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MEMORANDUM

To: Chairman Sutton and the House Committee on Insurance
From: Office of Revisor of Statutes
Date: February 9, 2026
Subject: Bill Brief – HB 2602

House Bill 2602 authorizes a portable benefit plan for independent contractors. "Portable benefit plan" is defined as a third-party benefit plan provider chosen by the independent contractor and assigned to a beneficiary. The term does not include a benefit plan administered by a hiring party. The "portable benefit plan provider" is defined as the administrator of a portable benefit account, and may be a bank, investment management firm, technology provider or program manager that offers services through a bank or investment management firm or other business entity that the state bank commissioner determines has met requirements for administration of such a plan. The portable benefit plan provider is required to provide at least one of the following: health insurance, income replacement insurance; disability insurance; or retirement benefits. The hiring party may contribute funds to an independent contractor's portable benefit account using its own funds, the funds of the independent contractor, or a percentage of funds withheld from compensation owed to an independent contractor.

Section 2 of the bill amends K.S.A. 79-32,117 provides for the tax treatment of funds contributed to a portable benefit plan. Subsection c(xxxi) provides that, for all taxable years beginning December 31, 2026, the amount contributed to a portable benefit plan by a hiring party taxpayer consisting of the independent contractor's funds or a percentage of funds withheld from compensation owed to the independent contractor shall be deducted from the taxpayer's federal adjusted gross income. Paragraph (xxxi) provides that the amount contributed to a portable benefit plan consisting of the independent contractor's funds or the hiring party's funds shall be deducted from the independent contractor taxpayer's federal adjusted gross income.

If approved, the bill would become effective upon its publication in the statute book.