## As Amended by Senate Committee

Session of 2017

## SENATE BILL No. 138

By Committee on Ways and Means

2-1

AN ACT concerning retirement and pensions; relating to the Kansas public employees retirement system; employment after retirement; earnings limitation; exemptions; amending K.S.A. 2016 Supp. 46-2201, 74-4914 and 74-4937 {and 74-49,204} and repealing the existing sections; also repealing K.S.A. 2016 Supp. 74-4914f.

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

Section 1. K.S.A. 2016 Supp. 46-2201 is hereby amended to read as follows: 46-2201. (a) There is hereby created the joint committee on pensions, investments and benefits which shall be composed of five senators and eight members of the house of representatives. The five senate members shall be the chairperson of the standing committee on ways and means of the senate, or a member of such committee appointed by the chairperson, two members appointed by the president and two members appointed by the minority leader. The eight representative members shall be the chairperson of the standing committee on appropriations of the house of representatives, or a member of such committee appointed by the chairperson, four members appointed by the speaker and three members appointed by the minority leader.

(b) All members of the joint committee on pensions, investments and benefits shall serve for terms ending on the first day of the regular legislative session in odd-numbered years. On and after the first day of the regular legislative session in odd-numbered years, the chairperson shall be one of the representative members of the joint committee selected by the speaker and the vice-chairperson shall be one of the senate members selected by the president and on and after the first day of the regular legislative session in even-numbered years, the chairperson shall be one of the senate members of the joint committee selected by the president and the vice-chairperson shall be one of the representative members of the joint committee selected by the speaker. The chairperson and vice-chairperson of the joint committee shall serve in such capacities until the first day of the regular legislative session in the ensuing year. The vice-chairperson shall exercise all of the powers of the chairperson in the absence of the chairperson.

- (c) The joint committee on pensions, investments and benefits shall meet at any time and at any place within the state on call of the chairperson. Members of the joint committee shall receive compensation and travel expenses and subsistence expenses or allowances as provided in K.S.A. 75-3212, and amendments thereto, when attending meetings of such committee authorized by the legislative coordinating council.
- (d) In accordance with K.S.A. 46-1204, and amendments thereto, the legislative coordinating council may provide for such professional services as may be requested by the joint committee on pensions, investments and benefits.
- (e) The joint committee on pensions, investments and benefits may introduce such legislation as deemed necessary in performing such committee's functions.
  - (f) The joint committee on pensions, investments and benefits shall:
- (1) Monitor, review and make recommendations regarding investment policies and objectives formulated by the board of trustees of the Kansas public employees retirement system;
- (2) review and make recommendations relating to benefits for members under the Kansas public employees retirement system;
- (3) consider and make recommendations to the standing committee of the senate specified by the president of the senate relating to the confirmation of members of the board of trustees of the Kansas public employees retirement system appointed pursuant to K.S.A. 74-4905, and amendments thereto. The information provided by the Kansas bureau of investigation or other criminal justice agency pursuant to K.S.A. 74-4905(h), and amendments thereto, relating to the confirmation of members of the board to the standing committee of the senate specified by the president shall be forwarded by the Kansas bureau of investigation or such other criminal justice agency to such joint committee for such joint committee's consideration and other than conviction data, shall be confidential and shall not be disclosed except to members and employees of the joint committee as necessary to determine qualifications of such member. The committee, in accordance with K.S.A. 75-4319, and amendments thereto, shall recess for a closed or executive meeting to receive and discuss information received by the committee pursuant to this
- (4) review and make recommendations relating to the inclusion of city and county correctional officers as eligible members of the Kansas police and firemen's retirement system; and
- (5) review reports regarding working after retirement exceptions pursuant to K.S.A. 74-4914—and 74-4937, and amendments thereto. The joint committee may appoint a subcomittee to carry out the provisions of this subsection.

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Sec. 2. K.S.A. 2016 Supp. 74-4914 is hereby amended to read as follows: 74-4914. (1) The normal retirement date for a member of the system shall be the first day of the month coinciding with or following termination of employment with any participating employer not followed by employment with any participating employer within 60 days, or 180 days as provided in subsection (10), and without any prearranged agreement for employment with any participating employer, and the attainment of age 65 or, commencing July 1, 1993, age 62 with the completion of 10 years of credited service or the first day of the month coinciding with or following the date that the total of the number of years of credited service and the number of years of attained age of the member is equal to or more than 85. In no event shall a normal retirement date for a member be before six months after the entry date of the participating employer by whom such member is employed. A member may retire on the normal retirement date or on the first day of any month thereafter upon the filing with the office of the retirement system of an application in such form and manner as the board shall prescribe. Such application shall contain a certification by the member that the member will not be employed with any participating employer within 60 days, or 180 days as provided in subsection (10), of retirement and the member has not entered into a prearranged agreement for employment with any participating employer. Nothing herein shall prevent any person, member or retirant from being employed, appointed or elected as an employee, appointee, officer or member of the legislature. Elected officers may retire from the system on any date on or after the attainment of the normal retirement date, but no retirement benefits payable under this act shall be paid until the member has terminated such member's office.

- (2) No retirant shall make contributions to the system or receive service credit for any service after the date of retirement.
- (3) Any member who is an employee of an affiliating employer pursuant to K.S.A. 74-4954b, and amendments thereto, and has not withdrawn such member's accumulated contributions from the Kansas police and firemen's retirement system may retire before such member's normal retirement date on the first day of any month coinciding with or following the attainment of age 55.
- (4) Any member may retire before such member's normal retirement date on the first day of any month coinciding with or following termination of employment with any participating employer not followed by employment with any participating employer within 60 days, or 180 days as provided in subsection (10), and the attainment of age 55 with the completion of 10 years of credited service, but in no event before six months after the entry date, upon the filing with the office of the retirement system of an application for retirement in such form and manner as the

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board shall prescribe. The member's application for retirement shall contain a certification by the member that the member will not be employed with any participating employer within 60 days, or 180 days as provided in subsection (10), of retirement and the member has not entered into a prearranged agreement for employment with any participating employer.

