

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 639**

Introduced by Nelson, 6.

Read first time January 23, 2013

Committee: Nebraska Retirement Systems

A BILL

1 FOR AN ACT relating to retirement; to amend sections 24-721, 24-732,  
2 48-155.01, 84-1320, 84-1325, and 84-1333, Reissue Revised  
3 Statutes of Nebraska, and sections 24-701, 81-2014,  
4 84-1301, 84-1302, 84-1317, 84-1331, and 84-1501, Revised  
5 Statutes Cumulative Supplement, 2012; to provide for new  
6 judges and officers of the Nebraska State Patrol to  
7 become members of the State Employees Retirement System  
8 of the State of Nebraska; to define and redefine terms;  
9 to provide for retirement age options and requirements  
10 for members of the Nebraska State Patrol and the filling  
11 of judicial vacancies; to provide a supplemental  
12 retirement plan; to change membership of the Public  
13 Employees Retirement Board; to harmonize provisions; to  
14 provide an operative date; and to repeal the original  
15 sections.

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

1                   Section 1. Section 24-701, Revised Statutes Cumulative  
2 Supplement, 2012, is amended to read:

3                   24-701 For purposes of the Judges Retirement Act, unless  
4 the context otherwise requires:

5                   (1) Fund means the Nebraska Retirement Fund for Judges;

6                   (2) Judge means and includes (a) all duly elected or  
7 appointed Chief Justices or judges of the Supreme Court and judges of  
8 the district courts of Nebraska who serve in such capacity on and  
9 after January 3, 1957, and who began serving prior to the operative  
10 date of this act, (b)(i) all duly appointed judges of the Nebraska  
11 Workmen's Compensation Court who served in such capacity on and after  
12 September 20, 1957, and prior to July 17, 1986, and (ii) judges of  
13 the Nebraska Workers' Compensation Court who serve in such capacity  
14 on and after July 17, 1986, and who began serving prior to the  
15 operative date of this act, (c) judges of separate juvenile courts  
16 who began serving prior to the operative date of this act, (d) judges  
17 of the county courts of the respective counties who serve in such  
18 capacity on and after January 5, 1961, and who began serving prior to  
19 the operative date of this act, (e) judges of the county court and  
20 clerk magistrates who were associate county judges and members of the  
21 fund at the time of their appointment as clerk magistrates who began  
22 servicing prior to the operative date of this act, (f) judges of  
23 municipal courts established by Chapter 26, article 1, who served in  
24 such capacity on and after October 23, 1967, and prior to July 1,  
25 1985, and (g) judges of the Court of Appeals who began serving prior

1 to the operative date of this act;

2 (3) Prior service means all the periods of time any  
3 person has served as a (a) judge of the Supreme Court or judge of the  
4 district court prior to January 3, 1957, (b) judge of the county  
5 court prior to January 5, 1961, (c) judge of the Nebraska Workmen's  
6 Compensation Court prior to September 20, 1957, (d) judge of the  
7 separate juvenile court, or (e) judge of the municipal court prior to  
8 October 23, 1967;

9 (4)(a) Current service means the period of service (i)  
10 any judge of the Supreme Court or judge of the district court serves  
11 in such capacity from and after January 3, 1957, (ii)(A) any judge of  
12 the Nebraska Workmen's Compensation Court served in such capacity  
13 from and after September 20, 1957, and prior to July 17, 1986, and  
14 (B) any judge of the Nebraska Workers' Compensation Court serves in  
15 such capacity on and after July 17, 1986, (iii) any county judge  
16 serves in such capacity from and after January 5, 1961, (iv) any  
17 judge of a separate juvenile court serves in such capacity, (v) any  
18 judge of the municipal court served in such capacity subsequent to  
19 October 23, 1967, and prior to July 1, 1985, (vi) any judge of the  
20 county court or associate county judge serves in such capacity  
21 subsequent to January 4, 1973, (vii) any clerk magistrate, who was an  
22 associate county judge and a member of the fund at the time of  
23 appointment as a clerk magistrate, serves in such capacity from and  
24 after July 1, 1986, and (viii) any judge of the Court of Appeals  
25 serves in such capacity on or after September 6, 1991.

1                   (b) Current service shall not be deemed to be interrupted  
2 by (i) temporary or seasonal suspension of service that does not  
3 terminate the employee's employment, (ii) leave of absence authorized  
4 by the employer for a period not exceeding twelve months, (iii) leave  
5 of absence because of disability, or (iv) military service, when  
6 properly authorized by the board. Current service does not include  
7 any period of disability for which disability retirement benefits are  
8 received under section 24-709;

9                   (5) Military service means active service of (a) any  
10 judge of the Supreme Court or judge of the district court in any of  
11 the armed forces of the United States during a war or national  
12 emergency prior or subsequent to September 18, 1955, if such service  
13 commenced while such judge was holding the office of judge, (b) any  
14 judge of the Nebraska Workmen's Compensation Court or the Nebraska  
15 Workers' Compensation Court in any of the armed forces of the United  
16 States during a war or national emergency prior or subsequent to  
17 September 20, 1957, if such service commenced while such judge was  
18 holding the office of judge, (c) any judge of the municipal court in  
19 any of the armed forces of the United States during a war or national  
20 emergency prior or subsequent to October 23, 1967, and prior to July  
21 1, 1985, if such service commenced while such judge was holding the  
22 office of judge, (d) any judge of the county court or associate  
23 county judge in any of the armed forces of the United States during a  
24 war or national emergency prior or subsequent to January 4, 1973, if  
25 such service commenced while such judge was holding the office of

1 judge, (e) any clerk magistrate, who was an associate county judge  
2 and a member of the fund at the time of appointment as a clerk  
3 magistrate, in any of the armed forces of the United States during a  
4 war or national emergency on or after July 1, 1986, if such service  
5 commenced while such clerk magistrate was holding the office of clerk  
6 magistrate, and (f) any judge of the Court of Appeals in any of the  
7 armed forces of the United States during a war or national emergency  
8 on or after September 6, 1991, if such service commenced while such  
9 judge was holding the office of judge. The board shall have the power  
10 to determine when a national emergency exists or has existed for the  
11 purpose of applying this definition and provision;

