

LEGISLATIVE BILL 532

Approved by the Governor April 14, 1998

Introduced by Robak, 22; Crosby, 29

AN ACT relating to retirement; to amend sections 24-701.01, 79-901, and 81-2014.01, Revised Statutes Supplement, 1997; to provide a supplemental retirement benefit for certain eligible retirees; to define terms; to harmonize provisions; and to repeal the original sections.

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

Section 1. Section 24-701.01, Revised Statutes Supplement, 1997, is amended to read:

24-701.01. Sections 24-701 to 24-714 and sections 2 to 4 of this act shall be known and may be cited as the Judges Retirement Act.

Sec. 2. For purposes of this section and sections 3 and 4 of this act:

(1) Eligible retiree means (a) a member or beneficiary who has been receiving a retirement benefit for at least five years, which member had at least twenty-five years of creditable service; (b) a member who has been receiving a disability retirement benefit for at least five years pursuant to section 24-709; or (c) a beneficiary who has been receiving a death benefit pursuant to section 24-707 for at least five years, and which member's or beneficiary's monthly accrual rate is less than or equal to the minimum accrual rate as determined by section 3 of this act;

(2) Monthly accrual rate means the eligible retiree's total monthly benefit divided by the number of years of creditable service earned by the retiree or deceased member; and

(3) Total monthly benefit means the total benefit received by an eligible retiree pursuant to the Judges Retirement Act, previous adjustments made pursuant to section 4 of this act, or any other provision of Nebraska law which grants a benefit or cost-of-living increase within the act, but total monthly benefit does not include sums received by an eligible retiree from federal sources.

Sec. 3. The minimum accrual rate is thirty-five dollars until adjusted pursuant to this section. Commencing June 30, 1999, the retirement board shall annually adjust the minimum accrual rate to reflect the cumulative change in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics of the United States Department of Labor from the last adjustment of the minimum accrual rate.

Sec. 4. (1) Beginning June 30, 1999, and each June 30 thereafter, the retirement board shall determine the number of eligible retirees in the retirement system and shall grant an annual benefit adjustment to each eligible retiree. The annual benefit adjustment shall be calculated by multiplying the eligible retiree's total monthly benefit by the lesser of:

(a)(i) For calculations on June 30, 1999, the cumulative change in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics from June 30, 1998, through June 30, 1999; or

(ii) For calculations on June 30, 2000, and each June 30 thereafter, the cumulative change in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics of the United States Department of Labor from the last adjustment of the total monthly benefit of each eligible retiree pursuant to this section through June 30 of the year for which the annual benefit adjustment is being calculated; or

(b)(i) For calculations on June 30, 1999, an amount equal to three percent per annum compounded from June 30, 1998, through June 30, 1999; or

(ii) For calculations on June 30, 2000, and each June 30 thereafter, an amount equal to three percent per annum compounded for the period from the last adjustment of the total monthly benefit of each eligible retiree pursuant to this section through June 30 of the year for which the annual benefit adjustment is being calculated.

(2) Beginning July 1 each year, each eligible retiree shall receive the sum of the annual benefit adjustment and such retiree's total monthly benefit, which sum shall be the retiree's adjusted total monthly benefit. Each eligible retiree shall receive the adjusted total monthly benefit until the expiration of the annuity option selected by the member or until the eligible retiree again qualifies for the annual benefit adjustment, whichever occurs first. Subsequent to the date of the annual benefit adjustment, an

eligible retiree shall never receive less than the adjusted total monthly benefit until the annuity option selected by the member expires.

Sec. 5.. Section 79-901, Revised Statutes Supplement, 1997, is amended to read:

79-901. Sections 79-901 to 79-977.01 and sections 6 to 8 of this act shall be known and may be cited as the School Employees Retirement Act.

Sec. 6. For purposes of this section and sections 7 and 8 of this act:

(1) Eligible retiree means (a) a member or a beneficiary who has been receiving a retirement benefit for at least five years, which member had at least twenty-five years of creditable service; (b) a member who has been receiving a disability retirement allowance for at least five years pursuant to section 79-952; or (c) a beneficiary who has been receiving a death benefit pursuant to section 79-956 for at least five years, and which member's or beneficiary's monthly accrual rate is less than or equal to the minimum accrual rate as determined by section 7 of this act;

(2) Monthly accrual rate means the eligible retiree's total monthly benefit divided by the number of years of creditable service earned by the retiree or deceased member; and

(3) Total monthly benefit means the total benefit received by an eligible retiree pursuant to the School Employees Retirement Act, previous adjustments made pursuant to section 8 of this act, or any other provision of Nebraska law which grants a benefit or cost-of-living increase within the act, but total monthly benefit does not include sums received by an eligible retiree from federal sources.

Sec. 7. The minimum accrual rate is eighteen dollars until adjusted pursuant to this section. Commencing June 30, 1999, the retirement board shall annually adjust the minimum accrual rate to reflect the cumulative change in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics of the United States Department of Labor from the last adjustment of the minimum accrual rate.