7 (5) Except as provided in-subsection (7) subsections (7) and (10), on 8 or after July 1, 2006, for any retirant who is first employed or appointed in 9 or to any position or office by a participating employer other than a participating employer for which such retirant was employed or appointed 10 11 during the final two years of such retirant's participation, and, on or after 12 April 1, 2009, for any retirant who is employed by a third-party entity who 13 contracts services with a participating employer other than a participating 14 employer for which such retirant was employed or appointed during the 15 final two years of such retirant's participation to fill a position covered 16 under K.S.A. 72-5410(a), and amendments thereto, with such retirant, such 17 participating employer shall pay to the system the actuarially determined 18 employer contribution and the statutorily prescribed employee contribution 19 based on the retirant's compensation during any such period of employment or appointment. If a retirant is employed or appointed in or to 20 21 any position or office for which compensation for service is paid in an 22 amount equal to \$20,000 or more in any one such calendar year, or 23 \$25,000 or more in any one calendar year between July 1, 2016, and July 24 1, 2020, by any participating employer for which such retirant was 25 employed or appointed during the final two years of such retirant's 26 participation, and, on or after April 1, 2009, by any third-party entity who 27 contracts services to fill a position covered under K.S.A. 72-5410(a), and 28 amendments thereto, with such retirant with a participating employer for 29 which such retirant was employed or appointed during the final two years 30 of such retirant's participation, such retirant shall not receive any 31 retirement benefit for any month for which such retirant serves in such 32 position or office. The participating employer who employs such retirant 33 whether by contract directly with the retirant or through an arrangement 34 with a third-party entity shall report to the system within 30 days of when 35 the compensation paid to the retirant is equal to or exceeds any limitation 36 provided by this section. Any participating employer who contracts 37 services with any such third-party entity to fill a position covered under 38 K.S.A. 72-5410(a), and amendments thereto, shall include in such contract 39 a provision or condition which requires the third-party entity to provide the 40 participating employer with the necessary compensation paid information 41 related to any such position filled by the third-party entity with a retirant to 42 enable the participating employer to comply with provisions of this 43 subsection relating to the payment of contributions and reporting

1 requirements. The provisions and requirements provided for in 2 amendments made in this act which relate to positions filled with a retirant 3 or employment of a retirant by a third-party entity shall not apply to any 4 contract for services entered into prior to April 1, 2009, between a 5 participating employer and third-party entity as described in this 6 subsection. Any retirant employed by a participating employer or a third-7 party entity as provided in this subsection shall not make contributions nor 8 receive additional credit under such system for such service except as 9 provided by this section. Upon request of the executive director of the 10 system, the secretary of revenue shall provide such information as may be needed by the executive director to carry out the provisions of this act. The 11 12 provisions of this subsection shall not apply to retirants employed as 13 substitute teachers or officers, employees or appointees of the legislature. 14 The provisions of this subsection shall not apply to members of the 15 legislature prior to January 8, 2000. The provisions of this subsection shall 16 not apply to any other elected officials prior to the term of office of such 17 elected official which commences on or after July 1, 2000. The provisions 18 of this subsection shall apply to any other elected official, except an 19 elected city or county officer as further provided in this subsection, on and 20 after the term of office of such other elected official which commences on 21 or after July 1, 2000. Notwithstanding any provisions of law to the 22 contrary, when an elected city or county officer is retired under the 23 provisions of subsection (1) or (4) of this section and is paid an amount of 24 compensation of \$25,000 or more in any one calendar year between July 1, 25 2016, and July 1, 2020, such officer may receive such officer's salary, and 26 still be entitled to receive such officer's retirement benefit pursuant to the 27 provisions of K.S.A. 74-4915 et seq., and amendments thereto. Except as 28 otherwise provided, commencing January 8, 2001, the provisions of this 29 subsection shall apply to members of the legislature. For determination of 30 the amount of compensation paid pursuant to this subsection, for members 31 of the legislature, compensation shall include any amount paid as provided 32 pursuant to K.S.A. 46-137a(a), (b), (c) and (d), and amendments thereto, 33 or pursuant to K.S.A. 46-137b, and amendments thereto, to the extent that 34 any such amount paid is included in federal adjusted gross income and 35 subject to federal income taxation. Notwithstanding any provision of law 36 to the contrary, when a member of the legislature is paid an amount of 37 compensation of \$20,000 or more in any one calendar year, the member 38 may continue to receive any amount provided in K.S.A. 46-137a(b) and 39 (d), and amendments thereto, and still be entitled to receive such member's 40 retirement benefit. Commencing July 1, 2005, the provisions of this 41 subsection shall not apply to retirants who either retired under the 42 provisions of subsection (1), or, if they retired under the provisions of 43 subsection (4), were retired more than 30 days prior to the effective date of

this act and are licensed professional nurses or licensed practical nurses employed by the state of Kansas in an institution as defined in K.S.A. 76-12a01(b) or K.S.A. 38-2302( $\pm$ )( $\pm$ ), and amendments thereto, the Kansas soldiers' home or the Kansas veterans' home. Nothing in this subsection shall be construed to create any right, or to authorize the creation of any right, which is not subject to amendment or nullification by act of the legislature. The participating employer of such retirant shall pay to the system the actuarially determined employer contribution based on the retirant's compensation during any such period of employment.

