

Approved: 3/14/95
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Robin Jennison at 1:30 p. m. on March 9, 1995 in Room 514-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Julian Efirid, Legislative Research Department
Laura Howard, Legislative Research Department
Leah Robinson, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Lenore Olson, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

HB 2005 - Retirement; post-retirement judicial service by certain retirants - judges system.

Representative Lowther presented the subcommittee report for **HB 2005** (Attachment 1).
Representative Lowther distributed a balloon with technical amendments to **HB 2005** (Attachment 2).

A motion was made by Representative Lowther, seconded by Representative Dean, to adopt the subcommittee report with technical amendments for **HB 2005**. The motion carried.

HB 2076 - KPERS, KP&F & judges retirement system; postretirement earnings limitations.

Representatives Lowther and Gatlin presented the subcommittee report on **HB 2076** (Attachment 3).
Representative Lowther distributed a balloon amendment for **HB 2076** and said this amendment would be prospective in its application (Attachment 4).

A motion was made by Representative Lowther, seconded by Representative Dean, to adopt the subcommittee report with the amendments for **HB 2076**. The motion carried.

HB 2554 - KPERS fund; certain real estate investments.

Representative Lowther presented the subcommittee report for **HB 2554** (Attachment 5).

A motion was made by Representative Lowther, seconded by Representative Dean, to adopt the subcommittee report for **HB 2554**. The motion carried.

HB 2555 - KPERS; retirement and pensions; benefits, contributions and other provisions (Omnibus).

Representative Lowther presented the subcommittee report for **HB 2555** (Attachment 6).

A motion was made by Representative Kline, seconded by Representative Helgeson, to amend the subcommittee report for **HB 2555** to strike the exclusion of retired legislators. The motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 p.m. on March 9, 1995.

A motion was made by Representative Gatlin, seconded by Representative Cornfield, to amend the subcommittee report for HB 2555 by striking item number 13 (section 17 of the bill) regarding a benefit increase of 1.5 percent, effective July 1, 1995. The motion failed with a count of 10 aye and 12 nay votes.

A motion was made by Representative Lowther, seconded by Representative Dean, to amend HB 2555 by adding the provisions of HB 2554, except that the effective date be publication in the statute book. The motion carried.

A motion was made by Representative Dean, seconded by Representative Lowther, to report HB 2555 as amended favorable for passage. The motion carried.

The Committee turned to consideration of **HB 2076**.

A motion was made by Representative Lowther, seconded by Representative Gatlin, to amend HB 2076 to change the limitation on the earnings benefits from \$11,160 to \$11,280. The motion carried.

A motion was made by Representative Lowther, seconded by Representative Gatlin, to report HB 2076 as amended favorable for passage. The motion carried.

The Committee turned to consideration of **HB 2005**.

A motion was made by Representative Dean, seconded by Representative Lowther, to amend HB 2005 to allow retirants to enter into written agreements with the Supreme Court that, after retirement, the judge or justice would perform judicial duties for no more than 90 calendar days. After Committee discussion, Representative Dean, in agreement with Representative Lowther, withdrew his motion.

A motion was made by Representative Farmer, seconded by Representative Dean, to amend HB 2005, on page 1, line 19, striking "90" days and replacing it with "104" days. The motion carried.

A motion was made by Representative Gatlin, seconded by Representative Lowther, to pass as amended HB 2005. The motion carried.

Chairperson Jennison announced that the Speaker of the House had requested the Committee reconsider **SB 95**.

SB 95 - Special claims against the state.

A motion was made by Representative Kline, seconded by Representative Helgerson, to reconsider the Committee action done March 8, 1995, to report SB 95 as amended for passage. The motion carried.

Representative Neufeld reviewed legal expenses for the Danny Jones/Joe Shriver costs to settle the seat for state representative. The amounts submitted were : \$11,705.28 due Eric Rucker, \$510.47 due Dale Sprague, \$27,518.67 due Doug Witteman, and \$15,200.00 due Vic Miller.

A motion was made by Representative Neufeld, seconded by Representative Carmody, to amend SB 95 by including the costs for legal fees incurred due to the tie vote for Representative between Joe Shriver and Danny Jones. The legal expenses were to be appropriated out of the SGF, subject to the appropriate invoices. The motion failed with a count of 7 aye and 12 nay votes.

A motion was made by Representative Wilk, seconded by Representative Carmody, to reconsider Committee action on SB 95 on March 8, 1995, regarding the \$100,000 claim by the family of Brenda Keller. The motion carried.

