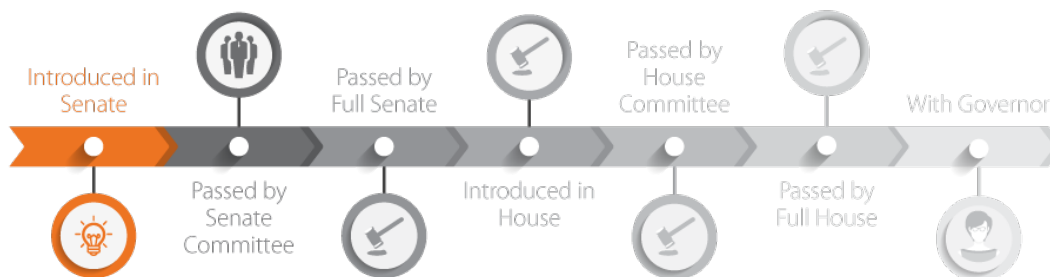


2023 Legislative Session | KPERS Bill Recap

Senate Bill 230: Kansas Thrift Savings Plan

Where It's At



Quick Look

SB 230 creates a new defined contribution plan for new employees starting July 1, 2025.

Hearings

No hearings scheduled.

The Fine Print

Currently, when an employee is hired by a KPERS employer, they are automatically enrolled in the KPERS plan for that position (KPERS, KP&F or Judges). All of these plans are defined benefit plans, which means the member is guaranteed a lifetime benefit at retirement.

SB 230 creates a defined contribution plan, called the Kansas Thrift Savings Plan. It would begin on July 1, 2025. With a defined contribution plan, individuals manage their own accounts. Their retirement benefit is not guaranteed. Defined contribution plans are generally more portable (i.e. members can withdraw or rollover their contributions and interest if they leave employment before retirement).

If enacted, the Kansas Thrift Savings Plan would be the mandatory retirement plan for all new members who start after July 1, 2025. No new members would be enrolled in the KPERS plan. The KP&F, Judges, and KPERS-Correctional plans would remain in place.

Under SB 230, existing members in KPERS would be given the option to switch to the defined contribution plan. This one-time, irrevocable election is subject to approval by the Internal Revenue Service. No KPERS members would be required to change plans.

Several other states have a defined contribution plan as either the primary retirement plan or as an optional retirement plan. KPERS has existed as a defined benefit plan since it was created in 1962.