- (6) For purposes of this section, any employee of a local governmental unit which has its own pension plan who becomes an employee of a participating employer as a result of a merger or consolidation of services provided by local governmental units, which occurred on January 1, 1994, may count service with such local governmental unit in determining whether such employee has met the years of credited service requirements contained in this section.
- (7) (a) Except as provided in K.S.A. 74-4937(3), (4), or (5), and amendments thereto, *subsection* (10) and the provisions of this subsection, commencing July 1, 2016, and ending July 1, 2020, any retirant who is employed or appointed in or to any position by a participating employer or a third-party entity who contracts services with a participating employer to fill a position, without any prearranged agreement with such participating employer and not prior to 60 days after such retirant's retirement date, shall not receive any retirement benefit for any month in any calendar year in which the retirant receives compensation in an amount equal to \$25,000 or more, pursuant to this subsection. The provisions of this subsection shall apply to members of the legislature.
- (b) The provisions of this subsection shall not apply, except as specifically provided in this subsection, to retirants that who are:
- (i) Licensed professional nurses or licensed practical nurses employed by the state of Kansas in an institution as defined in K.S.A. 76-12a01(b) or 38-2302(f)(k), and amendments thereto, the Kansas soldiers' home or the Kansas veterans' home. The participating employer of such retirant shall pay to the system the actuarially determined employer contribution based on the retirant's compensation and the statutorily prescribed employee contribution during any such period of employment;
- (ii) employed by a school district in a position as provided in K.S.A. 74-4937(3), (4) or (5), and amendments thereto. Any retirant employed by a school district in a position under K.S.A. 74-4937(3), (4) or (5), and amendments thereto, shall be subject to the provisions of subsection (7)(h) which relate to a limitation on the total term of employment with any participating employer in which a retirant may receive such retirant's full retirement benefit;

- (iii) certified law enforcement officers employed by the law enforcement training center. Such law enforcement officers shall receive their benefits notwithstanding this subsection. The law enforcement training center shall pay to the system the actuarial actuarially determined employer contribution and the statutorily prescribed employee contribution based on the retirant's compensation during any such period of employment;
- (iv) members of the Kansas police and firemen's retirement system pursuant to K.S.A. 74-4951 et seq., and amendments thereto, or members of the retirement system for judges pursuant to K.S.A. 20-2601 et seq., and amendments thereto;
- (v) employed as—substitute teachers or officers, employees or appointees of the legislature;
- (vi) a poll worker hired to work an election day for a county election officer responsible for conducting all official elections held in the county; and
- (vii) employed by, or have accepted employment from, a participating employer prior to May 1, 2015. Any break in continuous employment by a retirant or move to a different position by a retirant during the effective period of this subsection shall be deemed new employment and shall subject the retirant to the provisions of this subsection.
- (c) The participating employer shall enroll all retirants and report to the system when compensation is paid to a retirant as provided in this subsection. Such report shall contain a certification by the appointing authority of the participating employer that any hired retirant has not been employed by the participating employer within 60 days of such retirant's retirement and that there was no prearranged agreement for employment between the participating employer and the hired retirant. Upon request of the executive director of the system, the participating employer shall provide such information as may be needed by the executive director to carry out the provisions of this subsection. Any participating employer who hires a retirant covered by this subsection shall pay to the system the statutorily prescribed employer contribution rate for such retirant, without regard to whether the retirant is receiving benefits. No retirant shall receive credit for service while employed under the provisions of this subsection.
- (d) A participating employer may employ a retirant without regard to the compensation limitation in this subsection for a period of one calendar year or one school year, as the ease may be, if the following requirements are met:
- (i) The employer certifies to the board that the position being filled has been vacated due to an unexpected emergency or the employer has been unsuccessful in filling the position;

- (ii) the employer pays to the system a 30% employer contribution based on the retirant's compensation during any such period of employment. On or before July 1, 2019, and at least every three years thereafter, the board, in consultation with the system's consulting actuary, shall evaluate the plan's experience with employment of such retirants and the corresponding employer contribution rate to assess whether the employer contribution rate can be expected to fund adverse experience or higher liabilities accruing under the system in connection with employment of such retirants, to the extent that such liability can be ascertained or estimated. Based on this evaluation of the plan's experience, the board may certify to the division of the budget, in the case of the state, and to the agent for each other participating employer, a new rate if needed to more fully fund such adverse experience or additional liabilities, but such rate shall not be less than 30%; and
- (iii) the employer maintains documentation of its efforts to fill the position with a non-retirant and provides such documentation to the joint committee on pensions, investments and benefits upon request of the committee.
- (e) An employer may submit a written assurance protocol to the system to extend the exception provided for in subsection (7)(d) by one-year increments for a total extension not to exceed three years. A written assurance protocol shall be submitted to the system for each one-year-increment extension. If a school district submits a written assurance protocol, such written assurance protocol shall be signed by the superintendent and the board president of such school district. If a municipality, as defined in K.S.A. 75-1117, and amendments thereto, other than a school district, submits a written assurance protocol, such written assurance protocol shall be signed by the governing body or such governing body's designee for such municipality. Such written assurance protocol shall state that the position was advertised on multiple platforms for a minimum of 30 calendar days and that at least one of the following conditions occurred:
  - (i) No applications were submitted for the position;
- (ii) if applications were submitted, none of the applicants met the reference screening criteria of the employer; or
- (iii) if applications were submitted, none of the applicants possessed the appropriate licensure, certification or other necessary credentials for the position.
- (f)—{A participating employer may employ a retirant without regard to the compensation limitation in this subsection for a period of one calendar year or one school year, as the case may be, if the following requirements are met:
  - (i) The employer certifies to the board that the position being filled

 has been vacated due to an unexpected emergency or the employer has been unsuccessful in filling the position;

- (ii) the employer pays to the system a 30% employer contribution based on the retirant's compensation during any such period of employment. On or before July 1, 2019, and at least every three years thereafter, the board, in consultation with the system's consulting actuary, shall evaluate the plan's experience with employment of such retirants and the corresponding employer contribution rate to assess whether the employer contribution rate can be expected to fund adverse experience or higher liabilities accruing under the system in connection with employment of such retirants, to the extent that such liability can be ascertained or estimated. Based on this evaluation of the plan's experience, the board may certify to the division of the budget, in the case of the state, and to the agent for each other participating employer, a new rate if needed to more fully fund such adverse experience or additional liabilities, but such rate shall not be less than 30%; and
- (iii) the employer maintains documentation of its efforts to fill the position with a non-retirant and provides such documentation to the joint committee on pensions, investments and benefits upon request of the committee.