Representative Hochhauser restated her motion of March 8, 1995, seconded by Representative Neufeld, to amend **SB 95** to include \$100,000 for the claim by the family of Brenda Keller, to be paid from the State General Fund. The motion carried with a count of 13 aye and 9 nay votes.

The meeting adjourned at 3:10 p.m.
The next meeting is scheduled for March 10, 1995.

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 3/9/95

NAME	REPRESENTING
LARRY MAPLE	K-H-P
James Tall	D of A
Judy Pickerson	DOE
Amy Howell	Intern
James Crawford	Intern
Jim Langford	DOB
Kelly Jennings	KAPE
Don Roll	Citizen
Bob Hawks	Citizen
Paul Shelley	OJA
Doug W. Kutson	Ks. Ct. of Appeals
Margaret Kern	KCC
James A. Todd	NS 77A
Rail Covey	KRTA
Keith Tate	DOA
Dan Pesmark	KHP
Roger Frawley	KGC
Lynn Drake	SRS
Brenda Schuette	SRS

SUBCOMMITTEE REPORT

Subcommittee on Kansas Public Employees Retirement System (KPERS)
and Retirement Issues

H.B. 2005

February 28, 1995



Representative Jim Lowther, Chairperson



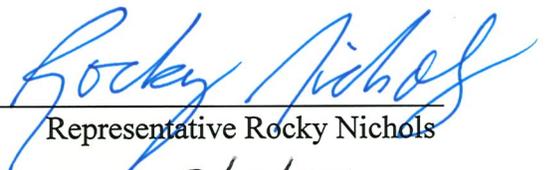
Representative Darlene Cornfield



Representative George Dean



Representative Fred Gatlin



Representative Rocky Nichols

3/9/95

Appropriations Cmte
Attachment 1

HOUSE SUBCOMMITTEE ON KPERS AND RETIREMENT ISSUES

H.B. 2005 would establish a post-retirement judicial service program for retired judges and justices. The bill would allow retirants to enter into written agreements with the Supreme Court that, after retirement, the judge or justice would perform judicial duties for not more than 90 days or 40 percent of each year. Written agreements must be signed by the Chief Justice with the approval by a majority of the Supreme Court justices. In exchange, the judge or justice would receive no pay to perform assigned judicial duties, but would receive an increase in retirement benefits equal to 20 percent of the current monthly salary of judges or justices serving in the same position as held by the retirant at the time of retirement.

The bill was requested by representatives of the Judicial Branch, including the Supreme Court, Court of Appeals and District Court justices and judges.

House Subcommittee Recommendation

The House Subcommittee recommends several amendments to the bill as introduced. First, in order to exempt the proposed new provisions for any other law in effect at the time of retirement of any retirant, a hold-harmless clause is recommended for Section 1(1) in line 20.

Second, the House Subcommittee recommends that Section 1(4) be deleted and that substitute language be inserted. Section 1(4) in the bill as introduced would provide for demand transfers certified by the Chief Justice to pay the costs of this new program. The House Subcommittee recommendation would incorporate language similar to that found in K.S.A. 46-1302(c) and would direct the Executive Secretary of KPERS to certify amounts for payment from the Supreme Court's budget.

Third, Section 1(8) needs to be amended and a new Section 1(9) needs to be added, the House Subcommittee recommends, in order to clarify that district magistrate judges are not eligible for participation in this new program.

The *maximum* fiscal note for the proposed new program would be approximately \$496,819 for 25 contracts in the first year, or an estimated \$19,833 per contract. It is estimated that out of fifty retired judges, as many as one half could be interested. *Each* agreement would require each retirant to work 40 percent of the time, which would equate to the equivalent of 10 additional judges if 25 retirants signed agreements. The Subcommittee was told that 10 new judgeships would cost approximately \$95,731 each, excluding staff support costs. For 10 new positions, the judicial salaries and benefits would be \$957,310, or almost twice as much as 25 post-retirement contracts which would produce the same amount of work. The primary purpose of the "Senior Judges" plan is to lessen the number of additional judges that may be needed, while addressing the backlog of cases in the court system, including in the rural districts. The Subcommittee was informed, however, that one half of all court cases are in the four largest urban counties.

HOUSE BILL No. 2005

By Special Committee on Judiciary

12-16

9 AN ACT concerning retirement; relating to postretirement judicial serv-
10 ice by certain retirants of the retirement system for judges.

