lady questioned whether or not an agency attorney appointed by the Attorney General would be more objective in writing an opinion concerning a practice by that agency than one appointed by the agency head. Mr. Schneider responded that in either case the attorney must be entirely objective in such a writing but that the likelihood of that objectivity being compromised would be reduced if the attorney were paid through the Attorney General's budget. He further stated that he would not sign an opinion written by an agency attorney if he did not agree with the conclusions.

Representative Niles questioned as to the feasibility of an appointed Attorney General. Citing Watergate as an example, Mr. Schneider believed the elective process to be the better method.

Retirement Matters

Jim Wilson of the Revisor of Statutes Office reviewed the six bills that will be made a part of the Committee report, two bills related to the local police and fire retirement system recommendation, two bills relating to first day coverage, one bill for the change in the definition of final average salary and one bill relating to the commencing date of retirement benefits for school administrators.

John Corkhill, Executive Secretary of the Kansas Public Employees Retirement System, then drew the Committee's attention to his letter of October 15 relating to the costs associated with the suggested changes in the retirement benefit calculations associated with the KSRS/KPERS merger legislation. Representative Cubit noted that in the third paragraph the indication is that 2,776 KPERS school retirants would benefit if their retirement plans were calculated under the present Kansas School Retirement System. This means a floor of \$6.50 per year of service with a minimum of ten years and a maximum of 35 years. The figures indicate that total monthly benefits for such people would increase \$99,784.54 for a total first year benefit increase of approximately \$1.2 million dollars. Mr. Corkhill reminded the Committee that no such benefit floor now exists for KPERS retirants.

Chairman Doyen asked for action of the Committee. Representative Hayden felt there should be no action taken at this time but that the findings be included in the final report. Representative Lady seconded and motion carried.

Mr. Shields concluded consideration of <u>Proposal No. 57</u> by briefing the Committee on the draft final report. It was moved by Chairman Doyen and seconded by Vice Chairman Lady that the report be approved. Motion carried.

Proposal No. 60 - State Employee Salary and Retirement Benefits

Marlin Rein, Chief Legislative Fiscal Analyst, reviewed his final report on State Employee Salary and Retirement Benefits. Representative Bunten moved and Representative Hayden seconded that the report be accepted. Motion carried.

Proposal No. 59 - Historical Society

Robert Haley, fiscal analyst, presented the draft report on the need for a new museum building. Primarily, the report dealt with two issues:

- The need for temporary storage facilities and how to raise funds for permanent facilities; and
- Policy determination as to whether or not a new museum building was compatible with state funding priorities.

Representative Holderman moved to adopt the report in its present form.

Representative Lady questioned the time span of the project and whether or not appropriated funds would be adequate. According to Mr. Rein, the Legislature could appropriate initial planning funds with no commitment to follow through with appropriations for the actual construction of the project.

Representative Bunten indicated that the general assumption was that the museum would be built on land near the Pottawatomie Baptist Mission. His main concern was that the building be kept in the Capitol Area Complex Area. There was general consensus that more specific plans should be drawn up including a feasibility study that would include space, program, design, and location. Representative Lady felt this might alleviate Mr. Bunten's objective. It was pointed out that the present building was too small for current needs. Either the museum needed to be located elsewhere or there was need for better storage capacity.

Representative Cubit stated that a downtown building would have to conform architecturally to other Capitol Area Plaza buildings and would thus result in higher costs. Representative Bunten indicated he had received many calls on the issue. He further indicated there was a need for cost estimates for both a downtown building and one on the west site (the latter including roads, sewers, etc.). Such costs should be on a comparative basis and the Legislature should know the Governor's priority on the matter.

According to Representative Cubit, parking is one of the major problems for the downtown site. Senator Warren maintained that the west site would not necessarily solve this problem.

Representative Bunten felt that the Committee should recommend that funds be appropriated to the State Architect, Department of Administration, for the purpose of conducting a feasibility study. The study should include matters of location, design, costs, traffic and parking requirements, and a determination of where and when a new building should be constructed.

General discussion then followed as to the content of the final Committee report. Representative Lady moved that the last sentence of the first paragraph (background) related to estimated project costs be deleted. The Committee also asked that language be added to the report concerning a feasibility study as suggested by Mr. Bunten. Senator Warren moved to approve the report as amended. The motion was seconded by Representative Bunten and carried.

Mr. Rein indicated a three-member subcommittee could review the amended report. Representative Holderman requested a copy of the recommendation.

The meeting was adjourned.

Prepared by Alden Shields

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Statement by Curt T. Schneider, Attorney General, to the Interim Committee on Ways and Means--Joint, November 7, 1975.

STATEMENT

I appreciate the opportunity to appear before the Committee and to share my recommendations regarding the establishment of a Department of Justice (or Law.) According to data furnished my office from the National Association of Attorneys General, eleven states are reported as having departments of justice, law or public safety, headed by the Attorney General. I believe that the broadened responsibilities of the office require and justify its organization as a statutory department, and clarification and statutory definition of the role of the Attorney General in the conduct of the state's legal business.

As you know, executive reorganization has been enacted in recent years at an accelerated pace. The effect of reorganization is to consolidate and centralize agencies according to the functions, duties and responsibilities that they perform. As a result of this reorganization, there has been a decentralization or fragmentation of legal services to state agencies and departments. Formerly, for example, the legal services to the State Highway Commission were headed by an attorney who was by statute an Assistant Attorney General. As a result of reorganization, that attorney is no longer subject to appointment by the Attorney General. Similar circumstances exist in other agencies, to cite three of the larger departments as examples, the departments of Revenue, Health and Environment, and Administration.

