

AMENDMENTS TO LB33

Introduced by Nebraska Retirement Systems.

1 1. Strike original section 4 and insert the following new sections:

2 Sec. 4. Section 79-934, Revised Statutes Cumulative Supplement,
3 2018, is amended to read:

4 79-934 (1) In lieu of the school retirement allowance provided by
5 section 79-933, any member who is not an employee of a Class V school
6 district and who becomes eligible to make application for and receive a
7 school retirement allowance under section 79-931 may receive a formula
8 annuity retirement allowance if it is greater than the school retirement
9 allowance provided by section 79-933.

10 (2) Subject to the other provisions of this section, the monthly
11 formula annuity in the normal form shall be determined by multiplying the
12 number of years of creditable service for which such member would
13 otherwise receive the service annuity provided by section 79-933 by (a)
14 one and one-quarter percent of his or her final average compensation for
15 a member who has acquired the equivalent of one-half year of service or
16 more as a school employee under the retirement system following August
17 24, 1975, (b) one and one-half percent of his or her final average
18 compensation for a member who has acquired the equivalent of one-half
19 year of service or more as a school employee under the retirement system
20 following July 17, 1982, (c) one and sixty-five hundredths percent of his
21 or her final average compensation for a member who has acquired the
22 equivalent of one-half year of service or more as a school employee under
23 the retirement system following July 1, 1984, (d) one and seventy-three
24 hundredths percent of his or her final average compensation for a member
25 actively employed as a school employee under the retirement system or
26 under contract with an employer on or after June 5, 1993, (e) one and
27 eight-tenths percent of his or her final average compensation for a

1 member who has acquired the equivalent of one-half year of service or
2 more as a school employee under the retirement system following July 1,
3 1995, and was employed as a school employee under the retirement system
4 or under contract with an employer on or after April 10, 1996, (f) one
5 and nine-tenths percent of his or her final average compensation for a
6 member who has acquired the equivalent of one-half year of service or
7 more as a school employee under the retirement system following July 1,
8 1998, and was employed as a school employee under the retirement system
9 or under contract with an employer on or after April 29, 1999, (g) two
10 percent of his or her final average compensation for a member who has
11 acquired the equivalent of one-half year of service or more as a school
12 employee under the retirement system following July 1, 2000, who was
13 employed as a school employee under the retirement system or under
14 contract with an employer on or after May 2, 2001, and hired prior to
15 July 1, 2016, and who has not retired prior to May 2, 2001, or (h) two
16 percent of his or her final average compensation for a member initially
17 hired on or after July 1, 2016, or a member who has taken a refund or
18 retirement and is rehired or hired by a separate employer covered by the
19 retirement system on or after July 1, 2016, and has acquired the
20 equivalent of five years of service or more as a school employee under
21 the retirement system or under contract with an employer on or after July
22 1, 2016. Subdivision (2)(f) of this section shall not apply to a member
23 who is retired prior to April 29, 1999. Subdivision (2)(g) of this
24 section shall not apply to a member who is retired prior to May 2, 2001.

25 (3) If the annuity begins on or after the member's sixty-fifth
26 birthday, the annuity shall not be reduced.

27 (4) If the annuity begins prior to the member's sixtieth birthday
28 and the member has completed thirty-five or more years of creditable
29 service, the annuity shall be actuarially reduced on the basis of age
30 sixty-five.

31 (5)(a) For a member who has acquired the equivalent of one-half year

1 of creditable service or more as a school employee under the retirement
2 system following July 1, 1997, and who was a school employee on or after
3 March 4, 1998, and who was hired prior to July 1, 2016, if the annuity
4 begins at a time when the sum of the member's attained age and creditable
5 service totals eighty-five and the member is at least fifty-five years of
6 age, the annuity shall not be reduced. This subdivision shall not apply
7 to a member who is retired prior to March 4, 1998.

8 (b) For a member hired on or after July 1, 2016, and prior to July
9 1, 2018, or for a member who has taken a retirement or refund that
10 relinquished all prior service credit and who has not repaid the full
11 amount of the refund pursuant to section 79-921 and is rehired or hired
12 by any employer covered by the retirement system on or after July 1,
13 2016, and prior to July 1, 2018, if the annuity begins at a time when the
14 sum of the member's attained age and creditable service totals eighty-
15 five and the member is at least fifty-five years of age, the annuity
16 shall not be reduced.

17 (c) For a member hired on or after July 1, 2018, or for a member or
18 former member who has taken a retirement or refund that relinquished all
19 prior service credit and who has not repaid the full amount of the refund
20 pursuant to section 79-921 and is rehired or hired by any employer
21 covered by the retirement system on or after July 1, 2018, if the annuity
22 begins at a time when the sum of the member's attained age and creditable
23 service totals eighty-five and the member is at least sixty years of age,
24 the annuity shall not be reduced.

