

LEGISLATIVE BILL 219

Approved by the Governor May 20, 1983

Introduced by Nebraska Retirement Systems Committee,
Fowler, 27, Chairperson; Wesely, 26;
Vickers, 38; Schmit, 23

AN ACT to amend sections 84-1307, 84-1321, and 84-1323.02, Reissue Revised Statutes of Nebraska, 1943, and section 84-1317, Revised Statutes Supplement, 1982, relating to retirement; to change membership provisions; to change an optional retirement date; to change 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 84-1307, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

84-1307. The membership of the retirement system shall be composed of (1) all permanent full-time employees who have been employees for a period of twenty-four continuous months at any time and who have attained the age of thirty and (2) all full-time or part-time employees, who have been employees for a total of twelve months, who have attained the age of twenty-five, and who exercise the option to join the retirement system within sixty days after completion of the twelfth month of employment, except that any employee, twenty-five years of age or older, who has completed the twelfth month of employment prior to the effective date of this act may exercise the option to join at any time within sixty days after the effective date of this act. Membership shall not include part-time or temporary employees, except (a) (1) such part-time employees who have been full-time employees but because of age or otherwise have been partially incapacitated and have been placed on a part-time service basis at a part-time rate of pay under rules and regulations of the retirement board, and (b) (2) such part-time employees who are members of the system, and (c) part-time employees who join the system as provided in subdivision (2) of this section.

Sec. 2. That section 84-1317, Revised

Statutes Supplement, 1982, be amended to read as follows:

84-1317. An employee may elect to retire on the attainment of age sixty-five or on the attainment of age sixty after ~~five~~ ~~thirty~~ years of service. With the approval of the department concerned and the employee, an employee may retire on the attainment of age sixty regardless of the number of years of service. An employee may retire as a result of disability at any age.

Any employee shall be required to retire at the end of the month in which his or her seventieth birthday occurs, except that with the annual approval of the department concerned and the employee, such employee may continue his or her employment beyond the attainment of age seventy, except that members of commissions and boards who serve periodically and only receive authorized per diems or expenses shall not be required to retire at age seventy.

The first of the month immediately following the last day of work shall be the retirement date, except that disability retirement benefits shall be paid from the date of disability as determined by the board. The provisions pertaining to mandatory retirement shall not apply to elected officials. First payments pertaining to retirements under prior service provisions of sections 84-1301 to 84-1331 shall be made at such time as the retirement board may determine.

Sec. 3. That section 84-1321, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

84-1321. (1) 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) a termination benefit equal to the amount in his or her employee account payable in a lump sum plus a paid-up deferred annuity provided by the vested portion of the employer account under which the first annuity payment shall be made as of the first of the month immediately following the sixty-fifth birthday or (b) a paid-up deferred annuity provided by the employee account and the vested portion of the employer account under which the first annuity payment shall be made as of the first of the month immediately following the sixty-fifth birthday. If the terminating member does not make application he or she shall receive the benefits provided under subdivision (1)(b) of this section, except that any person who has been a member of the retirement system and has terminated his or her employment prior to the effective date of this act and has not withdrawn the amount in his or her employee account shall have the option upon application prior to

January 1, 1984, to receive the benefit provided in subdivision (1)(a) of this section, 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.

(2) At the option of the terminating member, any paid-up deferred annuity provided under subsection (1) of this section 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 or her 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 the vested 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.

(3) The vesting percentage shall be one hundred after five years of participation in the retirement plan. The vesting 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 or her 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 section 84-1323.02, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

84-1323.02. Any retiring employee whose total retirement benefit, including both prior and future service benefits, is less than fifty twenty-five dollars per month on the straight life annuity option may elect

to receive a lump sum settlement equal to the retirement value in lieu of an annuity.

Sec. 5. That original sections 84-1307, 84-1321, and 84-1323.02, Reissue Revised Statutes of Nebraska, 1943, and section 84-1317, Revised Statutes Supplement, 1982, are repealed.