

AMENDMENTS TO LB700

Introduced by Nebraska Retirement Systems.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Section 23-2309.01, Revised Statutes Cumulative
4 Supplement, 2020, is amended to read:

5 23-2309.01 (1)(a) ~~(1)~~ Each member employed and participating in the
6 retirement system prior to January 1, 2003, who has elected not to
7 participate in the cash balance benefit, shall be allowed to allocate all
8 contributions to the member's ~~his or her~~ employee account to various
9 investment options. The investment options shall include, but not be
10 limited to, the following:

11 ~~(a) Prior to January 1, 2021, the investment options shall include,~~
12 ~~but not be limited to, the following:~~

13 ~~(i) An investor select account which shall be invested under the~~
14 ~~direction of the state investment officer with an asset allocation and~~
15 ~~investment strategy substantially similar to the investment allocations~~
16 ~~made by the state investment officer for the defined benefit plans under~~
17 ~~the retirement systems described in subdivision (1)(a) of section~~
18 ~~84-1503. Investments shall most likely include domestic and international~~
19 ~~equities, fixed income investments, and real estate, as well as~~
20 ~~potentially additional asset classes;~~

21 ~~(ii) A stable return account which shall be invested by or under the~~
22 ~~direction of the state investment officer in a stable value strategy that~~
23 ~~provides capital preservation and consistent, steady returns;~~

24 ~~(iii) An equities account which shall be invested by or under the~~
25 ~~direction of the state investment officer in equities;~~

26 ~~(iv) A balanced account which shall be invested by or under the~~
27 ~~direction of the state investment officer in equities and fixed income~~

1 instruments;

2 ~~(v) An index fund account which shall be invested by or under the~~
3 ~~direction of the state investment officer in a portfolio of common stocks~~
4 ~~designed to closely duplicate the total return of the Standard and Poor's~~
5 ~~division of The McGraw-Hill Companies, Inc., 500 Index;~~

6 ~~(vi) A fixed income account which shall be invested by or under the~~
7 ~~direction of the state investment officer in fixed income instruments;~~

8 ~~(vii) A money market account which shall be invested by or under the~~
9 ~~direction of the state investment officer in short-term fixed income~~
10 ~~securities; and~~

11 ~~(viii) Beginning July 1, 2006, an age based account which shall be~~
12 ~~invested under the direction of the state investment officer with an~~
13 ~~asset allocation and investment strategy that changes based upon the age~~
14 ~~of the member. The board shall develop an account mechanism that changes~~
15 ~~the investments as the employee nears retirement age. The asset~~
16 ~~allocation and asset classes utilized in the investments shall move from~~
17 ~~aggressive, to moderate, and then to conservative as retirement age~~
18 ~~approaches.~~

19 ~~If a member fails to select an option or combination of options~~
20 ~~prior to January 1, 2021, all of his or her funds shall be placed in the~~
21 ~~option described in subdivision (a)(ii) of this subsection. Each member~~
22 ~~shall be given a detailed current description of each investment option~~
23 ~~prior to making or revising his or her allocation.~~

24 ~~(b) On or after January 1, 2021, the investment options shall~~
25 ~~include, but not be limited to, the following:~~

26 ~~(i) An investor select account which shall be invested under the~~
27 ~~direction of the state investment officer with an asset allocation and~~
28 ~~investment strategy substantially similar to the investment allocations~~
29 ~~made by the state investment officer for the defined benefit plans under~~
30 ~~the retirement systems described in subdivision (1)(a) of section~~
31 ~~84-1503. Investments shall most likely include domestic and international~~

1 equities, fixed income investments, and real estate, as well as
2 potentially additional asset classes;

3 (ii) A stable return account which shall be invested by or under the
4 direction of the state investment officer in a stable value strategy that
5 provides capital preservation and consistent, steady returns;

6 (iii) An equities account which shall be invested by or under the
7 direction of the state investment officer in equities;

8 (iv) A fixed income account which shall be invested by or under the
9 direction of the state investment officer in fixed income instruments;
10 and

11 (v) A life-cycle fund which shall be invested under the direction of
12 the state investment officer with an asset allocation and investment
13 strategy that adjusts from a position of higher risk to one of lower risk
14 as the member ages.

15 (b) If the member fails to select an option or combination of
16 options pursuant to ~~this subdivision (a) of this subsection (b)~~, all of
17 the member's ~~his or her~~ funds shall be placed in the option described in
18 subdivision (a)(v) ~~(b)(v)~~ of this subsection. Each member shall be given
19 a detailed current description of each investment option prior to making
20 or revising the member's ~~his or her~~ allocation.

21 (2) Members of the retirement system may allocate their
22 contributions to the investment options in percentage increments as set
23 by the board in any proportion, including full allocation to any one
24 option. A member under subdivision (1)(a) of section 23-2321 or the
25 member's ~~his or her~~ beneficiary may transfer any portion of the member's
26 ~~his or her~~ funds among the options, except for restrictions on transfers
27 to or from the stable return account pursuant to rule or regulation. The
28 board may adopt and promulgate rules and regulations for changes of a
29 member's allocation of contributions to the member's ~~his or her~~ accounts
30 after the member's ~~his or her~~ most recent allocation and for transfers
31 from one investment account to another.

1 (3) The board shall develop a schedule for the allocation of
2 administrative costs of maintaining the various investment options and
3 shall assess the costs so that each member pays a reasonable fee as
4 determined by the board.

5 (4) In order to carry out this section, the board may enter into
6 administrative services agreements for accounting or record-keeping
7 services. No agreement shall be entered into unless the board determines
8 that it will result in administrative economy and will be in the best
9 interests of the county and its participating employees.

10 (5) The state, the board, the state investment officer, the members
11 of the Nebraska Investment Council, or the county shall not be liable for
12 any investment results resulting from the member's exercise of control
13 over the assets in the employee account.

14 Sec. 2. Section 23-2310.05, Revised Statutes Cumulative Supplement,
15 2020, is amended to read:

16 23-2310.05 (1) Each member employed and participating in the
17 retirement system prior to January 1, 2003, who has elected not to
18 participate in the cash balance benefit, shall be allowed to allocate all
19 contributions to the member's ~~his or her~~ employer account to various
20 investment options. Such investment options shall be the same as the
21 investment options of the employee account as provided in subsection (1)
22 of section 23-2309.01. If a member fails to select an option or
23 combination of options, all of the member's ~~his or her~~ funds in the
24 employer account shall be placed in the investment option described in
25 subdivision (1)(a)(v) ~~or (1)(b)(v)~~ of section 23-2309.01, ~~whichever~~
26 ~~option is applicable based on the date of contribution.~~ Each member shall
27 be given a detailed current description of each investment option prior
28 to making or revising the member's ~~his or her~~ allocation.

29 (2) Each member of the retirement system may allocate contributions
30 to the member's ~~his or her~~ employer account to the investment options in
31 percentage increments as set by the board in any proportion, including

1 full allocation to any one option. A member under subdivision (1)(a) of
2 section 23-2321 or the member's ~~his or her~~ beneficiary may transfer any
3 portion of the member's ~~his or her~~ funds among the options. The board may
4 adopt and promulgate rules and regulations for changes of a member's
5 allocation of contributions to the member's ~~his or her~~ accounts after the
6 member's ~~his or her~~ most recent allocation and for transfers from one
7 investment account to another.

8 (3) The board shall develop a schedule for the allocation of
9 administrative costs of maintaining the various investment options and
10 shall assess the costs so that each member pays a reasonable fee as
11 determined by the board.

12 (4) In order to carry out ~~the provisions of~~ this section, the board
13 may enter into administrative services agreements for accounting or
14 record-keeping services. No agreement shall be entered into unless the
15 board determines that it will result in administrative economy and will
16 be in the best interests of the state and participating employees.

17 (5) The state, the board, the state investment officer, the members
18 of the Nebraska Investment Council, or the county shall not be liable for
19 any investment results resulting from the member's exercise of control
20 over the assets in the employer account.

21 Sec. 3. Section 23-2317.01, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 23-2317.01 ~~The~~ There is hereby created the County Equal Retirement
24 Benefit Fund is created. The fund shall ~~to~~ be administered by the board.
25 Each county participating in the retirement system on January 1, 1984,
26 pursuant to the County Employees Retirement Act shall make a contribution
27 at least once a year to the fund, in addition to any other retirement
28 contributions. Such contribution shall be in an amount determined by the
29 board to provide all similarly situated male and female members of the
30 retirement system with equal benefits pursuant to subsection (2) of
31 section 23-2317 and to provide for direct expenses incurred in

1 administering the fund. The board shall keep a record of the
2 contributions made by each county. Any money in the fund available for
3 investment shall be invested by the state investment officer pursuant to
4 the Nebraska Capital Expansion Act and the Nebraska State Funds
5 Investment Act.

6 Sec. 4. Section 72-1243, Revised Statutes Cumulative Supplement,
7 2020, is amended to read:

8 72-1243 (1) Except as otherwise specifically provided by law, the
9 state investment officer shall direct the investment and reinvestment of
10 money in all state funds not currently needed and all funds described in
11 section 83-133 and order the purchase, sale, or exchange of securities
12 for such funds. He or she shall notify the State Treasurer of any
13 payment, receipt, or delivery that may be required as a result of any
14 investment decision, which notification shall be the authorization and
15 direction for the State Treasurer to make such disbursement, receipt, or
16 delivery from the appropriate fund.

17 (2) The council shall have an analysis made of the investment
18 returns that have been achieved on the assets of each retirement system
19 administered by the Public Employees Retirement Board as provided in
20 section 84-1503 and, ~~beginning January 1, 2017,~~ on the assets of each
21 retirement system provided for under the Class V School Employees
22 Retirement Act. By March 31 of each year, the analysis shall be presented
23 to the board and the Nebraska Retirement Systems Committee of the
24 Legislature. The analysis shall be prepared by an independent
25 organization which has demonstrated expertise to perform this type of
26 analysis and for which there exists no conflict of interest in the
27 analysis being provided. The analysis may be waived by the council for
28 any retirement system with assets of less than one million dollars.

29 (3) ~~By March 31 of each year prior to 2020, and by April 10 of each~~
30 ~~year beginning in 2020,~~ the council shall prepare a written plan of
31 action and shall present such plan to the Nebraska Retirement Systems

1 Committee of the Legislature at a public hearing. The plan shall include,
2 but not be limited to, the council's investment portfolios, investment
3 strategies, the duties and limitations of the state investment officer,
4 and an organizational structure of the council's office.

5 Sec. 5. Section 79-902, Revised Statutes Supplement, 2021, is
6 amended to read:

7 79-902 For purposes of the School Employees Retirement Act, unless
8 the context otherwise requires:

9 (1) Accumulated contributions means the sum of all amounts deducted
10 from the compensation of a member and credited to his or her individual
11 account in the School Retirement Fund together with regular interest
12 thereon, compounded monthly, quarterly, semiannually, or annually;

13 (2)(a) Actuarial equivalent means the equality in value of the
14 aggregate amounts expected to be received under different forms of
15 payment.

16 (b) For a school employee hired before July 1, 2017, the
17 determinations shall be based on the 1994 Group Annuity Mortality Table
18 reflecting sex-distinct factors blended using twenty-five percent of the
19 male table and seventy-five percent of the female table. An interest rate
20 of eight percent per annum shall be reflected in making these
21 determinations except when a lump-sum settlement is made to an estate.

22 (c) For a school employee hired on or after July 1, 2017, or rehired
23 on or after July 1, 2017, after termination of employment and being paid
24 a retirement benefit or taking a refund of contributions, the
25 determinations shall be based on a unisex mortality table and an interest
26 rate specified by the board. Both the mortality table and the interest
27 rate shall be recommended by the actuary and approved by the retirement
28 board following an actuarial experience study, a benefit adequacy study,
29 or a plan valuation. The mortality table, interest rate, and actuarial
30 factors in effect on the school employee's retirement date will be used
31 to calculate actuarial equivalency of any retirement benefit. Such

1 interest rate may be, but is not required to be, equal to the assumed
2 rate.

3 (d) If the lump-sum settlement is made to an estate, the interest
4 rate will be determined by the AAA-rated segment of the Bloomberg
5 Barclays Long U.S. Corporate Bond Index as of the prior June 30, rounded
6 to the next lower quarter percent. If the AAA-rated segment of the
7 Bloomberg Barclays Long U.S. Corporate Bond Index is discontinued or
8 replaced, a substitute index shall be selected by the board which shall
9 be a reasonably representative index;

10 (3) Beneficiary means any person in receipt of a school retirement
11 allowance or other benefit provided by the act;

12 (4)(a) Compensation means gross wages or salaries payable to the
13 member for personal services performed during the plan year and includes
14 (i) overtime pay, (ii) member retirement contributions, (iii) retroactive
15 salary payments paid pursuant to court order, arbitration, or litigation
16 and grievance settlements, and (iv) amounts contributed by the member to
17 plans under sections 125, 403(b), and 457 of the Internal Revenue Code as
18 defined in section 49-801.01 or any other section of the code which
19 defers or excludes such amounts from income.