12 (6) Creditable service means the total number of years  
13 served as a judge, including prior service, military service, and  
14 current service, computed to the nearest one-twelfth year. For  
15 current service prior to the time that the member has contributed the  
16 required percentage of salary until the maximum benefit as limited by  
17 section 24-710 has been earned, creditable service does not include  
18 current service for which member contributions are not made or are  
19 withdrawn and not repaid;

20 (7)(a) Compensation means the statutory salary of a judge  
21 or the salary being received by such judge pursuant to law.  
22 Compensation does not include compensation for unused sick leave or  
23 unused vacation leave converted to cash payments, insurance premiums  
24 converted into cash payments, reimbursement for expenses incurred,  
25 fringe benefits, per diems, or bonuses for services not actually

1 rendered, including, but not limited to, early retirement  
2 inducements, cash awards, and severance pay, except for retroactive  
3 salary payments paid pursuant to court order, arbitration, or  
4 litigation and grievance settlements. Compensation includes overtime  
5 pay, member retirement contributions, and amounts contributed by the  
6 member to plans under sections 125 and 457 of the Internal Revenue  
7 Code as defined in section 49-801.01 or any other section of the code  
8 which defers or excludes such amounts from income.

9 (b) Compensation in excess of the limitations set forth  
10 in section 401(a)(17) of the Internal Revenue Code as defined in  
11 section 49-801.01 shall be disregarded. For an employee who was a  
12 member of the retirement system before the first plan year beginning  
13 after December 31, 1995, the limitation on compensation shall not be  
14 less than the amount which was allowed to be taken into account under  
15 the retirement system as in effect on July 1, 1993;

16 (8) Beneficiary means a person so designated by a judge  
17 in the last designation of beneficiary on file with the board or, if  
18 no designated person survives or if no designation is on file, the  
19 estate of such judge;

20 (9) Normal form annuity means a series of equal monthly  
21 payments payable at the end of each calendar month during the life of  
22 a retired judge as provided in sections 24-707 and 24-710, except as  
23 provided in section 42-1107. The first payment shall include all  
24 amounts accrued since the effective date of the award of the annuity.  
25 The last payment shall be at the end of the calendar month in which

1 such judge dies. If at the time of death the amount of annuity  
2 payments such judge has received is less than contributions to the  
3 fund made by such judge, plus regular interest, the difference shall  
4 be paid to the beneficiary or estate;

5 (10) Board means the Public Employees Retirement Board;

6 (11) Member means a judge eligible to participate in the  
7 retirement system established under the Judges Retirement Act;

8 (12) Original member means a judge who first served as a  
9 judge prior to December 25, 1969, who does not elect to become a  
10 future member pursuant to subsection (8) of section 24-703 or section  
11 24-710.01, and who was retired on or before December 31, 1992;

12 (13) Future member means a judge who first served as a  
13 judge on or after December 25, 1969, or means a judge who first  
14 served as a judge prior to December 25, 1969, who elects to become a  
15 future member on or before June 30, 1970, as provided in subsection  
16 (8) of section 24-703 or section 24-710.01;

17 (14) Final average compensation means the average monthly  
18 compensation for the three twelve-month periods of service as a judge  
19 in which compensation was the greatest or, in the event of a judge  
20 serving less than three twelve-month periods, the average monthly  
21 compensation for such judge's period of service;

22 (15) Regular interest means interest fixed at a rate  
23 equal to the daily treasury yield curve for one-year treasury  
24 securities, as published by the Secretary of the Treasury of the  
25 United States, that applies on July 1 of each year, which may be

1 credited monthly, quarterly, semiannually, or annually as the board  
2 may direct;

3 (16) Normal retirement date means the first day of the  
4 month following attainment of age sixty-five;

5 (17) Actuarial equivalence means the equality in value of  
6 the aggregate amounts expected to be received under different forms  
7 of payment. The determinations are to be based on the 1994 Group  
8 Annuity Mortality Table reflecting sex-distinct factors blended using  
9 seventy-five percent of the male table and twenty-five percent of the  
10 female table. An interest rate of eight percent per annum shall be  
11 reflected in making these determinations;

12 (18) Current benefit means the initial benefit increased  
13 by all adjustments made pursuant to the Judges Retirement Act;

14 (19) Initial benefit means the retirement benefit  
15 calculated at the time of retirement;

16 (20) Plan year means the twelve-month period beginning on  
17 July 1 and ending on June 30 of the following year;

18 (21) Retirement system or system means the Nebraska  
19 Judges Retirement System as provided in the Judges Retirement Act;

20 (22) Surviving spouse means (a) the spouse married to the  
21 member on the date of the member's death or (b) the spouse or former  
22 spouse of the member if survivorship rights are provided under a  
23 qualified domestic relations order filed with the board pursuant to  
24 the Spousal Pension Rights Act. The spouse or former spouse shall  
25 supersede the spouse married to the member on the date of the



1 member's death as provided under a qualified domestic relations  
2 order. If the benefits payable to the spouse or former spouse under  
3 the qualified domestic relations order are less than the value of  
4 benefits entitled to the surviving spouse, the spouse married to the  
5 member on the date of the member's death shall be the surviving  
6 spouse for the balance of the benefits; and

7           (23) Termination of employment occurs on the date on  
8 which the State Court Administrator's office determines that the  
9 judge's employer-employee relationship with the State of Nebraska is  
10 dissolved. The State Court Administrator's office shall notify the  
11 board of the date on which such a termination has occurred.  
12 Termination of employment does not include ceasing employment as a  
13 judge if the judge returns to regular employment as a judge or is  
14 employed on a regular basis by another agency of the State of  
15 Nebraska and there are less than one hundred twenty days between the  
16 date when the judge's employer-employee relationship ceased and the  
17 date when the employer-employee relationship recommences. It is the  
18 responsibility of the employer that is involved in the termination of  
19 employment to notify the board of such change in employment and  
20 provide the board with such information as the board deems necessary.  
21 If the board determines that termination of employment has not  
22 occurred and a retirement benefit has been paid to a member of the  
23 retirement system pursuant to section 24-710, the board shall require  
24 the member who has received such benefit to repay the benefit to the  
25 retirement system.