11
12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. (1) On and after the effective date of this act, a retirant
14 who retires as provided in K.S.A. 20-2608 and amendments thereto, may
15 return to temporary judicial duties pursuant to the provisions of K.S.A.
16 20-310b and 20-2616 and amendments thereto while receiving service
17 retirement benefits. Upon written agreement with the Kansas supreme
18 court prior to retirement, such retirant shall be available to perform as-
19 signed judicial duties without pay for not more than 90 days or 40% of
20 each year. Such retirant shall receive a retirement benefit increase, pay-
21 able monthly, equal to 25% of the current monthly salary of judges or
22 justices serving in the same position as that held by the retirant at the
23 time of retirement. Such agreement shall be for a period of not more
24 than two years. A retirant may enter into subsequent agreements, except
25 that the aggregate of these agreements shall not exceed 12 years.

26 (2) Within five years after retirement, a retirant who did not enter
27 into an agreement as provided for in subsection (1) prior to retirement
28 may enter into such a written agreement within 30 days prior to any
29 anniversary date of retirement. Upon entering into such an agreement,
30 the retirement benefit shall be recalculated to include such benefit in-
31 crease as provided for in subsection (1). Agreements shall be signed by
32 the chief justice with the approval of a majority of the justices of the
33 Kansas supreme court.

34 (3) If a written agreement is entered into pursuant to the provisions
35 of subsection (1), and notice is received from the chief justice of the
36 refusal of the retirant to accept a temporary assignment without just
37 cause, the written agreement shall be terminated. Upon termination, the
38 retirant's retirement benefit shall be recalculated to reduce the future
39 retirement benefit payments to the amount payable without the increase
40 provided for in this act. Such reduction shall be effective on the first day
41 of the first month following the retirant's refusal to accept a temporary
42 assignment without just cause.

(4) ~~The director of accounts and reports on July 1, 1995, and the first~~

Notwithstanding the provisions of law in effect on the retirement date of a retirant,

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~~day of each fiscal year following thereafter, shall transfer from the state general fund to the Kansas public employees retirement fund an amount certified by the chief justice of the Kansas supreme court to cover the provisions of this act.~~

(5) Nothing in this act shall be construed to require a retirant of the retirement system for judges to enter into an agreement to perform temporary judicial duties.

(6) Nothing in this act shall be construed to limit the supreme court's ability to make judicial assignments pursuant to the provisions of K.S.A. 20-310b and 20-2616 and amendments thereto.

(7) Any retirant who has fulfilled the requirements of an agreement entered into pursuant to this act may continue to accept judicial assignments and shall be compensated for such subsequent assignments in accordance with the provisions of K.S.A. 20-310b and 20-2616 and amendments thereto.

(8) For purposes of this act, "retirant" shall include any justice of the Kansas supreme court, judge of the Kansas court of appeals, and judge of any district court of Kansas who retired pursuant to the provisions of the retirement system for judges.

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

All benefits shall be paid from the Kansas public employees retirement fund. As soon as practical after the close of each fiscal year, the executive secretary of the Kansas public employees retirement system shall certify to the chief justice of the supreme court the amount of benefits paid under this section during the preceding fiscal year. There shall be paid to the Kansas public employees retirement fund from moneys appropriated to the judicial branch a sum equal to the amount of any benefits payable in the preceding fiscal year under the provisions of this section.

district

Retirant shall not include any district magistrate judge

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SUBCOMMITTEE REPORT

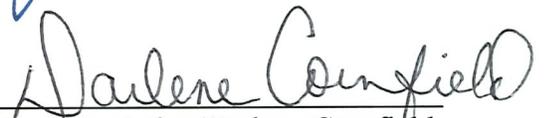
Subcommittee on Kansas Public Employees Retirement System (KPERS)
and Retirement Issues

H.B. 2076

February 28, 1995



Representative Jim Lowther, Chairperson



Representative Darlene Cornfield



Representative George Dean



Representative Fred Gatlin



Representative Rocky Nichols

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Appropriations Cmte
Attachment 3

HOUSE SUBCOMMITTEE ON KPERS AND RETIREMENT ISSUES

H.B. 2076, as introduced, relates to postretirement earnings limitations for retirees who return to work for a Kansas Public Employees Retirement System (KPERS) participating employer. The bill, as introduced, provides that any KPERS retirant who retires on or after July 1, 1988, and subsequently is employed by any other KPERS participating employer, shall not receive in that particular calendar year any KPERS retirement benefit after the retirant earns \$11,160 or more in compensation, beginning in calendar year 1995 or thereafter. This bill would cover all KPERS participating employers, including regular KPERS for state agencies, local units and school districts, the Kansas Police and Firemen's retirement System, and the Retirement System for Judges. The salary earnings restrictions will not apply to retirants employed as substitute teachers, or as officers, employees, appointees or members of the Legislature or any other elected officials.

