

**HOUSE BILL No. 2289**

By Committee on Financial Institutions and Pensions

2-7

Proposed amendment to HB 2289  
For Committee on Financial Institutions and  
Pensions  
March 13, 2017

Prepared by David Wiese  
Office of Revisor of Statutes

1 AN ACT concerning retirement and pensions; relating to the Kansas public  
2 employees retirement system and systems thereunder; participating  
3 service credit; amending K.S.A. 74-4913 and 74-4956 and repealing  
4 the existing sections.  
5

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

7 Section 1. K.S.A. 74-4913 is hereby amended to read as follows: 74-  
8 4913. (1) Prior service shall be credited as follows:

9 (a) A member shall receive full credit for continuous employment  
10 prior to the entry date with such member's employer on the entry date. If  
11 the employee was also employed on March 15 of the year immediately  
12 preceding the entry date of that employer, then all such previous  
13 employment, whether or not continuous, shall be credited; otherwise no  
14 credit shall be granted for employment prior to a break in continuous  
15 employment. Any member or retirant who was employed by any  
16 participating employer on March 15 of the year immediately preceding the  
17 entry date of that employer, may apply to the board on such forms as it  
18 may prescribe for prior service credit with a participating employer other  
19 than the member's entry date employer. Upon receipt of written  
20 verification of such employment from the participating employer, the  
21 board shall grant such additional prior service credit and with respect to a  
22 retirant, shall adjust the amount of the retirement benefit accordingly  
23 commencing with the next monthly benefit payment due following receipt  
24 of the written verification, except that such retirant shall not be entitled to  
25 any retroactive adjustment in the amount of such retirement benefit as a  
26 result of the board granting such additional prior service credit. In the case  
27 of any person other than a retirant receiving a retirement benefit, such  
28 person may make application for an adjustment in the benefit amount in  
29 the same manner as a member or retirant, and in such case the adjustment  
30 in the benefit amount shall be determined by the board upon the advice of  
31 the actuary, and shall commence with the next monthly benefit payment  
32 due following receipt of the written verification;

33 (b) leaves of absence and military service shall not be counted as  
34 breaks in continuous employment; however, military service which is  
35 immediately preceded and followed by employment with a participating  
36 employer shall be credited, except that after July 1, 1974, not more than

1 five years' credit for military service shall be granted hereunder to the  
2 extent required under USERRA, but leaves of absence shall not be  
3 credited;

4 (c) any member who was employed in the Kansas state employment  
5 service, now a section of the Kansas division of employment security,  
6 during any of the time the Kansas state employment service was loaned by  
7 the state to the federal government (January 1, 1942, for the duration of the  
8 emergency period of world war II, which service was returned to the state  
9 by the federal government effective November 16, 1946) shall be entitled  
10 to prior service credit for the time so employed during the period stated for  
11 any service rendered under the jurisdiction of the United States  
12 employment service for the federal government in like manner as if the  
13 employment service had remained under the jurisdiction of the state of  
14 Kansas;

15 (d) any member who is not otherwise eligible for service credit as  
16 provided for in subsection (1)(a) may be granted credit for the service  
17 upon the attainment of 38 quarters of participating service;

18 (e) any member who was employed by the university of Wichita prior  
19 to July 1, 1964, shall be entitled to prior service credit for such time of  
20 employment under the Kansas public employees retirement system, when  
21 such employment is not the basis for other pension rights.

22 (2) Participating service shall be credited as follows: (a) A member  
23 shall receive credit for participating service with a participating employer  
24 in accordance with the rules and regulations established by the board of  
25 trustees, ~~except that. [Any period of time]~~ away from work or normal duties  
26 while in a paid status authorized and approved by a participating  
27 employer on and after July 1, 2014, including, without limitation, any  
28 administrative leave with pay and any paid vacation leave, sick leave,  
29 personal leave, worker's compensation leave, light duty or temporary duty  
30 assignment, shall constitute participating service and any member shall  
31 receive full credit for such participating service with a participating  
32 employer for any such period of time away from work or normal duties.  
33 However, no more than one calendar quarter of participating service shall  
34 be credited for any employment within any one calendar quarter;

35 (b) leaves of absence and military service shall not count as a break in  
36 continuous employment. In the case of a leave of absence, the member  
37 shall leave such member's accumulated contribution on deposit with the  
38 fund; however, the period of military service shall be credited, except that  
39 after July 1, 1974, not more than five years' credit for military service shall  
40 be granted hereunder to the extent required under USERRA, but leaves of  
41 absence shall not be credited. Employees who enter the military service  
42 from their employment after the employer's entry date and who have not  
43 completed one year of service at the time of their entry into the military

Any member employed as a fireman or policeman, as described in K.S.A. 74-4952(11) or (12), and amendments thereto, who is

If the member does not return to work for the participating employer in the same or a similar position at the conclusion of such leave, except for reasons of death or disability, the period of the leave shall be removed from service credit and the employer and employee contributions for such period of leave shall be reimbursed by the system to the employee and the employer unless otherwise provided herein. In the case of a decision to voluntarily terminate employment, the period of leave exceeding 365 days shall be removed from service credit and the employer and employee contributions for such period of leave shall be reimbursed by the system to the employee and employer.

1 service, shall not become members of the retirement system until they  
2 return to the employment of that or another participating employer. In the  
3 case of such employee whose combined public employment and military  
4 service does not equal one year at the time of such employee's return to  
5 employment, the date of membership shall be the first day of the payroll  
6 period coinciding with or following the completion of one combined  
7 public employment and military year of service. Such service shall be  
8 granted in accordance with this section;

9 (c) a period of retirement under the system or a period of total  
10 disability, immediately followed by employment with a participating  
11 employer, shall not count as a break in continuous employment, except  
12 that such periods while not employed shall not be credited as participating  
13 service;

14 (d) termination of employment, followed by employment with a  
15 participating employer within five years after such termination, does not  
16 constitute a break in continuous employment if such person has not  
17 withdrawn such person's accumulated contribution. Such period while not  
18 employed shall not be credited as participating service.