1           Sec. 2. Section 24-721, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           24-721 Any citizen of the State of Nebraska shall have  
4 the right at all times to complain to the Commission on Judicial  
5 Qualifications with reference to the acts, activities, or  
6 qualifications of any Justice or judge of the Supreme Court or judge  
7 of any of the courts of the State of Nebraska or to request that the  
8 commission consider the qualifications of any Justice or judge of the  
9 Supreme Court or judge of any of the courts of the State of Nebraska.  
10 Upon receipt of any such complaint or request, the commission shall  
11 make such investigation as it determines to be necessary. The  
12 commission shall have the right to subpoena witnesses; to hold  
13 hearings; to require the Justice or judge to submit to physical or  
14 mental examination by medical experts; to appoint special masters to  
15 conduct hearings; to make independent investigations, either by  
16 members of the commission or by special investigators employed by the  
17 commission; to hold confidential prehearing proceedings with the  
18 person or persons filing the complaint or request, or with his or her  
19 or their agents or attorneys; and to hold confidential prehearing  
20 proceedings with the judge or Justice involved in the complaint or  
21 request. If the commission finds probable cause for the existence of  
22 any of the grounds for disciplinary action or retirement specified in  
23 section 24-722, it shall reprimand the Justice or judge or order a  
24 formal open hearing to be held before it concerning the reprimand,  
25 discipline, censure, suspension, removal, or retirement of such

1 Justice or judge. Any reprimand shall be public and shall be  
2 announced in a fashion similar to that of a published opinion of the  
3 Supreme Court. A judge who receives official notice of a complaint or  
4 request pursuant to this section shall not be allowed to retire  
5 pursuant to the Judges Retirement Act or the State Employees  
6 Retirement Act until the matter is resolved by the commission or the  
7 Supreme Court, if the commission recommends action by the court. If a  
8 hearing is ordered, the commission shall advise the judge or Justice  
9 involved, in writing, of the specific charges which have been made  
10 and supported, substantiated, or revealed by the independent  
11 investigation of the commission. The judge or Justice shall be given  
12 reasonable time in which to formally answer such charges in writing  
13 and the matter shall then be set for formal open hearing, at which  
14 time the commission shall cause the testimony and the documentary  
15 evidence relating to the charges to be produced and recorded in such  
16 manner as the commission shall determine to be advisable, giving the  
17 judge or Justice involved and his or her attorney a full opportunity  
18 to question and cross-examine the witnesses and evidence so produced.  
19 The judge or Justice shall have an opportunity to produce at such  
20 hearing, testimony, evidence, and documents relating to the charges  
21 involved; thereafter any rebuttal evidence may be produced. In the  
22 alternative or in addition, the commission may request the Supreme  
23 Court to appoint one or more special masters who shall be judges of  
24 courts of record to hold a formal open hearing to take evidence in  
25 any such matter, and to report to the commission. Whenever any person

1 shall refuse to testify or to produce books, papers, or other  
2 evidence when required to do so in any hearing held before the  
3 Commission on Judicial Qualifications or before a special master or  
4 masters appointed under the provisions of this section for the reason  
5 that the testimony or evidence required of him or her may tend to  
6 incriminate him or her or subject him or her to a forfeiture or  
7 penalty, he or she may nevertheless be compelled to testify or  
8 produce such evidence by order of the Commission on Judicial  
9 Qualifications or special master or masters on motion of counsel to  
10 the commission. No person who testifies or produces evidence in  
11 obedience to the command of the commission or special master or  
12 masters in such case shall be liable to any forfeiture or penalty for  
13 or on account of any transaction, matter, or thing concerning or  
14 arising from that as to which he or she may so testify or produce  
15 evidence, nor shall such testimony or evidence be used directly or  
16 indirectly in any proceedings against him or her, except that no  
17 person shall be exempt from prosecution and punishment for perjury or  
18 contempt committed in so testifying. The requirement to testify or  
19 produce evidence shall not apply when such person proves the real and  
20 substantial danger of a prosecution against him or her in another  
21 jurisdiction based on the admissions to be made by him or her in this  
22 state. The commission or special master or masters shall have power  
23 to punish for contempt for any action specified in section 25-2121.  
24 If, after formal open hearing, or after considering the record and  
25 report of the masters, the commission finds that the charges are

1 established by clear and convincing evidence, it shall recommend to  
2 the Supreme Court that the Justice or judge of the Supreme Court or  
3 other judge involved shall be reprimanded, disciplined, censured,  
4 suspended without pay for a definite period of time not to exceed six  
5 months, removed, or retired as the case may be. All hearings before  
6 the commission and all proceedings before masters and before the  
7 Supreme Court shall be conducted in accordance with rules promulgated  
8 or to be promulgated by the Supreme Court.

9           Sec. 3. Section 24-732, Reissue Revised Statutes of  
10 Nebraska, is amended to read:

11           24-732 A retired judge on temporary duty shall not be  
12 required to contribute to the Nebraska Retirement Fund for Judges or  
13 to make contributions under the State Employees Retirement Act, and  
14 the retirement benefits of such a retired judge shall neither be  
15 increased nor decreased on account of his or her temporary duty.

16           Sec. 4. Section 48-155.01, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18           48-155.01 (1) The Governor may, by single order, appoint  
19 a qualified person meeting the eligibility requirements of section  
20 48-153.01 to serve as acting judge of the Nebraska Workers'  
21 Compensation Court. Such appointment shall be for a period of two  
22 years. In determining whether a person is qualified to serve as  
23 acting judge of the compensation court, the Governor shall consider  
24 the person's knowledge of the law, experience in the legal system,  
25 intellect, capacity for fairness, probity, temperament, and industry.

1 The acting judge shall be subject to call by the presiding judge of  
2 the compensation court, who may assign the acting judge to temporary  
3 duty in order to (a) sit in the compensation court to relieve a  
4 congested docket of the court or to prevent the docket from becoming  
5 congested or (b) sit for a judge of the court who may be  
6 incapacitated or absent for any reason. An acting judge appointed and  
7 assigned pursuant to this section shall possess the same powers and  
8 be subject to the duties, restrictions, and liabilities as are  
9 prescribed by law respecting judges of the compensation court, except  
10 that an acting judge is not prohibited from practicing law as  
11 provided in section 7-111.