As a result of this decentralization and fragmentation of legal services, the aggregate true cost of legal services to the state is difficult to determine, and financial resources which might be spent with greater cost-effectiveness in a central department of law are diverted and dispersed among a great variety of boards, commissions and agencies.

My office is one of the smallest in the country. October, 1974, among 46 jurisdictions reporting to the National Association of Attorneys General, the Kansas Attorney's General office ranked sixth from the bottom in the number of attorneys. Kansas ranks 29th in population among the 50 states. time, we had a staff of 15 attorneys. We presently have eighteen. In 1974, the attorneys in the office worked over 5,000 hours of overtime, that figure being based on hours per week in excess of forty hours. This figure is clearly suggestive of the demands for services upon the Kansas Attorney General's office. And for legal services provided to boards and agencies not served by the Attorney General's office, the State pays prevailing commercial rates, or rates slightly below the prevailing charges, at substantial cost. I am aware of one instance in which a state board commenced legal proceedings to revoke the license of a practitioner in a District Court. After the case was completed by determination of the appeal by the Kansas Supreme Court, the agency received a bill for nearly \$10,000 for legal services rendered in that single case. I am not questioning the amount of the fee, but I do question the justification for resort to outside counsel in many instances when equal service at much

less cost may be available from a central legal office of adequate size and financial resources.

An additional point makes consideration of a central Department of Law particularly timely. As you know, there is presently pending before the Kansas Supreme Court a case involving the constitutionality of sovereign immunity of the State. If the Court holds that the State is liable as are private persons in the conduct of many of its activities, the State faces substantial exposure to liability, and a greatly increased demand for legal services. To the extent possible, I believe that the Legislature should anticipate the need for increased services by creating a Department of Justice with the statutory duty and the resources to provide those services centrally and economically.

I propose that the Attorney General, by and through the Department of Justice, be vested with general control and supervision of all civil actions and legal proceedings in which the State of Kansas or any of its boards, agencies and the like may be a party or may be interested. I further propose that the Department of Justice be given full charge and control of all the legal business of all departments, commissions, boards and agencies of the state, which require the services of an attorney or counsel in order to protect the interests of the state. I suggest that no state agency be empowered to authorize payment for the services of any person as an attorney, counsel, legal assistant or other legal advisor except upon approval of the Attorney General, and that every such

agency be assigned counsel from the Department of Justice to advise the agency and to represent it in all litigation.

Curtailment of employment of outside counsel by the numerous state board and agencies and reliance upon representation from a Department of Justice will, I believe, result in a broader range of legal services available to all state agencies at a much reduced cost. When outside counsel is required to be employed, it should be only when the services required cannot be made available from the central staff of the Attorney General, such as when specialized expertise is required. According to the October, 1974 report of the National Association of Attorneys General, about thirty of the reporting jurisdictions reported that outside counsel were seldom employed. By augmented staff, and compulsory use of legal counsel from a Department of Justice, the use of legal services billed to state agencies at hourly rates should be abolished entirely.

Given the present workload carried by my office, it is impossible to absorb the additional legal work which would lead to these economies of service without a diversion of funds presently appropriated to other agencies for legal counsel to a Department of Justice. Reorganization to date has in most cases involved the reorganization of existing departments with adequate staff and resources into more compact administrative units, under the direction of a single administrative head who is solely responsible for the performance of the agency. Reorganization of legal services to the state would entail more than administrative realignment,

but adequate funding as well, to demonstrate the economies to be derived from centralized and effectively coordinated legal services.

I would appreciate your serious consideration of these proposals.

PROPOSED DEPARTMENT OF JUSTICE

- 1. There is hereby created a State Department of Justice, which shall be administered under the direction and supervision of the Attorney General.
- 2. The Attorney General, by and through the Department of Justice, shall have the powers, duties, authority and responsibility as hereinafter prescribed, and shall:
 - Appear for the state and prosecute and defend all actions and proceedings, civil or criminal, in the Supreme Court in which the State shall be interested or a party;
 - 2) Appear, commence, prosecute or defend any action, suit, matter, cause or proceeding in any court when requested by any state officer, board or commission when in his discretion, the same may be necessary or advisable to protect the interests of the state.
 - 3) Give his opinion in writing, when requested, upon any question of law to the administrative head of any state department, board, agency or commission, and upon written request upon any question of law submitted by the legislature or either branch thereof, by the Governor, Secretary of State, State Treasurer, Board of Education or Commissioner of Insurance.
 - 4) Assign to each state agency, department, board or commission an assistant attorney general from his staff, who shall be its counsel responsible for insuring the performance of the legal services requested by such agency, department, board or commission, such assignment to be approved by the chief administrator of such agency, department, board or commission, provided that such approval shall not be unreasonably withheld and reasons for such withholding shall be furnished to the Attorney General in writing within ten days after such assignment;
 - 5) Exercise general control and supervision of all civil actions and legal proceedings in which the State of Kansas or any board, agency, department or commission thereof, shall be interested or a party;
 - 6) Exercise full charge and control of the legal business of all departments, boards, commissions and agencies of the State of Kansas or any office thereof, which requires the services of an attorney or counsel in order to protect the interests of the state.
- 3. No officer, department, board, agency, commission or instrumentality of state government shall employ any person to act as attorney, counsel, solicitor, legal assistant or other legal advisor to such officer, department, board, agency, commission or instrumentality except as specifically provided by law or as specifically authorized by the Attorney General upon such terms and conditions as the Attorney General may prescribe.
- 4. (1) Notwithstanding any provision of the law to the contrary whenever the Attorney General concludes that it is inappropriate and contrary to the public interest for his office to concurrently represent more than one public officer or agency in a particular matter or class of matters in circumstances which would create or tend to create a conflict of interest on his part, he may authorize one or both of such officers or agencies to employ its own general or special counsel in the particular matter or class of matters and in related matters. Such

authorization may be terminated by the Attorney General whenever he determines that separate representation is no longer appropriate.

