

## SENATE BILL No. 359

By Committee on Judiciary

1-21

AN ACT concerning retirement and pensions; relating to the retirement system for judges; increasing the mandatory retirement age for certain judges; requiring more years of service prior to receiving a member contribution reduction; increasing the maximum retirement benefit; amending K.S.A. 20-2603, 20-2608 and 20-2610 and repealing the existing sections.

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

Section 1. K.S.A. 20-2603 is hereby amended to read as follows: 20-2603. (a) Except as otherwise provided in this section, each judge shall contribute 6% of the judge's salary for each payroll period to the fund. Commencing with the first payroll period after ~~20~~ 30 years of service by the judge and after the judge reaches 65 years of age, and for each payroll period thereafter, such judge shall contribute 2% of such judge's salary to the fund. Commencing with the first payroll period after the judge has enough years of service to entitle such judge upon retirement to the maximum monthly retirement benefit of ~~70%~~ 80% of the final average salary of such judge provided under the provisions of K.S.A. 20-2610, and amendments thereto, and for each payroll period thereafter, each judge shall contribute 4% of such judge's salary to the fund or, commencing on and after the effective date of this act July 1, 1995, each such judge shall contribute 2% of such judge's salary to the fund.

(b) The director of accounts and reports shall deduct the amount each judge is to contribute to the fund on the payroll of each judge for each payroll period showing the amount deducted and its credit to the fund. Such deductions shall be remitted quarterly, or as the board may otherwise provide, to the executive director of the Kansas public employees retirement system for credit to the fund to the credit of the judge's individual account therein.

(c) Interest on each judge's accumulated contributions at the rate determined under ~~subsection (a) of~~ K.S.A. 74-4922(a), and amendments thereto, shall be added annually to the judge's individual account in the fund.

(d) No member who has retired under the retirement system for judges shall make contributions to that system or receive any service credit under that system for any service after the date of such retirement.

1 (e) (1) Subject to the provisions of K.S.A. 74-49,123, and  
2 amendments thereto, each participating employer, pursuant to the  
3 provisions of section 414(h)(2) of the federal internal revenue code, shall  
4 pick up and pay the contributions which would otherwise be payable by  
5 members as prescribed in subsection (a). The contributions so picked up  
6 shall be treated as employer contributions for purposes of determining the  
7 amounts of federal income taxes to withhold from the member's  
8 compensation.

9 (2) Member contributions picked up by the employer shall be paid  
10 from the same source of funds used for the payment of compensation to a  
11 member. A deduction shall be made from each member's compensation  
12 equal to the amount of the member's contributions picked up by the  
13 employer, provided that such deduction shall not reduce the member's  
14 compensation for purposes of computing benefits under the retirement  
15 system for judges.

16 (3) Member contributions picked up by the employer shall be  
17 remitted quarterly, or as the board may otherwise provide, to the executive  
18 director for credit to the Kansas public employees retirement fund. Such  
19 contributions shall be credited to a separate account within the member's  
20 individual account so that amounts contributed by the member may be  
21 distinguished from the member contributions picked up by the employer.  
22 Interest shall be added annually to members' individual accounts.

23 Sec. 2. K.S.A. 20-2608 is hereby amended to read as follows: 20-  
24 2608. (a) Any judge may retire upon reaching age 65 or age 62 with the  
25 completion of 10 years of credited service or the first day of the month  
26 coinciding with or following the date that the total of the number of years  
27 of credited service and the number of years of attained age of the judge is  
28 equal to or more than 85 and upon making application for retirement to the  
29 board. Any judge *whose term of office is four years*, upon reaching age ~~75~~  
30 ~~78 shall retire, except that when any judge attains the age of 75, such judge~~  
31 ~~may, if such judge desires, finish serving the term during which such judge~~  
32 ~~attains the age of 75. Any judge whose term of office is more than four~~  
33 ~~years, upon reaching age 75 shall retire, except that when any judge~~  
34 ~~attains the age of 75, such judge may, if such judge desires, finish serving~~  
35 ~~the term during which such judge attains the age of 75.~~ Upon retiring, each  
36 such judge as described in this subsection shall receive retirement  
37 annuities as provided in K.S.A. 20-2610, and amendments thereto.

38 (b) Notwithstanding the provisions of subsection (a), any judge who  
39 is otherwise eligible to retire may retire upon reaching age 60 and, having  
40 total years of service of not less than 10 years, and upon making  
41 application to the board. Any such judge who retires on and after July 1,  
42 1993, and prior to attaining the age of 62 shall receive a retirement annuity  
43 pursuant to K.S.A. 20-2610, and amendments thereto, based upon the

1 normal retirement age of 62 reduced by an amount equal to the product of  
2 (1) such annual retirement annuity payable had the judge retired on the  
3 normal retirement date, multiplied by (2) the product of .2% multiplied by  
4 the number of months' difference, to the nearest whole month, between the  
5 judge's attained age at the time of retirement and age 62.