12 (2) The acting judge shall receive for each day of  
13 temporary duty an amount equal to one-twentieth of the monthly salary  
14 he or she would receive if he or she were a regularly appointed judge  
15 of the compensation court and shall be reimbursed for his or her  
16 expenses while on temporary duty at the same rate as provided in  
17 sections 81-1174 to 81-1177. Within fifteen days following completion  
18 of a temporary duty assignment, the acting judge shall submit to the  
19 presiding judge of the compensation court a request for payment or  
20 reimbursement for services rendered and expenses incurred during such  
21 temporary duty assignment. Upon receipt of such request, the  
22 presiding judge shall endorse on the request that the services were  
23 performed and expenses incurred pursuant to an assignment of the  
24 presiding judge of the compensation court and file such request with  
25 the proper authority for payment.

1           (3) The acting judge shall not pay into the Nebraska  
2 Retirement Fund for Judges or make contributions under the State  
3 Employees Retirement Act nor be eligible for retirement benefits  
4 under the Judges Retirement Act or the State Employees Retirement  
5 Act.

6           Sec. 5. Section 81-2014, Revised Statutes Cumulative  
7 Supplement, 2012, is amended to read:

8           81-2014 For purposes of the Nebraska State Patrol  
9 Retirement Act:

10           (1) Actuarial equivalent means the equality in value of  
11 the aggregate amounts expected to be received under different forms  
12 of payment or to be received at an earlier retirement age than the  
13 normal retirement age. The determinations shall be based on the 1994  
14 Group Annuity Mortality Table reflecting sex-distinct factors blended  
15 using seventy-five percent of the male table and twenty-five percent  
16 of the female table. An interest rate of eight percent per annum  
17 shall be reflected in making the determinations until such percent is  
18 amended by the Legislature;

19           (2) Board means the Public Employees Retirement Board;

20           (3)(a) Compensation means gross wages or salaries payable  
21 to the member for personal services performed during the plan year.  
22 Compensation does not include insurance premiums converted into cash  
23 payments, reimbursement for expenses incurred, fringe benefits, per  
24 diems, or bonuses for services not actually rendered, including, but  
25 not limited to, early retirement inducements, cash awards, and

1 severance pay, except for retroactive salary payments paid pursuant  
2 to court order, arbitration, or litigation and grievance settlements.  
3 For any officer employed after January 4, 1979, compensation does not  
4 include compensation for unused sick leave or unused vacation leave  
5 converted to cash payments. Compensation includes overtime pay,  
6 member retirement contributions, and amounts contributed by the  
7 member to plans under sections 125 and 457 of the Internal Revenue  
8 Code as defined in section 49-801.01 or any other section of the code  
9 which defers or excludes such amounts from income.

10 (b) Compensation in excess of the limitations set forth  
11 in section 401(a)(17) of the Internal Revenue Code as defined in  
12 section 49-801.01 shall be disregarded. For an employee who was a  
13 member of the retirement system before the first plan year beginning  
14 after December 31, 1995, the limitation on compensation shall not be  
15 less than the amount which was allowed to be taken into account under  
16 the retirement system as in effect on July 1, 1993;

17 (4) Creditable service means service granted pursuant to  
18 section 81-2034 and all service rendered while a contributing member  
19 of the retirement system. Creditable service includes working days,  
20 sick days, vacation days, holidays, and any other leave days for  
21 which the officer is paid regular wages. Creditable service does not  
22 include eligibility and vesting credit nor service years for which  
23 member contributions are withdrawn and not repaid;

24 (5) Current benefit means the initial benefit increased  
25 by all adjustments made pursuant to the Nebraska State Patrol



1 Retirement Act;

2 (6) DROP means the deferred retirement option plan as  
3 provided in section 81-2041;

4 (7) DROP period means the amount of time the member  
5 elects to participate in DROP which shall be for a period not to  
6 exceed five years from and after the date of the member's DROP  
7 election;

8 (8) Eligibility and vesting credit means credit for  
9 years, or a fraction of a year, of participation in a Nebraska  
10 government plan for purposes of determining eligibility for benefits  
11 under the Nebraska State Patrol Retirement Act. Such credit shall be  
12 used toward the vesting percentage pursuant to subsection (2) of  
13 section 81-2031 but shall not be included as years of service in the  
14 benefit calculation;

15 (9) Initial benefit means the retirement benefit  
16 calculated at the time of retirement;

17 (10) Officer means an officer provided for in sections  
18 81-2001 to 81-2009 who was initially employed prior to the operative  
19 date of this act;

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

22 (12) Regular interest means interest fixed at a rate  
23 equal to the daily treasury yield curve for one-year treasury  
24 securities, as published by the Secretary of the Treasury of the  
25 United States, that applies on July 1 of each year, which may be

1 credited monthly, quarterly, semiannually, or annually as the board  
2 may direct;

3 (13) Retirement system or system means the Nebraska State  
4 Patrol Retirement System as provided in the act;

5 (14) Service means employment as a member of the Nebraska  
6 State Patrol and shall not be deemed to be interrupted by (a)  
7 temporary or seasonal suspension of service that does not terminate  
8 the employee's employment, (b) leave of absence authorized by the  
9 employer for a period not exceeding twelve months, (c) leave of  
10 absence because of disability, or (d) military service, when properly  
11 authorized by the board. Service does not include any period of  
12 disability for which disability retirement benefits are received  
13 under subsection (1) of section 81-2025;

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

1 shall be the surviving spouse for the balance of the benefits; and

2           (16) Termination of employment occurs on the date on  
3 which the Nebraska State Patrol determines that the officer's  
4 employer-employee relationship with the patrol is dissolved. The  
5 Nebraska State Patrol shall notify the board of the date on which  
6 such a termination has occurred. Termination of employment does not  
7 include ceasing employment with the Nebraska State Patrol if the  
8 officer returns to regular employment with the Nebraska State Patrol  
9 or another agency of the State of Nebraska and there are less than  
10 one hundred twenty days between the date when the employee's  
11 employer-employee relationship ceased and the date when the employer-  
12 employee relationship commenced with the Nebraska State Patrol or  
13 another state agency. Termination of employment does not occur upon  
14 an officer's participation in DROP pursuant to section 81-2041. It is  
15 the responsibility of the employer that is involved in the  
16 termination of employment to notify the board of such change in  
17 employment and provide the board with such information as the board  
18 deems necessary. If the board determines that termination of  
19 employment has not occurred and a retirement benefit has been paid to  
20 a member of the retirement system pursuant to section 81-2026, the  
21 board shall require the member who has received such benefit to repay  
22 the benefit to the retirement system.