The bill was recommended for introduction by the Joint Committee on Pensions, Investments and Benefits as the conclusion of the 1994 Interim. The Joint Committee heard survey results from a Kansas Association of School Board questionnaire which identified 123 school districts with some type of early retirement incentive options. In summary, the survey found that 915 retirees are receiving annual benefits in excess of \$9.7 million which would be in addition to regular KPERS-School retirement payments. School employees who retire from one school district under the KPERS 85 point plan are not prohibited from being employed by another school district, receiving regular salary from the new district, and receiving full KPERS retirement benefits. There is no earnings limitation when school districts hire retired KPERS-School members who retire from another district. In addition, with early retirement incentive programs paying benefits after district employees retire, some "retired" school employees may receive income from three sources: KPERS retirement benefits, regular salary from the current employing school district, and incentive retirement benefits from the former school district from which the employee retired.

The Joint Committee noted that school employees who retire from one school district under KPERS are not prohibited from being employed by another school district, unlike state employees who have restrictions if they retire and go to work for another state agency. The school employees who retire may receive a regular salary from the new district and continue to receive full KPERS retirement benefits. In addition, they may draw enhanced early retirement benefits from the district from which they retired.

By contrast, state employees who retire under KPERS and then return to work for a state government agency have an earnings limit imposed on them. The "retired" state worker must elect either to terminate employment in order to continue receiving KPERS retirement benefits or to continue working and have KPERS retirement benefits suspended after salary earnings exceed a statutory amount of \$11,160. This same provision was added for the Kansas Police and Firemen's Retirement System members recently.

The Joint Committee recommended introduction of a bill which would restrict anyone, including school district employees, who receives KPERS retirement benefits from receiving both a salary from any KPERS participating employer after that retiree reaches a statutory earnings threshold, currently set at \$11,160, and from continuing to receive full KPERS retirement benefits.

House Subcommittee Recommendation

The House Subcommittee recommends amendments to the bill which would narrow the post-retirement restrictions to apply only to school district employees. The amendment would strike provisions which would apply the restrictions to police, fire, judges, and municipal workers covered by KPERS or one of the other retirement plans. Currently, the state pays the entire cost of employer contributions for school employees. In the current fiscal year (FY 1995), these state payments are estimated at \$58,605,300 from the State General Fund. In 1988, post-retirement restrictions were adopted for state workers who retired from state agencies and were covered by KPERS benefits. The same principal is recommended to be applied to school employees who retire under KPERS, if they go back to work for another KPERS participating employer **AFTER THEY HAVE RETIRED** and have begun to collect retirement benefits.

The House Subcommittee's recommended amendment to the bill would make the State of Kansas the participating employer for the purposes of KPERS--School and would provide that all school employees would be considered retirants of the state. The effect of this amendment would be to subject all school employee retirants to the same earnings restriction which currently applies to state employees who retire, if they return to work for a KPERS participating employers after retirement. Any retirant can earn up to \$11,160 per year in salary after retirement, if working for any KPERS participating employer, but KPERS benefits are suspended for the remainder of the year in which a retirant earns more than this statutory maximum amount. There are no post-retirement earnings limitations if the retirant returns to work with a private employer, for instance.

The House Subcommittee heard testimony from police and fire associations who opposed the post-retirement restrictions in the bill as introduced. The Subcommittee is concerned about this question, but defers any recommendations other than to strike the provisions in the current bill and recommends further study of this question as it affects KP&F members. The Joint Committee should review this subject and also should consider the inclusion of KPERS--Local members in the post-retirement restrictions.