25 (6) If the annuity begins on or after the member's sixtieth birthday
26 and the member has completed at least a total of five years of creditable
27 service including eligibility and vesting credit but has not yet
28 qualified for an unreduced annuity as specified in this section, the
29 annuity shall be reduced by three percent for each year after the
30 member's sixtieth birthday and prior to his or her sixty-fifth birthday.

31 (7) Except as provided in section 42-1107, the normal form of the

1 formula annuity shall be an annuity payable monthly during the remainder
2 of the member's life with the provision that in the event of his or her
3 death before sixty monthly payments have been made the monthly payments
4 will be continued to his or her estate or to the beneficiary he or she
5 has designated until sixty monthly payments have been made. Except as
6 provided in section 42-1107, a member may elect to receive in lieu of the
7 normal form of annuity an actuarially equivalent annuity in any optional
8 form provided by section 79-938.

9 (8) All formula annuities shall be paid from the School Retirement
10 Fund.

11 ~~(9)(a) (9)(a)(i)~~ For purposes of this section, in the determination
12 of compensation for members ~~on or after July 1, 2005, that part of a~~
13 ~~member's compensation for the plan year which exceeds the member's~~
14 ~~compensation with the same employer for the preceding plan year by more~~
15 ~~than seven percent of the compensation base during the sixty months~~
16 ~~preceding the member's retirement shall be excluded unless (A) the member~~
17 ~~experienced a substantial change in employment position, (B) as verified~~
18 ~~by the school board, the excess compensation above seven percent occurred~~
19 ~~as the result of a collective bargaining agreement between the employer~~
20 ~~and a recognized collective bargaining unit or category of school~~
21 ~~employee, and the percentage increase in compensation above seven percent~~
22 ~~shall not be excluded for employees outside of a collective bargaining~~
23 ~~unit or within the same category of school employee, or (C) the excess~~
24 ~~compensation occurred as the result of a districtwide permanent benefit~~
25 ~~change made by the employer for a category of school employee in~~
26 ~~accordance with subdivision (4)(a)(iv) of section 79-902. (ii) For~~
27 ~~purposes of subdivision (9)(a) of this section: (A) Category of school~~
28 ~~employee means either all employees of the employer who are~~
29 ~~administrators or certificated teachers, or all employees of the employer~~
30 ~~who are not administrators or certificated teachers, or both; (B)~~
31 ~~Compensation base means (I) for current members, employed with the same~~

1 ~~employer, the member's compensation for the plan year ending June 30,~~
2 ~~2005, or (II) for members newly hired or hired by a separate employer on~~
3 ~~or after July 1, 2005, the member's compensation for the first full plan~~
4 ~~year following the member's date of hiring. Thereafter, the member's~~
5 ~~compensation base shall be increased each plan year by the lesser of~~
6 ~~seven percent of the member's preceding plan year's compensation base or~~
7 ~~the member's actual annual compensation increase during the preceding~~
8 ~~plan year; and (C) Recognized collective bargaining unit means a group of~~
9 ~~employees similarly situated with a similar community of interest~~
10 ~~appropriate for bargaining recognized as such by a school board. (b)(i)~~
11 ~~In the determination of compensation for members whose retirement date is~~
12 ~~on or after July 1, 2012, through June 30, 2013, that part of a member's~~
13 ~~compensation for the plan year which exceeds the member's compensation~~
14 ~~with the same employer for the preceding plan year by more than nine~~
15 ~~percent of the compensation base shall be excluded. (ii) For purposes of~~
16 ~~subdivision (9)(b) of this section, compensation base means (A) for~~
17 ~~current members employed with the same employer, the member's~~
18 ~~compensation for the plan year ending June 30, 2012, or (B) for members~~
19 ~~newly hired or hired by a separate employer on or after July 1, 2012, the~~
20 ~~member's compensation for the first full plan year following the member's~~
21 ~~date of hiring. (c)(i) In the determination of compensation for members~~
22 ~~whose retirement date is on or after July 1, 2013, that part of a~~
23 ~~member's compensation for the plan year which exceeds the member's~~
24 ~~compensation for the preceding plan year by more than eight percent~~
25 ~~during the capping period shall be excluded. Such member's compensation~~
26 ~~for the first plan year of the capping period shall be compared to the~~
27 ~~member's compensation received for the plan year immediately preceding~~
28 ~~the capping period.~~

29 ~~(b) (ii) For purposes of subdivision (9)(c) of this subsection~~
30 ~~section:~~

31 ~~(i) (A) Capping period means the five plan years preceding the later~~

1 of (A) ~~(I)~~ such member's retirement date or (B) ~~(II)~~ such member's final
2 compensation date; and

3 (ii) ~~(B)~~ Final compensation date means the later of (A) ~~(I)~~ the date
4 on which a retiring member's final compensation is actually paid or (B)
5 ~~(II)~~ if a retiring member's final compensation is paid in advance as a
6 lump sum, the date on which such final compensation would have been paid
7 to the member in the absence of such advance payment.

8 Sec. 10. Since an emergency exists, this act takes effect when
9 passed and approved according to law.

10 2. Correct the repealer accordingly.