23           Sec. 6. Section 84-1301, Revised Statutes Cumulative  
24 Supplement, 2012, is amended to read:

25           84-1301 For purposes of the State Employees Retirement

1 Act, unless the context otherwise requires:

2 (1) Actuarial equivalent means the equality in value of  
3 the aggregate amounts expected to be received under different forms  
4 of an annuity payment. The mortality assumption used for purposes of  
5 converting the member cash balance account shall be the 1994 Group  
6 Annuity Mortality Table using a unisex rate that is fifty percent  
7 male and fifty percent female. For purposes of converting the member  
8 cash balance account attributable to contributions made prior to  
9 January 1, 1984, that were transferred pursuant to the act, the 1994  
10 Group Annuity Mortality Table for males shall be used;

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

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

23 (4) Cash balance benefit means a member's retirement  
24 benefit that is equal to an amount based on annual employee  
25 contribution credits plus interest credits and, if vested, employer

1 contribution credits plus interest credits and dividend amounts  
2 credited in accordance with subdivision (4)(c) of section 84-1319;

3 (5)(a) Compensation means gross wages or salaries payable  
4 to the member for personal services performed during the plan year.  
5 Compensation does not include insurance premiums converted into cash  
6 payments, reimbursement for expenses incurred, fringe benefits, per  
7 diems, or bonuses for services not actually rendered, including, but  
8 not limited to, early retirement inducements, cash awards, and  
9 severance pay, except for retroactive salary payments paid pursuant  
10 to court order, arbitration, or litigation and grievance settlements.  
11 Compensation includes overtime pay, member retirement contributions,  
12 and amounts contributed by the member to plans under sections 125,  
13 403(b), and 457 of the Internal Revenue Code or any other section of  
14 the code which defers or excludes such amounts from income.

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

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

24 (7) Defined contribution benefit means a member's  
25 retirement benefit from a money purchase plan in which member

1 benefits equal annual contributions and earnings pursuant to section  
2 84-1310 and, if vested, employer contributions and earnings pursuant  
3 to section 84-1311;

4 (8) Disability means an inability to engage in a  
5 substantially gainful activity by reason of any medically  
6 determinable physical or mental impairment which can be expected to  
7 result in death or to be of long-continued and indefinite duration;

8 (9) Employee means any employee of the State Board of  
9 Agriculture who is a member of the state retirement system on July 1,  
10 1982, ~~and any person or officer employed by the State of Nebraska~~  
11 ~~whose compensation is paid out of state funds or funds controlled or~~  
12 ~~administered by a state department through any of its executive or~~  
13 ~~administrative officers when acting exclusively in their respective~~  
14 ~~official, executive, or administrative capacities, an officer~~  
15 ~~provided for in sections 81-2001 to 81-2009 employed by the Nebraska~~  
16 ~~State Patrol on or after the operative date of this act, and any~~  
17 ~~judge who began serving on and after the operative date of this act.~~  
18 ~~Employee does not include (a) judges as defined in section 24-701,~~  
19 ~~who are members of the Nebraska Judges Retirement System under the~~  
20 ~~Judges Retirement Act, (b) members of the Nebraska State Patrol~~  
21 ~~employed prior to the operative date of this act, except for those~~  
22 ~~members of the Nebraska State Patrol who elected pursuant to section~~  
23 ~~60-1304 to remain members of the State Employees Retirement System of~~  
24 ~~the State of Nebraska, (c) employees of the University of Nebraska,~~  
25 (d) employees of the state colleges, (e) employees of community

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

25 (10) Employee contribution credit means an amount equal

1 to the member contribution amount required by section 84-1308 or  
2 section 10 of this act;

3 (11) Employer contribution credit means an amount equal  
4 to the employer contribution amount required by section 84-1309 or  
5 section 10 of this act;

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

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

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

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

19 (16) Guaranteed investment contract means an investment  
20 contract or account offering a return of principal invested plus  
21 interest at a specified rate. For investments made after July 19,  
22 1996, guaranteed investment contract does not include direct  
23 obligations of the United States or its instrumentalities, bonds,  
24 participation certificates or other obligations of the Federal  
25 National Mortgage Association, the Federal Home Loan Mortgage



1 Corporation, or the Government National Mortgage Association, or  
2 collateralized mortgage obligations and other derivative securities.  
3 This subdivision shall not be construed to require the liquidation of  
4 investment contracts or accounts entered into prior to July 19, 1996;

5 (17) Interest credit rate means the greater of (a) five  
6 percent or (b) the applicable federal mid-term rate, as published by  
7 the Internal Revenue Service as of the first day of the calendar  
8 quarter for which interest credits are credited, plus one and one-  
9 half percent, such rate to be compounded annually;

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

1           (19) Judge means and includes (a) all duly elected or  
2 appointed Chief Justices or judges of the Supreme Court and judges of  
3 the district courts of Nebraska who began serving in such capacity on  
4 or after the operative date of this act, (b) judges of the Nebraska  
5 Workers' Compensation Court who began serving in such capacity on or  
6 after the operative date of this act, (c) judges of separate juvenile  
7 courts who began serving on or after the operative date of this act,  
8 (d) judges of the county courts of the respective counties who began  
9 serving in such capacity on or after the operative date of this act,  
10 except acting judges of the county court appointed pursuant to  
11 section 24-507, (e) clerk magistrates who began serving on or after  
12 the operative date of this act, and (f) judges of the Court of  
13 Appeals who began serving on or after the operative date of this act;

14           ~~(19)~~(20) Member cash balance account means an account  
15 equal to the sum of the employee cash balance account and, if vested,  
16 the employer cash balance account and dividend amounts credited in  
17 accordance with subdivision (4)(c) of section 84-1319;

18           ~~(20)~~(21) One-year break in service means a plan year  
19 during which the member has not completed more than five hundred  
20 hours of service;

21           ~~(21)~~(22) Participation means qualifying for and making  
22 the required deposits to the retirement system during the course of a  
23 plan year;