20 (b) Compensation does not include (i) fraudulently obtained amounts
21 as determined by the retirement board, (ii) amounts for accrued unused
22 sick leave or accrued unused vacation leave converted to cash payments,
23 (iii) insurance premiums converted into cash payments, (iv) reimbursement
24 for expenses incurred, (v) fringe benefits, (vi) per diems paid as
25 expenses, (vii) bonuses for services not actually rendered, (viii) early
26 retirement inducements, (ix) cash awards, (x) severance pay, or (xi)
27 employer contributions made for the purposes of separation payments made
28 at retirement.

29 (c) Compensation in excess of the limitations set forth in section
30 401(a)(17) of the Internal Revenue Code as defined in section 49-801.01
31 shall be disregarded. For an employee who was a member of the retirement

1 system before the first plan year beginning after December 31, 1995, the
2 limitation on compensation shall not be less than the amount which was
3 allowed to be taken into account under the retirement system as in effect
4 on July 1, 1993;

5 (5) County school official means (a) until July 1, 2000, the county
6 superintendent or district superintendent and any person serving in his
7 or her office who is required by law to have a teacher's certificate and
8 (b) on or after July 1, 2000, the county superintendent, county school
9 administrator, or district superintendent and any person serving in his
10 or her office who is required by law to have a teacher's certificate;

11 (6)(a) Creditable service means prior service for which credit is
12 granted under sections 79-926 to 79-929, service credit purchased under
13 sections 79-933.03 to 79-933.06 and 79-933.08, and all service rendered
14 while a contributing member of the retirement system; and

15 (b) Creditable service includes working days, sick days, vacation
16 days, holidays, and any other leave days for which the employee is paid
17 regular wages as part of the employee's agreement with the employer.
18 Creditable service does not include lump-sum payments to the employee
19 upon termination or retirement in lieu of accrued benefits for such days,
20 eligibility and vesting credit, service years for which member
21 contributions are withdrawn and not repaid by the member, service
22 rendered for which the retirement board determines that the member was
23 paid less in compensation than the minimum wage as provided in the Wage
24 and Hour Act, service which the board determines was rendered with the
25 intent to defraud the retirement system, or service provided to an
26 employer in a retirement system established pursuant to the Class V
27 School Employees Retirement Act;

28 (7) Current benefit means the initial benefit increased by all
29 adjustments made pursuant to the School Employees Retirement Act;

30 (8) Disability means an inability to engage in any substantially
31 gainful activity by reason of any medically determinable physical or

1 mental impairment which was initially diagnosed or became disabling while
2 the member was an active participant in the plan and which can be
3 expected to result in death or be of a long-continued and indefinite
4 duration;

5 (9) Disability retirement allowance means the annuity paid to a
6 person upon retirement for disability under section 79-952;

7 (10) Disability retirement date means the first day of the month
8 following the date upon which a member's request for disability
9 retirement is received on a retirement application provided by the
10 retirement system if the member has terminated employment in the school
11 system and has complied with sections 79-951 to 79-954 as such sections
12 refer to disability retirement;

13 (11) Early retirement inducement means, but is not limited to:

14 (a) A benefit, bonus, or payment to a member in exchange for an
15 agreement by the member to terminate from employment;

16 (b) A benefit, bonus, or payment paid to a member in addition to the
17 member's retirement benefit;

18 (c) Lump-sum or installment cash payments, except payments for
19 accrued unused leave converted to cash payments;

20 (d) An additional salary or wage component of any kind that is being
21 paid as an incentive to leave employment and not for personal services
22 performed for which creditable service is granted;

23 (e) Partial or full employer payment of a member's health, dental,
24 life, or long-term disability insurance benefits or cash in lieu of such
25 insurance benefits that extend beyond the member's termination of
26 employment and contract of employment dates. This subdivision does not
27 apply to any period during which the member is contributing to the
28 retirement system and being awarded creditable service; and

29 (f) Any other form of separation payments made by an employer to a
30 member at termination, including, but not limited to, purchasing
31 retirement annuity contracts for the member pursuant to section 79-514,

1 depositing money for the member in an account established under section
2 403(b) of the Internal Revenue Code except for payments for accrued
3 unused leave, or purchasing service credit for the member pursuant to
4 section 79-933.08;

5 (12) Eligibility and vesting credit means credit for years, or a
6 fraction of a year, of participation in a Nebraska government plan for
7 purposes of determining eligibility for benefits under the School
8 Employees Retirement Act. Such credit shall not be included as years of
9 creditable service in the benefit calculation;

10 (13) Emeritus member means a person (a) who has entered retirement
11 under ~~the provisions of~~ the act, including those persons who have retired
12 since July 1, 1945, under any other regularly established retirement or
13 pension system as contemplated by section 79-916, (b) who has thereafter
14 been reemployed in any capacity by a public school, a Class V school
15 district, or a school under the control and management of the Board of
16 Trustees of the Nebraska State Colleges, the Board of Regents of the
17 University of Nebraska, or a community college board of governors or has
18 become a state school official or county school official subsequent to
19 such retirement, and (c) who has applied to the board for emeritus
20 membership in the retirement system. The school district or agency shall
21 certify to the retirement board on forms prescribed by the retirement
22 board that the annuitant was reemployed, rendered a service, and was paid
23 by the district or agency for such services;

24 (14) Employer means the State of Nebraska or any subdivision thereof
25 or agency of the state or subdivision authorized by law to hire school
26 employees or to pay their compensation;

27 (15)(a) Final average compensation means:

28 (i) Except as provided in subdivision (ii) of this subdivision:

29 (A) The sum of the member's total compensation during the three
30 twelve-month periods of service as a school employee in which such
31 compensation was the greatest divided by thirty-six; or

1 (B) If a member has such compensation for less than thirty-six
2 months, the sum of the member's total compensation in all months divided
3 by the total number of months of his or her creditable service therefor;
4 and

5 (ii) For an employee who became a member on or after July 1, 2013:

6 (A) The sum of the member's total compensation during the five
7 twelve-month periods of service as a school employee in which such
8 compensation was the greatest divided by sixty; or

9 (B) If a member has such compensation for less than sixty months,
10 the sum of the member's total compensation in all months divided by the
11 total number of months of his or her creditable service therefor.

12 (b) Payments under the Retirement Incentive Plan pursuant to section
13 79-855 and Staff Development Assistance pursuant to section 79-856 shall
14 not be included in the determination of final average compensation;

15 (16) Fiscal year means any year beginning July 1 and ending June 30
16 next following;

17 (17) Hire date or date of hire means the first day of compensated
18 service subject to retirement contributions;

19 (18) Initial benefit means the retirement benefit calculated at the
20 time of retirement;

21 (19) Member means any person who has an account in the School
22 Retirement Fund;

23 (20) Participation means qualifying for and making required deposits
24 to the retirement system during the course of a plan year;

25 (21) Plan year means the twelve-month period beginning on July 1 and
26 ending on June 30 of the following year;

27 (22) Prior service means service rendered as a school employee in
28 the public schools of the State of Nebraska prior to July 1, 1945;

29 (23) Public school means any and all schools offering instruction in
30 elementary or high school grades, as defined in section 79-101, which
31 schools are supported by public funds and are wholly under the control

1 and management of the State of Nebraska or any subdivision thereof,
2 including (a) schools or other entities established, maintained, and
3 controlled by the school boards of local school districts, except Class V
4 school districts, (b) any educational service unit, and (c) any other
5 educational institution wholly supported by public funds, except schools
6 under the control and management of the Board of Trustees of the Nebraska
7 State Colleges, the Board of Regents of the University of Nebraska, or
8 the community college boards of governors for any community college
9 areas;

10 (24) Regular employee means an employee hired by a public school or
11 under contract in a regular full-time or part-time position who works a
12 full-time or part-time schedule on an ongoing basis for twenty or more
13 hours per week. An employee hired as described in this subdivision to
14 provide service for less than twenty hours per week but who provides
15 service for an average of twenty hours or more per week in each calendar
16 month of any three calendar months of a plan year shall, beginning with
17 the next full payroll period, commence contributions and shall be deemed
18 a regular employee for all future employment with the same employer;

19 (25) Regular interest means interest fixed at a rate equal to the
20 daily treasury yield curve for one-year treasury securities, as published
21 by the Secretary of the Treasury of the United States, that applies on
22 July 1 of each year, which may be credited monthly, quarterly,
23 semiannually, or annually as the board may direct;

24 (26) Relinquished creditable service means, with respect to a member
25 who has withdrawn his or her accumulated contributions under section
26 79-955, the total amount of creditable service which such member has
27 given up as a result of his or her election not to remain a member of the
28 retirement system;

29 (27) Required beginning date means, for purposes of the deferral of
30 distributions, April 1 of the year following the calendar year in which a
31 member has:

1 (a)(i) Terminated employment with all employers participating in the
2 plan; and

3 (ii)(A) Attained at least seventy and one-half years of age for a
4 member who attained seventy and one-half years of age on or before
5 December 31, 2019; or

6 (B) Attained at least seventy-two years of age for a member who
7 attained seventy and one-half years of age on or after January 1, 2020;
8 or

9 (b)(i) Terminated employment with all employers participating in the
10 plan; and

11 (ii) Otherwise reached the date specified by section 401(a)(9) of
12 the Internal Revenue Code and the regulations issued thereunder;

13 (28) Required deposit means the deduction from a member's
14 compensation as provided for in section 79-958 which shall be deposited
15 in the School Retirement Fund;

16 (29) Retirement means qualifying for and accepting a school or
17 disability retirement allowance granted under the School Employees
18 Retirement Act;

19 (30) Retirement application means the form approved and provided by
20 the retirement system for acceptance of a member's request for either
21 regular or disability retirement;

22 (31) Retirement board or board means the Public Employees Retirement
23 Board;

24 (32) Retirement date means (a) if the member has terminated
25 employment, the first day of the month following the date upon which a
26 member's request for retirement is received on a retirement application
27 provided by the retirement system or (b) if the member has filed a
28 retirement application but has not yet terminated employment, the first
29 day of the month following the date on which the member terminates
30 employment. An application may be filed no more than one hundred twenty
31 days prior to the effective date of the member's initial benefit;

1 (33) Retirement system means the School Employees Retirement System
2 of the State of Nebraska;

3 (34) Savings annuity means payments for life, made in equal monthly
4 payments, derived from the accumulated contributions of a member;

5 (35) School employee means a contributing member who earns service
6 credit pursuant to section 79-927. For purposes of this section,
7 contributing member means the following persons who receive compensation
8 from a public school: (a) Regular employees; (b) regular employees having
9 retired pursuant to the School Employees Retirement Act who subsequently
10 provide compensated service on a regular basis in any capacity; and (c)
11 regular employees hired by a public school on an ongoing basis to assume
12 the duties of other regular employees who are temporarily absent.
13 Substitute employees, temporary employees, and employees who have not
14 attained the age of eighteen years shall not be considered school
15 employees;

16 (36) School retirement allowance means the total of the savings
17 annuity and the service annuity or formula annuity paid a person who has
18 retired under sections 79-931 to 79-935. The monthly payments shall be
19 payable at the end of each calendar month during the life of a retired
20 member. The first payment shall include all amounts accrued since the
21 effective date of the award of annuity. The last payment shall be at the
22 end of the calendar month in which such member dies or in accordance with
23 the payment option chosen by the member;

24 (37) (36) School year means one fiscal year which includes not less
25 than one thousand instructional hours or, in the case of service in the
26 State of Nebraska prior to July 1, 1945, not less than seventy-five
27 percent of the then legal school year;

28 ~~(37) School retirement allowance means the total of the savings~~
29 ~~annuity and the service annuity or formula annuity paid a person who has~~
30 ~~retired under sections 79-931 to 79-935. The monthly payments shall be~~
31 ~~payable at the end of each calendar month during the life of a retired~~

1 ~~member. The first payment shall include all amounts accrued since the~~
2 ~~effective date of the award of annuity. The last payment shall be at the~~
3 ~~end of the calendar month in which such member dies or in accordance with~~
4 ~~the payment option chosen by the member;~~

5 (38) Service means employment as a school employee and shall not be
6 deemed interrupted by (a) termination at the end of the school year of
7 the contract of employment of an employee in a public school if the
8 employee enters into a contract of employment in any public school,
9 except a school in a Class V school district, for the following school
10 year, (b) temporary or seasonal suspension of service that does not
11 terminate the employee's employment, (c) leave of absence authorized by
12 the employer for a period not exceeding twelve months, (d) leave of
13 absence because of disability, or (e) military service when properly
14 authorized by the retirement board. Service does not include any period
15 of disability for which disability retirement benefits are received under
16 sections 79-951 to 79-953;

17 (39) Service annuity means payments for life, made in equal monthly
18 installments, derived from appropriations made by the State of Nebraska
19 to the retirement system;

20 (40) State deposit means the deposit by the state in the retirement
21 system on behalf of any member;

22 (41) State school official means the Commissioner of Education and
23 his or her professional staff who are required by law or by the State
24 Department of Education to hold a certificate as such term is defined in
25 section 79-807;

26 (42) Substitute employee means a person hired by a public school as
27 a temporary employee to assume the duties of regular employees due to a
28 temporary absence of any regular employees. Substitute employee does not
29 mean a person hired as a regular employee on an ongoing basis to assume
30 the duties of other regular employees who are temporarily absent;

31 (43) Surviving spouse means (a) the spouse married to the member on

1 the date of the member's death or (b) the spouse or former spouse of the
2 member if survivorship rights are provided under a qualified domestic
3 relations order filed with the board pursuant to the Spousal Pension
4 Rights Act. The spouse or former spouse shall supersede the spouse
5 married to the member on the date of the member's death as provided under
6 a qualified domestic relations order. If the benefits payable to the
7 spouse or former spouse under a qualified domestic relations order are
8 less than the value of benefits entitled to the surviving spouse, the
9 spouse married to the member on the date of the member's death shall be
10 the surviving spouse for the balance of the benefits;

11 (44) Temporary employee means an employee hired by a public school
12 who is not a regular employee and who is hired to provide service for a
13 limited period of time to accomplish a specific purpose or task. When
14 such specific purpose or task is complete, the employment of such
15 temporary employee shall terminate and in no case shall the temporary
16 employment period exceed one year in duration;

17 (45)(a) Termination of employment occurs on the date on which the
18 member experiences a bona fide separation from service of employment with
19 the member's employer, the date of which separation is determined by the
20 end of the member's contractual agreement or, if there is no contract or
21 only partial fulfillment of a contract, by the employer.