HOUSE BILL No. 2076

By Joint Committee on Pensions, Investments and Benefits

1-13

9 AN ACT concerning the Kansas public employees retirement system ~~and~~
 10 ~~systems thereunder~~; relating to postretirement earnings limitations;
 11 amending K.S.A. 1994 Supp. ~~20-2616, 74-4914 and 74-4957~~ and re-
 12 pealing the existing ~~sections~~ section

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

15 New Section 1. If a retirant who retired on or after July 1, 1988, is
 16 employed or appointed in or to any position or office for which compen-
 17 sation for service is paid, during calendar year 1995 and all calendar years
 18 thereafter, in an amount equal to \$11,160 or more in any one such calen-
 19endar year, by any participating employer, such retirant shall not receive
 20 any retirement benefit for any month for which such retirant serves in
 21 such position or office. Any retirant employed by a participating employer
 22 shall not make contributions nor receive additional credit under the same
 23 system from which the retirant retired under for such service except as
 24 provided by this section. For purposes of this section, participating em-
 25 ployer shall include any participating employer affiliated with the Kansas
 26 public employees retirement system, the Kansas police and firemen's re-
 27 tirement system and the retirement system for judges. Upon request of
 28 the executive secretary of the system, the secretary of revenue shall pro-
 29 vide such information as may be needed by the executive secretary to
 30 carry out the provisions of this act. The provisions of this section shall not
 31 apply to retirants employed as substitute teachers or officers, employees,
 32 appointees or members of the legislature or any other elected officials.

33 Sec. 2. K.S.A. 1994 Supp. 20-2616 is hereby amended to read as
 34 follows: 20-2616. (a) Any retired justice of the supreme court, retired
 35 judge of the court of appeals, retired district judge or retired associate
 36 district judge may be designated and assigned to perform such judicial
 37 service and duties as such retired justice or judge is willing to undertake.
 38 Designation and assignment of a retired justice or judge in connection
 39 with any matter pending in the supreme court shall be made by the
 40 supreme court. Designation and assignment of a retired justice or judge
 41 in connection with any matter pending in any other court, including any
 42 court located within the judicial district in which the justice or judge
 43 resides, or to perform any other judicial service or duties shall be made

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1 by the chief justice of the supreme court. Any such judicial service or
2 duties shall include necessary preparation and other out-of-court judicial
3 service for hearings or for deciding matters or cases in conjunction with
4 the judicial services and duties assigned under this section. Any desig-
5 nation and assignment may be revoked in the same manner and all such
6 designations and assignments and revocations shall be filed of record in
7 the office of the clerk of the court to which such assignment is made.

8 (b) A retired justice or judge so designated and assigned to perform
9 judicial service or duties shall have the power and authority to hear and
10 determine all matters covered by the assignment.

11 (c) Except as otherwise provided in this section and section 1, each
12 retired justice or judge who performs judicial service or duties under this
13 section shall receive (1) per diem compensation at the rate of per diem
14 compensation in effect under K.S.A. 46-137a, and amendments thereto,
15 (2) a per diem subsistence allowance at the per diem subsistence allow-
16 ance rate in effect under K.S.A. 46-137a, and amendments thereto, (3) a
17 mileage allowance at the rate fixed under K.S.A. 75-3203a, and amend-
18 ments thereto, and (4) all actual and necessary expenses for other than
19 subsistence or travel, including necessary stenographic assistance, as may
20 be incurred in performing such service or duties.

21 (d) No retired justice or judge shall be entitled to receive per diem
22 compensation under this section for any day in a fiscal year after the date
23 that the total of (1) the amount of per diem compensation earned under
24 this section during that fiscal year and (2) the amount of the retirement
25 annuity payable to such retired justice or judge for that fiscal year under
26 the retirement system for judges, becomes equal to or more than the
27 amount of the current annual salary of a district judge paid by the state
28 under K.S.A. 75-3120g, and amendments thereto, but such retired justice
29 or judge shall receive the subsistence allowance, mileage allowance and
30 actual and necessary expenses as provided under this section after such
31 date.

32 (e) (d) As used in this section, a retired justice or judge shall not
33 include those justices or judges who were not retained in office, were not
34 reelected to office, have been impeached from office or removed by the
35 supreme court from office.

Section 1

36 ~~Sec. 3~~ K.S.A. 1994 Supp. 74-4914 is hereby amended to read as
37 follows: 74-4914. (1) The normal retirement date for a member of the
38 system shall be the first day of the month coinciding with or following
39 the attainment of age 65 or, commencing July 1, 1986, age 65 or age 60
40 with the completion of 35 years of credited service or at any age with the
41 completion of 40 years of credited service, or commencing July 1, 1993,
42 any alternative normal retirement date already prescribed by law or age
43 62 with the completion of 10 years of credited service or the first day of

43

1 the month coinciding with or following the date that the total of the
2 number of years of credited service and the number of years of attained
3 age of the member is equal to or more than 85. In no event shall a normal
4 retirement date for a member be before six months after the entry date
5 of the participating employer by whom such member is employed. A
6 member may retire on the normal retirement date or on the first day of
7 any month thereafter upon the filing with the office of the retirement
8 system of an application in such form and manner as the board shall
9 prescribe. Nothing herein shall prevent any person, member or retirant
10 from being employed, appointed or elected as an employee, appointee,
11 officer or member of the legislature. Elected officers may retire from the
12 system on any date on or after the attainment of the normal retirement
13 date, but no retirement benefits payable under this act shall be paid until
14 the member has terminated such member's office.

