

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 295

FINAL READING

Introduced by Nebraska Retirement Systems Committee: Ballard, 21,
Chairperson; Clements, 2; Hardin, 48; Juarez, 5;
Sorrentino, 39.

Read first time January 15, 2025

Committee: Nebraska Retirement Systems

1 A BILL FOR AN ACT relating to retirement; to amend sections 23-2320,
2 42-1102, 79-902, 79-904.01, 79-915, 79-956, 79-978, 79-9,103,
3 79-9,106, 79-9,117, 79-9,118, 81-2014, 81-2016, 84-1301, 84-1307,
4 84-1322, 84-1502, 84-1504, and 84-1511, Reissue Revised Statutes of
5 Nebraska, and sections 4-108, 23-2301, 23-2306, 24-701, 24-703, and
6 24-703.01, Revised Statutes Cumulative Supplement, 2024; to change
7 provisions relating to certain documents that are required to be
8 maintained by employing state agencies and political subdivisions;
9 to redefine terms and change provisions relating to termination,
10 documents used to demonstrate United States citizenship or lawful
11 presence in the United States, repayment of gross distributions or
12 benefits, cost-of-living adjustments, deadlines for filing forms
13 relating to survivorship annuities, and employee leave for
14 preretirement planning programs under the County Employees
15 Retirement Act, the Judges Retirement Act, the School Employees
16 Retirement Act, the Class V School Employees Retirement Act, the
17 Nebraska State Patrol Retirement Act, and the State Employees
18 Retirement Act; to change a definition in the Spousal Pension Rights
19 Act; to change provisions relating to contributions to the Nebraska
20 Retirement Fund for Judges; to change provisions relating to lump
21 sum payments under the School Employees Retirement Act; to change

1 provisions relating to calling meetings of the Public Employees
2 Retirement Board and paying per diems and expenses for members of
3 the Public Employees Retirement Board; to change provisions relating
4 to demonstrating United States citizenship or lawful presence in the
5 United States for participation in a deferred compensation plan; to
6 prohibit the use of names, logos, and symbols as provided; to
7 harmonize provisions; to provide operative dates; to repeal the
8 original sections; and to declare an emergency.

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

1 **Section 1.** Section 4-108, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 4-108 (1) Notwithstanding any other provisions of law, unless
4 exempted from verification under section 4-110 or pursuant to federal
5 law, no state agency or political subdivision of the State of Nebraska
6 shall provide public benefits to a person not lawfully present in the
7 United States.

8 (2) Except as provided in section 4-110 or if exempted by federal
9 law, every agency or political subdivision of the State of Nebraska shall
10 verify the lawful presence in the United States of any person who has
11 applied for public benefits administered by an agency or a political
12 subdivision of the State of Nebraska. This section shall be enforced
13 without regard to race, religion, gender, ethnicity, or national origin.

14 (3) No employee of a state agency or political subdivision of the
15 State of Nebraska shall be authorized to participate in any retirement
16 system, including, but not limited to, the systems provided for in the
17 Class V School Employees Retirement Act, the County Employees Retirement
18 Act, the Judges Retirement Act, the Nebraska State Patrol Retirement Act,
19 the School Employees Retirement Act, and the State Employees Retirement
20 Act, unless the employee is a United States citizen or is lawfully
21 present in the United States. The employing state agency or political
22 subdivision of the State of Nebraska and the employee shall maintain at
23 least one of the following documents, which shall be unexpired if
24 applicable to the particular document or which has an expiration date
25 that has been extended by the United States Department of Homeland
26 Security or the United States Citizenship and Immigration Services so
27 that such document is still valid, to demonstrate United States
28 citizenship or lawful presence in the United States as of the employee's
29 date of hire and produce any such document so maintained upon request of
30 the Public Employees Retirement Board or the Nebraska Public Employees
31 Retirement Systems:

- 1 (a) A state-issued driver's license;
- 2 (b) A state-issued identification card;
- 3 (c) A state-issued motor vehicle learner's permit;
- 4 (d) ~~(e)~~ A certified copy of a birth certificate or delayed birth
- 5 certificate issued in any state, territory, or possession of the United
- 6 States;
- 7 (e) ~~(d)~~ A Consular Report of Birth Abroad issued by the United
- 8 States Department of State;
- 9 (f) ~~(e)~~ A United States passport;
- 10 (g) ~~(f)~~ A foreign passport with a United States visa;
- 11 (h) ~~(g)~~ A United States Certificate of Naturalization;
- 12 (i) ~~(h)~~ A United States Certificate of Citizenship;
- 13 (j) ~~(i)~~ A tribal certificate of Native American blood or similar
- 14 document;
- 15 (k) ~~(j)~~ A United States Citizenship and Immigration Services
- 16 Employment Authorization Document, Form I-766;
- 17 (l) ~~(k)~~ A United States Citizenship and Immigration Services
- 18 Permanent Resident Card, Form I-551; or
- 19 (m) ~~(l)~~ Any other document issued by the United States Department of
- 20 Homeland Security or the United States Citizenship and Immigration
- 21 Services granting employment authorization in the United States and
- 22 approved by the Public Employees Retirement Board.

23 **Sec. 2.** Section 23-2301, Revised Statutes Cumulative Supplement,
24 2024, is amended to read:

25 23-2301 For purposes of the County Employees Retirement Act, unless
26 the context otherwise requires:

27 (1)(a) Actuarial equivalent means the equality in value of the
28 aggregate amounts expected to be received under different forms of an
29 annuity payment.

30 (b) For a member hired prior to January 1, 2018, the mortality
31 assumption used for purposes of converting the member cash balance

1 account shall be the 1994 Group Annuity Mortality Table using a unisex
2 rate that is fifty percent male and fifty percent female. For purposes of
3 converting the member cash balance account attributable to contributions
4 made prior to January 1, 1984, that were transferred pursuant to the act,
5 the 1994 Group Annuity Mortality Table for males shall be used.

6 (c) For a member hired on or after January 1, 2018, or rehired on or
7 after January 1, 2018, after termination of employment and being paid a
8 retirement benefit or taking a refund of contributions, the mortality
9 assumption used for purposes of converting the member cash balance
10 account shall be a unisex mortality table that is recommended by the
11 actuary and approved by the board following an actuarial experience
12 study, a benefit adequacy study, or a plan valuation. The mortality table
13 and actuarial factors in effect on the member's retirement date will be
14 used to calculate the actuarial equivalency of any retirement benefit;

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

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

27 (4) Cash balance benefit means a member's retirement benefit that is
28 equal to an amount based on annual employee contribution credits plus
29 interest credits and, if vested, employer contribution credits plus
30 interest credits and dividend amounts credited in accordance with
31 subdivision (4)(c) of section 23-2317;

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

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

19 (6) Date of adoption of the retirement system by each county means
20 the first day of the month next following the date of approval of the
21 retirement system by the county board or January 1, 1987, whichever is
22 earlier;

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

25 (8) Defined contribution benefit means a member's retirement benefit
26 from a money purchase plan in which member benefits equal annual
27 contributions and earnings pursuant to section 23-2309 and, if vested,
28 employer contributions and earnings pursuant to section 23-2310;

29 (9) Disability means an inability to engage in any substantially
30 gainful activity by reason of any medically determinable physical or
31 mental impairment which was initially diagnosed or became disabling while

1 the member was an active participant in the plan and which can be
2 expected to result in death or be of a long-continued and indefinite
3 duration;

4 (10) Employee means all persons or officers who are employed by a
5 county of the State of Nebraska on a permanent basis, persons or officers
6 employed by or serving in a municipal county formed by at least one
7 county participating in the retirement system, persons employed as
8 provided in section 2-1608, all elected officers of a county, and such
9 other persons or officers as are classified from time to time as
10 permanent employees by the county board of the county by which they are
11 employed, except that employee does not include judges, employees or
12 officers of any county having a population in excess of two hundred fifty
13 thousand inhabitants as determined by the most recent federal decennial
14 census, or, except as provided in section 23-2306, persons making
15 contributions to the School Employees Retirement System of the State of
16 Nebraska;

17 (11) Employee contribution credit means an amount equal to the
18 member contribution amount required by section 23-2307;

19 (12) Employer contribution credit means an amount equal to the
20 employer contribution amount required by section 23-2308;

21 (13) Final account value means the value of a member's account on
22 the date the account is either distributed to the member or used to
23 purchase an annuity from the plan, which date shall occur as soon as
24 administratively practicable after receipt of a valid application for
25 benefits, but no sooner than forty-five days after the member's
26 termination;

27 (14) Five-year break in service means a period of five consecutive
28 one-year breaks in service;

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

31 (16) Future service means service following the date of adoption of

1 the retirement system;