The provisions of this paragraph shall expire on January 1, 2018.

- (e) An employer may submit a written assurance protocol to the system to extend the exception provided for in subsection (7)(d) by one-year increments for a total extension not to exceed three years. A written assurance protocol shall be submitted to the system for each one-year increment extension. If a school district submits a written assurance protocol, such written assurance protocol shall be signed by the superintendent and the board president of such school district. If a municipality, as defined in K.S.A. 75-1117, and amendments thereto, other than a school district, submits a written assurance protocol, such written assurance protocol shall be signed by the governing body or such governing body's designee for such municipality. Such written assurance protocol shall state that the position was advertised on multiple platforms for a minimum of 30 calendar days and that at least one of the following conditions occurred:
  - (i) No applications were submitted for the position;
- (ii) if applications were submitted, none of the applicants met the reference screening criteria of the employer; or
- (iii) if applications were submitted, none of the applicants possessed the appropriate licensure, certification or other necessary credentials for the position.

The provisions of this paragraph shall expire on January 1, 2018.

(f) 3 On July 1, 2021, and at least every five years thereafter, the joint

 committee on pensions, investments and benefits shall study the issue of whether the compensation limitation prescribed in this subsection should be adjusted. The committee shall consider the effect of inflation and data on member retirement benefits and active employee compensation.

- (g) (e)  $\{(g)\}$  Nothing in this subsection shall be construed to create any right, or to authorize the creation of any right, which is not subject to amendment or nullification by act of the legislature.
- (h) Any retirant hired by any participating employer under the provisions of subsection (7)(d) or K.S.A. 74-4937(3), (4) or (5), and amendments thereto, may continue to receive such retirant's full retirement benefit so long as, commencing July 1, 2016, such retirant's total term of employment with all participating employers under one or more of such provisions does not exceed 48 months or four school years, whichever is less. After such period, such retirant shall not receive any retirement-benefit for any month in any calendar year in which such retirant receives compensation in an amount equal to \$25,000 or more in such calendar year.
- (8) If determined by the retirement system that a retirant entered into a prearranged agreement for employment with a participating employer prior to such retirant's retirement and prior to the end of the subsequent 60day waiting period, or the 180-day waiting period under subsection (10), the monthly retirement benefit of such retirant shall be suspended during the period that begins on the month in which the retirant is re-employed and ends six months after the retirant's termination of such employment. The retirant shall repay to the retirement system all monthly retirement benefits paid to the retirant by the retirement system that the retirant received after such employment began. The participating employer which hired such retirant shall be required to pay to the system any fees, fines, penalties or any other cost imposed by the internal revenue service and indemnify the system for any cost incurred by the system to defend any action brought by the internal revenue service based on in-service distributions which are a result of any determined prearranged agreement and for any cost incurred by the system to collect any monthly retirement benefit required to be repaid by such retirant pursuant to this subsection.
- (9) For the purposes of this section a prearranged agreement for employment may be determined by whether the facts and circumstances of the situation indicate that the employer and employee reasonably anticipated that further services would be performed after the employee's retirement.
- (10) (a) Notwithstanding the provisions of subsection (5) or (7) to the contrary, for any retirant whose retirement date is on or after January 1, 2018, who is retired more than 60 days, if such retirant's age on the date of retirement is age 62 or older, or is retired more than 180

days, if such retirant's age on the date of retirement is less than age 62, and who is subsequently hired in a covered position, as defined in K.S.A. 2016 Supp. 74-49,202, and amendments thereto, such retirant shall not be subject to an earnings limitation that when met or exceeded requires that the retirant not receive a retirement benefit for any month for which such retirant serves in such covered position. The participating employer of such retirant shall pay to the system a 30% employer contribution based on the retirant's compensation during any such period of employment, except that for retirants who are members of the legislature or other elected officials, the participating employer shall pay to the system the statutorily prescribed employer contribution rate. 

- (b) Notwithstanding the provisions of subsection (5) or (7) to the contrary, for any retirant whose retirement date is on or after January 1, 2018, who is retired more than 60 days, if such retirant's age on the date of retirement is age 62 or older, or is retired more than 180 days, if such retirant's age on the date of retirement is less than age 62, and who is subsequently hired in a non-covered position, such retirant shall not be subject to an earnings limitation that when met or exceeded requires that the retirant not receive a retirement benefit for any month for which such retirant serves in such non-covered position. No employer contribution shall be paid to the system on compensation paid to a retirant hired in a non-covered position.
- (c) The participating employer shall enroll all retirants and report to the system when compensation is paid to a retirant as provided in this subsection. Such report shall contain a certification by the appointing authority of the participating employer that any hired retirant has not been employed by the participating employer within 60 days of such retirant's retirement in the case of a retirant whose age on the date of retirement is age 62 or older, or within 180 days of such retirant's retirement in the case of a retirant whose age on the date of retirement is less than age 62, and that there was no prearranged agreement for employment between the participating employer and the hired retirant. Upon request of the executive director of the system, the participating employer shall provide such information as may be needed by the executive director to carry out the provisions of this subsection. No retirant shall make contributions to the system or receive credit for service while employed under the provisions of this subsection.
- (d) Nothing in this subsection shall be construed to create any right, or to authorize the creation of any right, that is not subject to amendment or nullification by act of the legislature.
- Sec. 3. K.S.A. 2016 Supp. 74-4937 is hereby amended to read as follows: 74-4937. (1) The normal retirement date of a member of the system who is in school employment and who is subject to K.S.A. 74-