- (2) Any counsel so employed shall be a member of the Bar of the State of Kansas and shall be paid a salary or other compensation out of the funds appropriated for such officer or agencies.
- (3) Any matter in which the Attorney General has authorized employment of such counsel, any references to representation of such officer or agency by the Attorney General contained in any provision of law shall be deemed to refer to such counsel.
- 5. The Attorney General and the Department of Justice shall have the same powers and prerogatives in each of the several counties of this state as the district and county attorneys have in their respective counties.
- 6. The Attorney General may arrange and classify the work of the Department of Justice, and consolidate, abolish, or create divisions, bureaus, branches, sections, or units within the department. Any statutory or other reference to the office of the Attorney General or to the Kansas Bureau of Investigation shall be construed to refer to the division, bureau, branch, section, or unit within the Department which is performing the functions referred to; and no such function shall be abolished without expressed statutory authority.

STATE OF KANSAS

JOHN K, CORKHILL, Executive Secretary Area Code 913 Phone 296-3921 or 296-38

J. L. WANDS, JR., Chairman JND GOETZ, Vice-chairman VIRGIL A. BASGALL R. CHARLES CLEVENGER THOMAS W. ROSS RICHARD B. HANGER W. L. PARKER, JR.



Exhibit B - Supplement to Retirement Matters

PUBLIC EMPLOYEES RETIREMENT SYSTEM

400 First National Bank Tower One Townsite Plaza Topeka, Kansas 66603

October 15, 1975

Senator Ross Doyen
Chairman, Special Interim Ways and Means
Committee
Statehouse
Topeka, Kansas 66612

Dear Senator Doyen:

Per the request of your committee, the Retirement System has developed statistics regarding House Concurrent Resolution 2019 which concerns the Kansas Public Employees Retirement System and the State School Retirement System with special emphasis on certain retirement benefit adjustments.

Computer programs were developed to extract statistical data on both active school members and inactive vested school members, and also on current KPERS school retirants. This information was forwarded to the Martin E. Segal Company on October 14 to develop actuarial cost figures; however, I thought I would give you some information regarding these individuals that is currently available.

As of October 14 there are 2,776 KPERS school retirants who would be better off if their retirement benefits were computed using the present formula under the Kansas School Retirement System; i.e., \$6.50 per year of service with a minimum of 10 years and a maximum of 35 years. The figures indicate that the total monthly benefit for these individuals would increase \$99,784.54 for a total first year benefit increase of approximately \$1.2 million dollars.

As pointed out above, the system also developed statistical information on active and inactive vested school members who, under the provisions of the merger legislation, will be entitled to the greater of the two benefit calculations at the time they retired. This data indicates that presently there are 6,649 active school employees and 576 inactive vested employees who would be entitled to greater benefits under the present school retirement formula. The increased benefits for these individuals would amount to over \$3.8 million dollars annually. It should be pointed out that these individuals would not be retiring in the same year; consequently, this is not a true annual cost figure.

Page 2 Senator Ross Doyen October 15, 1975

Our actuaries have indicated it will take a few weeks before they can develop total liability figures for these individuals; however, I trust the above will be of some value to you and your committee at this point in time.

If you have any questions regarding the above or if I can be of further assistance in any way, please let me know.

Very truly yours,

John K. Corkhill Executive Secretary

JKC:JLH:gn



Exhibit B - Supplement to Retirement Matters

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REVISOR OF STATUTES
JEN K. ENSLEY

FIRST ASSISTANT REVISOR

EDITOR OF STATUTES
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STATE OF KANSAS OFFICE OF REVISOR OF STATUTES

STATE HOUSE, THIRD FLOOR TOPEKA, KANSAS 66612 (913) 296-2321

October 20, 1975

LEGAL CONSULTATION—LEGISLATIVE
COMMITTEES AND LEGISLATORS
LEGISLATIVE BILL DRAFTING
6TAFF—LEGISLATIVE
COORDINATING COUNCIL
KANSAS STATUTES ANNOTATED—
EDITING AND PUBLICATION
RULES AND REGULATIONS—
FILING AND PUBLICATION

Honorable Ross O. Doyen, Chairman, and Members of the Special Committee on Ways and Means:

This memorandum is presented to assist the Committee in its consideration of the accompanying Proposed Bill No. 57-1, which contains various amendments to the public employees', retirement systems of the state of Kansas. These amendments implement three basic policy decisions which were adopted by the Committee at meetings earlier this summer:

- 1. First-day coverage. The provisions of KPERS and KP&F differ as to the time that an employee becomes a member of such systems. There is a waiting period of one year for persons eligible to become members of KPERS, and under KP&F, membership commences on the first day of the payroll period commencing after the employee starts to work. These provisions in both systems have been amended to provide for membership in the respective retirement system on the first day of the employee's employment. The effect is to eliminate the one year waiting period under KPERS, and to provide eligibility for death benefits and disability benefits which are available under both systems the first day of employment.
- 2. Early retirement benefit reduction. This amendment involves a change in the manner of reducing the amount of normal retirement benefits for purposes of early retirement under KPERS from an actuarily determined reduction to a reduction determined on the basis of a three percent reduction for each year of age below age 65.
- 3. Extension of survivors benefit (Option A). This amendment to the KPERS statute would make certain benefits of Option A of K. S. A. 74-4918, available to the spouse of a deceased member who had attained age 55, completed ten years of credited service, and who had not been eligible to retire upon the date of death under KPERS law, in lieu of such spouse receiving merely the member's accumulated contributions.