24           ~~(22)~~(23) Part-time employee means an employee who is  
25 employed to work less than one-half of the regularly scheduled hours

1 during each pay period;

2 ~~(23)~~ (24) Plan year means the twelve-month period  
3 beginning on January 1 and ending on December 31;

4 ~~(24)~~ (25) Prior service means service before January 1,  
5 1964;

6 ~~(25)~~ (26) Regular interest means the rate of interest  
7 earned each calendar year commencing January 1, 1975, as determined  
8 by the retirement board in conformity with actual and expected  
9 earnings on the investments through December 31, 1984;

10 ~~(26)~~ (27) Required contribution means the deduction to be  
11 made from the compensation of employees as provided in section  
12 84-1308;

13 ~~(27)~~ (28) Retirement means qualifying for and accepting  
14 the retirement benefit granted under the State Employees Retirement  
15 Act after terminating employment;

16 ~~(28)~~ (29) Retirement board or board means the Public  
17 Employees Retirement Board;

18 ~~(29)~~ (30) Retirement system means the State Employees  
19 Retirement System of the State of Nebraska;

20 ~~(30)~~ (31) Service means the actual total length of  
21 employment as an employee and shall not be deemed to be interrupted  
22 by (a) temporary or seasonal suspension of service that does not  
23 terminate the employee's employment, (b) leave of absence authorized  
24 by the employer for a period not exceeding twelve months, (c) leave  
25 of absence because of disability, or (d) military service, when

1 properly authorized by the retirement board. Service does not include  
2 any period of disability for which disability retirement benefits are  
3 received under section 84-1317;

4 ~~(31)~~(32) State department means any department, bureau,  
5 commission, or other division of state government not otherwise  
6 specifically defined or exempted in the act, the employees and  
7 officers of which are not already covered by a retirement plan;

8 ~~(32)~~(33) Surviving spouse means (a) the spouse married  
9 to the member on the date of the member's death or (b) the spouse or  
10 former spouse of the member if survivorship rights are provided under  
11 a qualified domestic relations order filed with the board pursuant to  
12 the Spousal Pension Rights Act. The spouse or former spouse shall  
13 supersede the spouse married to the member on the date of the  
14 member's death as provided under a qualified domestic relations  
15 order. If the benefits payable to the spouse or former spouse under a  
16 qualified domestic relations order are less than the value of  
17 benefits entitled to the surviving spouse, the spouse married to the  
18 member on the date of the member's death shall be the surviving  
19 spouse for the balance of the benefits;

20 ~~(33)~~(34) Termination of employment occurs on the date on  
21 which the agency which employs the member determines that the  
22 member's employer-employee relationship with the State of Nebraska is  
23 dissolved. The agency which employs the member shall notify the board  
24 of the date on which such a termination has occurred. Termination of  
25 employment does not occur if an employee whose employer-employee

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

15 ~~(34)~~ (35) Vesting credit means credit for years, or a  
16 fraction of a year, of participation in another Nebraska governmental  
17 plan for purposes of determining vesting of the employer account.

18 Sec. 7. Section 84-1302, Revised Statutes Cumulative  
19 Supplement, 2012, is amended to read:

20 84-1302 (1) An employees retirement system is hereby  
21 established for the purpose of providing a retirement annuity or  
22 other benefits for employees as provided by the State Employees  
23 Retirement Act and sections 84-1332 and 84-1333. The retirement  
24 system so created shall begin operation January 1, 1964. It shall be  
25 known as the State Employees Retirement System of the State of

1 Nebraska and by such name shall transact all business and hold all  
2 cash and other property as provided in such sections.

3 (2) The retirement system shall not accept as  
4 contributions any money from members or the state except the  
5 following:

6 (a) Mandatory contributions established by sections  
7 84-1308 and 84-1309;

8 (b) Money that is a repayment of refunded contributions  
9 made pursuant to section 84-1322;

10 (c) Contributions for military service credit made  
11 pursuant to section 84-1325;

12 (d) Actuarially required contributions pursuant to  
13 subdivision (4)(b) of section 84-1319;

14 (e) Trustee-to-trustee transfers pursuant to section  
15 84-1313.01; ~~or~~

16 (f) Corrections ordered by the board pursuant to section  
17 84-1305.02; or ~~-~~

18 (g) Contributions established by section 10 of this act.

19 Sec. 8. Section 84-1317, Revised Statutes Cumulative  
20 Supplement, 2012, is amended to read:

21 84-1317 (1) Upon filing an application for benefits with  
22 the board, an employee may elect to retire after the attainment of  
23 age fifty-five ~~or~~ except for officers of the Nebraska State Patrol as  
24 provided in section 9 of this act. Upon filing an application for  
25 benefits with the board, an employee may retire as a result of

1 disability at any age.

2 (2) The member shall specify in the application for  
3 benefits the manner in which he or she wishes to receive the  
4 retirement benefit under the options provided by the State Employees  
5 Retirement Act. Payment under the application for benefits shall be  
6 made (a) for annuities, no sooner than the annuity start date, and  
7 (b) for other distributions, no sooner than the date of final account  
8 value.

9 (3) Payment of any benefit provided under the retirement  
10 system may not be deferred later than April 1 of the year following  
11 the year in which the employee has both attained at least age seventy  
12 and one-half years and terminated his or her employment with the  
13 state, except that for members participating in the defined  
14 contribution benefit, no distribution is required to be made for the  
15 plan year commencing January 1, 2009, through December 31, 2009.

16 (4) The board shall make reasonable efforts to locate the  
17 member or the member's beneficiary and distribute benefits by the  
18 required beginning date as specified by section 401(a)(9) of the  
19 Internal Revenue Code and the regulations issued thereunder. If the  
20 board is unable to make such a distribution, the benefit shall be  
21 distributed pursuant to the Uniform Disposition of Unclaimed Property  
22 Act and no amounts may be applied to increase the benefits any member  
23 would otherwise receive under the State Employees Retirement Act.

24 Sec. 9. (1) Every employee who has been in the employ of  
25 the state as an officer of the Nebraska State Patrol for ten years or

1 more, as calculated in subsection (6) of this section, and has  
2 attained the age of fifty years or more shall be entitled to retire  
3 and receive an annuity as provided under the State Employees  
4 Retirement Act. The right to retire at the age of fifty years shall  
5 be at the option of the employee, but retirement shall be mandatory  
6 when the employee attains the age of sixty years.