2 (17) Guaranteed investment contract means an investment contract or
3 account offering a return of principal invested plus interest at a
4 specified rate. For investments made after July 19, 1996, guaranteed
5 investment contract does not include direct obligations of the United
6 States or its instrumentalities, bonds, participation certificates or
7 other obligations of the Federal National Mortgage Association, the
8 Federal Home Loan Mortgage Corporation, or the Government National
9 Mortgage Association, or collateralized mortgage obligations and other
10 derivative securities. This subdivision shall not be construed to require
11 the liquidation of investment contracts or accounts entered into prior to
12 July 19, 1996;

13 (18) Hire date or date of hire means the first day of compensated
14 service subject to retirement contributions;

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

20 (20) Interest credits means the amounts credited to the employee
21 cash balance account and the employer cash balance account at the end of
22 each day. Such interest credit for each account shall be determined by
23 applying the daily portion of the interest credit rate to the account
24 balance at the end of the previous day. Such interest credits shall
25 continue to be credited to the employee cash balance account and the
26 employer cash balance account after a member ceases to be an employee,
27 except that no such credit shall be made with respect to the employee
28 cash balance account and the employer cash balance account for any day
29 beginning on or after the member's date of final account value. If
30 benefits payable to the member's surviving spouse or beneficiary are
31 delayed after the member's death, interest credits shall continue to be

1 credited to the employee cash balance account and the employer cash
2 balance account until such surviving spouse or beneficiary commences
3 receipt of a distribution from the plan;

4 (21) Member cash balance account means an account equal to the sum
5 of the employee cash balance account and, if vested, the employer cash
6 balance account and dividend amounts credited in accordance with
7 subdivision (4)(c) of section 23-2317;

8 (22) One-year break in service means a plan year during which the
9 member has not completed more than five hundred hours of service;

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

12 (24) Part-time employee means an employee who is employed to work
13 less than one-half of the regularly scheduled hours during each pay
14 period;

15 (25) Plan year means the twelve-month period beginning on January 1
16 and ending on December 31;

17 (26) Prior service means service prior to the date of adoption of
18 the retirement system;

19 (27) Regular interest means the rate of interest earned each
20 calendar year as determined by the retirement board in conformity with
21 actual and expected earnings on the investments through December 31,
22 1985;

23 (28) Required beginning date means, for purposes of the deferral of
24 distributions and the commencement of mandatory distributions pursuant to
25 section 401(a)(9) of the Internal Revenue Code and the regulations issued
26 thereunder, April 1 of the year following the calendar year in which a
27 member:

28 (a)(i) Terminated employment with all employers participating in the
29 plan; and

30 (ii)(A) Attained at least seventy and one-half years of age for a
31 member who attained seventy and one-half years of age on or before

1 December 31, 2019;

2 (B) Attained at least seventy-two years of age for a member who
3 attained seventy and one-half years of age on or after January 1, 2020,
4 and prior to January 1, 2023;

5 (C) Attained at least seventy-three years of age for a member who
6 attained seventy-two years of age after December 31, 2022, and seventy-
7 three years of age prior to January 1, 2033; or

8 (D) Attained at least seventy-five years of age for a member who
9 attained seventy-four years of age after December 31, 2032; or

10 (b)(i) Terminated employment with all employers participating in the
11 plan; and

12 (ii) Otherwise reached the date specified by section 401(a)(9) of
13 the Internal Revenue Code and the regulations issued thereunder;

14 (29) Required contribution means the deduction to be made from the
15 compensation of employees as provided in the act;

16 (30) Retirement means qualifying for and accepting the retirement
17 benefit granted under the act after terminating employment;

18 (31) Retirement application means the form approved and provided by
19 the retirement system for acceptance of a member's request for either
20 regular or disability retirement;

21 (32) Retirement board or board means the Public Employees Retirement
22 Board;

23 (33) Retirement date means (a) the first day of the month following
24 the date upon which a member's request for retirement is received on a
25 retirement application if the member is eligible for retirement and has
26 terminated employment or (b) the first day of the month following
27 termination of employment if the member is eligible for retirement and
28 has filed an application but has not yet terminated employment;

29 (34) Retirement system means the Retirement System for Nebraska
30 Counties;

31 (35) Service means the actual total length of employment as an

1 employee and is not deemed to be interrupted by (a) temporary or seasonal
2 suspension of service that does not terminate the employee's employment,
3 (b) leave of absence authorized by the employer for a period not
4 exceeding twelve months, (c) leave of absence because of disability, or
5 (d) military service, when properly authorized by the retirement board.
6 Service does not include any period of disability for which disability
7 retirement benefits are received under section 23-2315;

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

19 (37)(a) ~~(37)~~ Termination of employment occurs on the date on which a
20 county which is a member of the retirement system determines that its
21 employer-employee relationship with an employee is dissolved. The county
22 shall notify the board of the date on which such a termination has
23 occurred.

24 (b) Termination of employment does not occur if an employee whose
25 employer-employee relationship with a county is dissolved enters into an
26 employer-employee relationship with the same or another county which
27 participates in the Retirement System for Nebraska Counties and there are
28 less than one hundred twenty days between the date when the employee's
29 employer-employee relationship ceased with the county and the date when
30 the employer-employee relationship commenced with the same or another
31 county which qualifies the employee for participation in the plan.

1 (c) It is the responsibility of the employer that is involved in the
2 termination of employment to notify the board of such change in
3 employment and provide the board with such information as the board deems
4 necessary.

5 (d) If the board determines that termination of employment has not
6 occurred and a retirement benefit has been paid to a member of the
7 retirement system pursuant to section 23-2319, the board shall require
8 the member who has received such benefit to repay the benefit to the
9 retirement system unless the board determines that all or any portion of
10 such benefit was the result of an inadvertent benefit overpayment and
11 repayment of such benefit would create a significant hardship; and

12 (38) Vesting credit means credit for years, or a fraction of a year,
13 of participation in another Nebraska governmental plan for purposes of
14 determining vesting of the employer account.

15 **Sec. 3.** Section 23-2306, Revised Statutes Cumulative Supplement,
16 2024, is amended to read:

17 23-2306 (1) The membership of the retirement system shall be
18 composed of all persons who are or were employed by member counties and
19 who maintain an account balance with the retirement system.

20 (2) The following employees of member counties are authorized to
21 participate in the retirement system: (a) All permanent full-time
22 employees who have attained the age of eighteen years shall begin
23 participation in the retirement system upon employment and full-time
24 elected officials shall begin participation in the retirement system upon
25 taking office, (b) all permanent part-time employees who have attained
26 the age of eighteen years may exercise the option to begin participation
27 in the retirement system within the first thirty days of employment, and
28 (c) all part-time elected officials may exercise the option to begin
29 participation in the retirement system within thirty days after taking
30 office. An employee who exercises the option to begin participation in
31 the retirement system shall remain in the system until termination or

1 retirement, regardless of any change of status as a permanent or
2 temporary employee.

3 (3) No employee of a member county shall be authorized to
4 participate in the retirement system provided for in the County Employees
5 Retirement Act unless the employee is a United States citizen or is
6 lawfully present in the United States. The employing member county and
7 the employee shall maintain at least one of the following documents,
8 which shall be unexpired ~~,~~ if applicable to the particular document or
9 which has an expiration date that has been extended by the United States
10 Department of Homeland Security or the United States Citizenship and
11 Immigration Services so that such document is still valid, to demonstrate
12 United States citizenship or lawful presence in the United States as of
13 the employee's date of hire and produce any such document so maintained
14 upon request of the retirement board or the Nebraska Public Employees
15 Retirement Systems:

16 (a) A state-issued driver's license;

17 (b) A state-issued identification card;

18 (c) A state-issued motor vehicle learner's permit;

19 (d) ~~(e)~~ A certified copy of a birth certificate or delayed birth
20 certificate issued in any state, territory, or possession of the United
21 States;

22 (e) ~~(d)~~ A Consular Report of Birth Abroad issued by the United
23 States Department of State;

24 (f) ~~(e)~~ A United States passport;

25 (g) ~~(f)~~ A foreign passport with a United States visa;

26 (h) ~~(g)~~ A United States Certificate of Naturalization;

27 (i) ~~(h)~~ A United States Certificate of Citizenship;

28 (j) ~~(i)~~ A tribal certificate of Native American blood or similar
29 document;

30 (k) ~~(j)~~ A United States Citizenship and Immigration Services
31 Employment Authorization Document, Form I-766;

1 (1) ~~(k)~~ A United States Citizenship and Immigration Services
2 Permanent Resident Card, Form I-551; or

3 (m) ~~(l)~~ Any other document issued by the United States Department of
4 Homeland Security or the United States Citizenship and Immigration
5 Services granting employment authorization in the United States and
6 approved by the retirement board.