Sec. 8. (1) Beginning June 30, 1999, and each June 30 thereafter, the retirement board shall determine the number of eligible retirees in the retirement system and shall grant an annual benefit adjustment to each eligible retiree. The annual benefit adjustment shall be calculated by multiplying the eligible retiree's total monthly benefit by the lesser of:

(a) (i) For calculations on June 30, 1999, the cumulative change in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics from June 30, 1998, through June 30, 1999; or

(ii) For calculations on June 30, 2000, and each June 30 thereafter, the cumulative change in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics of the United States Department of Labor from the last adjustment of the total monthly benefit of each eligible retiree pursuant to this section through June 30 of the year for which the annual benefit adjustment is being calculated; or

(b) (i) For calculations on June 30, 1999, an amount equal to three percent per annum compounded from June 30, 1998, through June 30, 1999; or

(ii) For calculations on June 30, 2000, and each June 30 thereafter, an amount equal to three percent per annum compounded for the period from the last adjustment of the total monthly benefit of each eligible retiree pursuant to this section through June 30 of the year for which the annual benefit adjustment is being calculated.

(2) Beginning July 1 each year, each eligible retiree shall receive the sum of the annual benefit adjustment and such retiree's total monthly benefit, which sum shall be the retiree's adjusted total monthly benefit. Each eligible retiree shall receive the adjusted total monthly benefit until the expiration of the annuity option selected by the member or until the eligible retiree again qualifies for the annual benefit adjustment, whichever occurs first. Subsequent to the date of the annual benefit adjustment, an eligible retiree shall never receive less than the adjusted total monthly benefit until the annuity option selected by the member expires.

Sec. 9. Section 81-2014.01, Revised Statutes Supplement, 1997, is amended to read:

81-2014.01. Sections 81-2014 to 81-2036 and sections 10 to 12 of this act shall be known and may be cited as the Nebraska State Patrol Retirement Act.

Sec. 10. For purposes of this section and sections 11 and 12 of this act:

(1) Eligible retiree means (a) a member or beneficiary who has been receiving a retirement benefit for at least five years, which member had at least twenty-five years of creditable service; (b) a member who has been

receiving a disability retirement benefit for at least five years pursuant to section 81-2025; or (c) a beneficiary who has been receiving a death benefit pursuant to section 81-2026 for at least five years, and which member's or beneficiary's monthly accrual rate is less than or equal to the minimum accrual rate as determined by section 11 of this act;

(2) Monthly accrual rate means the eligible retiree's total monthly benefit divided by the number of years of creditable service earned by the retiree or deceased member; and

(3) Total monthly benefit means the total benefit received by an eligible retiree pursuant to the Nebraska State Patrol Retirement Act, previous adjustments made pursuant to section 12 of this act, or any other provision of Nebraska law which grants a benefit or cost-of-living increase within the act, but total monthly benefit does not include sums received by an eligible retiree from federal sources.

Sec. 11. The minimum accrual rate is thirty dollars until adjusted pursuant to this section. Commencing June 30, 1999, the retirement board shall annually adjust the minimum accrual rate to reflect the cumulative change in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics of the United States Department of Labor from the last adjustment of the minimum accrual rate.

Sec. 12. (1) Beginning June 30, 1999, and each June 30 thereafter, the retirement board shall determine the number of eligible retirees in the retirement system and shall grant an annual benefit adjustment to each eligible retiree. The annual benefit adjustment shall be calculated by multiplying the eligible retiree's total monthly benefit by the lesser of:

(a)(i) For calculations on June 30, 1999, the cumulative change in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics from June 30, 1998, through June 30, 1999; or

(ii) For calculations on June 30, 2000, and each June 30 thereafter, the cumulative change in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics of the United States Department of Labor from the last adjustment of the total monthly benefit of each eligible retiree pursuant to this section through June 30 of the year for which the annual benefit adjustment is being calculated; or

(b)(i) For calculations on June 30, 1999, an amount equal to three percent per annum compounded from June 30, 1998, through June 30, 1999; or

(ii) For calculations on June 30, 2000, and each June 30 thereafter, an amount equal to three percent per annum compounded for the period from the last adjustment of the total monthly benefit of each eligible retiree pursuant to this section through June 30 of the year for which the annual benefit adjustment is being calculated.

(2) Beginning July 1 each year, each eligible retiree shall receive the sum of the annual benefit adjustment and such retiree's total monthly benefit, which sum shall be the retiree's adjusted total monthly benefit. Each eligible retiree shall receive the adjusted total monthly benefit until the expiration of the annuity option selected by the member or until the eligible retiree again qualifies for the annual benefit adjustment, whichever occurs first. Subsequent to the date of the annual benefit adjustment, an eligible retiree shall never receive less than the adjusted total monthly benefit until the annuity option selected by the member expires.

Sec. 13. Original sections 24-701.01, 79-901, and 81-2014.01, Revised Statutes Supplement, 1997, are repealed.