4940, and amendments thereto, shall be the first day of the month coinciding with or following termination of employment not followed by employment with any participating employer within 60 days, or 180 days as provided in K.S.A. 74-4914(10), and amendments thereto, and without any prearranged agreement for employment with any participating employer, and the attainment of age 65 or, commencing July 1, 1986, age 65 or age 60 with the completion of 35 years of credited service or at any age with the completion of 40 years of credited service, or commencing July 1, 1993, any alternative normal retirement date already prescribed by law or age 62 with the completion of 10 years of credited service or the first day of the month coinciding with or following the date that the total of the number of years of credited service and the number of years of attained age of the member is equal to or more than 85. Each member upon giving prior notice to the appointing authority and the retirement system may retire on the normal retirement date or the first day of any month thereafter. Such member's application for retirement shall contain a certification by the member that the member will not be employed with any participating employer within 60 days, or 180 days as provided in K.S.A. 74-4914(10), and amendments thereto, of retirement and the member has not entered into a prearranged agreement for employment with any participating employer. 

- (2) Any member who is in school employment and who is subject to K.S.A. 74-4940, and amendments thereto, may retire before such member's normal retirement date on the first day of the month coinciding with or following termination of employment not followed by employment with any participating employer within 60 days, or 180 days as provided in K.S.A. 74-4914(10), and amendments thereto, and the attainment of age 55 with the completion of 10 years of credited service, upon the filing with the office of the retirement system of an application for retirement in such form and manner as the board shall prescribe. The member's application for retirement shall contain a certification by the member that the member will not be employed with any participating employer within 60 days, or 180 days as provided in K.S.A. 74-4914(10), and amendments thereto, of retirement and the member has not entered into a prearranged agreement for employment with any participating employer.
- (3) Before July 1, 2020, The provisions of K.S.A. 74-4914(5) or (7), and amendments thereto, which relate to an earnings limitation which when met or exceeded requires that the retirant not receive a retirement benefit for any month for which such retirant serves in a position as described herein shall not apply to retirants who retired on or after July 1, 2009, and who either retired under the provisions of K.S.A. 74-4914(1), and amendments thereto, related to normal retirement, or, if they retired under the provisions of K.S.A. 74-4914(4), and amendments thereto,

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related to early retirement, were retired more than 60 days prior to May 28. 2 2009 July 1, 2017, and are subsequently hired in a position that requires a 3 license under K.S.A. 72-1388, and amendments thereto, or other provision 4 of law. The provisions of this subsection shall only apply to retirants who 5 retired prior to May 1, 2015. The provisions of this subsection do not 6 apply to retirants who retired under K.S.A. 74-4914(4), and amendments 7 thereto, which relates to early retirement prior to age 62. Except as 8 otherwise provided, when a retirant is employed by the same school 9 district or a different school district with which such retirant was employed during the final two years of such retirant's participation or employed by a 10 third-party entity who contracts services with a school district to fill a 12 position as described in this subsection, the participating employer of such retirant shall pay to the system the actuarially determined employer 13 14 contribution based on the retirant's compensation during any such period 15 of employment plus 8%. The participating employer shall enroll all retirants and report to the system when compensation is paid to a retirant 16 17 as provided in this subsection. Such notice shall contain a certification by 18 the appointing authority of the participating employer that any hired 19 retirant has not been employed by the participating employer within 60 days of such retirant's retirement and that there was no prearranged 20 agreement for employment between the participating employer and the 22 hired retirant. Upon request of the executive director of the system, the 23 participating employer shall provide such information as may be needed 24 by the executive director to carry out the provisions of this subsection. The 25 provisions of this subsection shall not apply to retirants employed as-26 substitute teachers. The provisions of K.S.A. 74-4914(5), and amendments 27 thereto, shall be applicable to retirants employed as described in this 28 subsection, except as specifically provided in this subsection. Nothing in 29 this subsection shall be construed to create any right, or to authorize the 30 creation of any right, which is not subject to amendment or nullification by act of the legislature. The provisions of this subsection shall expire on June 32 30, 2020. After such date the Kansas public employees retirement system 33 and its actuary shall report the experience to the joint committee on 34 pensions, investments and benefits. 35

(4) (a) On and after July 1, 2016, a school district may hire a retired licensed professional to fill a special teacher position as defined in K.S.A. 72-962, and amendments thereto, if such retirant is hired not prior to 60 days after such retirant's retirement date without any prearrangement with such school district in the manner prescribed in this subsection. Theparticipating employer shall enroll all retirants and report to the systemwhen compensation is paid to a retirant as provided in this subsection. Such notice shall contain a certification by the appointing authority of the participating employer that any hired retirant has not been employed by

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the participating employer within 60 days of such retirant's retirement and that there was no prearranged agreement for employment between the participating employer and the hired retirant. Upon request of the executive director of the system, the participating employer shall provide such information as may be needed by the executive director to earry out the provisions of this subsection.