7 (4)(a) The board may determine that a governmental entity currently
8 participating in the retirement system no longer qualifies, in whole or
9 in part, under section 414(d) of the Internal Revenue Code as a
10 participating employer in a governmental plan.

11 (b)(i) To aid governmental entities in their business decisionmaking
12 process, any governmental entity currently participating in the
13 retirement system contemplating a business transaction that may result in
14 such entity no longer qualifying, in whole or in part, under section
15 414(d) of the Internal Revenue Code may notify the board in writing as
16 soon as reasonably practicable, but no later than one hundred eighty days
17 before the transaction is to occur.

18 (ii) The board when timely notified shall, as soon as is reasonably
19 practicable, obtain from its contracted actuary the cost of any actuarial
20 study necessary to determine the potential funding obligation. The board
21 shall notify the entity of such cost.

22 (iii) If such entity pays the board's contracted actuary pursuant to
23 subdivision (4)(c)(vi) of this section for any actuarial study necessary
24 to determine the potential funding obligation, the board shall, as soon
25 as reasonably practicable following its receipt of the actuarial study,
26 (A) determine whether the entity's contemplated business transaction will
27 cause the entity to no longer qualify under section 414(d) of the
28 Internal Revenue Code, (B) determine whether the contemplated business
29 transaction constitutes a plan termination by the entity, (C) determine
30 the potential funding obligation, (D) determine the administrative costs
31 that will be incurred by the board or the Nebraska Public Employees

1 Retirement Systems in connection with the entity's removal from the
2 retirement system, and (E) notify the entity of such determinations.

3 (iv) Failure to timely notify the board pursuant to subdivision (4)
4 (b)(i) of this section may result in the entity being treated as though
5 the board made a decision pursuant to subdivision (4)(a) of this section.

6 (c) If the board makes a determination pursuant to subdivision (4)
7 (a) of this section, or if the entity engages in the contemplated
8 business transaction reviewed under subdivision (4)(b) of this section
9 that results in the entity no longer qualifying under section 414(d) of
10 the Internal Revenue Code:

11 (i) The board shall notify the entity that it no longer qualifies
12 under section 414(d) of the Internal Revenue Code within ten business
13 days after the determination;

14 (ii) The affected plan members shall be immediately considered fully
15 vested;

16 (iii) The affected plan members shall become inactive within ninety
17 days after the board's determination;

18 (iv) The entity shall pay to the County Employees Retirement Fund an
19 amount equal to any funding obligation;

20 (v) The entity shall pay to the County Employees Cash Balance
21 Retirement Expense Fund an amount equal to any administrative costs
22 incurred by the board or the Nebraska Public Employees Retirement Systems
23 in connection with the entity's removal from the retirement system; and

24 (vi) The entity shall pay directly to the board's contracted actuary
25 an amount equal to the cost of any actuarial study necessary to aid the
26 board in determining the amount of such funding obligation, if not
27 previously paid.

28 (d) For purposes of this subsection:

29 (i) Business transaction means a merger; consolidation; sale of
30 assets, equipment, or facilities; termination of a division, department,
31 section, or subgroup of the entity; or any other business transaction

1 that results in termination of some or all of the entity's workforce; and

2 (ii) Funding obligation means the financial liability of the
3 retirement system to provide benefits for the affected plan members
4 incurred by the retirement system due to the entity's business
5 transaction calculated using the methodology and assumptions recommended
6 by the board's contracted actuary and approved by the board. The
7 methodology and assumptions used must be structured in a way that ensures
8 the entity is financially liable for all the costs of the entity's
9 business transaction, and the retirement system is not financially liable
10 for any of the cost of the entity's business transaction.

11 (e) The board may adopt and promulgate rules and regulations to
12 carry out this subsection including, but not limited to, the methods of
13 notifying the board of pending business transactions, the acceptable
14 methods of payment, and the timing of such payment.

15 (5) Within the first one hundred eighty days of employment, a full-
16 time employee may apply to the board for vesting credit for years of
17 participation in another Nebraska governmental plan, as defined by
18 section 414(d) of the Internal Revenue Code. During the years of
19 participation in the other Nebraska governmental plan, the employee must
20 have been a full-time employee, as defined in the Nebraska governmental
21 plan in which the credit was earned. The board may adopt and promulgate
22 rules and regulations governing the assessment and granting of vesting
23 credit.

24 (6) Any employee who qualifies for membership in the retirement
25 system pursuant to this section may not be disqualified from membership
26 in the retirement system solely because such employee also maintains
27 separate employment which qualifies the employee for membership in
28 another public retirement system, nor may membership in this retirement
29 system disqualify such an employee from membership in another public
30 retirement system solely by reason of separate employment which qualifies
31 such employee for membership in this retirement system.

1 (7) A full-time or part-time employee of a city, village, or
2 township who becomes a county employee pursuant to a merger of services
3 shall receive vesting credit for his or her years of participation in a
4 Nebraska governmental plan, as defined by section 414(d) of the Internal
5 Revenue Code, of the city, village, or township.

6 (8) A full-time or part-time employee of a city, village, fire
7 protection district, or township who becomes a municipal county employee
8 shall receive credit for his or her years of employment with the city,
9 village, fire protection district, or township for purposes of the
10 vesting provisions of this section.

11 (9) A full-time or part-time employee of the state who becomes a
12 county employee pursuant to transfer of assessment function to a county
13 shall not be deemed to have experienced a termination of employment and
14 shall receive vesting credit for his or her years of participation in the
15 State Employees Retirement System of the State of Nebraska.

16 (10) Counties shall ensure that employees authorized to participate
17 in the retirement system pursuant to this section shall enroll and make
18 required contributions to the retirement system immediately upon becoming
19 an employee. Information necessary to determine membership in the
20 retirement system shall be provided by the employer.

21 **Sec. 4.** Section 23-2320, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 23-2320 (1) Prior to January 1, 2020, except as otherwise provided
24 in this section, a member of the retirement system who has a five-year
25 break in service shall upon reemployment be considered a new employee
26 with respect to the County Employees Retirement Act and shall not receive
27 credit for service prior to his or her reemployment date.

28 (2)(a) A member who ceases to be an employee before becoming
29 eligible for retirement under section 23-2315 and again becomes a
30 permanent full-time or permanent part-time county employee prior to
31 having a five-year break in service shall immediately be reenrolled in

1 the retirement system and resume making contributions. For purposes of
2 vesting employer contributions made prior to and after the reentry into
3 the retirement system under subsection (3) of section 23-2319, years of
4 participation include years of participation prior to such employee's
5 original termination. For a member who is not vested and has received a
6 termination benefit pursuant to section 23-2319, the years of
7 participation prior to such employee's original termination shall be
8 limited in a ratio equal to the amount that the member repays divided by
9 the termination benefit withdrawn pursuant to section 23-2319.

10 (b) The reemployed member may repay the value of, or a portion of
11 the value of, the termination benefit withdrawn pursuant to section
12 23-2319. A reemployed member who elects to repay all or a portion of the
13 value of the termination benefit withdrawn pursuant to section 23-2319
14 shall repay the actual earnings on such value. Repayment of the
15 termination benefit shall commence within three years of reemployment and
16 shall be completed within five years of reemployment or prior to
17 termination of employment, whichever occurs first, through (i) direct
18 payments to the retirement system, (ii) installment payments made
19 pursuant to a binding irrevocable payroll deduction authorization made by
20 the member, (iii) an eligible rollover distribution as provided under the
21 Internal Revenue Code, or (iv) a direct rollover distribution made in
22 accordance with section 401(a)(31) of the Internal Revenue Code.

23 (c) The value of the member's forfeited employer account or employer
24 cash balance account, as of the date of forfeiture, shall be restored in
25 a ratio equal to the amount of the benefit that the member has repaid
26 divided by the termination benefit received. The employer account or
27 employer cash balance account shall be restored first out of the current
28 forfeiture amounts and then by additional employer contributions.

29 (3) For a member who retired pursuant to section 23-2315 and becomes
30 a permanent full-time employee or permanent part-time employee with a
31 county under the County Employees Retirement Act more than one hundred

1 twenty days after his or her retirement date, the member shall continue
2 receiving retirement benefits. Such a retired member or a retired member
3 who received a lump-sum distribution of his or her benefit shall be
4 considered a new employee as of the date of reemployment and shall not
5 receive credit for any service prior to the member's retirement for
6 purposes of the act.

7 (4) A member who is reinstated as an employee pursuant to a
8 grievance or appeal of his or her termination by the county shall be a
9 member upon reemployment and shall not be considered to have a break in
10 service for such period of time that the grievance or appeal was pending.