22 (b) A member shall not be deemed to have terminated employment if
23 the member subsequently provides service to any employer participating in
24 the retirement system provided for in the School Employees Retirement Act
25 within one hundred eighty days after ceasing employment unless such
26 service is:

27 (i) Bona fide unpaid voluntary service or substitute service,
28 provided on an intermittent basis. For purposes of this subdivision, (A)
29 intermittent basis means service provided on a day-to-day basis that is
30 not greater than eight days of service during a calendar month and (B)
31 day of service means any length of substitute service or unpaid voluntary

1 service provided during a single calendar day; or

2 (ii) As provided in ~~subsection (2) of~~ section 79-920.

3 (c) A member shall not be deemed to have terminated employment if
4 the board determines based on facts and circumstances (i) that a claimed
5 termination was not a bona fide separation from service with the employer
6 or (ii) that a member was compensated for a full contractual period when
7 the member terminated prior to the end date of the contract.

8 (d) Nothing in this subdivision precludes an employer from adopting
9 a policy which limits or denies employees who have terminated employment
10 from providing voluntary or substitute service within one hundred eighty
11 days after termination; and

12 (46) Voluntary service or volunteer means providing bona fide unpaid
13 service to any employer.

14 Sec. 6. Section 79-920, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 79-920 (1) For purposes of this section:

17 (a) Association means the State Code Agency Teachers Association, or
18 its equivalent successor, recognized by the State of Nebraska as the
19 exclusive and sole collective-bargaining agent for all teachers other
20 than temporary teachers employed by an agency of the State of Nebraska;

21 (b) Eligible school plan state employee means (i) an individual
22 employed by the State Department of Education after July 1, 1989, as a
23 state school official or (ii) an individual who is employed by any state
24 agency in a position covered by the association and who is required to
25 hold a certificate as defined in section 79-807 for the position in which
26 such individual is employed;

27 (c) School plan means the School Employees Retirement System of the
28 State of Nebraska;

29 (d) State agency school plan employer means the State Department of
30 Education or another agency of the State of Nebraska with employees
31 covered by the association; and

1 (e) State plan means the State Employees Retirement System of the
2 State of Nebraska.

3 (2)(a) Except as provided in subsection (3) of this section, an
4 individual shall become or remain a member of the school plan if:

5 (i) Such individual is or was previously a school employee or was
6 employed in an out-of-state school district or a Class V school district;
7 and

8 (ii) Such individual becomes an eligible school plan state employee
9 with a state agency school plan employer.

10 (b) An individual who is required to participate in the school plan
11 pursuant to subdivision (2)(a) of this section shall not be deemed to
12 have terminated employment for school plan purposes if such individual
13 subsequently provides service to any employer participating in the school
14 plan, including any school district or educational service unit, or any
15 state agency school plan employer, within one hundred eighty days after
16 ceasing employment except for intermittent voluntary or substitute
17 service at a school district or an educational service unit as described
18 in subdivision (45)(b)(i) of section 79-902.

19 (c) An individual who is required to participate in the school plan
20 pursuant to subdivision (2)(a) of this section shall not render any
21 service to another agency of the State of Nebraska within one hundred
22 twenty days after ceasing employment.

23 (3)(a) An individual shall participate in the state plan if:

24 (i) The individual has never previously participated in the school
25 plan while employed as an eligible school plan state employee with a
26 state agency school plan employer;

27 (ii) The individual terminated employment with a school district or
28 an educational service unit participating in the school plan and retired
29 or took a distribution pursuant to the School Employees Retirement Act;
30 and

31 (iii) The individual's employment as an eligible school plan state

1 employee with a state agency school plan employer began or will begin
2 within one hundred eighty days after termination of employment with the
3 school district or educational service unit.

4 (b) An individual who is required to participate in the state plan
5 pursuant to subdivision (3)(a) of this section shall not be deemed to
6 have terminated employment for state plan purposes if such individual
7 subsequently provides service to any employer participating in the state
8 plan, including any state agency school plan employer or an agency of the
9 State of Nebraska, within one hundred twenty days after ceasing
10 employment. No such individual may provide substitute or voluntary
11 service as defined in subdivision (45)(b)(i) of section 79-902 to any
12 employer participating in the school plan for at least one hundred twenty
13 days after ceasing employment.

14 (4) An individual who previously elected to participate in the
15 school plan prior to July 1, 2022, while employed as a state school
16 official and who terminated employment and retired or took a distribution
17 pursuant to the School Employees Retirement Act, shall not render any
18 service to:

19 (a) A school district or an educational service unit participating
20 in the school plan or a state agency school plan employer within one
21 hundred eighty days after terminating employment except as described in
22 subdivision (45)(b)(i) of section 79-902; or

23 (b) Another agency of the State of Nebraska within one hundred
24 twenty days after terminating employment.

25 ~~(1) An individual who was, prior to July 19, 1980, a state school~~
26 ~~official and did not become a member of the State Employees Retirement~~
27 ~~System of the State of Nebraska pursuant to the State Employees~~
28 ~~Retirement Act may, within sixty days after September 1, 1986, elect to~~
29 ~~become a member of such system. An individual so electing shall pay the~~
30 ~~contributions required by such system when the service and minimum age~~
31 ~~requirements have been met.~~

1 ~~(2)(a) An individual (i) who is or was previously a school employee~~
2 ~~or who was employed in an out-of-state or a Class V school district, (ii)~~
3 ~~who becomes employed by the State Department of Education after July 1,~~
4 ~~1989, and (iii) who is a state school official may file with the~~
5 ~~retirement board within thirty days after employment an election to~~
6 ~~become or remain a member of the School Employees Retirement System of~~
7 ~~the State of Nebraska. Employees electing not to participate in the~~
8 ~~School Employees Retirement System shall participate in the State~~
9 ~~Employees Retirement System of the State of Nebraska.~~

10 ~~(b) An individual shall be required to participate in the State~~
11 ~~Employees Retirement System if (i) the individual terminated employment~~
12 ~~from a public school participating in the School Employees Retirement~~
13 ~~System and retired pursuant to the School Employees Retirement Act and~~
14 ~~(ii) the employment by the State Department of Education began or will~~
15 ~~begin within one hundred eighty days after terminating employment from~~
16 ~~the school.~~

17 ~~(3) An employee electing not to be covered by the School Employees~~
18 ~~Retirement System of the State of Nebraska under this section shall not~~
19 ~~be subject to section 79-957 but shall be allowed to retain his or her~~
20 ~~accumulated contribution in the system and continue to become vested in~~
21 ~~the state's accumulated contribution as well as the State Employees~~
22 ~~Retirement System of the State of Nebraska according to the following:~~

23 ~~(a) The years of participation in the School Employees Retirement~~
24 ~~System of the State of Nebraska before an election is made plus the years~~
25 ~~of participation in the State Employees Retirement System of the State of~~
26 ~~Nebraska after the election is made shall both be credited toward~~
27 ~~compliance with the service requirements provided under section 79-931;~~
28 ~~and~~

29 ~~(b) The years of participation in the School Employees Retirement~~
30 ~~System of the State of Nebraska before the election is made plus the~~
31 ~~years of participation in the State Employees Retirement System of the~~

1 ~~State of Nebraska after the election is made shall both be credited~~
2 ~~toward compliance with section 84-1321.~~

3 Sec. 7. Section 79-921, Revised Statutes Cumulative Supplement,
4 2020, is amended to read:

5 79-921 (1) The membership of any person in the retirement system
6 shall cease only if he or she (a) withdraws his or her accumulated
7 contributions under section 79-955, (b) retires on a school or formula or
8 disability retirement allowance, or (c) dies.

9 (2)(a) The employer shall ~~(i)~~ notify the board in writing of the
10 date upon which a termination of employment has occurred and provide the
11 board with such information as the board deems necessary, ~~(ii) notify the~~
12 ~~board in writing whether or not a member accepted and received an early~~
13 ~~retirement inducement, and (iii) submit in writing with the notice of~~
14 ~~termination of employment and notice of receipt of an early retirement~~
15 ~~inducement a completed certification by the employer and member under~~
16 ~~penalty of prosecution pursuant to section 79-949 that, prior to the~~
17 ~~member's termination, there was no prearranged written or verbal~~
18 ~~agreement for the member to return to service in any capacity with the~~
19 ~~same employer.~~

20 ~~(b) The member shall submit certification to the board on a form~~
21 ~~prescribed by the board, under penalty of prosecution pursuant to section~~
22 ~~79-949, whether or not the member accepted and received an early~~
23 ~~retirement inducement from his or her employer.~~

24 ~~(b) (c)~~ The board may adopt and promulgate rules and regulations and
25 prescribe forms as the board determines appropriate in order to carry out
26 this subsection and to ensure full disclosure and reporting by the
27 employer and member in order to minimize fraud and abuse and prevent the
28 filing of false or fraudulent claim or benefit applications.

29 (3)(a) A former member of the retirement system who has withdrawn
30 his or her accumulated contributions under section 79-955 shall be
31 reinstated to membership in the retirement system if such person again

1 becomes a school employee.

2 (b) The date of such membership shall relate back to the beginning
3 of his or her original membership in the retirement system only if such
4 school employee has repaid all amounts required in accordance with
5 subsection (4) of this section. Unless and until all such amounts are
6 repaid, the school employee shall be considered a new member, effective
7 as of the date he or she again becomes a school employee.

8 (4)(a) With respect to any person who is reinstated to membership in
9 the retirement system pursuant to subdivision (3)(a) of this section
10 prior to April 17, 2014, and who files a valid and complete one-time
11 application with the retirement board for the restoration of part or all
12 of his or her relinquished creditable service prior to six years after
13 April 17, 2014, but prior to termination, the following shall apply:

14 (i) Such member shall pay to the retirement system an amount equal
15 to the previously withdrawn contributions for the creditable service to
16 be restored, plus an amount equal to the actuarial assumed rate of return
17 on such amount to the date of repayment; and

18 (ii) Payment for restoration of such relinquished creditable service
19 must be completed within seven years of April 17, 2014, or prior to
20 termination, whichever is earlier.

21 (b) With respect to any person who is reinstated to membership in
22 the retirement system pursuant to subdivision (3)(a) of this section on
23 and after April 17, 2014, and who files a valid and complete one-time
24 application with the retirement board for the restoration of part or all
25 of his or her relinquished creditable service within five years after the
26 date of such member's reinstatement to membership in the retirement
27 system but prior to termination, the following shall apply:

28 (i) Such member shall pay to the retirement system an amount equal
29 to the previously withdrawn contributions for the creditable service to
30 be restored, plus an amount equal to the actuarial assumed rate of return
31 on such amount to the date of repayment; and

1 (ii) Payment for restoration of such relinquished creditable service
2 must be completed within five years of the date of such member's
3 reinstatement to membership in the retirement system or prior to
4 termination, whichever is earlier.

5 (5)(a) If less than full payment is made by the member, relinquished
6 creditable service shall be restored in proportion to the amounts repaid.

7 (b) Repayment may be made through direct payment, installment
8 payments, an irrevocable payroll deduction authorization, cash rollover
9 contributions pursuant to section 79-933.02, or trustee-to-trustee
10 transfers pursuant to section 79-933.09, except that if the application
11 for the restoration of part or all of the relinquished creditable service
12 is received by the retirement system within one year before the member's
13 termination date or the applicable last payment date as specified in
14 subsection (4) of this section, whichever is earlier, repayment may only
15 be made through a lump-sum direct payment, cash rollover contributions
16 pursuant to section 79-933.02, or trustee-to-trustee transfers pursuant
17 to section 79-933.09.

