

## LEGISLATIVE BILL 56

Approved by the Governor February 5, 1975

Introduced by Nebraska Retirement Systems Committee,  
Hasebroock, 18, Chmn.; Luedtke, 28; Goodrich,  
20; Stull, 49; F. Lewis, 45

AN ACT to amend sections 23-2319 and 79-1529, Reissue Revised Statutes of Nebraska, 1943, and section 84-1321, Revised Statutes Supplement, 1974, relating to retirement; to change annuity benefit provisions as prescribed; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 23-2319, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

23-2319. Any member of the retirement system who ceases to be an employee before his sixty-first birthday may, upon application, receive from the carrier a termination benefit equal to the amount of his employee account. If the terminating member does not make application to withdraw the amount in his employee account, he shall be granted, in lieu thereof, a paid-up deferred annuity under which the first annuity payment shall be made as of the first of the month immediately following his sixty-fifth birthday. At the option of the terminating member, such annuity may commence as of the first of the month at any time after such member attains the age of sixty and before his sixty-fifth birthday. Such election by the terminating member may be made at any time prior to the commencement of the annuity payments. Such paid-up deferred annuity shall be the actuarial equivalent, as determined by the group annuity contract, of the employee account together with a certain percentage of the employer account. If the terminating member has been a member of the system for less than five years, such percentage shall be nil; if the terminating member has been a member of the system for at least five years, such percentage shall be twice the number of completed months, not counting the first sixty, that the terminating member has been a member of the system; but in no event shall such percentage exceed one hundred.

If the terminating member shall not be credited with one hundred per cent of his employer account, the remainder shall be paid by the carrier to the county by whom the terminating member was employed.

Sec. 2. That section 79-1529, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-1529. If any member ceases to be a school employee for any reason other than death, before qualifying for retirement under sections 79-1520 and 79-1521, the board shall, upon request, issue him a certified service record and statement of accumulated contributions and retain such member's accumulated contributions. In such event, no further contributions shall be required, interest on accumulated contributions shall continue to be credited to his account and none of the member's retirement rights shall be canceled. At age sixty-five such member shall become eligible to the retirement allowance indicated by his service record and his accumulated contributions. At the option of the terminating member, such annuity may commence at any time after such member attains the age of sixty and before his sixty-fifth birthday on an actuarially reduced basis. Such election by the terminating member may be made at any time prior to the commencement of the annuity payments.

Sec. 3. That section 84-1321, Revised Statutes Supplement, 1974, be amended to read as follows:

84-1321. Any member of the retirement system who ceases to be an employee before becoming eligible for retirement under the provisions of section 84-1317 may, upon application, receive from the primary carrier a termination benefit equal to the amount in his employee account. If the terminating member does not make application to withdraw the amount in his employee account, he shall be granted, in lieu thereof, a paid-up deferred annuity under which the first annuity payment shall be made as of the first of the month immediately following the sixty-fifth birthday. At the option of the terminating member, such annuity may commence as of the first of the month at any time after such member attains the age of sixty and before his sixty-fifth birthday. Such election by the terminating member may be made at any time prior to the commencement of the annuity payments. Such paid-up deferred annuity shall be the actuarial equivalent, as determined by the group annuity contract, of the employee account together with a certain percentage of the employer account. If the terminating member has been a member of the system for less than five years, such percentage shall be nil; if the terminating member has been a member of the system for at least five years, such percentage shall be twice the number of complete months, not counting the first sixty, that the terminating member has been a member of the system;

Provided, that in no event shall such percentage exceed one hundred; and provided further, that such percentage shall equal one hundred for any disability retirement under the provisions of section 84-1317.

In the event that the terminating member shall not be credited with one hundred per cent of his employer account, the remainder shall be credited to the State Employees Retirement Fund and shall be applied to reduction of the liability for prior service benefits until such time as such liability is completely funded, and thereafter the remainder shall first be used to meet the expense charges incurred by the Public Employees Retirement Board in connection with administering the system and the remainder shall then be used to reduce the state contribution which would otherwise be required to fund future service retirement benefits.

Sec. 4. That original sections 23-2319 and 79-1529, Reissue Revised Statutes of Nebraska, 1943, and section 84-1321, Revised Statutes Supplement, 1974, are repealed.