11 (5) Beginning January 1, 2020, if a contributing member of the
12 retirement system ceases to be an employee and returns to service in any
13 capacity with any county under the County Employees Retirement Act prior
14 to having a one-hundred-twenty-day break in service, the member:

15 (a) Shall not be deemed to have had a bona fide separation of
16 service;

17 (b) Shall be immediately reenrolled in:

18 (i) The defined contribution benefit if the member was contributing
19 to the defined contribution benefit prior to ceasing employment; or

20 (ii) The cash balance benefit in which the member was participating
21 prior to ceasing employment if the member was contributing to the cash
22 balance benefit prior to ceasing employment;

23 (c) Shall immediately resume making contributions;

24 (d) Shall make up any missed contributions based upon services
25 rendered and compensation received;

26 (e) Shall have all distributions from the retirement system
27 canceled; and

28 (f) Shall repay the gross distributions from the retirement system
29 unless the board determines that all or any portion of such gross
30 distributions were the result of an inadvertent benefit overpayment and
31 repayment of such gross distributions would create a significant

1 hardship.

2 (6)(a) Beginning January 1, 2020, if a contributing member of the
3 retirement system ceases to be an employee and returns to permanent full-
4 time or permanent part-time service in any capacity with any county under
5 the County Employees Retirement Act after having a one-hundred-twenty-day
6 break in service, the member:

7 (i) Shall be immediately reenrolled in:

8 (A) The defined contribution benefit if the member was contributing
9 to the defined contribution benefit prior to ceasing employment; or

10 (B) The cash balance benefit in which the member was participating
11 prior to ceasing employment if the member was contributing to the cash
12 balance benefit prior to ceasing employment;

13 (ii) Shall immediately resume making contributions;

14 (iii) Shall continue receiving any annuity elected after the member
15 ceased employment and before the member was reemployed; and

16 (iv) Shall be prohibited from taking any distributions from the
17 retirement system until the employee again terminates employment with any
18 and all counties under the County Employees Retirement Act.

19 (b) For the purposes of vesting employer contributions made prior to
20 and after reentry into the retirement system, the member's years of
21 participation prior to the date the member originally ceased employment
22 and the years of participation after the member is reenrolled in the
23 retirement system shall be included as years of participation, except
24 that if the member is not vested on the date the member originally ceased
25 employment and has taken a distribution, the years of participation prior
26 to the date the member originally ceased employment shall be limited in a
27 ratio equal to the value of the distribution that the member repays
28 divided by the total value of the distribution taken as described in
29 subdivision (6)(c) of this section.

30 (c) A reemployed member may repay all or a portion of the value of a
31 distribution except for an annuity elected after the member ceased

1 employment and before the member was reemployed. Repayment of such a
2 distribution shall commence within three years after reemployment and
3 shall be completed within five years after reemployment or prior to the
4 member again ceasing employment, whichever occurs first, through (i)
5 direct payments to the retirement system, (ii) installment payments made
6 pursuant to a binding irrevocable payroll deduction authorization made by
7 the member, (iii) an eligible rollover distribution as provided under the
8 Internal Revenue Code, or (iv) a direct rollover distribution made in
9 accordance with section 401(a)(31) of the Internal Revenue Code. If the
10 member fails to repay all of the value of such a distribution prior to
11 the member again ceasing employment, the member shall be forever barred
12 from repaying the value of such a distribution taken between the periods
13 of employment. The value of the member's forfeited employer account or
14 employer cash balance account, as of the date of forfeiture, shall be
15 restored in a ratio equal to the amount of the distribution repaid by the
16 member divided by the amount of the distribution taken. The employer
17 account or employer cash balance account shall be restored first out of
18 the current forfeiture amounts and then by additional employer
19 contributions.

20 **Sec. 5.** Section 24-701, Revised Statutes Cumulative Supplement,
21 2024, is amended to read:

22 24-701 For purposes of the Judges Retirement Act, unless the context
23 otherwise requires:

24 (1)(a) Actuarial equivalence means the equality in value of the
25 aggregate amounts expected to be received under different forms of
26 payment.

27 (b) For a judge hired prior to July 1, 2017, the determinations are
28 to be based on the 1994 Group Annuity Mortality Table reflecting sex-
29 distinct factors blended using seventy-five percent of the male table and
30 twenty-five percent of the female table. An interest rate of eight
31 percent per annum shall be reflected in making these determinations.

1 (c) For a judge hired on or after July 1, 2017, or rehired on or
2 after July 1, 2017, after termination of employment and being paid a
3 retirement benefit, the determinations shall be based on a unisex
4 mortality table and an interest rate specified by the board. Both the
5 mortality table and the interest rate shall be recommended by the actuary
6 and approved by the board following an actuarial experience study, a
7 benefit adequacy study, or a plan valuation. The mortality table,
8 interest rate, and actuarial factors in effect on the judge's retirement
9 date will be used to calculate actuarial equivalency of any retirement
10 benefit. Such interest rate may be, but is not required to be, equal to
11 the assumed rate of return;

12 (2) Beneficiary means a person so designated by a judge in the last
13 designation of beneficiary on file with the board or, if no designated
14 person survives or if no designation is on file, the estate of such
15 judge;

16 (3) Board means the Public Employees Retirement Board;

17 (4)(a) Compensation means the statutory salary of a judge or the
18 salary being received by such judge pursuant to law. Compensation does
19 not include compensation for unused sick leave or unused vacation leave
20 converted to cash payments, insurance premiums converted into cash
21 payments, reimbursement for expenses incurred, fringe benefits, per
22 diems, or bonuses for services not actually rendered, including, but not
23 limited to, early retirement inducements, cash awards, and severance pay,
24 except for retroactive salary payments paid pursuant to court order,
25 arbitration, or litigation and grievance settlements. Compensation
26 includes overtime pay, member retirement contributions, and amounts
27 contributed by the member to plans under sections 125 and 457 of the
28 Internal Revenue Code as defined in section 49-801.01 or any other
29 section of the code which defers or excludes such amounts from income.

30 (b) Compensation in excess of the limitations set forth in section
31 401(a)(17) of the Internal Revenue Code as defined in section 49-801.01

1 shall be disregarded. For an employee who was a member of the retirement
2 system before the first plan year beginning after December 31, 1995, the
3 limitation on compensation shall not be less than the amount which was
4 allowed to be taken into account under the retirement system as in effect
5 on July 1, 1993;

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

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

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

31 (b) Current service shall not be deemed to be interrupted by (i)

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

7 (8) Final average compensation for a judge who becomes a member
8 prior to July 1, 2015, means the average monthly compensation for the
9 three twelve-month periods of service as a judge in which compensation
10 was the greatest or, in the event of a judge serving less than three
11 twelve-month periods, the average monthly compensation for such judge's
12 period of service. Final average compensation for a judge who becomes a
13 member on and after July 1, 2015, means the average monthly compensation
14 for the five twelve-month periods of service as a judge in which
15 compensation was the greatest or, in the event of a judge serving less
16 than five twelve-month periods, the average monthly compensation for such
17 judge's period of service;

18 (9) Fund means the Nebraska Retirement Fund for Judges;

19 (10) Future member means a judge who first served as a judge on or
20 after December 25, 1969, or means a judge who first served as a judge
21 prior to December 25, 1969, who elects to become a future member on or
22 before June 30, 1970, as provided in section 24-710.01;

23 (11) Hire date or date of hire means the first day of compensated
24 service subject to retirement contributions;

25 (12) Initial benefit means the retirement benefit calculated at the
26 time of retirement;

27 (13) Judge means and includes (a) all duly elected or appointed
28 Chief Justices or judges of the Supreme Court and judges of the district
29 courts of Nebraska who serve in such capacity on and after January 3,
30 1957, (b)(i) all duly appointed judges of the Nebraska Workmen's
31 Compensation Court who served in such capacity on and after September 20,

1 1957, and prior to July 17, 1986, and (ii) judges of the Nebraska
2 Workers' Compensation Court who serve in such capacity on and after July
3 17, 1986, (c) judges of separate juvenile courts, (d) judges of the
4 county courts of the respective counties who serve in such capacity on
5 and after January 5, 1961, (e) judges of the county court and clerk
6 magistrates who were associate county judges and members of the fund at
7 the time of their appointment as clerk magistrates, (f) judges of
8 municipal courts established by Chapter 26, article 1, who served in such
9 capacity on and after October 23, 1967, and prior to July 1, 1985, and
10 (g) judges of the Court of Appeals;