18 Sec. 8. Section 79-978, Revised Statutes Supplement, 2021, is
19 amended to read:

20 79-978 For purposes of the Class V School Employees Retirement Act,
21 unless the context otherwise requires:

22 (1) Accumulated contributions means the sum of amounts contributed
23 by a member of the system together with regular interest credited
24 thereon;

25 (2) Actuarial equivalent means the equality in value of the
26 retirement allowance for early retirement or the retirement allowance for
27 an optional form of annuity, or both, with the normal form of the annuity
28 to be paid, as determined by the application of the appropriate actuarial
29 table, except that use of such actuarial tables shall not effect a
30 reduction in benefits accrued prior to September 1, 1985, as determined
31 by the actuarial tables in use prior to such date;

1 (3) Actuarial tables means:

2 (a) For determining the actuarial equivalent of any annuities other
3 than joint and survivorship annuities:

4 (i) For members hired before July 1, 2018, a unisex mortality table
5 using twenty-five percent of the male mortality and seventy-five percent
6 of the female mortality from the 1994 Group Annuity Mortality Table with
7 a One Year Setback and using an interest rate of eight percent compounded
8 annually; and

9 (ii) For members hired on or after July 1, 2018, or rehired on or
10 after July 1, 2018, after termination of employment and being paid a
11 retirement benefit, the determinations shall be based on a unisex
12 mortality table and an interest rate specified by (A) the board until
13 September 1, 2024, or (B) the retirement board beginning on September 1,
14 2024. Both the mortality table and the interest rate shall be recommended
15 by the actuary retained pursuant to section 79-984 following an actuarial
16 experience study, a benefit adequacy study, or a plan valuation. The
17 mortality table, interest rate, and actuarial factors in effect on the
18 member's retirement date shall be used to calculate the actuarial
19 equivalency of any retirement benefit. Such interest rate may be, but is
20 not required to be, equal to the assumed rate; and

21 (b) For joint and survivorship annuities:

22 (i) For members hired before July 1, 2018, a unisex retiree
23 mortality table using sixty-five percent of the male mortality and
24 thirty-five percent of the female mortality from the 1994 Group Annuity
25 Mortality Table with a One Year Setback and using an interest rate of
26 eight percent compounded annually and a unisex joint annuitant mortality
27 table using thirty-five percent of the male mortality and sixty-five
28 percent of the female mortality from the 1994 Group Annuity Mortality
29 Table with a One Year Setback and using an interest rate of eight percent
30 compounded annually; and

31 (ii) For members hired on or after July 1, 2018, or rehired on or

1 after July 1, 2018, after termination of employment and being paid a
2 retirement benefit, the determinations shall be based on a unisex
3 mortality table and an interest rate specified by (A) the board until
4 September 1, 2024, or (B) the retirement board beginning on September 1,
5 2024. Both the mortality table and the interest rate shall be recommended
6 by the actuary retained pursuant to section 79-984 following an actuarial
7 experience study, a benefit adequacy study, or a plan valuation. The
8 mortality table, interest rate, and actuarial factors in effect on the
9 member's retirement date shall be used to calculate the actuarial
10 equivalency of any retirement benefit. Such interest rate may be, but is
11 not required to be, equal to the assumed rate;

12 (4) Administrator of the retirement system or administrator means
13 (a) until September 1, 2024, the person administering the retirement
14 system who is appointed by the board or (b) beginning on September 1,
15 2024, the director appointed by the retirement board pursuant to section
16 84-1503;

17 (5) Annuitant means any member receiving an allowance;

18 (6) Annuity means annual payments, for both prior service and
19 membership service, for life as provided in the Class V School Employees
20 Retirement Act;

21 (7) Audit year means the period beginning January 1 in any year and
22 ending on December 31 of that same year, which is the period of time used
23 in the preparation of (a) the annual actuarial analysis and valuation and
24 (b) a financial audit of the retirement system, including the investments
25 of the retirement system;

26 (8) Beneficiary means any person entitled to receive or receiving a
27 benefit by reason of the death of a member;

28 (9) Board means the board of trustees until July 1, 2021, and the
29 board of education beginning July 1, 2021, and until September 1, 2024;

30 (10) Board of education means the board or boards of education of a
31 school district or districts;

1 (11) Board of trustees means:

2 (a) Until September 1, 2024, the entity established pursuant to
3 section 79-980; and

4 (b) Beginning September 1, 2024, the board of education shall be
5 deemed to be the successor in interest for all liability associated with
6 the actions or inactions of the entity identified under subdivision (11)

7 (a) of this section and as specified in the Class V School Employees
8 Retirement Act;

9 (12)(a) Compensation means gross wages or salaries payable to the
10 member during a fiscal year and includes (i) overtime pay, (ii) member
11 contributions to the retirement system that are picked up under section
12 414(h) of the Internal Revenue Code, as defined in section 49-801.01,
13 (iii) retroactive salary payments paid pursuant to court order,
14 arbitration, or litigation and grievance settlements, and (iv) amounts
15 contributed by the member to plans under sections 125, 403(b), and 457 of
16 the Internal Revenue Code, as defined in section 49-801.01, or any other
17 section of the code which defers or excludes such amounts from income.

18 (b) Compensation does not include (i) fraudulently obtained amounts
19 as determined by the board, (ii) amounts for accrued unused sick leave or
20 accrued unused vacation leave converted to cash payments, (iii) insurance
21 premiums converted into cash payments, (iv) reimbursement for expenses
22 incurred, (v) fringe benefits, (vi) per diems paid as expenses, (vii)
23 bonuses for services not actually rendered, (viii) early retirement
24 inducements, (ix) cash awards, (x) severance pay, or (xi) employer
25 contributions made for the purposes of separation payments made at
26 retirement and early retirement inducements.

27 (c) Compensation in excess of the limitations set forth in section
28 401(a)(17) of the Internal Revenue Code, as defined in section 49-801.01,
29 shall be disregarded;

30 (13) Council means the Nebraska Investment Council created and
31 acting pursuant to section 72-1237;

1 (14) Creditable service means the sum of the membership service and
2 the prior service, measured in one-tenth-year increments;

3 (15) Early retirement date means, for members hired prior to July 1,
4 2016, who have attained age fifty-five, that month and year selected by a
5 member having at least ten years of creditable service which includes a
6 minimum of five years of membership service. Early retirement date means,
7 for members hired on or after July 1, 2016, that month and year selected
8 by a member having at least five years of creditable service and who has
9 attained age sixty;

10 (16) Early retirement inducement means, but is not limited to:

11 (a) A benefit, bonus, or payment to a member by an employer in
12 exchange for an agreement by the member to retire with a reduced
13 retirement benefit;

14 (b) A benefit, bonus, or payment paid to a member by an employer in
15 addition to the member's retirement benefit;

16 (c) Lump-sum or installment cash payments by an employer, except
17 payments for accrued unused leave converted to cash payments;

18 (d) An additional salary or wage component of any kind that is being
19 paid by an employer as an incentive to leave employment and not for
20 personal services performed for which creditable service is granted;

21 (e) Partial or full employer payment of a member's health, dental,
22 life, or long-term disability insurance benefits or cash in lieu of such
23 insurance benefits that extend beyond the member's termination of
24 employment and contract of employment dates. This subdivision does not
25 apply to any period during which the member is contributing to the
26 retirement system and being awarded creditable service; and

27 (f) Any other form of separation payments made by an employer to a
28 member at termination, including, but not limited to, purchasing
29 retirement contracts for the member pursuant to section 79-514, or
30 depositing money for the member in an account established under section
31 403(b) of the Internal Revenue Code except for payments for accrued

1 unused leave;

2 (17) Employee means the following enumerated persons receiving
3 compensation from the school district: (a) Teachers, other than
4 substitutes, employed on a written contract basis; (b) administrators
5 employed on a written contract, agreement, or document basis; and (c)
6 regular employees;

7 (18) Employer means a school district participating in a retirement
8 system established pursuant to the Class V School Employees Retirement
9 Act;

10 (19) Fiscal year means the period beginning September 1 in any year
11 and ending on August 31 of the next succeeding year;

12 (20) Hire date or date of hire means the first day of compensated
13 service subject to retirement contributions;

14 (21) Interest means, for the purchase of service credit, the
15 purchase of prior service credit, restored refunds, and delayed payments,
16 the investment return assumption used in the most recent actuarial
17 valuation;

18 (22) Member means any employee included in the membership of the
19 retirement system or any former employee who has made contributions to
20 the system and has not received a refund;

21 (23) Membership service means service on or after September 1, 1951,
22 as an employee of the school district and a member of the system for
23 which compensation is paid by the school district. Credit for more than
24 one year of membership service shall not be allowed for service rendered
25 in any fiscal year. Beginning September 1, 2005, a member shall be
26 credited with a year of membership service for each fiscal year in which
27 the member performs one thousand or more hours of compensated service as
28 an employee of the school district. For an employee who becomes a member
29 prior to July 1, 2018, an hour of compensated service shall include any
30 hour for which the member is compensated by the school district during
31 periods when no service is performed due to vacation or approved leave.

1 For an employee who becomes a member on or after July 1, 2018, an hour of
2 compensated service shall include any hour for which the member is
3 compensated by the school district during periods when no service is
4 performed due to used accrued sick days, used accrued vacation days,
5 federal and state holidays, and jury duty leave for which the member is
6 paid full compensation by an employer. If a member performs less than one
7 thousand hours of compensated service during a fiscal year, one-tenth of
8 a year of membership service shall be credited for each one hundred hours
9 of compensated service by the member in such fiscal year. In determining
10 a member's total membership service, all periods of membership service,
11 including fractional years of membership service in one-tenth-year
12 increments, shall be aggregated;

13 (24) Military service means service in the uniformed services as
14 defined in 38 U.S.C. 4301 et seq., as such provision existed on March 27,
15 1997;

16 (25) Normal retirement date means the end of the month during which
17 the member attains age sixty-five and has completed at least five years
18 of membership service;

19 (26) Participation means qualifying for and making required deposits
20 to the retirement system during the course of a fiscal year;

21 (27) Primary beneficiary means the person or persons entitled to
22 receive or receiving a benefit by reason of the death of a member;

23 (28) Prior service means service rendered prior to September 1,
24 1951, for which credit is allowed under section 79-999, service rendered
25 by retired employees receiving benefits under preexisting systems, and
26 service for which credit is allowed under sections 79-990, 79-991,
27 79-994, 79-995, and 79-997;

28 (29)(a) Regular employee means a person hired on a full-time basis,
29 which basis shall contemplate a work week of not less than thirty hours,
30 and who is not (i) a teacher employed on a written contract basis or (ii)
31 an administrator employed on a written contract, agreement, or document

1 basis.

2 (b) Effective September 1, 2021, a person hired by an employer or
3 under contract to provide service for less than thirty hours per week but
4 who provides service for an average of thirty hours or more per week in
5 each calendar month of any three calendar months of a fiscal year shall,
6 beginning with the next full payroll period, commence contributions and
7 shall be deemed a regular employee;

8 (30) Regular interest means interest (a) on the total contributions
9 of the member prior to the close of the last preceding fiscal year, (b)
10 compounded annually, and (c)(i) beginning September 1, 2016, at a rate
11 equal to the daily treasury yield curve for one-year treasury securities,
12 as published by the Secretary of the Treasury of the United States, that
13 applies on September 1 of each year and (ii) prior to September 1, 2016,
14 at rates to be determined annually by the board, which shall have the
15 sole, absolute, and final discretionary authority to make such
16 determination, except that the rate for any given year in no event shall
17 exceed the actual percentage of net earnings of the system during the
18 last preceding fiscal year;

19 (31) Retirement allowance means the total annual retirement benefit
20 payable to a member for service or disability;

21 (32) Retirement application means beginning on and after September
22 1, 2024, the form approved and provided by the retirement system for
23 acceptance of a member's request for either regular or disability
24 retirement;

25 (33) Retirement board means the Public Employees Retirement Board
26 created and acting pursuant to section 84-1501;

27 (34) Retirement date means the date of retirement of a member for
28 service or disability as fixed by (a) the board for retirements occurring
29 prior to September 1, 2024, or (b) the retirement board for retirements
30 occurring on or after September 1, 2024;

31 (35) Retirement system or system means the School Employees'

1 Retirement System of (corporate name of the school district as described
2 in section 79-405) as provided for by the act;

3 (36) School district means an employer participating in a retirement
4 system established pursuant to the Class V School Employees Retirement
5 Act;

6 (37) (36) Secondary beneficiary means the person or persons entitled
7 to receive or receiving a benefit by reason of the death of all primary
8 beneficiaries prior to the death of the member. If no primary beneficiary
9 survives the member, secondary beneficiaries shall be treated in the same
10 manner as primary beneficiaries;

11 ~~(37) School district means an employer participating in a retirement~~
12 ~~system established pursuant to the Class V School Employees Retirement~~
13 ~~Act;~~

14 (38) Solvency means the rate of all contributions required pursuant
15 to the Class V School Employees Retirement Act is equal to or greater
16 than the actuarially required contribution rate as annotated in the most
17 recent valuation report prepared by the actuary retained for the
18 retirement system as provided in section 79-984;

19 (39) State investment officer means the person appointed by the
20 council pursuant to section 72-1240 and acting pursuant to the Nebraska
21 State Funds Investment Act;

22 (40) Substitute employee means a person hired by an employer as a
23 temporary employee to assume the duties of an employee due to a temporary
24 absence of any employee. Substitute employee does not mean a person hired
25 as an employee on an ongoing basis to assume the duties of other
26 employees who are temporarily absent;

27 (41) Temporary employee means a person hired by an employer who is
28 not an employee and who is hired to provide service for a limited period
29 of time to accomplish a specific purpose or task. When such specific
30 purpose or task is complete, the employment of such temporary employee
31 shall terminate and in no case shall the temporary employment period

1 exceed one year in duration;

2 ~~(42)(a)~~ ~~(41)(a)~~ Termination of employment occurs on the date on
3 which the member experiences a bona fide separation from service of
4 employment with the member's employer, the date of which separation is
5 determined by the end of the member's contractual agreement or, if there
6 is no contract or only partial fulfillment of a contract, by an employer.
7 A member shall not be deemed to have terminated employment if the member
8 subsequently provides service to an employer within one hundred eighty
9 days after ceasing employment unless such service is:

10 (i) Bona fide unpaid voluntary service;

11 (ii) Substitute service provided on an intermittent basis. For
12 purposes of this subdivision, (A) intermittent basis means service
13 provided on a day-to-day basis that is not greater than eight days of
14 service during a calendar month and (B) day of service means any length
15 of substitute service provided during a single calendar day; or

16 (iii) Temporary service following a bona fide separation of service
17 of not less than thirty calendar days and which is provided to accomplish
18 a specific purpose or task for a limited period not to exceed one year.

