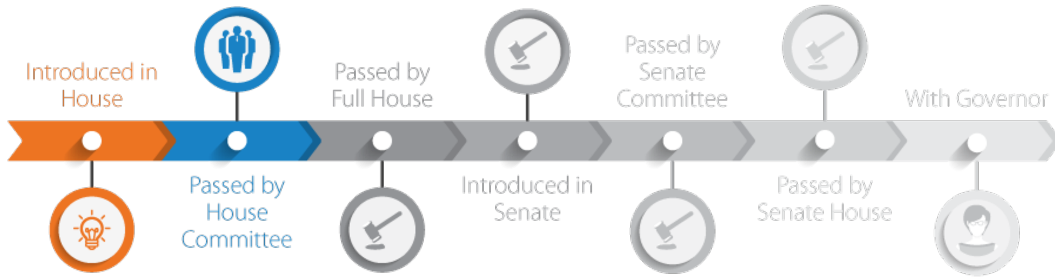
February 20, 2023

2023 Legislative Session | KPERS Bill Recap

House Bill 2195: Working After Retirement Contributions

Where It's At



Quick Look

HB 2195 changes the statutory employer contributions on compensation paid to KPERS retirees who return to work for a KPERS employer.

Hearings

February 15 – House Financial Institutions and Pensions
February 20 – Passed House Committee as Amended

The Fine Print

KPERS employers must meet three statutory rules before hiring KPERS retirees:

1. **Waiting Period**. Members who retire before age 62 have a 180-day waiting period to return to work with a KPERS employer. Members who retire at age 62 or later have a 60-day waiting period.
2. **No Prearrangements**. Before retirement and during the waiting period, retirees and employers cannot communicate in any way about returning to work.
3. **Employer Contributions**. If a retiree returns to work in a covered position, the employer makes contributions to continue helping fund the System. Employers pay the statutory contribution rate (currently 13.11% for Schools) up to $25,000, and 30% contribution rate for earnings over $25,000.

Working-after-retirement rules do not apply to KPERS retirees who return to work for non-KPERS employers.

HB 2195, as amended by House Committee, increases the threshold for the 30% employer contribution from $25,000 to $50,000. In addition, HB 2195 suspends the 30% employer contribution rate from July 1, 2023, through December 31, 2024, for all retirees working after retirement. For these retirees, the employer is required to contribute the statutory rate on all compensation.