

HOUSE BILL No. 2064

By Joint Committee on Pensions, Investments and Benefits

1-13

Proposed amendment to HB 2064
House Insurance and Pensions Committee
February 1, 2021
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1 AN ACT concerning retirement and pensions; relating to the Kansas
2 deferred retirement option program act; election; extension of initial
3 DROP period; amending K.S.A. 74-4986n and K.S.A. 2020 Supp. 74-
4 4986l and repealing the existing sections.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2020 Supp. 74-4986l is hereby amended to read as
8 follows: 74-4986l. (a) As used in this act, unless otherwise provided or the
9 context otherwise requires:

10 (1) "Act" means the Kansas deferred retirement option program act;
11 (2) "board" means the board of trustees of the Kansas public
12 employees retirement system;

13 (3) "DROP" means the deferred retirement option program
14 established by K.S.A. 74-4986m, and amendments thereto;

15 (4) "DROP account" means the notional account to which is credited
16 the monthly DROP accrual;

17 (5) "DROP period" means the period of time that a member
18 ~~irrevocably~~ elects to participate in the DROP pursuant to K.S.A. 74-4986n,
19 and amendments thereto;

20 (6) "member" means a trooper, examiner or officer of the Kansas
21 highway patrol or an agent of the Kansas bureau of investigation who is
22 eligible to participate in the DROP and who elects to participate in the
23 DROP as provided in this act;

24 (7) "monthly DROP accrual" means the amount equal to the monthly
25 retirement benefit that would have been payable to the member had the
26 member terminated service and retired on the day the member elected; and
27 (8) "system" means the Kansas police and firemen's retirement
28 system.

29 (b) Unless specifically provided in this section or in this act, words
30 and phrases used in this act ~~shall have the meanings ascribed to them~~
31 ~~mean the same~~ as provided under the provisions of K.S.A. 74-4901 et seq.
32 and ~~K.S.A.~~ 74-4951 et seq., and amendments thereto.

33 Sec. 2. K.S.A. 74-4986n is hereby amended to read as follows: 74-
34 4986n. (a) (1) A member who is appointed or employed prior to July 1,
35 1989, and who did not make an election pursuant to K.S.A. 74-4955a, and
36 amendments thereto, may elect to participate in the DROP by making

1 application in such form prescribed by the system at the attainment of age
2 55 and the completion of 20 years of credited service or at the completion
3 of 32 years of credited service regardless of the age of such member.

4 (2) A member who is appointed or employed on or after July 1, 1989,
5 or who made an election pursuant to K.S.A. 74-4955a, and amendments
6 thereto, may elect to participate in the DROP by making application in
7 such form prescribed by the system at the attainment of age 55 and the
8 completion of 20 years of credited service, age 50 and the completion of
9 25 years of credited service or age 60 with the completion of 15 years of
10 credited service.

11 (b) A member shall indicate on the application the DROP period such
12 member wishes to participate in the DROP. A member may elect to
13 participate in the DROP for a minimum of three years and may not
14 participate for more than five years from the effective date of the election
15 to participate in the DROP. A member may participate in the DROP only
16 ~~once. An election under this section is a one-time irrevocable election.~~
17 Once the application is accepted by the system, such member becomes a
18 DROP participant. If a member fails to participate in the DROP for a
19 minimum of three years, all of the member's interest credits shall be
20 forfeited, unless such member retires due to disability as defined in K.S.A.
21 74-4952, and amendments thereto. A member who remains in active
22 service at the expiration of the member's elected DROP period shall not be
23 eligible for any additional interest credits. *A member who first elected a*
24 *DROP period of less than five years may extend such DROP period upon*
25 *making application to the system. The total aggregate DROP period for a*
26 *member shall not exceed five years from the effective date of the initial*
27 *election to participate in the DROP.*

28 (c) A member who makes an election under this section shall
29 continue in the active service under the Kansas police and firemen's
30 retirement system but shall not earn service credit under K.S.A. 74-4951 et
31 seq., and amendments thereto, after the election's effective date. On and
32 after the effective date of the member's election to participate, such
33 member is ineligible to purchase service credit under K.S.A. 74-4901 et
34 seq., and amendments thereto.

35 (d) Participation in the DROP by a member does not guarantee
36 continued employment. During a member's participation in the DROP,
37 employer contributions under K.S.A. 74-4967, and amendments thereto,
38 and member contributions under K.S.A. 74-4965, and amendments
39 thereto, shall be made to the retirement system. No member or employer
40 contributions shall be applied to a member's DROP account.

41 Sec. 3. K.S.A. 74-4986n and K.S.A. 2020 Supp. 74-4986l are hereby
42 repealed.

43 Sec. 4. This act shall take effect and be in force from and after its

, with employer's authorization,

be consecutive and shall

- 1 publication in the statute book.