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

13 (15) Normal form annuity means a series of equal monthly payments
14 payable at the end of each calendar month during the life of a retired
15 judge as provided in sections 24-707 and 24-710, except as provided in
16 section 42-1107. The first payment shall include all amounts accrued
17 since the effective date of the award of the annuity. The last payment
18 shall be at the end of the calendar month in which such judge dies. If at
19 the time of death the amount of annuity payments such judge has received
20 is less than contributions to the fund made by such judge, plus regular
21 interest, the difference shall be paid to the beneficiary or estate;

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

24 (17) Original member means a judge who first served as a judge prior
25 to December 25, 1969, who does not elect to become a future member
26 pursuant to section 24-710.01, and who was retired on or before December
27 31, 1992;

28 (18) Plan year means the twelve-month period beginning on July 1 and
29 ending on June 30 of the following year;

30 (19) Prior service means all the periods of time any person has
31 served as a (a) judge of the Supreme Court or judge of the district court

1 prior to January 3, 1957, (b) judge of the county court prior to January
2 5, 1961, (c) judge of the Nebraska Workmen's Compensation Court prior to
3 September 20, 1957, (d) judge of the separate juvenile court, or (e)
4 judge of the municipal court prior to October 23, 1967;

5 (20) Regular interest means interest fixed at a rate equal to the
6 daily treasury yield curve for one-year treasury securities, as published
7 by the Secretary of the Treasury of the United States, that applies on
8 July 1 of each year, which may be credited monthly, quarterly,
9 semiannually, or annually as the board may direct;

10 (21) Required beginning date means, for purposes of the deferral of
11 distributions and the commencement of mandatory distributions pursuant to
12 section 401(a)(9) of the Internal Revenue Code and the regulations issued
13 thereunder, April 1 of the year following the calendar year in which a
14 member:

15 (a)(i) Terminated employment with the State of Nebraska; and

16 (ii)(A) Attained at least seventy and one-half years of age for a
17 member who attained seventy and one-half years of age on or before
18 December 31, 2019;

19 (B) Attained at least seventy-two years of age for a member who
20 attained seventy and one-half years of age on or after January 1, 2020,
21 and prior to January 1, 2023;

22 (C) Attained at least seventy-three years of age for a member who
23 attained seventy-two years of age after December 31, 2022, and seventy-
24 three years of age prior to January 1, 2033; or

25 (D) Attained at least seventy-five years of age for a member who
26 attained seventy-four years of age after December 31, 2032; or

27 (b)(i) Terminated employment with the State of Nebraska; and

28 (ii) Otherwise reached the date specified by section 401(a)(9) of
29 the Internal Revenue Code and the regulations issued thereunder;

30 (22) Retirement application means the form approved and provided by
31 the retirement system for acceptance of a member's request for either

1 regular or disability retirement;

2 (23) Retirement date means (a) the first day of the month following
3 the date upon which a member's request for retirement is received on a
4 retirement application if the member is eligible for retirement and has
5 terminated employment or (b) the first day of the month following
6 termination of employment if the member is eligible for retirement and
7 has filed an application but has not yet terminated employment;

8 (24) Retirement system or system means the Nebraska Judges
9 Retirement System as provided in the Judges Retirement Act;

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

21 (26)(a) ~~(26)~~ Termination of employment occurs on the date on which
22 the State Court Administrator's office determines that the judge's
23 employer-employee relationship with the State of Nebraska is dissolved.
24 The State Court Administrator's office shall notify the board of the date
25 on which such a termination has occurred.

26 (b) Termination of employment does not include ceasing employment as
27 a judge if the judge returns to regular employment as a judge or is
28 employed on a regular basis by another agency of the State of Nebraska
29 and there are less than one hundred twenty days between the date when the
30 judge's employer-employee relationship ceased and the date when the
31 employer-employee relationship recommences.

1 (c) It is the responsibility of the employer that is involved in the
2 termination of employment to notify the board of such change in
3 employment and provide the board with such information as the board deems
4 necessary.

5 (d) If the board determines that termination of employment has not
6 occurred and a retirement benefit has been paid to a member of the
7 retirement system pursuant to section 24-710, the board shall require the
8 member who has received such benefit to repay the benefit to the
9 retirement system unless the board determines that all or any portion of
10 such benefit was the result of an inadvertent benefit overpayment and
11 repayment of such benefit would create a significant hardship.

12 **Sec. 6.** Section 24-703, Revised Statutes Cumulative Supplement,
13 2024, is amended to read:

14 24-703 (1) Each original member shall contribute monthly four
15 percent of his or her monthly compensation to the fund until the maximum
16 benefit as limited in subsection (1) of section 24-710 has been earned.
17 It shall be the duty of the Director of Administrative Services in
18 accordance with subsection (7) of this section to make a deduction of
19 four percent on the monthly payroll of each original member who is a
20 judge of the Supreme Court, a judge of the Court of Appeals, a judge of
21 the district court, a judge of a separate juvenile court, a judge of the
22 county court, a clerk magistrate of the county court who was an associate
23 county judge and a member of the fund at the time of his or her
24 appointment as a clerk magistrate, or a judge of the Nebraska Workers'
25 Compensation Court showing the amount to be deducted and its credit to
26 the fund. The Director of Administrative Services and the State Treasurer
27 shall credit the four percent as shown on the payroll and the amounts
28 received from the various counties to the fund and remit the same to the
29 director in charge of the judges retirement system who shall keep an
30 accurate record of the contributions of each judge.

31 (2)(a) In addition to the contribution required under subdivision

1 (c) of this subsection, beginning on July 1, 2004, each future member who
2 became a member prior to July 1, 2015, and who has not elected to make
3 contributions and receive benefits as provided in section 24-703.03 shall
4 contribute monthly six percent of his or her monthly compensation to the
5 fund until the maximum benefit as limited in subsection (2) of section
6 24-710 has been earned. After the maximum benefit as limited in
7 subsection (2) of section 24-710 has been earned, such future member
8 shall make no further contributions to the fund, except that (i) any time
9 the maximum benefit is changed, a future member who has previously earned
10 the maximum benefit as it existed prior to the change shall contribute
11 monthly six percent of his or her monthly compensation to the fund until
12 the maximum benefit as changed and as limited in subsection (2) of
13 section 24-710 has been earned and (ii) such future member shall continue
14 to make the contribution required under subdivision (c) of this
15 subsection.

16 (b) In addition to the contribution required under subdivision (c)
17 of this subsection, beginning on July 1, 2004, a judge who became a
18 member prior to July 1, 2015, and who first serves as a judge on or after
19 July 1, 2004, or a future member who became a member prior to July 1,
20 2015, and who elects to make contributions and receive benefits as
21 provided in section 24-703.03 shall contribute monthly eight percent of
22 his or her monthly compensation to the fund until the maximum benefit as
23 limited by subsection (2) of section 24-710 has been earned. In addition
24 to the contribution required under subdivision (c) of this subsection,
25 after the maximum benefit as limited in subsection (2) of section 24-710
26 has been earned, such judge or future member shall contribute monthly
27 four percent of his or her monthly compensation to the fund for the
28 remainder of his or her active service.

29 (c) Beginning on July 1, 2009, a member or judge described in
30 subdivisions (a) and (b) of this subsection shall contribute monthly an
31 additional one percent of his or her monthly compensation to the fund.

1 (d) Beginning on July 1, 2015, a judge who first serves as a judge
2 on or after such date shall contribute monthly ten percent of his or her
3 monthly compensation to the fund.

4 (e) It shall be the duty of the Director of Administrative Services
5 to make a deduction on the monthly payroll of each such future member who
6 is a judge of the Supreme Court, a judge of the Court of Appeals, a judge
7 of the district court, a judge of a separate juvenile court, a judge of
8 the county court, a clerk magistrate of the county court who was an
9 associate county judge and a member of the fund at the time of his or her
10 appointment as a clerk magistrate, or a judge of the Nebraska Workers'
11 Compensation Court showing the amount to be deducted and its credit to
12 the fund. This shall be done each month. The Director of Administrative
13 Services and the State Treasurer shall credit the amount as shown on the
14 payroll and the amounts received from the various counties to the fund
15 and remit the same to the director in charge of the judges retirement
16 system who shall keep an accurate record of the contributions of each
17 judge.

