

**ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019**  
**COMMITTEE STATEMENT**  
**LB34**

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**Hearing Date:** Tuesday February 05, 2019  
**Committee On:** Nebraska Retirement Systems  
**Introducer:** Kolterman  
**One Liner:** Eliminate provisions relating to benefits payable after the filing of a grievance or appeal and change provisions relating to employee reinstatement under the County Employees Retirement Act and State Employees Retirement Act

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 6 Senators Bolz, Groene, Kolowski, Kolterman, Lindstrom, Stinner  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Oral Testimony:**

**Proponents:**

Senator Mark Kolterman  
Randy Gerke

Beth Bazyn Ferrell

**Representing:**

Introducer  
Nebraska Public Employees Retirement Systems (NPERS), Public Employees Retirement Board (PERB)  
Nebraska Association of County Officials (NACO)

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

**Summary of purpose and/or changes:**

Committee Statement for LB 34

LB 34 as introduced would eliminate the option for a member of the County or State Employees Retirement Plan who has filed a grievance to receive a disbursement from the member's retirement account during the grievance process.

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**Explanation of amendments:**

LB 34 as amended by Committee AM 591 incorporates 3 bills that were heard by the Retirement Committee:

LB 35

Hearing was held on February 5, 2019

Introducer: Senator Kolterman

No fiscal impact

**Proponents:**

Randy Gerke, Public Employees Retirement Board  
Beth Bazyn-Ferrell, Nebraska Association of County Officials

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Opponents: NONE

Neutral: NONE

Clarifies that a county or state permanent employee must be at least 18 years old before the employee is eligible for membership in the County or State Employees Retirement Plan.

Clarifies rules and codifies the practice defining what benefit and Tier County and State Plan members will be in upon reemployment. The effective date for this codification is January 1, 2020.

LB 36

Hearing was held on February 12, 2019

Introducer: Senator Kolterman

No fiscal impact

Proponents:

Orron Hill, Nebraska Public Employees Retirement Systems, Public Employees Retirement Board

Pam Roth, Elkhorn Public Schools

Jason Hayes, Nebraska State Education Association

Opponents: NONE

Neutral: NONE

Modernizes language and codifies Nebraska Public Employees Retirement Systems (NPERS) practices of awarding service credit by unifying the creditable service definition across all School Employees Retirement Plan tiers.

Grants NPERS additional time to process refund buy back payments for members who were employed on April 17, 2014 and who timely submit their refund buy back applications to NPERS by April 16, 2020.

LB 565

Hearing: February 12, 2019

Introducer: Senator Bolz

No fiscal impact

Proponents:

Jason Hayes, Nebraska State Education Association and Nebraska Council School Administrators

John Antonich, Nebraska Association of Public Employees

Beth Bazyn-Ferrell, Nebraska Association of County Officials

Opponents: NONE

Neutral:

Randy Gerke, Public Employees Retirement Board

Cecelia Carter, Omaha School Employees Retirement System

Prescribes changes to the County, State, School, and Class V School Employees Retirement Acts and to the Deferred Compensation Plan. In the event a member of one of these retirement plans is married at the time of the member's death and no designated beneficiary is on file, then the spouse married to the member on the date of the member's death is determined to be the beneficiary.

## COUNTY EMPLOYEES RETIREMENT ACT

Section 1. [amends 23-2306] [LB 35] Clarifies that a county employee must be at least 18 years old before eligible for membership in the County Plan. [pages 1-5]

Section 2. [amends 23-2308.01] [LB 34] Internal reference change related to distribution during a member's grievance process. [pages 5-7]

Section 3. [amends 23-2317] [LB 565] Specifies that the single life annuity with 5-year certain as the normal form payment will be paid to the beneficiary in the order of priority as listed in section 8. [pages 7-11]

Section 4. [amends 23-2319.01] [LB 34] Eliminates ability for member to request distribution up to \$25,000 from the member's retirement account during while the member's grievance is pending. [pages 11-13]

Section 5. [amends 23-2320] [LB 34 and LB 35] Eliminates language regarding repayment of a distribution during a member's grievance process.

Clarifies rules and codifies the practice defining what benefit and Tier County and State Plan members will be in upon reemployment. The effective date for this codification is January 1, 2020. [pages 13-17]

Section 6. [amends 23-2321] [LB 565] Specifies that if a member dies before the member's retirement date the death benefit will be paid to the beneficiary in the order of priority as listed in section 8. [page 17]

Section 7. [amends 23-2331] [LB 565] Incorporates the new beneficiary designation language in section 8 into the Act. [page 18]

Section 8. [New section] [LB 565] Declares that (except for qualified domestic relations orders - QDROs) when a member dies the death benefit will be paid to the beneficiary in the following order of priority: [pages 18-19]

- To the members surviving designated beneficiary
- To the spouse married to the member at the time of the member's death, if there is no surviving designated beneficiary;
- or
- To the member's estate if the member is not married on the member's date of death and there is no surviving designated beneficiary

The priority designations do not apply if the member has retired under a joint and survivor benefit option.

