Kansas Administrative Regulations

Department of Administration

Article 21.—United States Savings Bond Deduction Program

1-21-7. Custody of funds, disbursements, refunds and transfers.

(a) Any payroll deduction in an amount insufficient to issue the denomination selected shall be accumulated and retained in the clearing fund, without interest, until:

(1) a sufficient amount is credited to the account to issue the denomination selected;

(2) the amount is refunded to the employee; or

(3) the amount is transferred to the state treasurer, as provided in subsection (d).

(b) Bonds in the denomination selected shall be purchased and issued by the director within a reasonable time following each regular payday.

(c) The amount in an account shall be refunded on request to:

(1) an employee who discontinues participation;

(2) an employee who terminates employment; or

(3) an employee's estate or authorized representative.

(d) If an account has been inactive for three years and no request for a refund has been filed, the balance in the account may be transferred to the state treasurer as unclaimed property, pursuant to K.S.A. 1992 Supp. 58-3909, at the director's discretion.

(e) If a bond is issued and a subsequent payroll adjustment transaction is processed which creates an insufficient bond account for the employee, agency funds shall be charged for the amount of the adjustment included in the purchase price of the bond. The agency shall be responsible for the recovery of these funds from the employee. (Authorized by K.S.A. 75-3706, 75-5530; implementing K.S.A. 75-5530; effective May 1, 1978; amended July 12, 1993.)