Most of the sections in this bill contain amendments which are necessary to provide for first-day coverage, as the membership provisions of various types of public employees are contained in separate sections of law. The following is a list of sections containing amendments to provide for membership in a retirement system on the first day of a person's employment in public service:

Sections 1, 2 and 3 amend various statutes pertaining to law enforcement agencies of certain counties under KP&F.

Section 4 amends the provision of the KPERS law pertaining to non-school employees.

Section 7 amends the section of the KPERS law pertaining to school employees.

Section 8 amends the section pertaining to membership under KP&F.

Section 9 amends the section pertaining to the merger of Kansas Highway Patrol Retirement System into KP&F.

Section 10 amends the section pertaining to the merger of the retirement system for the Kansas Bureau of Investigation into KP&F.

Section 5 of the bill amends the KPERS statute relating to normal and early retirement by deleting the provisions providing for an actuarial reduction of benefits for purposes of early retirement and inserting a three percent reduction for each year of age under 65. These provisions appear on page 9 of the bill draft.

Section 6 of the bill amends that statute of the KPERS law which sets forth the various retirement options available thereunder. New language appearing on page 12 of the bill draft sets forth the extension of the survivor's benefit to spouses of deceased members who had attained age 55, completed ten years of service, and who were not eligible to retire under the KPERS law on the date of death.

If you have any questions in regard to this draft or if I can be of any other assistance, please do not hesitate to contact me.

Yours truly,

JAMÉS A. WILSON

Assistant Revisor of Statutes

JAW:kl enclosure

PROPOSED BILL NO. 57-1 By Special Committee on Ways and Means Re Proposal No. 57

AN ACT relating to public employees retirement systems; concerning date of membership, early retirement and retirement options; amending K. S. A. 19-4419, 74-4915 and 74-4918 and K. S. A. 1975 Supp. 19-4441, 19-4484, 74-4911, 74-4935, 74-4955, 74-4973 and 74-4981 and repealing the existing sections.

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

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Section 1. K. S. A. 19-4419 is hereby amended to read as follows: 19-4419. (a) County law enforcement agencies established under the provisions of this act are hereby declared to be "eligible employers" as defined by K. S. A. 74-4952 (3) for the purpose of affiliating with the Kansas police and firemen's retirement system established under the provisions of K. S. A. 74-4951 et seq. and amendments thereto. All such agencies shall make application for affiliation with such system in the manner provided by K. S. A. 74-4954, to be effective on the first day of January next following the appointment of the first members of such agency. Such application shall cover all county law enforcement officers.

(b) Every person who shall be appointed a law enforcement officer on or after the entry date of such agency shall become a member of the Kansas police and firemen's retirement system upon the-first-day-of-the-payroll-period-coinciding-with-or-following his on the date of such person's appointment.

(c) Law enforcement officers appointed under the provisions of this act are hereby declared to be "policemen" as defined by K. S. A. 74-4952 (12) for the purpose of participating in the Kansas police and firemen's retirement system.

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(d) For the purpose of determining and computing retirement benefits and death and disability benefits computed upon the basis of "credited service" of law enforcement officers appointed under the provisions of this act, the term "credited service," as used in K. S. A. 74-4951 et seq. shall mean and include only "participating service" with the agency -- Provided, except that continuous prior service of any officer, with the city or county sheriff's department from which such officer transferred at the time of the establishment of the department, shall for officers serving with the department upon the entry date of the agency, be considered and included in determining if the death or disability of such officer was "service connected" under the provisions of K. S. A. 74-4952 (10) and for the purpose of determining the eligibility of such officer for non-service connected death and disability benefits under the provisions of K. S. A. 74-4959 (2) and 74-4960 (2).

(e) Notwithstanding the provisions of K. S. A. 74-4963 and K. S. A. 1973 1975 Supp. 74-4957, all service of any officer with a city police department or county sheriff's department prior to his becoming a member of the Kansas police and firemen's retirement act system, shall be included and counted together with credited participating service for the meeting of requirements for completion of years of service fixed under the provisions of such sections - Provided, except that no such service shall be considered "credited service" for the purpose of computing years of service if such officer shall have withdrawn his or her contributions from any pension or retirement system established under the provisions of K. S. A. 13-14a01 et seq., and amendments thereto, 14-10a01 et seq., and amendments thereto, or 74-4901 et seq., and amendments thereto. If any officer shall elect to leave his contribution or her contributions for credited service, under the provisions of K. S. A. 13-14a01 et seq., and amendments thereto, 14-10a01 et seq., and amendments thereto, or et seq., and amendments thereto, on deposit with such system, he such officer shall be granted a vested retirement benefit in such system and all credited participating service in the Kansas police and firemen's retirement system shall be

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included and counted together with such prior vested service in fulfilling the requirements of years of service for retirement benefits under such pension and retirement systems.

(f) Notwithstanding the provisions of K. S. A. 1975 Supp. 74-4965 and 74-4966 the employee contribution and the benefits payable to members of the system appointed under the provisions of this act, shall not be reduced by the amount of the contributions to or benefits received by such member from social security.

(g) Any officer transferring from a city police department or sheriff's department of such county and becoming a member of the system on the "entry date" of the agency shall be considered a transferring member and shall have the rights and benefits granted under the provisions of K. S. A. 74-4958 (3) and K. S. A. 1973 1975 Supp. 74-4957 (3).