6 (c) Notwithstanding the provisions of subsection (a), on or after July  
7 1, 1993, any judge who is otherwise eligible to retire may retire upon  
8 reaching age 55 with the completion of 10 years of service, and upon  
9 making application to the board. Any such judge who retires prior to  
10 attaining the age of 62 pursuant to this subsection shall receive a  
11 retirement annuity pursuant to K.S.A. 20-2610, and amendments thereto,  
12 based upon the normal retirement age of 62 reduced by an amount equal to  
13 the total of:

14 (1) (A) The product of such annual retirement annuity payable had  
15 the judge retired on the normal retirement date, multiplied by (B) the  
16 product of .6% multiplied by the number of months' difference, to the  
17 nearest whole month, between the member's attained age at the time of  
18 retirement and age 60; and

19 (2) for any judge who retired on or after July 1, 1993, the product of  
20 such annual retirement annuity payable had the judge retired on the normal  
21 retirement date, multiplied by 4.8%.

22 The provisions of this subsection apply to any judge who retires before  
23 the age of 62 and has attained age 55 but has not attained age 60, with the  
24 completion of 10 years of service.

25 Sec. 3. K.S.A. 20-2610 is hereby amended to read as follows: 20-  
26 2610. (a) (1) A judge who retires under K.S.A. 20-2608, and amendments  
27 thereto, shall be entitled to receive an annual annuity payable in monthly  
28 amounts subject to subsection (b), each such annual annuity of which shall  
29 be in an amount equal to the total of 5% of the final average salary of the  
30 judge, determined as provided in subsection (b), multiplied by the number  
31 of the judge's years of service up to 10 years, and 3.5% of the final average  
32 salary of the judge, determined as provided in subsection (b), multiplied by  
33 the number of the judge's years of service in excess of 10 years, but such  
34 annual annuity shall not exceed ~~70%~~ 80% of the final average salary of  
35 such judge, determined as provided in subsection (b). A judge who retires  
36 under K.S.A. 20-2608, and amendments thereto, and who became a  
37 member of the system after June 30, 1987, shall be entitled to receive an  
38 annual annuity payable in monthly amounts subject to subsection (b), each  
39 such annual amount of which shall be in an amount equal to the total of  
40 3.5% of the final average salary of the judge, determined as provided in  
41 subsection (b), multiplied by the number of the judge's years of service,  
42 but such annual annuity shall not exceed ~~70%~~ 80% of the final average  
43 salary of the judge, determined as provided in subsection (b).

1 (2) For purposes of this subsection, the date of membership for a  
2 district magistrate judge who became a member of the system as provided  
3 by K.S.A. 20-2620, and amendments thereto, and who purchased service  
4 as provided in ~~subsection (c) of K.S.A. 20-2620(c) and K.S.A. 74-49,123,~~  
5 and amendments thereto, shall be the day such district magistrate judge  
6 became a district magistrate judge and if such district magistrate judge's  
7 membership date as determined in this subsection is earlier than July 1,  
8 1987, such district magistrate judge shall be entitled to the 5% of final  
9 average salary calculation for up to 10 years of service as provided in this  
10 subsection. Any additional cost associated with the provisions of this  
11 subsection shall be paid by such district magistrate judge by means of a  
12 single lump-sum payment or equal annual payments for not to exceed five  
13 years. The lump-sum or annual payments shall be determined by the  
14 system's actuary by using the member's final average salary at the time of  
15 application, actuarial assumptions and tables currently in use by the system  
16 and the member's attained age.

17 (b) For any judge who retires under K.S.A. 20-2608 or 20-2609, and  
18 amendments thereto, on or after July 1, 1975, the annuity shall be based on  
19 the final average salary of such judge as provided in this subsection. The  
20 final average salary of a judge who becomes permanently physically or  
21 mentally disabled and who is retired under K.S.A. 20-2608 or 20-2609,  
22 and amendments thereto, shall be determined as if such judge had retired  
23 on the date such judge became permanently physically or mentally  
24 disabled. The final average salary of a former judge whose service is  
25 terminated without retiring and who later retires under K.S.A. 20-2608,  
26 and amendments thereto, shall be determined as if such former judge had  
27 retired at the time such service was terminated.

28 In the case of judges who retire on or after July 1, 1993, the final  
29 average salary shall mean the average highest annual salary paid to the  
30 judge for any three years of the last 10 years of service as a judge  
31 immediately preceding retirement or termination of employment, or if  
32 service as a judge is less than three years, then the final average salary  
33 shall be the average annual salary paid to the judge during the full period  
34 of service as a judge, or if service as a judge is less than one year, then the  
35 final average salary shall be computed by multiplying the amount of  
36 monthly salary such judge was receiving at the time of retirement by 12.

37 (c) The provisions of law in effect on the retirement date of a judge  
38 under the retirement system for judges shall govern the retirement benefit  
39 payable to the judge, any joint annuitant and any beneficiary.

40 (d) A judge who retires under K.S.A. 20-2608, and amendments  
41 thereto, and who, after such retirement, again is appointed or elected as a  
42 judge, shall have the judge's retirement annuity suspended as provided in  
43 this subsection. Such judge shall become an active member and make

1 employee contributions to the system and receive service credit for any  
2 service after the date of commencement of service in such position. Upon  
3 again retiring, any credited service such member subsequently accrues  
4 shall be added to all previous service and the retirement annuity shall be  
5 recalculated in accordance with the provisions of this section.

6 Sec. 4. K.S.A. 20-2603, 20-2608 and 20-2610 are hereby repealed.

7 Sec. 5. This act shall take effect and be in force from and after its  
8 publication in the statute book.