7 (2) Any employee of the Nebraska State Patrol who has  
8 attained the age of sixty years upon his or her separation from state  
9 service but who has not been in the employ of the state for ten years  
10 as an officer of the Nebraska State Patrol shall be entitled to the  
11 annuity as provided for in the State Employees Retirement Act.

12 (3) Every employee who has been in the employ of the  
13 state as an officer of the Nebraska State Patrol for twenty-five  
14 years or more, as calculated in subsection (6) of this section, and  
15 has attained the age of fifty years shall be entitled to retire and  
16 receive an annuity as provided by the act. The right to retire at the  
17 age of fifty years with twenty-five years or more of service shall be  
18 at the option of the employee, but retirement shall be mandatory when  
19 the employee attains the age of sixty years.

20 (4) Every employee who has been in the employ of the  
21 state as an officer of the Nebraska State Patrol for thirty years or  
22 more, as calculated in subsection (6) of this section, shall be  
23 entitled to retire and receive an annuity as provided by the act. The  
24 right to retire with thirty years or more of service shall be at the  
25 option of the employee, but retirement shall be mandatory when the



1 employee attains the age of sixty years.

2 (5) The effective date of retirement payments for  
3 employees of the Nebraska State Patrol shall be the first day of the  
4 month following (a) the date a member qualifies for retirement as  
5 provided in this section or (b) the date upon which a member's  
6 request for retirement is received on an application form provided by  
7 the retirement system, whichever is later. An application may be  
8 filed no more than ninety days in advance of qualifying for  
9 retirement.

10 (6)(a) In computing length of service under this section,  
11 such service shall include the years of service with the Nebraska  
12 State Patrol, permanent force, as established by the law creating the  
13 Nebraska State Patrol computed to the nearest one-twelfth year and  
14 shall only include such years during which the person was a  
15 contributing member of the retirement system. Length of service shall  
16 also include credit for time served in the armed forces pursuant to  
17 subdivision (b) of this subsection.

18 (b) Any member of the Nebraska State Patrol who, while a  
19 member of the Nebraska State Patrol, entered into and served or  
20 enters into and serves in the armed forces of the United States  
21 during a declared emergency, as defined and prescribed under such  
22 rules and regulations as the board may adopt and promulgate, and who,  
23 within six months after honorable discharge or honorable separation  
24 from active duty, returned or returns to the service of the state and  
25 again becomes a member of the Nebraska State Patrol shall be

1 credited, in determining benefits due such member under the State  
2 Employees Retirement Act, for all the time actually served in the  
3 armed forces as if such person had been in the service of the  
4 Nebraska State Patrol throughout such declared emergency service in  
5 the armed forces. Under such rules and regulations as the board  
6 adopts and promulgates, any member of the Nebraska State Patrol who  
7 is reemployed, pursuant to 38 U.S.C. 4301 et seq., shall be treated  
8 as not having incurred a break in service by reason of his or her  
9 period of military service. Such military service shall be credited  
10 for purposes of determining the nonforfeitability of the member's  
11 accrued benefits and the accrual of benefits under the act. The state  
12 shall be liable for funding any obligation of the act to provide  
13 benefits based upon such period of military service.

14           Sec. 10. A supplemental retirement plan shall exist for  
15 the benefit of all certified law enforcement officers employed by the  
16 Nebraska State Patrol on or after the operative date of this act. The  
17 auxiliary benefit under the supplemental retirement plan shall be  
18 funded by additional contributions that are in excess of the amounts  
19 established by sections 84-1308 and 84-1309. The additional  
20 contributions made by employees shall be credited to the employee  
21 account, and the additional contributions made by the Nebraska State  
22 Patrol shall be credited to the employer account, with each amount to  
23 be established at a rate of seven and sixty-five hundredths percent  
24 of compensation. All contributions made pursuant to this section  
25 shall be invested and administered according to the State Employees

1 Retirement Act.

2           Sec. 11. Section 84-1320, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           84-1320 The prior service retirement benefit shall be a  
5 straight life annuity, payable monthly with the first payment made as  
6 of the annuity start date, in an amount determined in accordance with  
7 the State Employees Retirement Act, except that the payments may be  
8 made less often than monthly if the monthly payment would be less  
9 than fifteen dollars. At the option of the member, the first payment  
10 may be deferred to commence at any time, except that no benefit shall  
11 be deferred later than April 1 of the year following the year in  
12 which the employee has both attained at least seventy and one-half  
13 years of age and has terminated his or her employment with the state.  
14 Such deferred benefit shall be the actuarial equivalent, based on  
15 factors designated by the board, of the prior service benefit. In the  
16 event of retirement before age sixty-five under section 84-1317, the  
17 amount of the prior service annuity shall be reduced in accordance  
18 with the principles of actuarial equivalence based on factors  
19 designated by the board. Any member of the retirement system who  
20 ceases to be an employee before becoming eligible for retirement  
21 under section 84-1317, who has accrued a prior service retirement  
22 benefit as defined in the act, and who has been continuously employed  
23 by the state for ten or more years immediately prior to termination  
24 shall receive the prior service retirement benefit determined in  
25 accordance with the act upon attaining age sixty-five, except that

1 members of the Nebraska State Patrol shall receive such benefit upon  
2 attaining age sixty. At the option of the terminating member, such  
3 annuity may commence as of the first of the month at any time after  
4 such member attains the age of fifty-five, or in the case of a member  
5 of the Nebraska State Patrol, at any time after the member retires,  
6 or the annuity may be deferred, except that no benefit shall be  
7 deferred later than April 1 of the year following the year in which  
8 the employee has both attained at least seventy and one-half years of  
9 age and has terminated his or her employment with the state. Such  
10 election by the terminating member may be made at any time prior to  
11 the commencement of the annuity payments. Any terminating employee  
12 who forfeits a vested future service retirement benefit by  
13 withdrawing his or her employee account shall also forfeit any vested  
14 prior service retirement benefit to which he or she would otherwise  
15 be entitled.