15 (2) No retirant shall make contributions to the system or receive serv-
16 ice credit for any service after the date of retirement.

17 (3) Any member who is an employee of an affiliating employer pur-
18 suant to K.S.A. 74-4954b and amendments thereto and has not withdrawn
19 such member's accumulated contributions from the Kansas police and
20 firemen's retirement system may retire before such member's normal
21 retirement date on the first day of any month coinciding with or following
22 the attainment of age 55.

23 (4) Any member may retire before such member's normal retirement
24 date on the first day of any month coinciding with or following the at-
25 tainment of age 55 with the completion of 10 years of credited service,
26 but in no event before six months after the entry date, upon the filing
27 with the office of the retirement system of an application for retirement
28 in such form and manner as the board shall prescribe.

29 (5) If a retirant who retired on or after July 1, 1988, is employed or
30 appointed in or to any position or office for which compensation for serv-
31 ice is paid, during calendar years 1988 through 1990, in an amount equal
32 to \$6,000 or more in any one such calendar year; during calendar year
33 1991, in an amount equal to \$9,720 or more; during calendar year 1992,
34 in an amount equal to \$10,200 or more; during calendar year 1993, in an
35 amount equal to \$10,560 or more; or during calendar year 1994 and all
36 calendar years thereafter, in an amount equal to \$11,160 or more in any
37 one such calendar year, by any participating employer for which such
38 retirant was employed or appointed during the final two years of such
39 retirant's participation, such retirant shall not receive any retirement ben-
40 efit for any month for which such retirant serves in such position or office.

41 Any retirant employed by a participating employer shall not make con-
42 tributions nor receive additional credit under such system for such service
43 except as provided by this section. Upon request of the executive secretary

1 of the system, the secretary of revenue shall provide such information as
 2 may be needed by the executive secretary to carry out the provisions of
 3 this act. The provisions of this subsection shall not apply to retirants em-
 4 ployed as substitute teachers or officers, employees, appointees or mem-
 5 bers of the legislature or any other elected officials.

6 ~~(6) (5)~~ For purposes of this section, any employee of a local govern-
 7 mental unit which has its own pension plan who becomes an employee
 8 of a participating employer as a result of a merger or consolidation of
 9 services provided by local governmental units, which occurred on January
 10 1, 1994, may count service with such local governmental unit in deter-
 11 mining whether such employee has met the years of credited service
 12 requirements contained in this section.

13 Sec. 4. K.S.A. 1994 Supp. 74-4957 is hereby amended to read as
 14 follows: 74-4957. (1) The normal retirement date for a member of the
 15 system who is appointed or employed prior to July 1, 1989, and who does
 16 not make an election pursuant to K.S.A. 74-4955a shall be the first day
 17 of the month coinciding with or following the attainment of age 55 and
 18 the completion of 20 years of credited service. Any member may retire
 19 on such member's normal retirement date or on the first day of any month
 20 thereafter.

21 (2) *Early retirement.* Any member who is appointed or employed
 22 prior to July 1, 1989, and who does not make an election pursuant to
 23 K.S.A. 74-4955a and amendments thereto may retire before such mem-
 24 ber's normal retirement date on the first day of any month coinciding
 25 with or following the attainment of age 50 and the completion of 20 years
 26 of credited service.

27 (3) Notwithstanding the provisions of subsections (1) and (2) of this
 28 section and K.S.A. 74-4955a, ~~74-4957a~~, 74-4958a, 74-4960a, 74-4963a and
 29 74-4964a and amendments thereto, the normal retirement date for any
 30 member who was, up to the entry date of such member's employer, cov-
 31 ered by a pension system under the provisions of K.S.A. 13-14a01 to 13-
 32 14a14, inclusive, or 14-10a01 to 14-10a15, inclusive, and amendments
 33 thereto, shall be the first day of the month coinciding with or following
 34 the attainment of age 50 and the completion of 25 years of credited serv-
 35 ice.

