Kansas Administrative Regulations

Kansas Public Employees Retirement System

Article 5.—Retirement

80-5-6. Compensation; defined.

(a) For the purpose of determining contributions to the retirement system for participating service, the compensation of the member shall include the following, with exceptions as noted in subsection (b):

(1) All amounts upon which the employer withholds and pays federal withholding, social security tax, or medicare tax. These amounts shall include the imputed taxable value of any economic advantage, opportunity, or privilege granted to the member by the employer;

(2) to the extent not included in paragraph (1) above, all amounts sheltered from income taxation under 26 U.S.C. §§ 125, 403(b), and 457 of the federal internal revenue code, as defined in K.S.A. 74-4902(35), and amendments thereto; and

(3) to the extent not included in paragraphs (1) and (2) above, all amounts that represent the value of maintenance, board, lodging, laundry, tuition assistance, goods and services, and other allowances to members by employers in lieu of money; and

(4) for members who were first employed in a covered position before July 1, 1993, the amount of lump-sum termination payments for vacation, sick leave, and compensatory time.

(b) For the purpose of determining contributions to the retirement system for participating service, the compensation of the member shall not include the following:

(1) Any amounts that are not counted, according to any law or regulation of the state of Kansas, in a member's final average salary for calculations of retirement benefits;

(2) the imputed taxable amount for life insurance coverage above $50,000;

(3) reimbursement for actual expenses;

(4) payments under any early retirement incentive program paid before the retirement of the member; and

(5) for those first hired after July 1, 1996, any compensation above $150,000 per year, as indexed, in accordance with 26 U.S.C. § 401(a)(17) of the federal internal revenue code, as defined in K.S.A. 74-4902(35), and amendments thereto.

(c) Notwithstanding any rule and regulation or other provision of law to the contrary, the sum of contributions shall not exceed the limits under 26 U.S.C. § 415(c) of the federal internal revenue code, as defined in K.S.A. 74-4902(35), and amendments thereto.

(Authorized by K.S.A. 1997 Supp. 74-4909, as amended by L. 1998, ch. 64, § 27; implementing K.S.A. 1997 Supp. 74-4915; effective Jan. 1, 1966; amended Sept. 10, 1999.)