19 (b) A member shall not be deemed to have terminated employment if
20 the board determines that, based on the facts and circumstances, (i) a
21 claimed termination was not a bona fide separation from service with the
22 employer or (ii) a member was compensated for a full contractual period
23 when the member terminated prior to the end date of the member's
24 employment as determined by the member's contract or labor agreement.

25 (c) Nothing in this subdivision precludes an employer from adopting
26 a policy which limits or denies employees who have terminated employment
27 from providing voluntary or substitute service within one hundred eighty
28 days after termination;

29 ~~(42) Temporary employee means a person hired by an employer who is~~
30 ~~not an employee and who is hired to provide service for a limited period~~
31 ~~of time to accomplish a specific purpose or task. When such specific~~

1 ~~purpose or task is complete, the employment of such temporary employee~~
2 ~~shall terminate and in no case shall the temporary employment period~~
3 ~~exceed one year in duration;~~

4 (43) Transfer of management means the transition and transfer of the
5 general management, administration, and operation of the retirement
6 system from the board of trustees, board of education, and school
7 district to the retirement board as described in the Class V School
8 Employees Retirement Act. Transfer of management does not include:

9 (a) Transfer of the school district's funding obligations described
10 in the Class V School Employees Retirement Act or assumption of financial
11 liability for such funding obligations by (i) the State of Nebraska, (ii)
12 the retirement board, (iii) the Nebraska Public Employees Retirement
13 Systems, (iv) any other state entity with duties related to
14 administration of the retirement system, or (v) the council for its
15 investment duties regarding the assets of the retirement system; or

16 (b) Merger or consolidation of any Class V school employees
17 retirement system established under the Class V School Employees
18 Retirement Act with the School Employees Retirement System of the State
19 of Nebraska or any other retirement system administered by the retirement
20 board;

21 (44) Trustee means a trustee provided for in section 79-980; and

22 (45) Voluntary service or volunteer means providing bona fide unpaid
23 service to an employer.

24 Sec. 9. Section 79-992.01, Revised Statutes Supplement, 2021, is
25 amended to read:

26 79-992.01 (1) An employer participating in a retirement system
27 established pursuant to the Class V School Employees Retirement Act
28 shall:

29 (a) ~~(a)(i)~~ Until September 1, 2024, notify the administrator and the
30 board of trustees in writing of the date upon which a termination of
31 employment has occurred and provide the administrator and the board of

1 trustees with such information as the board of trustees deems necessary;
2 and

3 ~~(b) (ii) Beginning September 1, 2024, notify the retirement board in~~
4 ~~writing of the date upon which a termination of employment has occurred~~
5 ~~and provide the administrator and the board with such information as the~~
6 ~~administrator and the board deem necessary.~~ ÷

7 ~~(b)(i) Until September 1, 2024, notify the administrator and the~~
8 ~~board of trustees in writing whether or not a member accepted and~~
9 ~~received an early retirement inducement; and~~

10 ~~(ii) Beginning September 1, 2024, notify the retirement board in~~
11 ~~writing whether or not a member accepted and received an early retirement~~
12 ~~inducement; and~~

13 ~~(c) Submit in writing with the notice of termination of employment~~
14 ~~and notice of receipt of an early retirement inducement a completed~~
15 ~~certification by an employer and member under penalty of prosecution~~
16 ~~pursuant to section 79-992.02 that, prior to the member's termination,~~
17 ~~there was no prearranged written or verbal agreement for the member to~~
18 ~~return to service in any capacity with the same employer.~~

19 ~~(2) The member shall submit (a) to the administrator and the board~~
20 ~~of trustees until September 1, 2024, and (b) to the retirement board~~
21 ~~beginning September 1, 2024, upon the member's termination, under penalty~~
22 ~~of prosecution pursuant to section 79-992.02, completed certification on~~
23 ~~forms prescribed by the administrator and the board of trustees or the~~
24 ~~retirement board, as applicable, stating whether or not the member~~
25 ~~accepted and received an early retirement inducement from his or her~~
26 ~~employer.~~

27 ~~(2) (3) Until September 1, 2024, and except as provided in section~~
28 ~~79-981, the board of trustees, and, beginning September 1, 2024, the~~
29 ~~retirement board, may adopt and promulgate rules and regulations and~~
30 ~~prescribe forms as the board of trustees or the retirement board, as~~
31 ~~applicable, determines appropriate in order to carry out this section and~~

1 to ensure full disclosure and reporting by an employer and member in
2 order to minimize fraud and abuse and the filing of false or fraudulent
3 claim or benefit applications.

4 Sec. 10. Section 79-9,117, Revised Statutes Supplement, 2021, is
5 amended to read:

6 79-9,117 (1)(a) ~~(1)~~ Until September 1, 2024, the board of trustees,
7 ~~and beginning September 1, 2024, the retirement board,~~ shall establish a
8 comprehensive preretirement planning program for school employees who are
9 members of the retirement system. The program shall provide information
10 and advice regarding the many changes members ~~employees~~ face upon
11 retirement, including, but not limited to, changes in physical and mental
12 health, housing, family life, leisure activity, and retirement income.

13 (b) Beginning September 1, 2024, the retirement board shall
14 establish sessions as provided in section 84-1511 for school employees
15 who are members of the retirement system.

16 (2) The preretirement planning program shall be available to all
17 members ~~employees~~ who have attained the age of fifty years or are within
18 five years of qualifying for retirement or early retirement under their
19 retirement systems.

20 (3) The preretirement planning program shall include information on
21 the federal and state income tax consequences of the various annuity or
22 retirement benefit options available to the member ~~employee~~, information
23 on social security benefits, information on various local, state, and
24 federal government programs and programs in the private sector designed
25 to assist elderly persons, and information and advice the board of
26 trustees or retirement board, as applicable, deems valuable in assisting
27 members ~~employees~~ in the transition from public employment to retirement.

28 (4) The board of trustees or retirement board, as applicable, shall
29 work with any governmental agency, including political subdivisions or
30 bodies whose services or expertise may enhance the development or
31 implementation of the preretirement planning program.

1 (5) The costs of the preretirement planning program shall be charged
2 back to the retirement system.

3 (6) An employer shall provide each member ~~eligible~~ ~~employee~~ leave
4 with pay to attend up to two preretirement planning programs. For
5 purposes of this subsection, leave with pay means a day off paid by an
6 employer and does not mean vacation, sick, personal, or compensatory
7 time. A member ~~An employee~~ may choose to attend a program more than
8 twice, but such leave shall be at the expense of the member ~~employee~~ and
9 shall be at the discretion of the employer. A member ~~An eligible employee~~
10 shall not be entitled to attend more than one preretirement planning
11 program per fiscal year prior to actual election of retirement.

12 (7) A nominal registration fee may be charged to each person
13 attending a preretirement planning program to cover the costs for meals,
14 meeting rooms, or other expenses incurred under such program.

15 Sec. 11. Section 84-1301, Revised Statutes Cumulative Supplement,
16 2020, is amended to read:

17 84-1301 For purposes of the State Employees Retirement Act, unless
18 the context otherwise requires:

19 (1)(a) Actuarial equivalent means the equality in value of the
20 aggregate amounts expected to be received under different forms of an
21 annuity payment.

22 (b) For an employee hired prior to January 1, 2018, the mortality
23 assumption used for purposes of converting the member cash balance
24 account shall be the 1994 Group Annuity Mortality Table using a unisex
25 rate that is fifty percent male and fifty percent female. For purposes of
26 converting the member cash balance account attributable to contributions
27 made prior to January 1, 1984, that were transferred pursuant to the act,
28 the 1994 Group Annuity Mortality Table for males shall be used.

29 (c) For an employee hired on or after January 1, 2018, or rehired on
30 or after January 1, 2018, after termination of employment and being paid
31 a retirement benefit or taking a refund of contributions, the mortality

1 assumption used for purposes of converting the member cash balance
2 account shall be a unisex mortality table that is recommended by the
3 actuary and approved by the board following an actuarial experience
4 study, a benefit adequacy study, or a plan valuation. The mortality table
5 and actuarial factors in effect on the member's retirement date will be
6 used to calculate the actuarial equivalency of any retirement benefit;

7 (2) Annuity means equal monthly payments provided by the retirement
8 system to a member or beneficiary under forms determined by the board
9 beginning the first day of the month after an annuity election is
10 received in the office of the Nebraska Public Employees Retirement
11 Systems or the first day of the month after the employee's termination of
12 employment, whichever is later. The last payment shall be at the end of
13 the calendar month in which the member dies or in accordance with the
14 payment option chosen by the member;

15 (3) Annuity start date means the date upon which a member's annuity
16 is first effective and shall be the first day of the month following the
17 member's termination or following the date the application is received by
18 the board, whichever is later;

19 (4) Cash balance benefit means a member's retirement benefit that is
20 equal to an amount based on annual employee contribution credits plus
21 interest credits and, if vested, employer contribution credits plus
22 interest credits and dividend amounts credited in accordance with
23 subdivision (4)(c) of section 84-1319;

24 (5)(a) Compensation means gross wages or salaries payable to the
25 member for personal services performed during the plan year. Compensation
26 does not include insurance premiums converted into cash payments,
27 reimbursement for expenses incurred, fringe benefits, per diems, or
28 bonuses for services not actually rendered, including, but not limited
29 to, early retirement inducements, cash awards, and severance pay, except
30 for retroactive salary payments paid pursuant to court order,
31 arbitration, or litigation and grievance settlements. Compensation

1 includes overtime pay, member retirement contributions, and amounts
2 contributed by the member to plans under sections 125, 403(b), and 457 of
3 the Internal Revenue Code or any other section of the code which defers
4 or excludes such amounts from income.

5 (b) Compensation in excess of the limitations set forth in section
6 401(a)(17) of the Internal Revenue Code shall be disregarded. For an
7 employee who was a member of the retirement system before the first plan
8 year beginning after December 31, 1995, the limitation on compensation
9 shall not be less than the amount which was allowed to be taken into
10 account under the retirement system as in effect on July 1, 1993;

11 (6) Date of disability means the date on which a member is
12 determined to be disabled by the board;

13 (7) Defined contribution benefit means a member's retirement benefit
14 from a money purchase plan in which member benefits equal annual
15 contributions and earnings pursuant to section 84-1310 and, if vested,
16 employer contributions and earnings pursuant to section 84-1311;

17 (8) Disability means an inability to engage in any substantially
18 gainful activity by reason of any medically determinable physical or
19 mental impairment which was initially diagnosed or became disabling while
20 the member was an active participant in the plan and which can be
21 expected to result in death or to be of long-continued and indefinite
22 duration;

23 (9) Employee means ~~any employee of the State Board of Agriculture~~
24 ~~who is a member of the state retirement system on July 1, 1982,~~ and any
25 person or officer employed by the State of Nebraska whose compensation is
26 paid out of state funds or funds controlled or administered by a state
27 department through any of its executive or administrative officers when
28 acting exclusively in their respective official, executive, or
29 administrative capacities and any employee of the State Board of
30 Agriculture who is a member of the state retirement system on July 1,
31 1982. Employee does not include (a) judges as defined in section 24-701,

1 (b) members of the Nebraska State Patrol, except for those members of the
2 Nebraska State Patrol who elected pursuant to section 60-1304 to remain
3 members of the State Employees Retirement System of the State of
4 Nebraska, (c) employees of the University of Nebraska, (d) employees of
5 the state colleges, (e) employees of community colleges, (f) employees of
6 the Department of Labor employed prior to July 1, 1984, and paid from
7 funds provided pursuant to Title III of the federal Social Security Act
8 or funds from other federal sources, except that if the contributory
9 retirement plan or contract let pursuant to section 48-609, as such
10 section existed prior to January 1, 2018, is terminated, such employees
11 shall become employees for purposes of the State Employees Retirement Act
12 on the first day of the first pay period following the termination of
13 such contributory retirement plan or contract, (g) employees of the State
14 Board of Agriculture who are not members of the state retirement system
15 on July 1, 1982, (h) the Nebraska National Guard air and army
16 technicians, (i) persons who are required to participate in eligible for
17 ~~membership under the School Employees Retirement System of the State of~~
18 ~~Nebraska who have not elected to become members of the retirement system~~
19 ~~pursuant to section 79-920 or been made members of the system pursuant to~~
20 ~~such section~~, except that those persons so required eligible and actively
21 ~~who as of September 2, 1973,~~ are contributing to the State Employees
22 Retirement System of the State of Nebraska as of July 1, 2022, shall
23 continue as members of the State Employees Retirement System of the State
24 of Nebraska ~~such system~~, or (j) employees of the Coordinating Commission
25 for Postsecondary Education who are eligible for and have elected to
26 become members of a qualified retirement program approved by the
27 commission which is commensurate with retirement programs at the
28 University of Nebraska. Any individual appointed by the Governor may
29 elect not to become a member of the State Employees Retirement System of
30 the State of Nebraska;