36 (4) In no event shall a member be eligible to retire until such member
 37 has been a contributing member of the system for 12 months of partici-
 38 pating service, and shall have given such member's employer prior notice
 39 of retirement.

40 ~~(5) If a retirant who retired on or after July 1, 1994, is employed,
 41 elected or appointed in or to any position or office for which compensa-
 42 tion for service is paid, during calendar year 1994, and all calendar years
 43 thereafter, in an amount equal to \$11,160 or more in any one such cal-~~

44-47
 (5) If a retirant who retired on or after July 1, 1988, is employed or
 appointed in or to any position or office for which compensation for
 service is paid, during calendar years 1988 through 1990, in an amount
 equal to \$6,000 or more in any one such calendar year; during calendar year
 1991, in an amount equal to \$9,720 or more; during calendar year 1992, in
 an amount equal to \$10,200 or more; during calendar year 1993, in an amount
 equal to \$10,560 or more; or during calendar year 1994 and all calendar
 years thereafter, in an amount equal to \$11,160 or more in any one such
 calendar year, by any participating employer for which such retirant was
 employed or appointed during the final two years of such retirant's
 participation, such retirant shall not receive any retirement benefit for
 any month for which such retirant serves in such position or office. Any
 retirant employed by a participating employer shall not make contributions
 nor receive additional credit under such system for such service except as
 provided by this section. Upon request of the executive secretary of the
 system, the secretary of revenue shall provide such information as may be
 needed by the executive secretary to carry out the provisions of this act.
 The provisions of this subsection shall not apply to retirants employed as
 substitute teachers or officers, employees, appointees or members of the
 legislature or any other elected officials. On and after the effective date
 of this act, for purposes of this subsection, all participating employers,
 as defined in K.S.A. 74-4931 and amendments thereto, shall be considered to
 be the same participating employer and for purposes of this subsection the
 participating employer of any retirant who retired from school employment
 shall be the state of Kansas.

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2 ondar year; by the same state agency or the same police or fire department
 3 of any county; city; township or special district or the same sheriff's office
 4 of a county during the final two years of such retirant's participation; such
 5 retirant shall not receive any retirement benefit for any month for which
 6 such retirant serves in such position or office. Any retirant employed by
 7 a participating employer in the Kansas police and firemen's retirement
 8 system shall not make contributions nor receive additional credit under
 9 such system for such service except as provided by this section. Upon
 10 request of the executive secretary of the system; the secretary of revenue
 11 shall provide such information as may be needed by the executive sec-
 12 retary to carry out the provisions of this act.

12 Sec. 5. K.S.A. 1994 Supp. 20-2616, 74-4914 and 74-4957 are hereby is
 13 repealed. 2

14 Sec. 6. This act shall take effect and be in force from and after its 3
 15 publication in the statute book. Kansas register

SUBCOMMITTEE REPORT

Subcommittee on Kansas Public Employees Retirement System (KPERs)
and Retirement Issues

H.B. 2554

March 9, 1995



Representative Jim Lowther, Chairperson



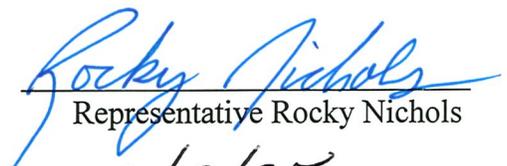
Representative Darlene Cornfield



Representative George Dean



Representative Fred Gatlin



Representative Rocky Nichols

3/9/95
Appropriations Cmte
Attachment 5

HOUSE SUBCOMMITTEE ON KPERS AND RETIREMENT ISSUES

House Subcommittee Recommendation

The Subcommittee recommends the following:

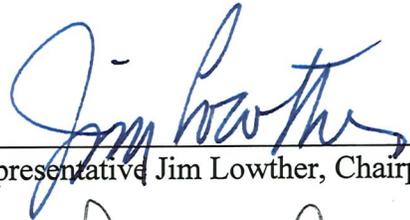
H.B. 2554 which is a single subject bill, effective upon publication in the *Kansas Register*, to provide that for separate account interests in real property held as of July 1, 1992, the KPERS Board of Trustees may make additional investments which it deems prudent and necessary in order to preserve or optimize the value of such interests. The bill was requested by the KPERS Board of Trustees in order to help preserve value in its real estate holdings and to allow for capital improvements to be made in some of those properties.