(b) A retirant hired under the provisions of this subsection may continue to receive such retirant's full retirement benefit for a period not to exceed three school years or 36 months, whichever is less, and shall not be subject to the provisions of K.S.A. 74-4914(5), and amendments thereto, which relate to a compensation limitation which when met or exceeded requires that the retirant not receive a retirement benefit for any month for which such retirant serves in a position as described herein. Such retirant may be employed by such employer for some or all of a school year, and in subsequent school years if the employer is unable to permanently fill the position with active members, so long as the retirant's total term of employment with all employers under this subsection does not exceed 36 months or three school years, whichever is less. After such period, the retirant shall be subject to the provisions of K.S.A. 74-4914(7), and amendments thereto, which relate to a compensation limitation which when met or exceeded requires that the retirant not receive a retirementbenefit for any month for which such retirant serves in a position asdescribed herein. The participating employer of such retirant shall pay to the system a 30% employer contribution based on the retirant's compensation during any such period of employment. On or before July 1, 2019, and at least every three years thereafter, the board, in consultation with the system's consulting actuary, shall evaluate the plan's experience with employment of such retirants and the corresponding employercontribution rate to assess whether the employer contribution rate can be expected to fund adverse experience or higher liabilities accruing underthe system in connection with employment of such retirants, to the extent that such liability can be ascertained or estimated. Based on this evaluation of the plan's experience, the board may certify to the division of the budget, in the case of the state, and to the agent for each other participating employer, a new rate if needed to more fully fund such adverse experience or additional liabilities, but such rate shall not be less than 30%. Theprovisions of this subsection shall not apply to retirants employed assubstitute teachers. The provisions of K.S.A. 74-4914(5), and amendments thereto, shall be applicable to retirants employed as special teachers, except as specifically provided in this subsection.

(e) Each school district that uses the provisions of this subsection to hire retirants shall maintain documentation describing their recruiting-efforts to obtain non-retirant employees to fill the special teacher positions.

Upon request of the joint committee on pensions, investments and benefits, an employer shall provide such documentation to the committee. If the committee finds that an employer has not made sufficient efforts to hire a non-retirant for the position or if the committee finds evidence of prearrangement in violation of this section, the three-year exemption provided pursuant to this subsection may be revoked. The committee shall notify the executive director of the system that a retirant's exemption has been revoked within 30 days of making such a determination.

- (d) An employer may submit a written assurance protocol to the system to make a one-time extension to the exception provided for in this subsection by one year. Such written assurance protocol shall be signed by the superintendent and the board president of the school district. Such written assurance protocol shall state that the position was advertised on multiple platforms for a minimum of 30 calendar days and that at least one of the following conditions occurred:
  - (i) No applications were submitted for the position;
- (ii) if applications were submitted, none of the applicants met the reference screening criteria of the employer; or
- (iii) if applications were submitted, none of the applicants possessed an appropriate teaching license for the state of Kansas or possessed the appropriate credentials to receive any type of teaching license from the state of Kansas.
- (e) Nothing in this subsection shall be construed to create any right, or to authorize the creation of any right, which is not subject to amendment or nullification by act of the legislature.
  - (f) The provisions of this subsection shall expire on July 1, 2020.
- (5) (a) On and after July 1, 2016, a school district may hire a retired licensed professional to fill a non-special teacher position if such retirant is hired not prior to 60 days after such retirant's retirement date without any prearrangement with such school district, and if such school district hires a retirant for a hard-to-fill position in the manner prescribed in this subsection. The participating employer shall enroll all retirants and report to the system when compensation is paid to a retirant as provided in this subsection. Such notice shall contain a certification by the appointing authority of the participating employer that any hired retirant has not been employed by the participating employer within 60 days of such retirant's retirement and that there was no prearranged agreement for employment between the participating employer and the hired retirant. Upon request of the executive director of the system, the participating employer shall provide such information as may be needed by the executive director to earry out the provisions of this subsection.
- (b) The state board of education shall annually certify the top five types of licensed positions that are hard to fill. A school district may hire a

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retirant to fill a hard-to-fill position for some or all of a school year and in subsequent school years if the employer is unable to permanently fill the 3 position with an active member. A retirant first hired under the provisions 4 of this subsection may be retained by an employer even if such retirant's type of position is no longer one of the five types of positions certified by the state board of education. A retirant hired under the provisions of this subsection may continue to receive such retirant's full retirement benefit for a period not to exceed three school years or 36 months, whichever is 9 less, and shall not be subject to the provisions of K.S.A. 74-4914(5), and 10 amendments thereto, which relate to a compensation limitation which when met or exceeded requires that the retirant not receive a retirementbenefit for any month for which such retirant serves in a position asdescribed herein. Such retirant may be employed by such employer forsome or all of a school year, and in subsequent school years if the-14 employer is unable to permanently fill the position with active members, so long as the retirant's total term of employment with all employers under this subsection does not exceed 36 months or three school years, whichever is less. After such period, the retirant shall be subject to the 19 provisions of K.S.A. 74-4914(7), and amendments thereto, which relate to 20 a compensation limitation which when met or exceeded requires that the retirant not receive a retirement benefit for any month for which suchretirant serves in a position as described herein. The participating employer of such retirant shall pay to the system a 30% employer 24 contribution based on the retirant's compensation during any such period of employment. On or before July 1, 2019, and at least every three years 26 thereafter, the board, in consultation with the system's consulting actuary, shall evaluate the plan's experience with employment of such retirants and the corresponding employer contribution rate to assess whether the employer contribution rate can be expected to fund adverse experience or 30 higher liabilities accruing under the system in connection with employment of such retirants, to the extent that such liability can beascertained or estimated. Based on this evaluation of the plan's experience, 33 the board may certify to the division of the budget, in the case of the state, 34 and to the agent for each other participating employer, a new rate if needed to more fully fund such adverse experience or additional liabilities, but-36 such rate shall not be less than 30%. The provisions of this subsection shall not apply to retirants employed as substitute teachers. The provisions of 38 K.S.A. 74-4914(5), and amendments thereto, shall be applicable to-39 retirants employed as described in this subsection, except as specifically 40 provided in this subsection.