18 (3)(a) Except as otherwise provided in this subsection, a Nebraska
19 Retirement Fund for Judges fee of six dollars through June 30, 2021,
20 eight dollars beginning July 1, 2021, through June 30, 2022, nine dollars
21 beginning July 1, 2022, through June 30, 2023, ten dollars beginning July
22 1, 2023, through June 30, 2024, eleven dollars beginning July 1, 2024,
23 through June 30, 2025, and twelve dollars beginning July 1, 2025, shall
24 be taxed as costs in each (i) civil cause of action, criminal cause of
25 action, traffic misdemeanor or infraction, and city or village ordinance
26 violation filed in the district courts, the county courts, and the
27 separate juvenile courts, (ii) filing in the district court of an order,
28 award, or judgment of the Nebraska Workers' Compensation Court or any
29 judge thereof pursuant to section 48-188, (iii) appeal or other
30 proceeding filed in the Court of Appeals, and (iv) original action,
31 appeal, or other proceeding filed in the Supreme Court. In county courts

1 a sum shall be charged which is equal to ten percent of each fee provided
2 by sections 33-125, 33-126.02, 33-126.03, and 33-126.06, rounded to the
3 nearest even dollar. No judges retirement fee shall be charged for filing
4 a report pursuant to sections 33-126.02 and 33-126.06.

5 (b) The fee increases described in subdivision (a) of this
6 subsection shall not be taxed as a cost in any criminal cause of action,
7 traffic misdemeanor or infraction, or city or village ordinance violation
8 filed in the district court or the county court. The fee on such criminal
9 causes of action, traffic misdemeanors or infractions, or city or village
10 ordinance violations shall remain six dollars on and after July 1, 2021.

11 (c) When collected by the clerk of the district or county court,
12 such fees shall be remitted to the State Treasurer within ten days after
13 the close of each calendar month for credit to the Nebraska Retirement
14 Fund for Judges. In addition, information regarding collection of court
15 fees shall be submitted to the director in charge of the judges
16 retirement system by the State Court Administrator within ten days after
17 the close of each calendar month.

18 (d) The board may charge a late administrative processing fee not to
19 exceed twenty-five dollars if the information is not timely received or
20 the money is delinquent. In addition, the board may charge a late fee of
21 thirty-eight thousandths of one percent of the amount required to be
22 submitted pursuant to this section for each day such amount has not been
23 received. Such late fees shall be remitted to the director who shall
24 promptly thereafter remit such fees to the State Treasurer for credit to
25 the fund.

26 (e) No Nebraska Retirement Fund for Judges fee which is
27 uncollectible for any reason shall be waived by a county judge as
28 provided in section 29-2709.

29 (4) All expenditures from the fund shall be authorized by voucher in
30 the manner prescribed in section 24-713. The fund shall be used for the
31 payment of all annuities and other benefits to members and their

1 beneficiaries and for the expenses of administration.

2 (5)(a) Prior to July 1, 2021:

3 (i) Beginning July 1, 2013, and each fiscal year thereafter, the
4 board shall cause an annual actuarial valuation to be performed that will
5 value the plan assets for the year and ascertain the contributions
6 required for such fiscal year. The actuary for the board shall perform an
7 actuarial valuation of the system on the basis of actuarial assumptions
8 recommended by the actuary, approved by the board, and kept on file with
9 the board using the entry age actuarial cost method. Under this method,
10 the actuarially required funding rate is equal to the normal cost rate,
11 plus the contribution rate necessary to amortize the unfunded actuarial
12 accrued liability on a level percentage of salary basis. The normal cost
13 under this method shall be determined for each individual member on a
14 level percentage of salary basis. The normal cost amount is then summed
15 for all members;

16 (ii) Beginning July 1, 2006, any existing unfunded liabilities shall
17 be reinitialized and amortized over a thirty-year period, and during each
18 subsequent actuarial valuation through June 30, 2021, changes in the
19 unfunded actuarial accrued liability due to changes in benefits,
20 actuarial assumptions, the asset valuation method, or actuarial gains or
21 losses shall be measured and amortized over a thirty-year period
22 beginning on the valuation date of such change;

23 (iii) If the unfunded actuarial accrued liability under the entry
24 age actuarial cost method is zero or less than zero on an actuarial
25 valuation date, then all prior unfunded actuarial accrued liabilities
26 shall be considered fully funded and the unfunded actuarial accrued
27 liability shall be reinitialized and amortized over a thirty-year period
28 as of the actuarial valuation date; and

29 (iv) If the actuarially required contribution rate exceeds the rate
30 of all contributions required pursuant to the Judges Retirement Act,
31 there shall be a supplemental appropriation sufficient to pay for the

1 differences between the actuarially required contribution rate and the
2 rate of all contributions required pursuant to the Judges Retirement Act.

3 (b) Beginning July 1, 2021, and each fiscal year thereafter:

4 (i) The board shall cause an annual actuarial valuation to be
5 performed that will value the plan assets for the year and ascertain the
6 contributions required for such fiscal year. The actuary for the board
7 shall perform an actuarial valuation of the system on the basis of
8 actuarial assumptions recommended by the actuary, approved by the board,
9 and kept on file with the board using the entry age actuarial cost
10 method. Under such method, the actuarially required funding rate is equal
11 to the normal cost rate, plus the contribution rate necessary to amortize
12 the unfunded actuarial accrued liability on a level percentage of salary
13 basis. The normal cost under such method shall be determined for each
14 individual member on a level percentage of salary basis. The normal cost
15 amount is then summed for all members;

16 (ii) Any changes in the unfunded actuarial accrued liability due to
17 changes in benefits, actuarial assumptions, the asset valuation method,
18 or actuarial gains or losses shall be measured and amortized over a
19 twenty-five-year period beginning on the valuation date of such change;

20 (iii) If the unfunded actuarial accrued liability under the entry
21 age actuarial cost method is zero or less than zero on an actuarial
22 valuation date, then all prior unfunded actuarial accrued liabilities
23 shall be considered fully funded and the unfunded actuarial accrued
24 liability shall be reinitialized and amortized over a twenty-five-year
25 period as of the actuarial valuation date; and

26 (iv) If the actuarially required contribution rate exceeds the rate
27 of all contributions required pursuant to the Judges Retirement Act,
28 there shall be a supplemental appropriation sufficient to pay for the
29 differences between the actuarially required contribution rate and the
30 rate of all contributions required pursuant to the act.

31 (c) Upon the recommendation of the actuary to the board, and after

1 the board notifies the Nebraska Retirement Systems Committee of the
2 Legislature, the board may combine or offset certain amortization bases
3 to reduce future volatility of the actuarial contribution rate. Such
4 notification to the committee shall be in writing and include, at a
5 minimum, the actuary's projection of the contributions to fund the plan
6 if the combination or offset were not implemented, the actuary's
7 projection of the contributions to fund the plan if the combination or
8 offset were implemented, and the actuary's explanation of why the
9 combination or offset is in the best interests of the plan at the
10 proposed time.

11 (d) For purposes of this subsection, the rate of all contributions
12 required pursuant to the Judges Retirement Act includes (i) member
13 contributions, (ii) state contributions pursuant to subsection (6) of
14 this section which shall be considered as a contribution for the plan
15 year ending the prior June 30, (iii) court fees as provided in subsection
16 (3) of this section, and (iv) all fees pursuant to sections 25-2804,
17 33-103, 33-103.01, 33-106.02, 33-123, 33-124, 33-125, 33-126.02,
18 33-126.03, and 33-126.06, as directed to be remitted to the fund.

19 (6)(a) In addition to the contributions otherwise required by this
20 section, beginning July 1, 2023, and on July 1 of each year thereafter,
21 ~~the state shall contribute or as soon thereafter as administratively~~
22 ~~possible, the State Treasurer shall transfer~~ from the General Fund to the
23 Nebraska Retirement Fund for Judges an amount equal to five percent of
24 the total annual compensation of all members of the retirement system
25 except as otherwise provided in this subsection and as such rate shall be
26 adjusted or terminated by the Legislature. No adjustment may cause the
27 total contribution rate established in this subsection to exceed five
28 percent. For purposes of this subsection, (i) total annual compensation
29 is based on the total member compensation reported in the most recent
30 annual actuarial valuation report for the retirement system produced for
31 the board pursuant to section 84-1503 and (ii) the contribution described

1 in this subsection shall be considered as a contribution for the plan
2 year ending the prior June 30.

3 (b) If the funded ratio on the actuarial value of assets is at or
4 above one hundred percent for two consecutive years as reported in the
5 annual actuarial valuation report, the actuary shall assess whether the
6 percentage of the state contribution rate should be adjusted based on
7 projected annual actuarial valuation report results including the funded
8 ratio, actuarial contribution, and expected revenue sources using several
9 assumed investment return scenarios that the actuary deems to be
10 reasonable, and shall make a recommendation to the board as part of the
11 annual actuarial valuation report.

12 (c) If the state contribution rate has been adjusted to less than
13 five percent and the funded ratio on the actuarial value of assets is
14 below one hundred percent for two consecutive years as reported in the
15 annual actuarial valuation report, the actuary shall assess whether the
16 percentage of the state contribution rate should be adjusted based on
17 projected annual actuarial valuation report results including the funded
18 ratio, actuarial contribution, and expected revenue sources using several
19 assumed investment return scenarios that the actuary deems to be
20 reasonable, and shall make a recommendation to the board as part of the
21 annual actuarial valuation report.

