

# **One Hundred Fifth Legislature - First Session - 2017**

## **Introducer's Statement of Intent**

### **LB532**

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**Chairperson: Senator Mark Kolterman**

**Committee: Nebraska Retirement Systems**

**Date of Hearing: February 13, 2017**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Under LB 532 beginning on the effective date of the act, the state is liable for funding any obligation to the Judges' and Patrol Retirement plans for a judge or patrol plan member who was reemployed pursuant to the Uniform Services Employment and Reemployment Rights Act (USERRA). The bill requires the state as the employer to pay to the retirement system the sum of the member and employer contributions that would have been paid during such period of military service and any actuarial costs necessary to fund the obligation of the plan to provide benefits based upon such period of military service. The funds will be deposited in the plan assets and accounts in a manner consistent with state law, USERRA, and the federal Internal Revenue Code.

Beginning on the effective date of the act, the school district is liable for funding any obligation to the School Employees Retirement plan for a member who was reemployed pursuant to USERRA. The bill requires the school district as the member's employer, to pay to the retirement system the sum of the member and employer contributions that would have been paid during such period of military service and any actuarial costs necessary to fund the obligation of the plan to provide benefits base upon such period of military service. The funds will be deposited in the plan assets and accounts in a manner consistent with state law, USERRA, and the federal Internal Revenue Code.

Beginning January 1, 2018, the state is liable for funding any obligation to the State Employees Retirement plan for a member who was reemployed pursuant to USERRA. The bill requires the state as the employer to pay to the retirement system the sum of the member and employer contributions that would have been paid during such period of military service and any actuarial costs necessary to fund the obligation of the plan to provide benefits based upon such period of military service. The funds will be deposited in the plan assets and accounts in a manner consistent with state law, USERRA, and the federal Internal Revenue Code.

Beginning January 1, 2018, the county is liable for funding any obligation to the County Employees Retirement plan for a member who was reemployed pursuant to USERRA in

order to provide benefits based upon the period of military service provided under such Act. The bill requires the county as the employer to pay to the retirement system the sum of the member and employer contributions that would have been paid during such period of military service and any actuarial costs necessary to fund the obligation of the plan to provide benefits based upon such period of military service. The funds will be deposited in the plan assets and accounts in a manner consistent with state law, USERRA, and the federal Internal Revenue Code.

The Public Employees Retirement Board may promulgate regulations which include:

- Notification requirements for the employee and employer regarding the period of military service provided;
- Acceptable methods of payment to the retirement plan;
- Amount of the contributions based on determination of compensation; and
- Documentation required to establish re-employment under USERRA.

Under LB 532 the employer is only liable to fund military service that falls under the definition of uniformed service under USERRA and does not apply to service provided pursuant to the Military Code, codified at 55-5101 to 55-181.

**Principal Introducer:** \_\_\_\_\_

Senator Mark Kolterman