(e) Each school district that uses the provisions of this subsection to hire retirants for hard-to-fill positions shall maintain documentation describing their recruiting efforts to obtain non-retirant employees to fill-

the hard-to-fill positions. Upon request of the joint committee on pensions, investments and benefits, a school district shall provide such documentation to the committee. If the committee finds that a school district has not made sufficient efforts to hire a non-retirant for the position or if the committee finds evidence of prearrangement in violation of this section, the three-year exemption provided pursuant to this subsection may be revoked. The committee shall notify the executive director of the system that a retirant's exemption has been revoked within 30 days of making such a determination.

- (d) An employer may submit a written assurance protocol to the system to make a one-time extension to the exception provided for in this subsection by one year. Such written assurance protocol shall be signed by the superintendent and the board president of the school district. Such written assurance protocol shall state that the position was advertised on multiple platforms for a minimum of 30 calendar days and that at least one of the following conditions occurred:
  - (i) No applications were submitted for the position;
- (ii) if applications were submitted, none of the applicants met the reference screening criteria of the employer; or
- (iii) if applications were submitted, none of the applicants possessed an appropriate teaching license for the state of Kansas or possessed the appropriate credentials to receive any type of teaching license from the state of Kansas.
- (e) Nothing in this subsection shall be construed to create any right, or to authorize the creation of any right, which is not subject to-amendment or nullification by act of the legislature.
  - (f) The provisions of this subsection shall expire on July 1, 2020.
- (4) (a) On and after July 1, 2016, a school district may hire a retired licensed professional to fill a special teacher position as defined in K.S.A. 72-962, and amendments thereto, if such retirant is hired not prior to 60 days after such retirant's retirement date without any prearrangement with such school district in the manner prescribed in this subsection. The participating employer shall enroll all retirants and report to the system when compensation is paid to a retirant as provided in this subsection. Such notice shall contain a certification by the appointing authority of the participating employer that any hired retirant has not been employed by the participating employer within 60 days of such retirant's retirement and that there was no prearranged agreement for employment between the participating employer and the hired retirant. Upon request of the executive director of the system, the participating employer shall provide such information as may be needed by the executive director to carry out the provisions of this subsection.
  - (b) A retirant hired under the provisions of this subsection may

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continue to receive such retirant's full retirement benefit for a period not 1 to exceed three school years or 36 months, whichever is less, and shall 2 not be subject to the provisions of K.S.A. 74-4914(5), and amendments 3 thereto, which relate to a compensation limitation which when met or 4 exceeded requires that the retirant not receive a retirement benefit for 5 6 any month for which such retirant serves in a position as described 7 herein. Such retirant may be employed by such employer for some or all 8 of a school year, and in subsequent school years if the employer is unable to permanently fill the position with active members, so long as 9 the retirant's total term of employment with all employers under this 10 subsection does not exceed 36 months or three school years, whichever 11 is less. After such period, the retirant shall be subject to the provisions of 12 K.S.A. 74-4914(7), and amendments thereto, which relate to a 13 compensation limitation which when met or exceeded requires that the 14 retirant not receive a retirement benefit for any month for which such 15 16 retirant serves in a position as described herein. The participating employer of such retirant shall pay to the system a 30% employer 17 contribution based on the retirant's compensation during any such 18 19 period of employment. On or before July 1, 2019, and at least every three 20 years thereafter, the board, in consultation with the system's consulting 21 actuary, shall evaluate the plan's experience with employment of such 22 retirants and the corresponding employer contribution rate to assess 23 whether the employer contribution rate can be expected to fund adverse experience or higher liabilities accruing under the system in connection 24 25 with employment of such retirants, to the extent that such liability can be ascertained or estimated. Based on this evaluation of the plan's 26 experience, the board may certify to the division of the budget, in the 27 case of the state, and to the agent for each other participating employer, 28 a new rate if needed to more fully fund such adverse experience or 29 additional liabilities, but such rate shall not be less than 30%. The 30 31 provisions of this subsection shall not apply to retirants employed as substitute teachers. The provisions of K.S.A. 74-4914(5), and 32 33 amendments thereto, shall be applicable to retirants employed as special teachers, except as specifically provided in this subsection. 34 35

(c) Each school district that uses the provisions of this subsection to hire retirants shall maintain documentation describing their recruiting efforts to obtain non-retirant employees to fill the special teacher positions. Upon request of the joint committee on pensions, investments and benefits, an employer shall provide such documentation to the committee. If the committee finds that an employer has not made sufficient efforts to hire a non-retirant for the position or if the committee finds evidence of prearrangement in violation of this section, the three-year exemption provided pursuant to this subsection may be

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42 43 revoked. The committee shall notify the executive director of the system that a retirant's exemption has been revoked within 30 days of making such a determination.

- (d) An employer may submit a written assurance protocol to the system to make a one-time extension to the exception provided for in this subsection by one year. Such written assurance protocol shall be signed by the superintendent and the board president of the school district. Such written assurance protocol shall state that the position was advertised on multiple platforms for a minimum of 30 calendar days and that at least one of the following conditions occurred:
  - (i) No applications were submitted for the position;
- (ii) if applications were submitted, none of the applicants met the reference screening criteria of the employer; or
- (iii) if applications were submitted, none of the applicants possessed an appropriate teaching license for the state of Kansas or possessed the appropriate credentials to receive any type of teaching license from the state of Kansas.
- (e) Nothing in this subsection shall be construed to create any right, or to authorize the creation of any right, which is not subject to amendment or nullification by act of the legislature.
- (f) The provisions of this subsection shall expire on January 1, 2018.
- (5) (a) On and after July 1, 2016, a school district may hire a retired licensed professional to fill a non-special teacher position if such retirant is hired not prior to 60 days after such retirant's retirement date without any prearrangement with such school district, and if such school district hires a retirant for a hard-to-fill position in the manner prescribed in this subsection. The participating employer shall enroll all retirants and report to the system when compensation is paid to a retirant as provided in this subsection. Such notice shall contain a certification by the appointing authority of the participating employer that any hired retirant has not been employed by the participating employer within 60 days of such retirant's retirement and that there was no prearranged agreement for employment between the participating employer and the hired retirant. Upon request of the executive director of the system, the participating employer shall provide such information as may be needed by the executive director to carry out the provisions of this subsection.
- (b) The state board of education shall annually certify the top five types of licensed positions that are hard to fill. A school district may hire a retirant to fill a hard-to-fill position for some or all of a school year and in subsequent school years if the employer is unable to permanently fill the position with an active member. A retirant first hired under the