Sec. 2. K. S. A. 1975 Supp. 19-4441 is hereby amended to read as follows: 19-4441. (a) County law enforcement agencies established under the provisions of this act are hereby declared to be "eligible employers" as defined by subsection (3) of K. S. A. 74-4952 for the purpose of affiliating with the Kansas police and firemen's retirement system established under the provisions of K. S. A. 74-4951 et seg. and amendments thereto. All such agencies shall make application for affiliation with such system in the manner provided by K. S. A. 74-4954, to be effective on the first day of January next following the appointment of the first members of such agency. Such application shall cover all county law enforcement officers.

(b) Every person who shall be appointed a law enforcement officer on or after the entry date of such agency shall become a member of the Kansas police and firemen's retirement system upon the-first-day of-the-payroll-period-coinciding-with-or-following his-or-her on the date of such person's appointment.

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(c) Law enforcement officers appointed under the provisions of this act are hereby declared to be "policemen" as defined by subsection (12) of K. S. A. 74-4952 for the purpose of participating in the Kansas police and firemen's retirement system.

For the purpose of determining and computing retirement benefits and death and disability benefits computed upon the basis of "credited service" of law enforcement officers appointed under the provisions of this act, the term "credited service," as used in K. S. A. 74-4951 et seq., shall mean and include only "participating service" with the agency -- Provided, except that continuous prior service of any officer, with the city police department or county sheriff's department from which such officer transferred at the time of the establishment of the department, for officers serving with the department upon the entry date of agency, shall be considered and included in determining if the death or disability of such officer was "service connected" under the provisions of subsection (10) of K. S. A. 74-4952 and for the purpose of determining the eligibility of such officer for non-service connected death and disability benefits under the provisions of subsection (2) of K. S. A. 74-4959 and subsection (2) of K. S. A. 74-4960.

(e) Notwithstanding the provisions of K. S. A. 1975 Supp. 74-4957 and K. S. A. 74-4963, all service of any officer with a city police department or county sheriff's department prior to becoming a member of the Kansas police and firemen's retirement act system, shall be included and counted together with credited participating service for the meeting of requirements for completion of years of service fixed under the provisions of such sections - Provided, except that no such service shall be considered "credited service," for the purpose of computing years of service if such officer shall have withdrawn his or her contributions from any pension or retirement system established under provisions of K. S. A. 13-14a01 et seg., and amendments thereto. 14-10a01 et seq., and amendments thereto, or 74-4901 et seq., and amendments thereto. If any officer shall elect to leave his her contribution contributions for credited service, under the provisions of K. S. A. 13-14a01 et seq., and amendments thereto.

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14-10a01 et seg., and amendments thereto, or 74-4901 et seg., and amendments thereto, on deposit with such system, he-or-she such officer shall be granted a vested retirement benefit in such system and all credited participating service in the Kansas police and firemen's retirement system shall be included and counted together with such prior vested service in fulfilling the requirements of years of service for retirement benefits under such pension and retirement systems.

(f) Notwithstanding the provisions of K. S. A. 1975 Supp. 74-4965 and 74-4966 the employee contribution and the benefits payable to members of the system appointed under the provisions of this act, shall not be reduced by the amount of the contributions to or benefits received by such member from social security.

(g) Any officer transferring from a city police department or sheriff's department of such county and becoming a member of the system on the "entry date" of the agency shall be considered a transferring member and shall have the rights and benefits granted under the provisions of subsection (3) of K. S. A. 1975 Supp. 74-4957 and subsection (3) of K. S. A. 74-4958.

Sec. 3. K. S. A. 1975 Supp. 19-4484 is hereby amended to read as follows: 19-4484. (a) Any county law enforcement agency established under the provisions of this act is hereby declared to be an "eligible employer." as defined by subsection (3) of K. S. A. 74-4952 for the purpose of affiliating with the Kansas police and firemen's retirement system established under the provisions of K. S. A. 74-4951 et seq., and amendments thereto. Any such agency shall make application for affiliation with such system in the manner provided by K. S. A. 74-4954 to be effective on the first day of January next following the qualification for office of the first members of the board. Such application shall cover all county law enforcement officers.

(b) Law enforcement officers appointed under the provisions of this act are hereby declared to be "policemen" as defined by subsection (12) of K. S. A. 74-4952 for the purpose of participating in the Kansas police and firemen's retirement system. and every person who shall be appointed a law enforcement officer

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on or after the entry date of such agency shall become a member of such retirement system upon—the—first—day—of—the—payroll period—coinciding—with—or—following—his—or—her on the date of such person's appointment.

(c) For the purpose of determining and computing retirement and death and disability benefits computed upon the basis of "credited service" of law enforcement officers appointed under the provisions of this act, the term "credited service," as used in K. S. A. 74-4951 et sea. shall mean and include only "participating service" with the agency Provided, except that continuous prior service of any officer with the city police department or county sheriff's department from which such officer transferred at the time of the establishment of the department shall for officers serving with the department upon the entry date of the agency, be considered and included in determining if the death or disability of such officer was "service connected" under the provisions of subsection (10) of K. S. A. 74-4952 and for the purpose of determining the eligibility of such officer for non-service connected death and disability benefits under the provisions of subsection (2) of K. S. A. 74-4959 and subsection (2) of K. S. A. 74-4960.

(d) Notwithstanding the provisions of K. S. A. 1975 Supp. and K. S. A. 74-4963, all service of any officer with a city police department or county sheriff's department, prior becoming a member of the Kansas police and firemen's retirement act system, shall be included and counted together with credited participating service for the meeting of requirements for completion of years of service fixed under the provisions of such sections - Provided, except that no such service shall be considered "credited service" for the purpose of computing years of service if such officer shall have withdrawn his or her contribution contributions from any pension or retirement system established under the provisions of K. S. A. 14-10a01 et seq., and amendments thereto, or 74-4901 et seq., and amendments thereto. officer shall elect to leave his or her contribution contributions for credited service under the provisions 14-10a01 et seg., and amendments thereto, or 74-4901 et

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seq.. and amendments thereto, on deposit with such system, he-or she such officer shall be granted a vested retirement benefit in such system and all credited participating service in the Kansas police and firemen's retirement system shall be included and counted together with such prior vested service in fulfilling the requirement of years of service for retirement benefits under such pension and retirement systems.