16           Sec. 12. Section 84-1325, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18           84-1325 Except as provided in subsection (6) of section 9  
19 of this act:

20           (1) Any employee who, while an employee, entered into and  
21 served in the armed forces of the United States and who within ninety  
22 days after honorable discharge or honorable separation from active  
23 duty again became an employee shall be credited, for the purposes of  
24 the provisions of section 84-1317, with all the time actually served  
25 in the armed forces as if such person had been an employee throughout

1 such service in the armed forces pursuant to the terms and conditions  
2 of ~~subsection~~ subdivision (2) of this section; -

3 (2) Under such rules and regulations as the retirement  
4 board adopts and promulgates, any employee who is reemployed on or  
5 after December 12, 1994, pursuant to 38 U.S.C. 4301 et seq., may pay  
6 to the retirement system an amount equal to the sum of all deductions  
7 which would have been made from the employee's compensation during  
8 such period of military service. Payment shall be made within the  
9 period required by law, not to exceed five years. To the extent that  
10 payment is made, (a) the employee shall be treated as not having  
11 incurred a break in service by reason of his or her period of  
12 military service, (b) the period of military service shall be  
13 credited for the purposes of determining the nonforfeitability of the  
14 member's accrued benefits and the accrual of benefits under the plan,  
15 and (c) the employer shall allocate the amount of employer  
16 contributions to the member's employer account in the same manner and  
17 to the same extent the allocation occurs for other employees during  
18 the period of service. For purposes of member and employer  
19 contributions under this ~~subsection,~~ subdivision, the member's  
20 compensation during the period of military service shall be the rate  
21 the member would have received but for the military service or, if  
22 not reasonably determinable, the average rate the member received  
23 during the twelve-month period immediately preceding military  
24 service; and -

25 (3) The employer shall pick up the member contributions

1 made through irrevocable payroll deduction authorizations pursuant to  
2 this section, and the contributions so picked up shall be treated as  
3 employer contributions in the same manner as contributions picked up  
4 under subsection (1) of section 84-1308.

5           Sec. 13. When the Chief Justice or a judge of the Supreme  
6 Court, a judge of the Court of Appeals, a judge of the district  
7 court, or a judge of the Nebraska Workers' Compensation Court becomes  
8 retired under the State Employees Retirement Act, he or she shall be  
9 relieved of further active duties on the court. The Governor may fill  
10 the vacancy caused by such retirement the same as when a vacancy  
11 exists on that court for any other reason. When a judge of the county  
12 court or judge of a separate juvenile court becomes retired under the  
13 act, he or she shall also be relieved of further active duties and a  
14 vacancy shall be deemed to exist, which vacancy shall be filled as  
15 provided by law.

16           Sec. 14. Section 84-1331, Revised Statutes Cumulative  
17 Supplement, 2012, is amended to read:

18           84-1331 Sections 84-1301 to 84-1331 and sections 9, 10,  
19 and 13 of this act shall be known and may be cited as the State  
20 Employees Retirement Act.

21           Sec. 15. Section 84-1333, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23           84-1333 Any county employee who is a member under a  
24 county employees retirement system and whose status as a county  
25 employee is changed by the Legislature to that of a judge shall, upon

1 application to the Public Employees Retirement Board and to the  
2 county, obtain full and immediate vesting in any prior service  
3 retirement benefits and any future service retirement benefits which  
4 have been accrued to the date of transfer, except that the employee  
5 may not withdraw the amount in his or her employee account prior to  
6 his or her retirement and still receive such vested benefits. Any  
7 such employee shall be eligible for immediate participation in the  
8 Nebraska Retirement Fund for Judges or the State Employees Retirement  
9 System of the State of Nebraska.

10           Sec. 16. Section 84-1501, Revised Statutes Cumulative  
11 Supplement, 2012, is amended to read:

12           84-1501 (1) The Public Employees Retirement Board is  
13 hereby established.

14           (2)(a) The board shall consist of ~~eight~~ twelve appointed  
15 members as described in this subsection and the state investment  
16 officer as a nonvoting, ex officio member. Six of the appointed  
17 members shall be active or retired participants in the retirement  
18 systems administered by the board, and ~~two~~ six of the appointed  
19 members (i) shall not be employees of the State of Nebraska or any of  
20 its political subdivisions and (ii) shall have at least ten years of  
21 experience in the management of a public or private organization or  
22 have at least five years of experience in the field of actuarial  
23 analysis or the administration of an employee benefit plan.

24           (b) The six appointed members who are participants in the  
25 systems shall be as follows:

1           (i) Two of the appointed members shall be participants in  
2 the School Employees Retirement System of the State of Nebraska and  
3 shall include one administrator and one teacher;

4           (ii) One of the appointed members shall be a participant  
5 in the Nebraska Judges Retirement System ~~as provided in the Judges~~  
6 ~~Retirement Act;~~ or a judge who is a participant in the State  
7 Employees Retirement System of the State of Nebraska;

8           (iii) One of the appointed members shall be a participant  
9 in the Nebraska State Patrol Retirement System or an officer of the  
10 Nebraska State Patrol who is a participant in the State Employees  
11 Retirement System of the State of Nebraska;

12           (iv) One of the appointed members shall be a participant  
13 in the Retirement System for Nebraska Counties; and

14           (v) One of the appointed members shall be a participant  
15 in the State Employees Retirement System of the State of Nebraska  
16 other than an officer or a judge of the Nebraska State Patrol.

17           (c) Appointments to the board shall be made by the  
18 Governor and shall be subject to the approval of the Legislature. All  
19 appointed members shall be citizens of the State of Nebraska.

20           (3) All members shall serve for terms of five years or  
21 until a successor has been appointed and qualified. The terms shall  
22 begin on January 1 of the appropriate year. The members of the board  
23 shall be reimbursed for their actual and necessary expenses as  
24 provided in sections 81-1174 to 81-1177. The appointed members of the  
25 board may be removed by the Governor for cause after notice and an



1 opportunity to be heard.

2           Sec. 17. This act becomes operative on July 1, 2014.

3           Sec. 18. Original sections 24-721, 24-732, 48-155.01,  
4 84-1320, 84-1325, and 84-1333, Reissue Revised Statutes of Nebraska,  
5 and sections 24-701, 81-2014, 84-1301, 84-1302, 84-1317, 84-1331, and  
6 84-1501, Revised Statutes Cumulative Supplement, 2012, are repealed.