## SCHOOL EMPLOYEES RETIREMENT ACT

Section 9. [amends 79-901] [LB 565] Incorporates the new beneficiary designation language in section 11 into the Act. [page 19]

Section 10. [amends 79-902] [LB 565] Incorporates the new beneficiary designation language in section 11 into the Act. [pages 19-30]

Section 11. [New section] [LB 565] Declares that (except for qualified domestic relations orders - QDROs) when a member dies the death benefit will be paid to the beneficiary in the following order of priority: [page 30]

- To the members surviving designated beneficiary
- To the spouse married to the member at the time of the member's death, if there is no surviving designated beneficiary;

or

- To the member's estate if the member is not married on the member's date of death and there is no surviving designated beneficiary

The priority designations do not apply if the member has retired under a joint and survivor benefit option.

Section 12. [amends 79-921] [LB36] Grants the Nebraska Public Employees Retirement System (NPERS) additional time to process refund buy back payments for members who were employed on April 17, 2014 and who timely submit their refund buy back applications to NPERS by April 16, 2020. [pages 30-33]

Section 13. [amends 79-927] [LB36] It modernizes language and codifies practices of Nebraska Public Employees Retirement Systems in awarding service credit by unifying the creditable service definition across all School Employees Retirement Plan tiers. [pages 33-34]

Section 14. [amends 79-934] [LB 565] Specifies that the single life annuity with 5-year certain as the normal form payment will be paid to the beneficiary in the order of priority as listed in section 11. [pages 34-39]

Section 15. [amends 79-956] [LB 565] Specifies payment of death benefits under various circumstances if a member dies before the member's retirement date and specifies when the death benefit will be paid to the beneficiary in the order of priority as listed in section 11. [pages 39-42]

Section 16. [amends 79-971] [LB 565] Specifies that the accumulated contributions plus statutorily required interest will be: [page 43]

- Returned to the member upon the member's termination
- Paid as provided in section 11 (order of beneficiary priority) if the member dies; or
- If the member retires, used to assist in funding the member's retirement, disability or formula annuity allowance.

#### CLASS V SCHOOL EMPLOYEES RETIREMENT ACT

Section 17. [amends 79-978.01] [LB 565] Incorporates the new beneficiary designation language in section 18 into the Act. [page 42]

Section 18. [New section] Declares that (except for qualified domestic relations orders - QDROs) when a member dies the death benefit will be paid to the beneficiary in the following order of priority: [pages 42-43]

- To the members surviving designated beneficiary
  - To the spouse married to the member at the time of the member's death, if there is no surviving designated beneficiary;
- or
- To the member's estate if the member is not married on the member's date of death and there is no surviving designated beneficiary

The priority designations do not apply if the member has retired under a joint and survivor benefit option.

Section 19. [amends 79-9,100] [LB 565] Specifies that (except for qualified domestic relations orders - QDROs) the single life annuity with 5-year certain as the normal form payment will be paid to the beneficiary in the order of priority as listed in section 18. [pages 43-46]

Section 20. [amends 79-9,106] [LB 565] Specifies payment of death benefits under enumerated circumstances if a member dies before the member's retirement date and specifies when the death benefit will be paid to the beneficiary in the order of priority as listed in section 18. [pages 46-47]

## STATE EMPLOYEES RETIREMENT ACT

Section 21. [amends 84-1307] [LB 35] Clarifies that a state employee must be at least 18 years old before eligible for membership in the State Plan. [pages 47-49]

Section 22. [amends 84-1309.02] [LB 34] Internal reference change related to distribution during a member's grievance process. [49-51]

Section 23. [amends 84-1319] [LB 565] Specifies that the single life annuity with 5-year certain as the normal form payment will be paid to the beneficiary in the order of priority as listed in section 28. [pages 51-56]

Section 24. [amends 84-1321.01] [LB 34] Eliminates ability for member to request distribution up to \$25,000 from the member's retirement account while the member's grievance is pending. [pages 56-58]

Section 25. [amends 84-1322] [LB 34] Eliminates language regarding repayment of a distribution during a member's grievance process.

Clarifies rules and codifies the practice defining what benefit and Tier County and State Plan members will be in upon reemployment. The effective date for this codification is January 1, 2020. [pages 58-62]

Section 26. [amends 84-1323] [LB 565] Specifies that if a member dies before the member's retirement date the death benefit will be paid to the beneficiary in the order of priority as listed in section 28. [pages 62-63]

Section 27. [amends 84-1331] [LB 565] Incorporates the new beneficiary designation language in section 28 into the Act. [page 63]

Section 28. [New section] [LB 565] Declares that (except for qualified domestic relations orders - QDROs) when a member dies the death benefit will be paid to the beneficiary in the following order of priority: [page 63]

- To the members surviving designated beneficiary
- To the spouse married to the member at the time of the member's death, if there is no surviving designated beneficiary;
- or
- To the member's estate if the member is not married on the member's date of death and there is no surviving designated beneficiary

The priority designations do not apply if the member has retired under a joint and survivor benefit option.

## PUBLIC EMPLOYEES RETIREMENT BOARD (PERB)

Section 29. [amends 84-1503] [LB 565] Adds a duty for the PERB to amend the deferred compensation plan to require that in the event of a member's death (except for qualified domestic relations orders - QDROs), the death benefit will be paid to the beneficiary in the following order of priority: [pages 63-70]

- To the members surviving designated beneficiary
- To the spouse married to the member at the time of the member's death, if there is no surviving designated beneficiary;
- or
- To the member's estate if the member is not married on the member's date of death and there is no surviving designated beneficiary

The priority designations do not apply if the member has retired under a joint and survivor benefit option.

Section 30. Severability clause  
Section 31. Repealers  
Section 32. Emergency clause

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Mark Kolterman, Chairperson