



Hundredth Legislature - First Session - 2007
Introducer's Statement of Intent
LB 508

Chairperson: John Synowiecki
Committee: Nebraska Retirement Systems
Date of Hearing: February 20, 2007

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

LB 508 amends the Judges Retirement Act and the School Employees Retirement Act.

Judges Retirement Act

- Under current law, a surviving spouse may exercise an option within 120 days of the judge's death to be paid the contributions plus regular interest. This bill extends the 120 day period to 12 months and allows the spouse to apply for annuity benefits as they existed on the date of the election by the spouse. (section 1)
- Under current law, the application for disability retirement benefits for clerk magistrates must be made within one year of the termination of employment. This bill allows the election at any time prior to the date of normal retirement. Under this bill, the retirement payments shall be deemed to begin on the date of the certification of the disability. (section 2)

School Employees Retirement Act

- Under current law, a member has five years from termination of employment to make application for disability retirement benefits, if the disability is related to employment in a public school. Also under current law, a member has one year from termination of employment to make application for disability retirement benefits, if the disability is not related to employment in a public school. This bill allows the member to make application for disability retirement benefits at any time prior to the date of normal retirement eligibility, regardless if the disability is related to school employment. (section 3)
- Under current law, disability retirement benefits begin on the disability retirement date. Under this bill, the benefits shall be deemed to begin on the date of certification of the disability, regardless of the date of application. (section 3)
- Under current law, the surviving spouse of a deceased member with at least 20 years service on or before his/her 65th birthday may elect to receive an annuity within 120 days of the death. This bill lengthens the 120 day period to 12 months. (section 4)

- Under current law, the surviving spouse of a deceased member: 1) with at least 5, but less than 20 years of service, 2) who was an employee on or after May 1, 2001, and 3) who dies before his/her 65th birthday, may elect within 120 days of the death of the member to receive a refund of the member's account balance with interest or to receive an annuity. Under this bill, the 120 day period is extended to 12 months. Under current law, the refund or annuity benefit shall be as existed on the date of the death of the member. Under this bill, the refund or annuity benefits shall be as they exist on the date of the election to receive them. (section 4)

LB 508 gives two groups (members who become disabled and grieving spouses of deceased members) more time to make important personal economic decisions that have lifetime impacts on their livelihood.

Principal Introducer:

_____ **Senator Rich Pahls**