

KPERS: Administrative Appeal Timeline and IRC Regulations; SB 64

SB 64 amends Kansas Public Employees Retirement System (KPERS) statutes. The bill extends the timeline for a KPERS member to request an administrative hearing to appeal a decision made by the KPERS Board of Trustees (Board) without a hearing. The bill updates KPERS statutes to align with federal Internal Revenue Code (IRC) regulations relating to the applicable age for required minimum distribution of pension benefits, recalculation of life expectancy for determining benefits, distributions from a defined contribution or deferred compensation plan, and the addition of a SIMPLE IRA (Savings Incentive Match Plan for Employees Individual Retirement Account) that meets specific rollover requirements to the list of eligible retirement plans.

Extension of Administrative Appeal Timeline

The bill extends the time for a KPERS member to request an administrative hearing to appeal an adverse decision made by the Board without a hearing from 30 days after notice of the order or decision of the Board to 60 days after the notice.

Statutory Alignment with Federal Regulations

The bill amends state statutes to align with federal regulations to:

- Reflect the following applicable ages for the required minimum distribution of pensions benefits in IRC § 401(a)(9):
 - 70½ years of age for members born before July 1, 1949;
 - 72 years of age for members born on or after July 1, 1949, but before January 1, 1951;
 - 73 years of age for members born on or after January 1, 1951, but before January 1, 1959; and
 - 75 years of age for members born on or after January 1, 1960 [*Note: The required minimum age distribution for those born in 1959 does not appear in the bill due to an omission originating at the federal level. If and when this is addressed at the federal level, a future technical bill may update this statute.*];
- Provide that the life expectancy of a member, the member's spouse, or the member's beneficiary may not be recalculated after the initial determination for purposes of determining benefit except as allowed in IRC § 401(a)(9) and applicable regulations;
- Require distributions from a defined contribution or defined compensation plan to be made in accordance with the rules under IRC § 401(a)(9) specific to the plans; and

- Add, effective January 1, 2016, a SIMPLE IRA, as described in IRC § 408(p), to the list of eligible retirement plans, provided that the rollover contribution is made after the two-year period described in IRC § 72(t)(6). [Note: IRC § 408(p) describes a SIMPLE IRA plan as an employer-sponsored plan under which an employer can make contributions to SIMPLE IRAs established for its employees. The term “SIMPLE IRA” means an IRA to which the only contributions that can be made are contributions under a SIMPLE IRA plan or rollovers or transfers from another SIMPLE IRA.]