31 (10) Employee contribution credit means an amount equal to the

1 member contribution amount required by section 84-1308;

2 (11) Employer contribution credit means an amount equal to the
3 employer contribution amount required by section 84-1309;

4 (12) Final account value means the value of a member's account on
5 the date the account is either distributed to the member or used to
6 purchase an annuity from the plan, which date shall occur as soon as
7 administratively practicable after receipt of a valid application for
8 benefits, but no sooner than forty-five days after the member's
9 termination;

10 (13) Five-year break in service means five consecutive one-year
11 breaks in service;

12 (14) Full-time employee means an employee who is employed to work
13 one-half or more of the regularly scheduled hours during each pay period;

14 (15) Fund means the State Employees Retirement Fund created by
15 section 84-1309;

16 (16) Guaranteed investment contract means an investment contract or
17 account offering a return of principal invested plus interest at a
18 specified rate. For investments made after July 19, 1996, guaranteed
19 investment contract does not include direct obligations of the United
20 States or its instrumentalities, bonds, participation certificates or
21 other obligations of the Federal National Mortgage Association, the
22 Federal Home Loan Mortgage Corporation, or the Government National
23 Mortgage Association, or collateralized mortgage obligations and other
24 derivative securities. This subdivision shall not be construed to require
25 the liquidation of investment contracts or accounts entered into prior to
26 July 19, 1996;

27 (17) Hire date or date of hire means the first day of compensated
28 service subject to retirement contributions;

29 (18) Interest credit rate means the greater of (a) five percent or
30 (b) the applicable federal mid-term rate, as published by the Internal
31 Revenue Service as of the first day of the calendar quarter for which

1 interest credits are credited, plus one and one-half percent, such rate
2 to be compounded annually;

3 (19) Interest credits means the amounts credited to the employee
4 cash balance account and the employer cash balance account at the end of
5 each day. Such interest credit for each account shall be determined by
6 applying the daily portion of the interest credit rate to the account
7 balance at the end of the previous day. Such interest credits shall
8 continue to be credited to the employee cash balance account and the
9 employer cash balance account after a member ceases to be an employee,
10 except that no such credit shall be made with respect to the employee
11 cash balance account and the employer cash balance account for any day
12 beginning on or after the member's date of final account value. If
13 benefits payable to the member's surviving spouse or beneficiary are
14 delayed after the member's death, interest credits shall continue to be
15 credited to the employee cash balance account and the employer cash
16 balance account until such surviving spouse or beneficiary commences
17 receipt of a distribution from the plan;

18 (20) Member cash balance account means an account equal to the sum
19 of the employee cash balance account and, if vested, the employer cash
20 balance account and dividend amounts credited in accordance with
21 subdivision (4)(c) of section 84-1319;

22 (21) One-year break in service means a plan year during which the
23 member has not completed more than five hundred hours of service;

24 (22) Participation means qualifying for and making the required
25 deposits to the retirement system during the course of a plan year;

26 (23) Part-time employee means an employee who is employed to work
27 less than one-half of the regularly scheduled hours during each pay
28 period;

29 (24) Plan year means the twelve-month period beginning on January 1
30 and ending on December 31;

31 (25) Prior service means service before January 1, 1964;

1 (26) Regular interest means the rate of interest earned each
2 calendar year commencing January 1, 1975, as determined by the retirement
3 board in conformity with actual and expected earnings on the investments
4 through December 31, 1984;

5 (27) Required beginning date means, for purposes of the deferral of
6 distributions, April 1 of the year following the calendar year in which a
7 member has:

8 (a)(i) Terminated employment with the State of Nebraska; and

9 (ii)(A) Attained at least seventy and one-half years of age for a
10 member who attained seventy and one-half years of age on or before
11 December 31, 2019; or

12 (B) Attained at least seventy-two years of age for a member who
13 attained seventy and one-half years of age on or after January 1, 2020;
14 or

15 (b)(i) Terminated employment with the State of Nebraska; and

16 (ii) Otherwise reached the date specified by section 401(a)(9) of
17 the Internal Revenue Code and the regulations issued thereunder;

18 (28) Required contribution means the deduction to be made from the
19 compensation of employees as provided in section 84-1308;

20 (29) Retirement means qualifying for and accepting the retirement
21 benefit granted under the State Employees Retirement Act after
22 terminating employment;

23 (30) Retirement application means the form approved and provided by
24 the retirement system for acceptance of a member's request for either
25 regular or disability retirement;

26 (31) Retirement board or board means the Public Employees Retirement
27 Board;

28 (32) Retirement date means (a) the first day of the month following
29 the date upon which a member's request for retirement is received on a
30 retirement application if the member is eligible for retirement and has
31 terminated employment or (b) the first day of the month following

1 termination of employment if the member is eligible for retirement and
2 has filed an application but has not yet terminated employment;

3 (33) Retirement system means the State Employees Retirement System
4 of the State of Nebraska;

5 (34) Service means the actual total length of employment as an
6 employee and shall not be deemed to be interrupted by (a) temporary or
7 seasonal suspension of service that does not terminate the employee's
8 employment, (b) leave of absence authorized by the employer for a period
9 not exceeding twelve months, (c) leave of absence because of disability,
10 or (d) military service, when properly authorized by the retirement
11 board. Service does not include any period of disability for which
12 disability retirement benefits are received under section 84-1317;

13 (35) State department means any department, bureau, commission, or
14 other division of state government not otherwise specifically defined or
15 exempted in the act, the employees and officers of which are not already
16 covered by a retirement plan;

17 (36) Surviving spouse means (a) the spouse married to the member on
18 the date of the member's death or (b) the spouse or former spouse of the
19 member if survivorship rights are provided under a qualified domestic
20 relations order filed with the board pursuant to the Spousal Pension
21 Rights Act. The spouse or former spouse shall supersede the spouse
22 married to the member on the date of the member's death as provided under
23 a qualified domestic relations order. If the benefits payable to the
24 spouse or former spouse under a qualified domestic relations order are
25 less than the value of benefits entitled to the surviving spouse, the
26 spouse married to the member on the date of the member's death shall be
27 the surviving spouse for the balance of the benefits;

28 (37) Termination of employment occurs on the date on which the
29 agency which employs the member determines that the member's employer-
30 employee relationship with the State of Nebraska is dissolved. The agency
31 which employs the member shall notify the board of the date on which such

1 a termination has occurred. Termination of employment does not occur if
2 an employee whose employer-employee relationship with the State of
3 Nebraska is dissolved enters into an employer-employee relationship with
4 the same or another agency of the State of Nebraska and there are less
5 than one hundred twenty days between the date when the employee's
6 employer-employee relationship ceased with the state and the date when
7 the employer-employee relationship commenced with the same or another
8 agency. It is the responsibility of the employer that is involved in the
9 termination of employment to notify the board of such change in
10 employment and provide the board with such information as the board deems
11 necessary. If the board determines that termination of employment has not
12 occurred and a retirement benefit has been paid to a member of the
13 retirement system pursuant to section 84-1321, the board shall require
14 the member who has received such benefit to repay the benefit to the
15 retirement system; and

16 (38) Vesting credit means credit for years, or a fraction of a year,
17 of participation in another Nebraska governmental plan for purposes of
18 determining vesting of the employer account.

19 Sec. 12. Section 84-1310.01, Revised Statutes Cumulative Supplement,
20 2020, is amended to read:

21 84-1310.01 (1)(a) ~~(1)~~ Each member employed and participating in the
22 retirement system prior to January 1, 2003, who has elected not to
23 participate in the cash balance benefit, shall be allowed to allocate all
24 contributions to the member's ~~his or her~~ employee account to various
25 investment options. The investment options shall include, but not be
26 limited to, the following:

27 ~~(a) Prior to January 1, 2021, the investment options shall include,~~
28 ~~but not be limited to, the following:~~

29 ~~(i) An investor select account which shall be invested under the~~
30 ~~direction of the state investment officer with an asset allocation and~~
31 ~~investment strategy substantially similar to the investment allocations~~

1 ~~made by the state investment officer for the defined benefit plans under~~
2 ~~the retirement systems described in subdivision (1)(a) of section~~
3 ~~84-1503. Investments shall most likely include domestic and international~~
4 ~~equities, fixed income investments, and real estate, as well as~~
5 ~~potentially additional asset classes;~~

6 ~~(ii) A stable return account which shall be invested by or under the~~
7 ~~direction of the state investment officer in a stable value strategy that~~
8 ~~provides capital preservation and consistent, steady returns;~~

9 ~~(iii) An equities account which shall be invested by or under the~~
10 ~~direction of the state investment officer in equities;~~

11 ~~(iv) A balanced account which shall be invested by or under the~~
12 ~~direction of the state investment officer in equities and fixed income~~
13 ~~instruments;~~

14 ~~(v) An index fund account which shall be invested by or under the~~
15 ~~direction of the state investment officer in a portfolio of common stocks~~
16 ~~designed to closely duplicate the total return of the Standard and Poor's~~
17 ~~division of The McGraw-Hill Companies, Inc., 500 Index;~~

18 ~~(vi) A fixed income account which shall be invested by or under the~~
19 ~~direction of the state investment officer in fixed income instruments;~~

20 ~~(vii) A money market account which shall be invested by or under the~~
21 ~~direction of the state investment officer in short-term fixed income~~
22 ~~securities; and~~

23 ~~(viii) Beginning on July 1, 2006, an age-based account which shall~~
24 ~~be invested under the direction of the state investment officer with an~~
25 ~~asset allocation and investment strategy that changes based upon the age~~
26 ~~of the member. The board shall develop an account mechanism that changes~~
27 ~~the investments as the employee nears retirement age. The asset~~
28 ~~allocation and asset classes utilized in the investments shall move from~~
29 ~~aggressive, to moderate, and then to conservative as retirement age~~
30 ~~approaches.~~

31 ~~If a member fails to select an option or combination of options~~

1 ~~prior to January 1, 2021, all of his or her funds shall be placed in the~~
2 ~~option described in subdivision (a)(ii) of this subsection. Each member~~
3 ~~shall be given a detailed current description of each investment option~~
4 ~~prior to making or revising his or her allocation.~~

5 ~~(b) On or after January 1, 2021, the investment options shall~~
6 ~~include, but not be limited to, the following:~~

7 (i) An investor select account which shall be invested under the
8 direction of the state investment officer with an asset allocation and
9 investment strategy substantially similar to the investment allocations
10 made by the state investment officer for the defined benefit plans under
11 the retirement systems described in subdivision (1)(a) of section
12 84-1503. Investments shall most likely include domestic and international
13 equities, fixed income investments, and real estate, as well as
14 potentially additional asset classes;

15 (ii) A stable return account which shall be invested by or under the
16 direction of the state investment officer in a stable value strategy that
17 provides capital preservation and consistent, steady returns;

18 (iii) An equities account which shall be invested by or under the
19 direction of the state investment officer in equities;

20 (iv) A fixed income account which shall be invested by or under the
21 direction of the state investment officer in fixed income instruments;
22 and

23 (v) A life-cycle fund which shall be invested under the direction of
24 the state investment officer with an asset allocation and investment
25 strategy that adjusts from a position of higher risk to one of lower risk
26 as the member ages.

27 (b) If the member fails to select an option or combination of
28 options pursuant to this subdivision (a) of this subsection (b), all of
29 the member's ~~his or her~~ funds shall be placed in the option described in
30 subdivision (a)(v) (b)(v) of this subsection. Each member shall be given
31 a detailed current description of each investment option prior to making

1 or revising the member's ~~his or her~~ allocation.

2 (2) Members of the retirement system may allocate their
3 contributions to the investment options in percentage increments as set
4 by the board in any proportion, including full allocation to any one
5 option. A member under subdivision (1)(a) of section 84-1323 or the
6 member's ~~his or her~~ beneficiary may transfer any portion of the member's
7 ~~his or her~~ funds among the options, except for restrictions on transfers
8 to or from the stable return account pursuant to rule or regulation. The
9 board may adopt and promulgate rules and regulations for changes of a
10 member's allocation of contributions to the member's ~~his or her~~ accounts
11 after the member's ~~his or her~~ most recent allocation and for transfers
12 from one investment account to another.

13 (3) The board shall develop a schedule for the allocation of
14 administrative costs of maintaining the various investment options and
15 shall assess the costs so that each member pays a reasonable fee as
16 determined by the board.

17 (4) In order to carry out ~~the provisions of~~ this section, the board
18 may enter into administrative services agreements for accounting or
19 record-keeping services. No agreement shall be entered into unless the
20 board determines that it will result in administrative economy and will
21 be in the best interests of the state and its participating employees.

22 (5) The state, the board, the state investment officer, the members
23 of the Nebraska Investment Council, or the agency shall not be liable for
24 any investment results resulting from the member's exercise of control
25 over the assets in the employee account.