19 (3) In determining the number of years of credited prior service or  
20 participating service a fractional year of six months or more shall be  
21 considered as one year and a fractional year of less than six months shall  
22 be disregarded.

23 Sec. 2. K.S.A. 74-4956 is hereby amended to read as follows: 74-  
24 4956. (1) Prior service shall be credited as follows:

25 (a) Each member shall receive:

26 (i) Full credit for all employment, whether or not continuous, as  
27 either a policeman or fireman prior to the entry date with such member's  
28 employer who is such member's employer on the entry date;

29 (ii) full credit for all employment, whether or not continuous, as  
30 either a police or fireman prior to the entry date of such police or firemen's  
31 employer, with a participating employer, if such member has at least 20  
32 years of credited service; and

33 (iii) for all continuous employment with the same employer other  
34 than either as policeman or fireman, immediately preceding such service  
35 as a policeman or fireman, one month of credit for each two months of  
36 service. Any member or retirant who has been credited with prior service  
37 as provided in this section may apply to the board on such forms as the  
38 board prescribes for prior service credit with a participating employer  
39 under the Kansas police and firemen's retirement system other than such  
40 member's entry date employer. Each member shall receive full credit for  
41 all employment as either a policeman or fireman with such other  
42 participating employers and shall receive one month of credit for each two  
43 months of continuous service with other participating employers for

1 continuous employment preceding service as a policeman or fireman.  
2 Upon receipt of written verification of such employment from such other  
3 participating employer, the board may grant such additional prior service  
4 credit. With respect to a retirant, the board shall adjust the amount of the  
5 retirement benefit accordingly commencing with the next monthly benefit  
6 payment due following receipt of written verification. In the case of any  
7 person other than a retirant receiving a retirement benefit, such person may  
8 make application for an adjustment in the benefit amount in the same  
9 manner as a member or retirant, and in such case the adjustment in the  
10 benefit amount shall be determined by the board upon the advice of the  
11 actuary, and shall commence with the next monthly benefit payment due  
12 following receipt of written verification, except that no additional prior  
13 service credit shall be granted for any service with another participating  
14 employer for which benefits are being received or will be received. A  
15 retirant or any other person receiving a retirement benefit shall not be  
16 entitled to any retroactive adjustment in the amount of retirement benefit  
17 as a result of the board granting such additional prior service credit.

18 If a member was employed as a fireman, other than as a volunteer  
19 fireman, by a township which is annexed by a participating employer the  
20 member's retirement benefits and death and disability benefits shall be  
21 computed on the basis of credited service. Continuous service as a fireman  
22 with a township prior to annexation by a member, who became a member  
23 immediately following the annexation, shall be considered credited  
24 service.

25 No such service shall be considered credited service for the purpose of  
26 computing years of service if such fireman is receiving or will become  
27 eligible to receive benefits as a result of such service with the township.

28 (b) Leaves of absence and military service shall not be counted as  
29 breaks in continuous employment; however, military service which is  
30 preceded within 30 days and followed by employment with a participating  
31 employer shall be credited, except that after July 1, 1974, not more than  
32 five years credit for military service shall be granted hereunder to the  
33 extent required by the provisions of USERRA, but leaves of absence shall  
34 not be credited.

35 (2) Participating service shall be credited as follows: (a) A member  
36 shall receive credit for participating service with a participating employer  
37 in accordance with the rules and regulations established by the board. *Any*  
38 *period of time away from work or normal duties while in a paid status*  
39 *authorized and approved by a participating employer on and after July 1,*  
40 *2014, including, without limitation, any administrative leave with pay and*  
41 *any paid vacation leave, sick leave, personal leave, worker's*  
42 *compensation leave, light duty or temporary duty assignment, shall*  
43 *constitute participating service and any member shall receive full credit*

1 *for such participating service with a participating employer for any such*  
2 *period of time away from work or normal duties.* No more than one  
3 calendar quarter of participating service shall be credited for employment  
4 within any one calendar quarter.

5 (b) Leaves of absence shall not be counted as a termination of  
6 employment provided the member leaves such member's accumulated  
7 contributions on deposit with the system and returns to employment with  
8 the employer granting such leave; however, the period of leave of absence  
9 shall not be credited service.

10 (c) To the extent required under the provisions of USERRA, military  
11 service shall not count as a break in continuous employment.

12 (d) Termination of employment with a participating employer  
13 followed by employment with the same or another participating employer  
14 within two years shall not constitute a termination of membership  
15 provided the member leaves such member's accumulated contributions on  
16 deposit with the system; however, the period while not employed shall not  
17 be credited.

18 (3) In determining the number of years of credited service for  
19 calculation of retirement benefits a fractional year of six months or more  
20 of credited service shall be considered as one year and a fractional year of  
21 less than six months of credited service shall be disregarded.

22 Sec. 3. K.S.A. 74-4913 and 74-4956 are hereby repealed.

23 Sec. 4. This act shall take effect and be in force from and after its  
24 publication in the statute book.

If the member does not return to work for the participating employer in the same or a similar position at the conclusion of such leave, except for reasons of death or disability, the period of the leave shall be removed from service credit and the employer and employee contributions for such period of leave shall be reimbursed by the system to the employee and the employer unless otherwise provided herein. In the case of a decision to voluntarily terminate employment, the period of leave exceeding 365 days shall be removed from service credit and the employer and employee contributions for such period of leave shall be reimbursed by the system to the employee and employer.