- (e) Notwithstanding the provisions of K. S. A. 1975 Supp. 74-4965 and 74-4966, the employee contribution and the benefits payable to members of the system appointed under the provisions of this act, shall not be reduced by the amount of the contributions to or benefits received by such members from social security.
- (f) Any officer transferring from a city police department or sheriff's department of such county and becoming a member of the system on the "entry date" of the agency shall be considered a transferring member and shall have the rights and benefits granted under the provisions of subsection (3) of K. S. A. 1975 Supp. 74-4957 and subsection (3) of K. S. A. 74-4958.
- Sec. 4. K. S. A. 1975 Supp. 74-4911 is hereby amended to read as follows: 74-4911. (1) Any employee of a participating employer other than an elected official on the entry date of such employer shall be a member of the system on either the entry date or the first day of the payroll-period-coinciding-with-or-follow-ing-the-completion-of-one-(+)-year-of-service-whichever-is-later. For-purposes-of-this-act-occasional-breaks-in-service-which-shall not-exceed-an-aggregate-of-ten-(+0)-days-in-any-such-year-shall not-constitute-a-break-in-service-for-purposes-of-determining-the membership--date-of-such-employee employment, whichever is later.
- (2) Any employee other than an elected official who is employed by a participating employer after the entry date of such employer and who had not attained aged fifty-nine (59) at date of employment shall be a member of the system on the first day of the-payroll-period-coinciding-with-or-following-completion-of-one (+)-year-of-continuous-service.—For-purposes-of-this-actr--occasional--breaks--in-service-which-shall-not-exceed-an-aggregate-of ten-(10)-days-in-any-such-year-shall-not-constitute--a--break--in-

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- continuous—service—for—purposes—of-determining—the-membership date—of-such—employee employment. Any employee employed after the entry date of his or her employer who had attained age fifty—nine (59) at date of employment shall not be a member of the system.
- (3) Any employee who is an elected official and is eligible to join the system shall elect to become or not to become a member of the system within thirty (30) days after the entry date or the first day of the payroll period coinciding with or following—one—(+)—year—of—service employment, whichever is later. In the event that such elected official fails to file, within the time hereinbefore prescribed, the election to become a member of the retirement system, it shall be presumed that he or she has elected not to become a member.
- (4) Any employee other than an elected official who is in military service or on leave of absence on the entry date of his or her employer shall become a member of the system upon his returning to active employment or on the first day of the payroll period coinciding with or following the completion of one (+) year of services whichever is later. For purposes of this active occasional breaks in service which shall not exceed an aggregate of ten (10) days in any such year shall not constitute a break in service for purposes of determining the membership date of such employee.

(5)—Any-employee-who-was-employed-by-a-county-which—was—a participating-employer-on-date-of-employment-and-who-had-attained age-fifty-nine-(59)-within-ninety-(90)-days-prior-to-said-employment—may—upon—making-application—for-enrollment-and-paying-the appropriate-arrearage-employee-contributions-become-a-member—on the—first-day-of-the-payroll-period-coinciding-with-or-following said—date—of-employment*—Providedx—That—the—participating employer—shall—pay—to—the—system—the—appropriate-arrearage employer-contributions—from—date—of-said-membership-and-that-said employer-shall-thereafter-make-the—appropriate—deductions—from said-member's-compensation-and-shall-make-such-employer-contributions—from—date—of-said-membership-and-that-said employer-shall-thereafter-make-the—appropriate—deductions—from said-member's-compensation—and-shall-make-such-employer-contributions—provided—in—K:-S:-A:--74-4919-and-K:-S:-A:--74-4920v respectively*—Provided-further:-That-after-making—the—aforemen—

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tioned-application-and-arrearage-employee-and-employer-contributions-the-member-shall-be-granted-participating-service-credit
for-the-appropriate-period-and-shall-thereafter-be-governed-by
all-provisions-of-this-act-as-are-applicable-to-other-persons-who
became-a-member-of-the-system-on-the-same-date.

Sec. 5. K. S. A. 74-4915 is hereby amended to read as follows: 74-4915. (1) Any member who shall retire on or after his such member's normal retirement date shall be entitled to receive an annual retirement benefit equal to the sum obtained by adding an amount for participating service and an amount for prior service determined as herein provided. The amount for prior service shall be equal to one percent (1%) of the member's prior service annual salary multiplied by the number of years of prior service entitled to credit as provided in K. S. A. 1975 Supp. 74-4913. The amount for participating service shall be equal to one and one quarter percent (1 1/4%) of the member's final average salary multiplied by the number of years of participating service entitled to credit as provided in K. S. A. 1975 Supp. 74-4913.

- (2) Any member who shall retire before the normal retirement date shall receive an annual retirement benefit equal to the actuarial—equivalent of amount obtained by applying a percentage to the benefit which would have been payable had the member retired on the normal retirement date but based upon the member's final average salary and years of participating and prior service to date of actual retirement. The percentage for reducing the normal retirement benefit for purposes of early retirement shall be computed by: (a) Subtracting the member's age on the date of actual retirement from sixty-five (65): (b) multiplying the result obtained in (a) by three percent (3%): and (c) subtracting the result obtained in (b) from one hundred percent (100%).
- (3) Upon death of a retirant, there shall be paid to his the retirant's beneficiary an amount equal to the excess, if any, of his the retirant's accumulated contributions over the sum of all retirement benefit payments made.
- 36 (4) Such annual retirement benefits shall be paid in equal 37 monthly installments except, that the board may provide for the

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payment of retirement benefits which total less than two hundred forty dollars (\$240) a year on other than a monthly basis.