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42 43 provisions of this subsection may be retained by an employer even if such retirant's type of position is no longer one of the five types of positions certified by the state board of education. A retirant hired under the provisions of this subsection may continue to receive such retirant's full retirement benefit for a period not to exceed three school years or 36 months, whichever is less, and shall not be subject to the provisions of K.S.A. 74-4914(5), and amendments thereto, which relate to a compensation limitation which when met or exceeded requires that the retirant not receive a retirement benefit for any month for which such retirant serves in a position as described herein. Such retirant may be employed by such employer for some or all of a school year, and in subsequent school years if the employer is unable to permanently fill the position with active members, so long as the retirant's total term of employment with all employers under this subsection does not exceed 36 months or three school years, whichever is less. After such period, the retirant shall be subject to the provisions of K.S.A. 74-4914(7), and amendments thereto, which relate to a compensation limitation which when met or exceeded requires that the retirant not receive a retirement benefit for any month for which such retirant serves in a position as described herein. The participating employer of such retirant shall pay to the system a 30% employer contribution based on the retirant's compensation during any such period of employment. On or before July 1, 2019, and at least every three years thereafter, the board, in consultation with the system's consulting actuary, shall evaluate the plan's experience with employment of such retirants and the corresponding employer contribution rate to assess whether the employer contribution rate can be expected to fund adverse experience or higher liabilities accruing under the system in connection with employment of such retirants, to the extent that such liability can be ascertained or estimated. Based on this evaluation of the plan's experience, the board may certify to the division of the budget, in the case of the state, and to the agent for each other participating employer, a new rate if needed to more fully fund such adverse experience or additional liabilities, but such rate shall not be less than 30%. The provisions of this subsection shall not apply to retirants employed as substitute teachers. The provisions of K.S.A. 74-4914(5), and amendments thereto, shall be applicable to retirants employed as described in this subsection, except as specifically provided in this subsection.

(c) Each school district that uses the provisions of this subsection to hire retirants for hard-to-fill positions shall maintain documentation describing their recruiting efforts to obtain non-retirant employees to fill the hard-to-fill positions. Upon request of the joint committee on

 pensions, investments and benefits, a school district shall provide such documentation to the committee. If the committee finds that a school district has not made sufficient efforts to hire a non-retirant for the position or if the committee finds evidence of prearrangement in violation of this section, the three-year exemption provided pursuant to this subsection may be revoked. The committee shall notify the executive director of the system that a retirant's exemption has been revoked within 30 days of making such a determination.

- (d) An employer may submit a written assurance protocol to the system to make a one-time extension to the exception provided for in this subsection by one year. Such written assurance protocol shall be signed by the superintendent and the board president of the school district. Such written assurance protocol shall state that the position was advertised on multiple platforms for a minimum of 30 calendar days and that at least one of the following conditions occurred:
  - (i) No applications were submitted for the position;
- (ii) if applications were submitted, none of the applicants met the reference screening criteria of the employer; or
- (iii) if applications were submitted, none of the applicants possessed an appropriate teaching license for the state of Kansas or possessed the appropriate credentials to receive any type of teaching license from the state of Kansas.
- (e) Nothing in this subsection shall be construed to create any right, or to authorize the creation of any right, which is not subject to amendment or nullification by act of the legislature.
- (f) The provisions of this subsection shall expire on January 1, 2018.}
- $(6)(4){(6)}$  The provisions of K.S.A. 74-4914(8), and amendments thereto, shall apply to retirants under the provisions of this section.
- (7) Any retirant hired by any participating employer under the provisions of subsection (3), (4) or (5) or K.S.A. 74-4914(7)(d), and amendments thereto, may continue to receive such retirant's full retirement benefit so long as, commencing July 1, 2016, such retirant's total term of employment with all participating employers under one or more of such provisions does not exceed 48 months or four school years, whichever is less. After such period, such retirant shall not receive any retirement-benefit for any month in any calendar year in which such retirant receives compensation in an amount equal to \$25,000 or more in such calendar year.
- $(8)(5)\{(7)\}\$  For the purposes of this section a prearranged agreement for employment may be determined by whether the facts and circumstances of the situation indicate that the employer and employee reasonably anticipated that further services would be performed after the

1 employee's retirement.

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2 {Sec. 4. K.S.A. 2016 Supp. 74-49,204 is hereby amended to read as 3 follows: 74-49,204. The normal retirement date for a member of the system first employed by a participating employer on or after July 1, 4 2009, shall be the first day of the month coinciding with or following 5 termination of employment with any participating employer not followed 6 7 by employment with any participating employer within 60 days, or 180 days as provided in K.S.A. 74-4914(10), and amendments thereto, and the 8 attainment of age 65 with the completion of five years of credited 9 service, or age 60 with the completion of 30 years of credited service. 10 The provisions of this section shall apply to a member of the retirement 11 system who is in school employment and who is subject to K.S.A. 74-12 4940, and amendments thereto.} 13

Sec. 4. {5.} K.S.A. 2016 Supp. 46-2201, 74-4914, 74-4914f-and{,} 74-15 4937 {and 74-49,204} are hereby repealed.

Sec. 5. (6.) This act shall take effect and be in force from and after its publication in the statute book.