22 (d) If an annual actuarial valuation report includes a
23 recommendation from the actuary to adjust the contribution rate as
24 described in subdivision (b) or (c) of this subsection, the board shall
25 provide written notice electronically to the Nebraska Retirement Systems
26 Committee of the Legislature, to the Governor, and to the Supreme Court
27 of such recommendation within seven business days after voting to approve
28 an annual actuarial valuation report. The notice shall include the
29 actuary's recommendation and analysis regarding such adjustment.

30 (e) Following receipt of the actuary's recommendation and analysis
31 pursuant to this subsection, the Nebraska Retirement Systems Committee of

1 the Legislature shall determine the amount of any adjustment of the
2 contribution rate and, if necessary, shall propose any such adjustment to
3 the Legislature.

4 (7) The state or county shall pick up the member contributions
5 required by this section for all compensation paid on or after January 1,
6 1985, and the contributions so picked up shall be treated as employer
7 contributions pursuant to section 414(h)(2) of the Internal Revenue Code
8 in determining federal tax treatment under the code and shall not be
9 included as gross income of the member until such time as they are
10 distributed or made available. The contributions, although designated as
11 member contributions, shall be paid by the state or county in lieu of
12 member contributions. The state or county shall pay these member
13 contributions from the same source of funds which is used in paying
14 earnings to the member. The state or county shall pick up these
15 contributions by a compensation deduction through a reduction in the
16 compensation of the member. Member contributions picked up shall be
17 treated for all purposes of the Judges Retirement Act in the same manner
18 and to the extent as member contributions made prior to the date picked
19 up.

20 **Sec. 7.** Section 24-703.01, Revised Statutes Cumulative Supplement,
21 2024, is amended to read:

22 24-703.01 No judge shall be authorized to participate in the
23 retirement system provided for in the Judges Retirement Act unless the
24 judge is a United States citizen or is lawfully present in the United
25 States. The court and the judge shall maintain at least one of the
26 following documents, which shall be unexpired, if applicable to the
27 particular document or which has an expiration date that has been
28 extended by the United States Department of Homeland Security or the
29 United States Citizenship and Immigration Services so that such document
30 is still valid, to demonstrate United States citizenship or lawful
31 presence in the United States as of the judge's date of hire and produce

1 any such document so maintained upon request of the board or the Nebraska
2 Public Employees Retirement Systems:

3 (1) A state-issued driver's license;

4 (2) A state-issued identification card;

5 (3) A state-issued motor vehicle learner's permit;

6 (4) ~~(3)~~ A certified copy of a birth certificate or delayed birth
7 certificate issued in any state, territory, or possession of the United
8 States;

9 (5) ~~(4)~~ A Consular Report of Birth Abroad issued by the United
10 States Department of State;

11 (6) ~~(5)~~ A United States passport;

12 (7) ~~(6)~~ A foreign passport with a United States visa;

13 (8) ~~(7)~~ A United States Certificate of Naturalization;

14 (9) ~~(8)~~ A United States Certificate of Citizenship;

15 (10) ~~(9)~~ A tribal certificate of Native American blood or similar
16 document;

17 (11) ~~(10)~~ A United States Citizenship and Immigration Services
18 Employment Authorization Document, Form I-766;

19 (12) ~~(11)~~ A United States Citizenship and Immigration Services
20 Permanent Resident Card, Form I-551; or

21 (13) ~~(12)~~ Any other document issued by the United States Department
22 of Homeland Security or the United States Citizenship and Immigration
23 Services granting employment authorization in the United States and
24 approved by the board.

25 **Sec. 8.** Section 42-1102, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 42-1102 For purposes of the Spousal Pension Rights Act:

28 (1) Alternate payee means a spouse, former spouse, child, or other
29 dependent of a member who is recognized by a domestic relations order as
30 having a right to receive all or a portion of the benefits payable by a
31 statewide public retirement system with respect to such member;

1 (2) Benefit means an annuity, a pension, a retirement allowance, a
2 withdrawal of accumulated contributions, or an optional benefit accrued
3 or accruing to a member under a statewide public retirement system;

4 (3) Domestic relations order means a judgment, decree, or order,
5 including approval of a property settlement agreement, which relates to
6 the provision of child support, alimony payments, maintenance support, or
7 marital property rights to a spouse, former spouse, child, or other
8 dependent of a member and is made pursuant to a state domestic relations
9 law of this state or another state;

10 (4) Earliest retirement date means the earlier of (a) the date on
11 which the member is entitled to a distribution under the system or (b)
12 the later of (i) the date that the member attains fifty years of age or
13 (ii) the earliest date that the member could receive benefits under the
14 system if the member separated from service;

15 (5) Qualified domestic relations order means a domestic relations
16 order which creates or recognizes the existence of an alternate payee's
17 right, or assigns to an alternate payee the right, to receive all or a
18 portion of the benefits payable with respect to a member under a
19 statewide public retirement system, which directs the system to disburse
20 benefits to the alternate payee, and which meets the requirements of
21 section 42-1103;

22 (6) Segregated amounts means the amounts which would have been
23 payable to the alternative payee during the period of time that the
24 qualified status of an order is being determined. Such amounts shall
25 equal the amounts payable for such period if the order had been
26 determined to be a qualified domestic relations order; and

27 (7) Statewide public retirement system means the Retirement System
28 for Nebraska Counties, the Nebraska Judges Retirement System as provided
29 in the Judges Retirement Act, the School Employees Retirement System of
30 the State of Nebraska, any Class V school employees retirement system,
31 the Nebraska State Patrol Retirement System, and the State Employees

1 Retirement System of the State of Nebraska.

2 **Sec. 9.** Section 79-902, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 79-902 For purposes of the School Employees Retirement Act, unless
5 the context otherwise requires:

6 (1) Accumulated contributions means the sum of all amounts deducted
7 from the compensation of a member and credited to his or her individual
8 account in the School Retirement Fund together with regular interest
9 thereon, compounded monthly, quarterly, semiannually, or annually;

10 (2)(a) Actuarial equivalent means the equality in value of the
11 aggregate amounts expected to be received under different forms of
12 payment.

13 (b) For a school employee hired before July 1, 2017, the
14 determinations shall be based on the 1994 Group Annuity Mortality Table
15 reflecting sex-distinct factors blended using twenty-five percent of the
16 male table and seventy-five percent of the female table. An interest rate
17 of eight percent per annum shall be reflected in making these
18 determinations except when a lump-sum settlement is made to an estate.

19 (c) For a school employee hired on or after July 1, 2017, or rehired
20 on or after July 1, 2017, after termination of employment and being paid
21 a retirement benefit or taking a refund of contributions, the
22 determinations shall be based on a unisex mortality table and an interest
23 rate specified by the board. Both the mortality table and the interest
24 rate shall be recommended by the actuary and approved by the retirement
25 board following an actuarial experience study, a benefit adequacy study,
26 or a plan valuation. The mortality table, interest rate, and actuarial
27 factors in effect on the school employee's retirement date will be used
28 to calculate actuarial equivalency of any retirement benefit. Such
29 interest rate may be, but is not required to be, equal to the assumed
30 rate.

31 (d) If the lump-sum settlement is made to an estate, the interest

1 rate will be determined by the AAA-rated segment of the Bloomberg
2 Barclays Long U.S. Corporate Bond Index as of the prior June 30, rounded
3 to the next lower quarter percent. If the AAA-rated segment of the
4 Bloomberg Barclays Long U.S. Corporate Bond Index is discontinued or
5 replaced, a substitute index shall be selected by the board which shall
6 be a reasonably representative index;

7 (3) Beneficiary means any person in receipt of a school retirement
8 allowance or other benefit provided by the act;

9 (4)(a) Compensation means gross wages or salaries payable to the
10 member for personal services performed during the plan year and includes
11 (i) overtime pay, (ii) member retirement contributions, (iii) retroactive
12 salary payments paid pursuant to court order, arbitration, or litigation
13 and grievance settlements, ~~and~~ (iv) amounts contributed by the member to
14 plans under sections 125, 403(b), and 457 of the Internal Revenue Code as
15 defined in section 49-801.01 or any other section of the code which
16 defers or excludes such amounts from income, and (v) leave of absence
17 pay.