In the event that an application in such form as may be prescribed by the board for any amount due under the provisions this act, is not filed with the office of the retirement system by the person entitled to same within five (5) years of date such amount became due and payable, an amount equal to same shall be transferred to the retirement benefit accumulation reserve and such amount shall no longer be due and payable; however, if any such person shall present evidence satisfactory to the board that his or her failure to file such application within said time period was due to lack of knowledge or incapacity on his or her part, the amount equal to the amount originally due shall be transferred from the retirement benefit accumulation reserve to the reserve or reserves from which such transfer was initially made and the amount originally due shall be paid to such person.

Sec. 6. K. S. A. 74-4918 is hereby amended to read as follows: 74-4918. (1) A member may elect to have his or her retirement benefit paid under one of the options provided in this section in lieu of having it paid in the form stated in K. S. A. 1-968-Supp. 74-4915, as amended. Such election must be (1) year before date of actual retirement or on the entry date whichever is later, unless the member submits evidence, satisfactory to the board, of his or her good health. Provided, except that if option A is elected, and the spouse or a dependent of the member is named joint annuitant, such good health requirement will be waived. A specific person must be designated as joint annuitant at the time of election of option A or B - Provided furthery - That If a member who has elected to have his or her retirement benefit paid under one of the options as provided above in this section wishes to change or cancel the option elected or change the named joint annuitant, he the member so at least one (1) year before date of actual retirement, unless the member before actual retirement submits evidence, satisfactory to the board, of the good health of the joint annuitant under the option being cancelled or changed, or the

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joint annuitant previously named when electing to change the named joint annuitant. Under no circumstances may an option be changed or cancelled nor the named joint annuitant changed after the date of actual retirement of the member. Unless otherwise specifically provided, any election by a member of an option provided in this section shall be void upon the death of the member or of the joint annuitant prior to the retirement of the member.

- option shall be based on the age and sex of the member and, if applicable, the age and sex of the joint annuitant, and shall be such amount as to be the actuarial equivalent of the retirement benefit otherwise payable under K. S. A. 1968-Supp. 74-4915, as amended.
 - (3) The retirement options are:

Option A. Joint and one-half (1/2) to joint annuitant survivor. A reduced retirement benefit is payable to the retirant during his or her lifetime with one-half (1/2) of that amount continued to his or her joint annuitant during such joint annuitant's remaining lifetime, if any, after the death of the retirant.

Option B. Joint and survivor. A reduced retirement benefit is payable to the retirant during his or her lifetime with that amount continued to the joint annuitant during the joint annuitant's remaining lifetime, if any, after the death of the retirant.

Option C. Life with ten years certain. A reduced retirement benefit is payable to the retirant during his or her lifetime and if he the retirant dies within the ten-year certain period, measured from the commencement of retirement benefit payments, such payments will be continued to his or her beneficiary during the balance of the ten-year certain period.

(4) (a) If a member, who is eligible to retire in accordance with the provisions of K. S. A. 1975 Supp. 74-4914, dies without having actually retired, the member's spouse, if the spouse is beneficiary for the member's accumulated contributions, may elect to receive benefits as a joint annuitant under option A. calculated as if the member

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had retired on the date of death, in lieu of receiving the member's accumulated contributions.

- (b) If a member, who has attained age fifty-five (55) has completed ten (10) years of credited service and is not eliqible to retire in accordance with the provisions of K. S. A. 1975 Supp. 74-4914, dies without having actually retired, the member's spouse, if the spouse is beneficiary for the member's accumulated contributions, may elect to receive benefits as a joint annuitant under option A, calculated as if the member had attained age sixty (60) and had retired on the date of death, in lieu of receiving the member's accumulated contributions.
- (5) The benefits of subsection (4) shall be available in the case of death within the first six (6) months after the entry date of the member's participating employer and this provision shall be retroactive and apply to all such deaths occurring on and after January 1, 1962. In the event that a member died prior to July 1, 1965, leaving a surviving spouse but without designating a beneficiary for said member's accumulated contributions, such surviving spouse shall be considered as having been designated such beneficiary for the purpose of paying benefits under this subsection and may make application for same after the effective date of this subsection.
- (6) Benefits payable to a joint annuitant shall accrue from the first day of the month following the death of a member or retirant and, in the case of option A and option B, shall end on the first day of the month in which the joint annuitant dies.
- Sec. 7. K. S. A. 1975 Supp. 74-4935 is hereby amended to read as follows: 74-4935. (1) Any employee of a participating employer on the entry date of such employer shall be a member of the system on the entry date.
- (2) Any employee who is employed by a participating employer after the entry date of such employer and who has not attained age fifty-nine (59) at the date of employment shall be a member of the system on the first day of the-payroll-period coinciding-with-or-following such employment.
- (3) Any employee who is in military service or on leave of absence on the entry date of his or her employer shall become a

