

One Hundred Seventh Legislature - First Session - 2021

Introducer's Statement of Intent

LB146

Chairperson: Senator Mark Kolterman

Committee: Nebraska Retirement Systems

Date of Hearing: February 23, 2021

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

LB 146 is one of the five bills introduced as part of a package of bills to address a transfer of management of the Class V School Employees Retirement System to the Public Employees Retirement Board. There are two purposes to LB 146.

The first purpose of LB 146 is to add new definitions and provide clarity of existing definitions in the Class V School Employees Retirement Act. New and clarified definitions address eligibility for membership in the retirement system by defining the terms “employee” “regular employee”, and “participation”. The new definition of “termination of employment” defines limitations on service that can be provided during the 180-day period following termination to ensure that a bona fide separation of service has occurred.

The definition in the Class V plan reflects current guidelines followed by the Class V school district regarding re-employment during the 180-day period. The school district allows voluntary unpaid bona fide service without limitation. Temporary service is also allowed after a 30-day waiting period following termination if it is to accomplish a specific purpose or task – not to exceed one year. Substitute service is allowed on an intermittent basis which is defined in LB 146 as no more than 8 service days during a calendar month.

The second purpose of LB 146 is to clarify the definition of “termination of employment” in the School Employees Retirement Act. Bona fide unpaid voluntary service and substitute service are allowed on an intermittent basis within the 180-day period following termination, though “intermittent” is currently undefined. LB 146 defines “intermittent” service as no more than 8 service days in a calendar month. Temporary service is not allowed in the School plan during the 180-day period.

Expanding the number of days a substitute may provide service during the 180-day period following termination or retirement allows greater availability of substitutes in school districts throughout the state.

Principal Introducer: _____

Senator Mark Kolterman