26 Sec. 13. Section 84-1311.03, Revised Statutes Cumulative Supplement,
27 2020, is amended to read:

28 84-1311.03 (1) Each member employed and participating in the
29 retirement system prior to January 1, 2003, who has elected not to
30 participate in the cash balance benefit, shall be allowed to allocate all
31 contributions to the member's ~~his or her~~ employer account to various

1 investment options. Such investment options shall be the same as the
2 investment options of the employee account as provided in subsection (1)
3 of section 84-1310.01. If a member fails to select an option or
4 combination of options, all of the member's ~~his or her~~ funds in the
5 employer account shall be placed in the investment option described in
6 subdivision (1)(a)(v) ~~or (1)(b)(v)~~ of section 84-1310.01, ~~whichever~~
7 ~~option is applicable based on the date of contribution~~. Each member shall
8 be given a detailed current description of each investment option prior
9 to making or revising his or her allocation.

10 (2) Each member of the retirement system may allocate contributions
11 to the member's ~~his or her~~ employer account to the investment options in
12 percentage increments as set by the board in any proportion, including
13 full allocation to any one option. A member under subdivision (1)(a) of
14 section 84-1323 or the member's ~~his or her~~ beneficiary may transfer any
15 portion of the member's ~~his or her~~ funds among the options. The board may
16 adopt and promulgate rules and regulations for changes of a member's
17 allocation of contributions to the member's ~~his or her~~ accounts after the
18 member's ~~his or her~~ most recent allocation and for transfers from one
19 investment account to another.

20 (3) The board shall develop a schedule for the allocation of
21 administrative costs of maintaining the various investment options and
22 shall assess the costs so that each member pays a reasonable fee as
23 determined by the board.

24 (4) In order to carry out ~~the provisions of~~ this section, the board
25 may enter into administrative services agreements for accounting or
26 record-keeping services. No agreement shall be entered into unless the
27 board determines that it will result in administrative economy and will
28 be in the best interests of the state and its participating employees.

29 (5) The state, the board, the state investment officer, the members
30 of the Nebraska Investment Council, or the agency shall not be liable for
31 any investment results resulting from the member's exercise of control

1 over the assets in the employer account.

2 Sec. 14. Section 84-1319.01, Reissue Revised Statutes of Nebraska,
3 is amended to read:

4 84-1319.01 ~~The~~ There is hereby created the State Equal Retirement
5 Benefit Fund is created. The fund shall ,~~to~~ be administered by the
6 board. Each state agency participating in the retirement system shall
7 make a contribution at least once a year to the fund, in addition to any
8 other retirement contributions. Such contribution shall be in an amount
9 determined by the board to provide all similarly situated male and female
10 members of the retirement system with equal benefits pursuant to
11 subsection (2) of section 84-1319 and to provide for direct expenses
12 incurred in administering the fund. The amount contributed to the fund by
13 each state agency participating in the retirement system shall be
14 proportionate to the total amount such agency contributes to the system
15 for retirement benefits. Any money in the fund available for investment
16 shall be invested by the state investment officer pursuant to the
17 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
18 Act.

19 Sec. 15. Section 84-1322, Revised Statutes Cumulative Supplement,
20 2020, is amended to read:

21 84-1322 (1) Prior to January 1, 2020, except as otherwise provided
22 in this section, a member of the retirement system who has a five-year
23 break in service shall upon reemployment be considered a new employee
24 with respect to the State Employees Retirement Act and shall not receive
25 credit for service prior to his or her reemployment date.

26 (2)(a) A member who ceases to be an employee before becoming
27 eligible for retirement under section 84-1317 and again becomes a
28 permanent full-time or permanent part-time state employee prior to having
29 a five-year break in service shall immediately be reenrolled in the
30 retirement system and resume making contributions. For purposes of
31 vesting employer contributions made prior to and after reentry into the

1 retirement system under subsection (3) of section 84-1321, years of
2 participation include years of participation prior to such employee's
3 original termination. For a member who is not vested and has received a
4 termination benefit pursuant to section 84-1321, the years of
5 participation prior to such employee's original termination shall be
6 limited in a ratio equal to the amount that the member repays divided by
7 the termination benefit withdrawn pursuant to section 84-1321. This
8 subsection shall apply whether or not the person was a state employee on
9 April 20, 1986, or July 17, 1986.

10 (b) The reemployed member may repay the value of, or a portion of
11 the value of, the termination benefit withdrawn pursuant to section
12 84-1321. A reemployed member who elects to repay all or a portion of the
13 value of the termination benefit withdrawn pursuant to section 84-1321
14 shall repay the actual earnings on such value. Repayment of the
15 termination benefit shall commence within three years after reemployment
16 and shall be completed within five years after reemployment or prior to
17 termination of employment, whichever occurs first, through (i) direct
18 payments to the retirement system, (ii) installment payments made
19 pursuant to a binding irrevocable payroll deduction authorization made by
20 the member, (iii) an eligible rollover distribution as provided under the
21 Internal Revenue Code, or (iv) a direct rollover distribution made in
22 accordance with section 401(a)(31) of the Internal Revenue Code.

23 (c) The value of the member's forfeited employer account or employer
24 cash balance account, as of the date of forfeiture, shall be restored in
25 a ratio equal to the amount of the benefit that the member has repaid
26 divided by the termination benefit received. The employer account or
27 employer cash balance account shall be restored first out of the current
28 forfeiture amounts and then by additional employer contributions.

29 (3) For a member who retired pursuant to section 84-1317 and becomes
30 a permanent full-time employee or permanent part-time employee with the
31 state more than one hundred twenty days after his or her retirement date,

1 the member shall continue receiving retirement benefits. Such a retired
2 member or a retired member who received a lump-sum distribution of his or
3 her benefit shall be considered a new employee as of the date of
4 reemployment and shall not receive credit for any service prior to the
5 member's retirement for purposes of the act.

6 (4) A member who is reinstated as an employee pursuant to a
7 grievance or appeal of his or her termination by the state shall be a
8 member upon reemployment and shall not be considered to have a break in
9 service for such period of time that the grievance or appeal was pending.

10 (5) Beginning January 1, 2020, if a contributing member of the
11 retirement system ceases to be an employee and returns to service in any
12 capacity with the state prior to having a one-hundred-twenty-day break in
13 service, the member:

14 (a) Shall not be deemed to have had a bona fide separation of
15 service;

16 (b) Shall be immediately reenrolled in:

17 (i) The defined contribution benefit if the member was contributing
18 to the defined contribution benefit prior to ceasing employment; or

19 (ii) The cash balance benefit in which the member was participating
20 prior to ceasing employment if the member was contributing to the cash
21 balance benefit prior to ceasing employment;

22 (c) Shall immediately resume making contributions;

23 (d) Shall make up any missed contributions based upon services
24 rendered and compensation received;

25 (e) Shall have all distributions from the retirement system
26 canceled; and

27 (f) Shall repay the gross distributions from the retirement system.

28 (6)(a) Beginning January 1, 2020, if a contributing member of the
29 retirement system ceases to be an employee and returns to permanent full-
30 time or permanent part-time service in any capacity with the state after
31 having a one-hundred-twenty-day break in service, the member:

1 (i) Shall be immediately reenrolled in:

2 (A) The defined contribution benefit if the member was contributing
3 to the defined contribution benefit prior to ceasing employment; or

4 (B) The cash balance benefit in which the member was participating
5 prior to ceasing employment if the member was contributing to the cash
6 balance benefit prior to ceasing employment;

7 (ii) Shall immediately resume making contributions;

8 (iii) Shall continue receiving any annuity elected after the member
9 ceased employment and before the member was reemployed; and

10 (iv) Shall be prohibited from taking any distributions from the
11 retirement system until the employee again terminates employment with the
12 state.

13 (b) For the purposes of vesting employer contributions made prior to
14 and after reentry into the retirement system, the member's years of
15 participation prior to the date the member originally ceased employment
16 and the years of participation after the member is reenrolled in the
17 retirement system shall be included as years of participation, except
18 that if the member is not vested on the date the member originally ceased
19 employment and has taken a distribution, the years of participation prior
20 to the date the member originally ceased employment shall be limited in a
21 ratio equal to the value of the distribution that the member repays
22 divided by the total value of the distribution taken as described in
23 subdivision (6)(c) of this section.

24 (c) A reemployed member may repay all or a portion of the value of a
25 distribution except for an annuity elected after the member ceased
26 employment and before the member was reemployed. Repayment of such a
27 distribution shall commence within three years after reemployment and
28 shall be completed within five years after reemployment or prior to the
29 member again ceasing employment, whichever occurs first, through (i)
30 direct payments to the retirement system, (ii) installment payments made
31 pursuant to a binding irrevocable payroll deduction authorization made by

1 the member, (iii) an eligible rollover distribution as provided under the
2 Internal Revenue Code, or (iv) a direct rollover distribution made in
3 accordance with section 401(a)(31) of the Internal Revenue Code. If the
4 member fails to repay all of the value of such a distribution prior to
5 the member again ceasing employment, the member shall be forever barred
6 from repaying the value of such a distribution taken between the periods
7 of employment. The value of the member's forfeited employer account or
8 employer cash balance account, as of the date of forfeiture, shall be
9 restored in a ratio equal to the amount of the distribution repaid by the
10 member divided by the amount of the distribution taken. The employer
11 account or employer cash balance account shall be restored first out of
12 the current forfeiture amounts and then by additional employer
13 contributions.

14 Sec. 16. Section 84-1503, Revised Statutes Supplement, 2021, is
15 amended to read:

16 84-1503 (1) It shall be the duty of the Public Employees Retirement
17 Board:

18 (a) To administer the retirement systems provided for in the County
19 Employees Retirement Act, the Judges Retirement Act, the Nebraska State
20 Patrol Retirement Act, the School Employees Retirement Act, the State
21 Employees Retirement Act, and, beginning September 1, 2024, the Class V
22 School Employees Retirement Act. The agency for the administration of the
23 retirement systems and under the direction of the board shall be known
24 and may be cited as the Nebraska Public Employees Retirement Systems;

25 (b) To appoint a director to administer the systems under the
26 direction of the board. The appointment shall be subject to the approval
27 of the Governor and a majority of the Legislature. Director
28 qualifications shall include, but not be limited to, (i) supervisory or
29 management experience and (ii) training in, experience with, or a
30 demonstrated knowledge of qualified public employee retirement plan
31 administration ~~The director shall be qualified by training and have at~~

1 ~~least five years of experience in the administration of a qualified~~
2 ~~public or private employee retirement plan.~~ The director shall not be a
3 member of the board. The salary of the director shall be set by the
4 board. The director shall serve without term and may be removed by the
5 board;

6 (c) To provide for an equitable allocation of expenses among the
7 retirement systems administered by the board, and all expenses shall be
8 provided from the investment income earned by the various retirement
9 funds unless alternative sources of funds to pay expenses are specified
10 by law;

11 (d) To administer the deferred compensation program authorized in
12 section 84-1504;

13 (e) To hire an attorney, ~~admitted to the Nebraska State Bar~~
14 ~~Association,~~ to advise the board in the administration of the retirement
15 systems listed in subdivision (a) of this subsection. The attorney shall
16 be admitted to practice law in Nebraska, except that the board shall have
17 the discretion to hire an attorney for a probationary period not to
18 exceed six months pending such attorney's admission to practice law in
19 Nebraska;

20 (f) To hire an internal auditor to perform the duties described in
21 section 84-1503.04 who meets the minimum standards as described in
22 section 84-304.03; and

23 (g) To adopt and implement procedures for reporting information by
24 employers, as well as testing and monitoring procedures in order to
25 verify the accuracy of such information. The information necessary to
26 determine membership shall be provided by the employer. The board may
27 adopt and promulgate rules and regulations and prescribe such forms
28 necessary to carry out this subdivision. Nothing in this subdivision
29 shall be construed to require the board to conduct onsite audits of
30 political subdivisions for compliance with statutes, rules, and
31 regulations governing the retirement systems listed in subdivision (1)(a)

1 of this section regarding membership and contributions. ~~;~~ and

2 ~~(h) To prescribe and furnish forms for the public retirement system~~
3 ~~plan reports required to be filed pursuant to sections 2-3228, 12-101,~~
4 ~~14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 19-3501, 23-1118,~~
5 ~~23-3526, 71-1631.02, and 79-987 through December 31, 2017.~~

6 (2) In administering the retirement systems listed in subdivision
7 (1)(a) of this section, it shall be the duty of the board:

8 (a) To determine, based on information provided by the employer, the
9 prior service annuity, if any, for each person who is an employee of the
10 county on the date of adoption of the retirement system;

11 (b) To determine the eligibility of an individual to be a member of
12 the retirement system and other questions of fact in the event of a
13 dispute between an individual and the individual's employer;

14 (c) To adopt and promulgate rules and regulations, as the board may
15 deem necessary, for the management of the board;

16 (d) To keep a complete record of all proceedings taken at any
17 meeting of the board;

18 (e) To obtain, by a competitive, formal, and sealed bidding process
19 through the materiel division of the Department of Administrative
20 Services, actuarial services on behalf of the State of Nebraska as may be
21 necessary in the administration and development of the retirement
22 systems, including, but not limited to, preparation of an annual
23 actuarial valuation report of each of the defined benefit and cash
24 balance plans administered by the board. Such annual valuation reports
25 shall be presented by the actuary to the Nebraska Retirement Systems
26 Committee of the Legislature at a public hearing or hearings. Any
27 contract for actuarial services shall contain a provision allowing the
28 actuary, without prior approval of the board, to perform actuarial
29 studies of the systems as requested by entities other than the board, if
30 notice, which does not identify the entity or substance of the request,
31 is given to the board, all costs are paid by the requesting entity,

