

74-49,122. Compensation in excess of limitations set forth in internal revenue code; requirements and limitations. (1) Notwithstanding any other provision of law, compensation or salary in excess of the limitations set forth in section 401(a)(17) of the internal revenue code shall not be taken into account under any system of retirement benefits administered by the Kansas public employees retirement system, except that for eligible employees, compensation or salary that may be taken into account shall not be less than that which was allowed to be taken into account on July 1, 1993. For purposes of this section, an "eligible employee" is an individual whose membership in any retirement system administered by the Kansas public employees retirement system was earlier than July 1, 1996.

(2) Notwithstanding any other provision of law, employee contributions shall not be withheld or paid into any retirement system administered by the Kansas public employees retirement system by reason of compensation or salary in excess of the limitations set forth in section 401(a)(17) of the internal revenue code, except that for eligible employees as defined in subsection (1). Compensation or salary on which contributions shall be withheld shall not be subject to any limitations other than those that were in effect under the Kansas public employees retirement system on July 1, 1993.

(3) Notwithstanding any other provision of law, and except for eligible employees as defined in subsection (1), no benefit shall be paid based on compensation or salary that is in excess of the limitations set forth in section 401(a)(17) of the internal revenue code.

(4) Effective with respect to plan years beginning on and after January 1, 2002, the annual compensation of a member which exceeds \$200,000 as adjusted for cost-of-living increases in accordance with section 401(a)(17)(B) of the federal internal revenue code, may not be taken into account in determining benefits or employee contributions for any plan year. Annual compensation for the determination period means compensation during the plan year or such other consecutive 12-month period over which compensation is otherwise determined under the plan. The cost-of-living adjustment in effect for a calendar year applies to annual compensation for the determination period that begins with or within such calendar year. If the determination period consists of fewer than 12 months, the annual compensation limit is an amount equal to the otherwise applicable annual compensation limit multiplied by a fraction, the numerator of which is the number of months in the short determination period, and the denominator of which is 12. If the compensation for any prior determination period is taken into account in determining a member's contributions or benefits for the current plan year, the compensation for such prior determination period is subject to the applicable annual compensation limit in effect for that prior period.

(5) For purposes of this section, retirement system means the Kansas public employees retirement system, the Kansas police and firemen's retirement system and the retirement system for judges, and any other system administered by the board of trustees.

History: L. 1995, ch. 267, § 36; L. 2008, ch. 113, § 18; July 1.