

2012 Kansas Statutes

74-49,306. Annuity savings account; interest credits; additional interest credits, conditions; vesting; credits upon termination. (a) A member's annuity savings account is the sum of the member's mandatory contributions plus the interest credits on those contributions, which shall be credited no less frequently than quarterly based on the account balances as of the last day of the preceding quarter. Effective January 1, 2015, the interest credits are 5.25% per annum. The legislature may from time to time prospectively change the interest credits, and expressly reserves the right to do so.

(b) The board may, in the board's discretion, from time to time provide for an additional interest credit, subject to the following conditions: (1) The additional interest credit may not exceed 4% per annum;

(2) if the funding ratio of the system as a whole is equal to or more than 80% as certified by the board, the board shall provide for an additional interest credit which may not exceed the lesser of 4% or a percentage of the rate of return on the system's assets that is above 8% for a fiscal year which such percentage is equal to the funding ratio of the system as a whole for each fiscal year;

(3) the additional interest rate for a fiscal year shall not be granted unless the rate of return on the system's assets is at least 10% for that fiscal year; and

(4) if the funding ratio of the system as a whole is less than 80% as certified by the board, the board shall consider the funding of the system, market conditions, investment returns and other related factors specified by the board.

(c) The member's annuity savings account is vested from the date that the employee becomes a member of the plan.

(d) Interest credits under subsections (a) and (b) shall not be granted on the member's annuity savings account following the end of the second plan year following the member's termination of employment under the plan without vesting in the retirement annuity account as provided in K.S.A. 2012 Supp. 74-49,312, and amendments thereto.

(e) For a member to be eligible for an additional interest credit, the member shall have an account balance at the time the interest credit is posted to the account.

History: L. 2012, ch. 171, § 6; July 1.