SUBCOMMITTEE REPORT

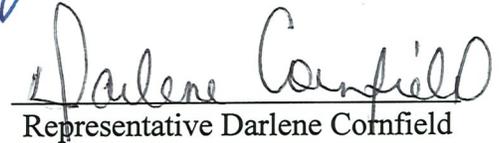
Subcommittee on Kansas Public Employees Retirement System (KPERs)
and Retirement Issues

H.B. 2555

March 9, 1995



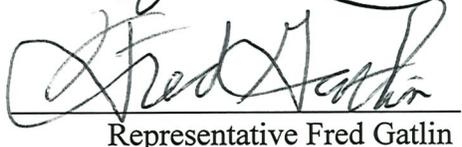
Representative Jim Lowther, Chairperson



Representative Darlene Cornfield



Representative George Dean



Representative Fred Gatlin



Representative Rocky Nichols

3/9/95

Appropriations Cmte
Attachment 6

HOUSE SUBCOMMITTEE ON KPERS AND RETIREMENT ISSUES

House Subcommittee Recommendation

The Subcommittee recommends **H.B. 2555** to implement a number of adjustments in what collectively will be known as the KPERS Omnibus Bill and includes the following recommended items (with bill sections referenced below in parenthesis):

1. Add a new, unclassified position of Assistant Financial Manager in statute. Funding of this new position should be considered during the Omnibus Appropriations deliberations, if authorizing legislation passes. (Section 5)
2. Make a technical change in correctional employees' disability benefits, Tier II, to be consistent with a provision added last year when changes were made in KP&F, which also should have been reflected in authorizing similar benefits for correctional employees. (Section 20)
3. Provide for an offset to Social Security benefits that should be applicable to correctional employees' disability benefits in order to conform treatment of this group to the treatment of other similarly situated KPERS members. (Section 6)
4. Require spousal consent in situations where vested members apply for withdrawal of contributions. (Section 18)
5. Incorporate by reference the Internal Revenue Code pertaining to pensionable compensation in order to grandfather current employees and new hires. (Section 22)
6. Authorize KPERS to collect payments for service credit purchases which are based on double or triple deductions to be longer than one year in order to collect an actuarially determined amount rather than basing the amount of current salary. (Section 19)
7. Require that dual system members must retire from both systems if credit from both systems is needed to establish eligibility for retirement. (Section 15)
8. Provide for service credit at Regents institutions to be portable to the regular KPERS program for employees who change employers. (Section 21)
9. Incorporate a series of "technical" corrections into the bill as requested by the Board of Trustees and the Revisor's Office, including:
 - (a) Make statutory references consistent for definitions. (Sections 1, 3, 6, 10)
 - (b) Clarify that retirant death benefits are payable to the beneficiary. (Section 16)

(c) Further clarify that retirant death benefits are payable to the beneficiary and that the beneficiary may assign the benefit to a funeral home. (Section 9)

(d) Extend KP&F membership protection from two to five years which would be consistent with KPERS protection period. (Sections 12, 13)

(e) Clarify spousal consent at retirement by rewording 1994 law. (Section 7)

(f) Change a reference in the KP&F statute to correctly refer to an EMS definition. (Section 11)

(g) Resolve Revisor's conflicts. (Section 4)

10. Allow credit for military service that is immediately preceded by the signing of an employment contract with a participating employer, where the actual start of the contracted service is prevented by induction into the military and followed by a return to employment with the same participating employers after military service. (Section 3)

11. Permit KP&F members to purchase military service by double or triple deduction over the time period required to pay the full actuarial costs. (Section 14)

12. Authorize for Judges who attain the maximum level of 70 percent of final average salary, the member contribution rate would drop from 6.0 percent (or 4.0 percent under certain conditions) to 2.0 percent. Under current law, when a judge reaches the maximum benefit level, the contribution rate drops to 4.0 percent. Upon reaching age 65 and 20 years of service, the member contribution rate drops to 2.0 percent under current law. (Section 2)

13. Provide a benefit increase of 1.5 percent, effective July 1, 1995. All members who retired prior to July 1, 1994, and all disabled members, will receive whichever is the greater: either a 1.5 percent increase in retirement or disability benefits, or alternatively, \$0.50 for each year of service and \$0.50 for each year since retirement or disability. This increase would apply to all KPERS regular and special members who are retired or disabled, joint annuitants or beneficiaries, TIAA retirants, KPERS disability recipients, retirants of the State School Retirement System, and retirants of the Kansas City Kansas School Retirement System. By definition, retired members of the Legislature are excluded from the increase in benefits. (New Section 17)