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- member of the system immediately upon his returning to active
 employment with the same or another participating employer.
 - (4) Any member of the state school retirement system who meets the following conditions on entry date shall become a member of the system on entry date:
 - (a) Is not employed by a participating employer, and
- 7 (b) has not retired under the state school retirement 8 system, and
 - (c) has contributions on deposit with the state school retirement system, and
 - (d) would be eligible for retirement under the state school retirement system based on service which is credited to him such member thereunder.
 - Sec. 8. K. S. A. 1975 Supp. 74-4955 is hereby amended to read as follows: 74-4955. (1) Any policeman or fireman of a participating employer shall become a member of the system upon the entry date of his or her employer.—Provided, except that any policeman or fireman of a participating employer who is covered by the pension systems established under the provisions of K. S. A. 13-14a01 to 13-14a14 and amendments thereto, or K. S. A. 14-10a01 to 14-10a15 and amendments thereto, shall become a member of the system herein established only by filing with the board, on or before his or her employer's entry date, a written election to become a member of such system. Failure to file such written election shall be presumed to be an election not to become a member. Such election, whether to become a member or not to become a member, shall be irrevocable.
 - (2) Any person who shall be employed as a policeman or fireman by a participating employer who is participating in the system with respect to such group on or after the entry date shall become a member of the system upon the first day of the payroll-period-coinciding-with-or-following such employment.
 - (3) Any policeman or fireman of a participating employer who is on an authorized leave of absence on the employer's entry date shall become a member of the system on the first day of the payroll-period-coinciding-with-or-following his or her return to active employment and the employer's payroll-Provided, except

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that if such employee is covered by the pension systems established under the provisions of K. S. A. 13-14a01 to 13-14a14 and amendments thereto or K. S. A. 14-10a01 to 14-10a15 and amendments thereto, he or she shall become a member of the system herein established only by filing with the board within ten (10) days after his-return returning to active employment, a written election to become a member of such system. Failure to file such written election shall be presumed to be an election not to become a member. Such election, whether to become a member or not to become a member, shall be irrevocable.

(4) Any person who holds the elective office of sheriff of a participating employer who which is participating in the system with respect to such group may become a member by filing with the board a written election to become a member on or before his taking office or the entry date of his or her employer. Failure to file such written election shall be presumed to be an election not to become a member. Such election, whether to become a member or not to become a member, shall be irrevocable. Any person who becomes a member by virtue of this subsection shall receive prior service credit only if he such person becomes a member when first eligible to do so.

Sec. 9. K. S. A. 1975 Supp. 74-4973 is hereby amended to read as follows: 74-4973. (a) Every patrolman employed by the Kansas highway patrol on June 30, 1968, may become a member of the Kansas police and firemen's retirement system on the entry date of the Kansas highway patrol, only by filing with the board, on or before the entry date of the Kansas highway patrol, a written election to become a member of such system. Failure to file such written election shall be presumed to be an election not to become a member. Such election, whether to become a member or not to become a member, shall be irrevocable.

(b) Any patrolman who is on an authorized leave of absence or is in military service on the Kansas highway patrol's entry date may become a member of the Kansas police and firemen's retirement system on the first day of the payroll-period-coincid-ing-with-or-following his or her return to active employment and the Kansas highway patrol's payroll only by filing with the board

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within ten (10) days after his such return to active employment,
a written election to become a member of such system. Failure to
file such written election shall be presumed to be an election
not to become a member. Such election, whether to become a

member or not to become a member, shall be irrevocable.

Except as otherwise provided in this act any patrolman employed by the Kansas highway patrol on June 30, 1968, who becomes a member of the Kansas police and firemen's retirement system shall have and be entitled to rights and benefits responding to the rights and benefits of members of such system .11 who are policemen or firemen and who were previously covered by the pension systems established under the provisions of K. S. A. 13-14a01 to 13-14a14, and amendments thereto, or K. S. A.

14-10a01 to 14-10a15, and amendments thereto.

- (d) Every person who shall be employed as a patrolman on or after the entry date of the Kansas highway patrol in the Kansas police and firemen's retirement system shall become a member of the Kansas police and firemen's retirement system upon the first day of the payroll-period-coinciding-with-or-following-his such employment.
- Sec. 10. K. S. A. 1975 Supp. 74-4981 is hereby amended to read as follows: 74-4981. (a) Every agent employed by the Kansas bureau of investigation on June 30, 1968, may become a member of the Kansas police and firemen's retirement system on the entry date of the Kansas bureau of investigation, only by filing with the board, on or before the entry date of the Kansas bureau of investigation, a written election to become a member of such system. Failure to file such written election shall be presumed to be an election not to become a member. Such election, whether to become a member or not to become a member, shall be irrevocable.
- (b) Any agent who is on an authorized leave of absence or is in military service on the Kansas bureau of investigation's entry date may become a member of the Kansas police and firemen's retirement system on the first day of the payroll period coinciding—with—or—following—his such agent's return to active employment and the Kansas bureau of investigation's payroll only by

irrevocable.

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- filing with the board within ten (10) days after his such return
 to active employment, a written election to become a member of
 such system. Failure to file such written election shall be presumed to be an election not to become a member. Such election,
 whether to become a member or not to become a member, shall be
 - (c) Except as otherwise provided in this act any agent employed by the Kansas bureau of investigation on June 30, 1968, who becomes a member of the Kansas police and firemen's retirement system shall have and be entitled to rights and benefits corresponding to the rights and benefits of members of such system who are policemen or firemen and who were previously covered by the pension systems established under the provisions of K. S. A. 13-14a01 to 13-14a14, and amendments thereto, or K. S. A. 14-10a01 to 14-10a15, and amendments thereto.
 - (d) Every person who shall be employed as an agent on or after the entry date of the Kansas bureau of investigation in the Kansas police and firemen's retirement system shall become a member of the Kansas police and firemen's retirement system upon the first day of the payroll-period coinciding-with-or-following his such employment.
- 22 Sec. 11. K. S. A. 19-4419, 74-4915 and 74-4918 and K. S. A. 1975 Supp. 19-4441, 19-4484, 74-4911, 74-4935, 74-4955, 74-4973 and 74-4981 are hereby repealed.
- Sec. 12. This act shall take effect and be in force from and after its publication in the statute book.