1 results are provided to the board, the Nebraska Retirement Systems
2 Committee of the Legislature, and the Legislative Fiscal Analyst upon
3 being made public, and such actuarial studies do not interfere with the
4 actuary's ongoing responsibility to the board. The term of the contract
5 shall be for up to three years. A competitive, formal, and sealed bidding
6 process shall be completed at least once every three years, unless the
7 board determines that such a process would not be cost effective under
8 the circumstances and that the actuarial services performed have been
9 satisfactory, in which case the contract may also contain an option for
10 renewal without a competitive, formal, and sealed bidding process for up
11 to two additional three-year periods. An actuary under contract for the
12 State of Nebraska shall be a member of the American Academy of Actuaries
13 and meet the academy's qualification standards to render a statement of
14 actuarial opinion;

15 (f) To direct the State Treasurer to transfer funds, as an expense
16 of the retirement systems, to the Legislative Council Retirement Study
17 Fund. Such transfer shall ~~occur beginning on or after July 1, 2005, and~~
18 ~~at intervals of not less than five years and not more than fifteen years~~
19 ~~and shall~~ be in such amounts as the Legislature shall direct;

20 (g) To adopt and promulgate rules and regulations, as the board may
21 deem necessary, to carry out the provisions of each retirement system
22 described in subdivision (1)(a) of this section, which includes, but is
23 not limited to, the crediting of military service, direct rollover
24 distributions, and the acceptance of rollovers;

25 (h) To obtain auditing services for a separate compliance audit of
26 the retirement systems to be completed by December 31, 2028 ~~2020~~, and
27 from time to time ~~thereafter~~ at the request of the Nebraska Retirement
28 Systems Committee of the Legislature, to be completed not more than every
29 four years but not less than every ten years. The compliance audit shall
30 be in addition to the annual audit conducted by the Auditor of Public
31 Accounts. The compliance audit shall include, but not be limited to, an

1 examination of records, files, and other documents and an evaluation of
2 all policies and procedures to determine compliance with all state and
3 federal laws. A copy of the compliance audit shall be given to the
4 Governor, the board, and the Nebraska Retirement Systems Committee of the
5 Legislature and shall be presented to the committee at a public hearing;

6 (i) To adopt and promulgate rules and regulations, as the board may
7 deem necessary, for the adjustment of contributions or benefits, which
8 includes, but is not limited to: (i) The procedures for refunding
9 contributions, adjusting future contributions or benefit payments, and
10 requiring additional contributions or repayment of benefits; (ii) the
11 process for a member, member's beneficiary, employee, or employer to
12 dispute an adjustment to contributions or benefits; (iii) establishing
13 materiality and de minimus amounts for agency transactions, adjustments,
14 and inactive account closures; and (iv) notice provided to all affected
15 persons. Following an adjustment, a timely notice shall be sent that
16 describes the adjustment and the process for disputing an adjustment to
17 contributions or benefits;

18 (j)(i) To amend the deferred compensation plan to require that in
19 the event of a member's death, except as provided in section 42-1107, the
20 death benefit shall be paid to the following, in order of priority:

21 (A) To the member's surviving designated beneficiary on file with
22 the board;

23 (B) To the spouse married to the member on the member's date of
24 death if there is no surviving designated beneficiary on file with the
25 board; or

26 (C) To the member's estate if the member is not married on the
27 member's date of death and there is no surviving designated beneficiary
28 on file with the board; and

29 (ii) The priority designations described in subdivision (2)(j)(i) of
30 this section shall not apply if the member has retired under a joint and
31 survivor benefit option;

1 (k) To make a thorough investigation through the director or the
2 director's designee, of any overpayment of a benefit, when in the
3 judgment of the director such investigation is necessary, including, but
4 not limited to, circumstances in which benefit payments are made after
5 the death of a member or beneficiary and the retirement system is not
6 made aware of such member's or beneficiary's death. In connection with
7 any such investigation, the board, through the director or the director's
8 designee, shall have the power to compel the attendance of witnesses and
9 the production of books, papers, records, and documents, whether in
10 hardcopy, electronic form, or otherwise, and issue subpoenas for such
11 purposes. Such subpoenas shall be served in the same manner and have the
12 same effect as subpoenas from district courts; and

13 (1) To administer all retirement system plans in a manner which will
14 maintain each plan's status as a qualified plan pursuant to the Internal
15 Revenue Code, as defined in section 49-801.01, including: Section 401(a)
16 (9) of the Internal Revenue Code relating to the time and manner in which
17 benefits are required to be distributed, including the incidental death
18 benefit distribution requirement of section 401(a)(9)(G) of the Internal
19 Revenue Code; section 401(a)(25) of the Internal Revenue Code relating to
20 the specification of actuarial assumptions; section 401(a)(31) of the
21 Internal Revenue Code relating to direct rollover distributions from
22 eligible retirement plans; section 401(a)(37) of the Internal Revenue
23 Code relating to the death benefit of a member whose death occurs while
24 performing qualified military service; and section 401(a) of the Internal
25 Revenue Code by meeting the requirements of section 414(d) of the
26 Internal Revenue Code relating to the establishment of retirement plans
27 for governmental employees of a state or political subdivision thereof.
28 The board may adopt and promulgate rules and regulations necessary or
29 appropriate to maintain such status including, but not limited to, rules
30 or regulations which restrict discretionary or optional contributions to
31 a plan or which limit distributions from a plan.

1 (3) By ~~March 31 of each year prior to 2020, and by~~ April 10 of each
2 year ~~beginning in 2020~~, the board shall prepare a written plan of action
3 and shall present such plan to the Nebraska Retirement Systems Committee
4 of the Legislature at a public hearing. The plan shall include, but not
5 be limited to, the board's funding policy, the administrative costs and
6 other fees associated with each fund and plan overseen by the board,
7 member education and informational programs, the director's duties and
8 limitations, an organizational structure of the office of the Nebraska
9 Public Employees Retirement Systems, and the internal control structure
10 of such office to ensure compliance with state and federal laws.

11 (4)(a) Beginning in 2016, and at least every four years thereafter
12 in even-numbered years or at the request of the Nebraska Retirement
13 Systems Committee of the Legislature, the board shall obtain an
14 experience study. Within thirty business days after presentation of the
15 experience study to the board, the actuary shall present the study to the
16 Nebraska Retirement Systems Committee at a public hearing. If the board
17 does not adopt all of the recommendations in the experience study, the
18 board shall provide a written explanation of its decision to the Nebraska
19 Retirement Systems Committee and the Governor. The explanation shall be
20 delivered within ten business days after formal action by the board to
21 not adopt one or more of the recommendations.

22 (b) The director shall provide an electronic copy of the first draft
23 and a final draft of the experience study and annual valuation reports to
24 the Nebraska Retirement Systems Committee and the Governor when the
25 director receives the drafts from the actuary. The drafts shall be deemed
26 confidential information. The draft copies obtained by the Nebraska
27 Retirement Systems Committee and the Governor pursuant to this section
28 shall not be considered public records subject to sections 84-712 to
29 84-712.09.

30 (c) For purposes of this subsection, business days shall be computed
31 by excluding the day the request is received, after which the designated

1 period of time begins to run. A business day shall not include a Saturday
2 or a Sunday or a day during which the Nebraska Public Employees
3 Retirement Systems office is closed.

4 (5) It shall be the duty of the board to direct the State Treasurer
5 to transfer funds, as an expense of the retirement system provided for
6 under the Class V School Employees Retirement Act, to and from the Class
7 V Retirement System Payment Processing Fund and the Class V School
8 Employees Retirement Fund for the benefit of a retirement system provided
9 for under the Class V School Employees Retirement Act to implement ~~the~~
10 ~~provisions of~~ section 79-986. The agency for the administration of this
11 provision and under the direction of the board shall be known and may be
12 cited as the Nebraska Public Employees Retirement Systems.

13 (6) Pursuant to section 79-9,121, it shall be the duty of the board
14 to carry out the work plan, file the report, and contract with, bill, and
15 receive payment from an employer of any Class V school employees
16 retirement system established under the Class V School Employees
17 Retirement Act for all services performed in the conduct, completion, and
18 report of such work plan regarding the transfer of management of any such
19 Class V school employees retirement system.

20 (7) It shall be the duty of the board to complete the additional
21 identification and examination of issues pursuant to section 79-9,124, to
22 enter and carry out the plan for the transfer and transition of the
23 management and administration of any Class V school employees retirement
24 system established under the Class V School Employees Retirement Act
25 pursuant to section 79-979.01, and to bill and receive payment from an
26 employer of any such retirement system for the costs and expenses of the
27 board in carrying out the plan and the transfer of the management and
28 administration of the Class V school employees retirement system to the
29 board.

30 Sec. 17. Section 84-1511, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 84-1511 (1) For purposes of this section:

2 (a) Leave with pay means time off paid by the employer and does not
3 mean vacation, sick, personal, or compensatory time; and

4 (b) Session means an in-person training or live-broadcast webinar
5 but does not include information that can be accessed at any time via
6 electronic means.

7 (2)(a) (1) The Public Employees Retirement Board shall provide
8 sessions ~~establish a comprehensive preretirement planning program~~ for
9 state patrol officers, state employees, judges, county employees, and
10 school employees who are members of the retirement systems established
11 pursuant to the County Employees Retirement Act, the Judges Retirement
12 Act, the School Employees Retirement Act, the Nebraska State Patrol
13 Retirement Act, and the State Employees Retirement Act. The sessions
14 ~~program~~ shall provide information and advice regarding the many changes
15 members ~~employees~~ face upon retirement, including, but not limited to,
16 changes in physical and mental health, housing, family life, leisure
17 activity, and retirement income.

18 (b) (2) The sessions ~~preretirement planning program~~ shall be
19 available to any member who has satisfied the vesting requirements ~~all~~
20 ~~employees who have attained the age of fifty years or are within five~~
21 ~~years of qualifying for retirement or early retirement under the their~~
22 retirement system in which the member participates ~~systems~~.

23 (c) (3) The sessions ~~preretirement planning program~~ shall include
24 information on the federal and state income tax consequences of the
25 various annuity or retirement benefit options available to retirement
26 system members ~~the employee~~, information on social security benefits,
27 information on various local, state, and federal government programs and
28 programs in the private sector designed to assist elderly persons, and
29 information and advice the board deems valuable in assisting retirement
30 system members ~~public employees~~ in the transition from public employment
31 to retirement.

1 (d) Beginning September 1, 2024, as provided pursuant to section
2 79-9,117, the board shall also provide the sessions described in this
3 subsection to school employees who are members of any retirement system
4 established pursuant to the Class V School Employees Retirement Act.

5 (3) (4) The board shall work with the Department of Health and Human
6 Services, the personnel division of the Department of Administrative
7 Services, employee groups, and any other governmental agency, including
8 political subdivisions or bodies whose services or expertise may enhance
9 the development or implementation of the sessions preretirement planning
10 program.

11 ~~(5) Funding to cover the expense of the preretirement planning~~
12 ~~program shall be charged back to each retirement fund on a pro rata share~~
13 ~~based on the number of employees in each plan.~~

14 (4)(a)(i) Each (6) The employer participating in the Retirement
15 System for Nebraska Counties or the State Employees Retirement System of
16 the State of Nebraska shall provide each member eligible employee leave
17 with pay to attend up to three days of sessions two preretirement
18 planning programs. For purposes of this subsection, leave with pay shall
19 mean a day off paid by the employer and shall not mean vacation, sick,
20 personal, or compensatory time.

21 (ii) Each employer participating in the Nebraska Judges Retirement
22 System, the School Employees Retirement System of the State of Nebraska,
23 or the Nebraska State Patrol Retirement System shall provide each member
24 leave with pay to attend up to two days of sessions.

25 (b) Leave authorized pursuant to subdivision (4)(a) of this section
26 may only be used to attend sessions that occur during the employee's
27 normal work day.

28 (c) A member An employee may choose to attend a program more
29 sessions than the leave authorized pursuant to subdivision (4)(a) of this
30 section twice, but such leave to attend such additional sessions shall be
31 at the expense of the member employee and shall be at the discretion of

1 the employer. ~~An eligible employee shall not be entitled to attend more~~
2 ~~than one preretirement planning program per fiscal year prior to actual~~
3 ~~election of retirement.~~

4 (5) Funding to cover the expenses of a session shall be charged back
5 to the retirement fund of each plan for which sessions are provided
6 pursuant to subsection (2) of this section on a pro rata share based on
7 the number of members in each plan, except that a (7) A nominal
8 registration fee may be charged to each person attending an in-person
9 training session a preretirement planning program to cover the costs for
10 meals, meeting rooms, or other expenses incurred that are incident to an
11 in-person training session under such program.

12 Sec. 18. Original sections 23-2317.01, 79-920, 84-1319.01, and
13 84-1511, Reissue Revised Statutes of Nebraska, sections 23-2309.01,
14 23-2310.05, 72-1243, 79-921, 84-1301, 84-1310.01, 84-1311.03, and
15 84-1322, Revised Statutes Cumulative Supplement, 2020, and sections
16 79-902, 79-978, 79-992.01, 79-9,117, and 84-1503, Revised Statutes
17 Supplement, 2021, are repealed.

18 Sec. 19. The following section is outright repealed: Section
19 84-1511.01, Reissue Revised Statutes of Nebraska.

20 Sec. 20. Since an emergency exists, this act takes effect when
21 passed and approved according to law.