18 (b) Compensation does not include (i) fraudulently obtained amounts
19 as determined by the retirement board, (ii) amounts for accrued unused
20 sick leave or accrued unused vacation leave converted to cash payments,
21 (iii) insurance premiums converted into cash payments, (iv) reimbursement
22 for expenses incurred, (v) fringe benefits, (vi) per diems paid as
23 expenses, (vii) bonuses for services not actually rendered, (viii) early
24 retirement inducements, (ix) cash awards, (x) severance pay, or (xi)
25 employer contributions made for the purposes of separation payments made
26 at retirement.

27 (c) Compensation in excess of the limitations set forth in section
28 401(a)(17) of the Internal Revenue Code as defined in section 49-801.01
29 shall be disregarded. For an employee who was a member of the retirement
30 system before the first plan year beginning after December 31, 1995, the
31 limitation on compensation shall not be less than the amount which was

1 allowed to be taken into account under the retirement system as in effect
2 on July 1, 1993;

3 (5) County school official means (a) until July 1, 2000, the county
4 superintendent or district superintendent and any person serving in his
5 or her office who is required by law to have a teacher's certificate and
6 (b) on or after July 1, 2000, the county superintendent, county school
7 administrator, or district superintendent and any person serving in his
8 or her office who is required by law to have a teacher's certificate;

9 (6)(a) Creditable service means prior service for which credit is
10 granted under sections 79-926 to 79-929, service credit purchased under
11 sections 79-933.03 to 79-933.06 and 79-933.08, and all service rendered
12 while a contributing member of the retirement system; and

13 (b) Creditable service includes working days, sick days, vacation
14 days, holidays, and any other leave days for which the employee is paid
15 regular wages as part of the employee's agreement with the employer.
16 Creditable service does not include lump-sum payments to the employee
17 upon termination or retirement in lieu of accrued benefits for such days,
18 eligibility and vesting credit, service years for which member
19 contributions are withdrawn and not repaid by the member, service
20 rendered for which the retirement board determines that the member was
21 paid less in compensation than the minimum wage as provided in the Wage
22 and Hour Act, service which the board determines was rendered with the
23 intent to defraud the retirement system, or service provided to an
24 employer in a retirement system established pursuant to the Class V
25 School Employees Retirement Act;

26 (7) Current benefit means the initial benefit increased by all
27 adjustments made pursuant to the School Employees Retirement Act;

28 (8) Disability means an inability to engage in any substantially
29 gainful activity by reason of any medically determinable physical or
30 mental impairment which was initially diagnosed or became disabling while
31 the member was an active participant in the plan and which can be

1 expected to result in death or be of a long-continued and indefinite
2 duration;

3 (9) Disability retirement allowance means the annuity paid to a
4 person upon retirement for disability under section 79-952;

5 (10) Disability retirement date means the first day of the month
6 following the date upon which a member's request for disability
7 retirement is received on a retirement application provided by the
8 retirement system if the member has terminated employment in the school
9 system and has complied with sections 79-951 to 79-954 as such sections
10 refer to disability retirement;

11 (11) Early retirement inducement means, but is not limited to:

12 (a) A benefit, bonus, or payment to a member in exchange for an
13 agreement by the member to terminate from employment;

14 (b) A benefit, bonus, or payment paid to a member in addition to the
15 member's retirement benefit;

16 (c) Lump-sum or installment cash payments, except payments for
17 accrued unused leave converted to cash payments;

18 (d) An additional salary or wage component of any kind that is being
19 paid as an incentive to leave employment and not for personal services
20 performed for which creditable service is granted;

21 (e) Partial or full employer payment of a member's health, dental,
22 life, or long-term disability insurance benefits or cash in lieu of such
23 insurance benefits that extend beyond the member's termination of
24 employment and contract of employment dates. This subdivision does not
25 apply to any period during which the member is contributing to the
26 retirement system and being awarded creditable service; and

27 (f) Any other form of separation payments made by an employer to a
28 member at termination, including, but not limited to, purchasing
29 retirement annuity contracts for the member pursuant to section 79-514,
30 depositing money for the member in an account established under section
31 403(b) of the Internal Revenue Code except for payments for accrued

1 unused leave, or purchasing service credit for the member pursuant to
2 section 79-933.08;

3 (12) Eligibility and vesting credit means credit for years, or a
4 fraction of a year, of participation in a Nebraska government plan for
5 purposes of determining eligibility for benefits under the School
6 Employees Retirement Act. Such credit shall not be included as years of
7 creditable service in the benefit calculation;

8 (13) Emeritus member means a person (a) who has entered retirement
9 under the act, including those persons who have retired since July 1,
10 1945, under any other regularly established retirement or pension system
11 as contemplated by section 79-916, (b) who has thereafter been reemployed
12 in any capacity by a public school, a Class V school district, or a
13 school under the control and management of the Board of Trustees of the
14 Nebraska State Colleges, the Board of Regents of the University of
15 Nebraska, or a community college board of governors or has become a state
16 school official or county school official subsequent to such retirement,
17 and (c) who has applied to the board for emeritus membership in the
18 retirement system. The school district or agency shall certify to the
19 retirement board on forms prescribed by the retirement board that the
20 annuitant was reemployed, rendered a service, and was paid by the
21 district or agency for such services;

22 (14) Employer means the State of Nebraska or any subdivision thereof
23 or agency of the state or subdivision authorized by law to hire school
24 employees or to pay their compensation;

25 (15)(a) Final average compensation means:

26 (i) Except as provided in subdivision (ii) of this subdivision:

27 (A) The sum of the member's total compensation during the three
28 twelve-month periods of service as a school employee in which such
29 compensation was the greatest divided by thirty-six; or

30 (B) If a member has such compensation for less than thirty-six
31 months, the sum of the member's total compensation in all months divided

1 by the total number of months of his or her creditable service therefor;
2 and

3 (ii) For an employee who became a member on or after July 1, 2013:

4 (A) The sum of the member's total compensation during the five
5 twelve-month periods of service as a school employee in which such
6 compensation was the greatest divided by sixty; or

7 (B) If a member has such compensation for less than sixty months,
8 the sum of the member's total compensation in all months divided by the
9 total number of months of his or her creditable service therefor.

10 (b) Payments under the Retirement Incentive Plan pursuant to section
11 79-855 and Staff Development Assistance pursuant to section 79-856 shall
12 not be included in the determination of final average compensation;

13 (16) Fiscal year means any year beginning July 1 and ending June 30
14 next following;

15 (17) Hire date or date of hire means the first day of compensated
16 service subject to retirement contributions;

17 (18) Initial benefit means the retirement benefit calculated at the
18 time of retirement;

19 (19) Member means any person who has an account in the School
20 Retirement Fund;

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

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

25 (22) Prior service means service rendered as a school employee in
26 the public schools of the State of Nebraska prior to July 1, 1945;

27 (23) Public school means any and all schools offering instruction in
28 elementary or high school grades, as defined in section 79-101, which
29 schools are supported by public funds and are wholly under the control
30 and management of the State of Nebraska or any subdivision thereof,
31 including (a) schools or other entities established, maintained, and

1 controlled by the school boards of local school districts, except Class V
2 school districts, (b) any educational service unit, and (c) any other
3 educational institution wholly supported by public funds, except schools
4 under the control and management of the Board of Trustees of the Nebraska
5 State Colleges, the Board of Regents of the University of Nebraska, or
6 the community college boards of governors for any community college
7 areas;

8 (24) Regular employee means an employee hired by a public school or
9 under contract in a regular full-time or part-time position who works a
10 full-time or part-time schedule on an ongoing basis for twenty or more
11 hours per week. An employee hired as described in this subdivision to
12 provide service for less than twenty hours per week but who provides
13 service for an average of twenty hours or more per week in each calendar
14 month of any three calendar months of a plan year shall, beginning with
15 the next full payroll period, commence contributions and shall be deemed
16 a regular employee for all future employment with the same employer. The
17 twenty-hour-per-week threshold shall be calculated by dividing the total
18 number of hours of service provided for the same employer in a calendar
19 month by the total number of calendar days in the month, and multiplying
20 such number by seven;

21 (25) Regular interest means interest fixed at a rate equal to the
22 daily treasury yield curve for one-year treasury securities, as published
23 by the Secretary of the Treasury of the United States, that applies on
24 July 1 of each year, which may be credited monthly, quarterly,
25 semiannually, or annually as the board may direct;

26 (26) Relinquished creditable service means, with respect to a member
27 who has withdrawn his or her accumulated contributions under section
28 79-955, the total amount of creditable service which such member has
29 given up as a result of his or her election not to remain a member of the
30 retirement system;

31 (27) Required beginning date means, for purposes of the deferral of

1 distributions and the commencement of mandatory distributions pursuant to
2 section 401(a)(9) of the Internal Revenue Code and the regulations issued
3 thereunder, April 1 of the year following the calendar year in which a
4 member:

5 (a)(i) Terminated employment with all employers participating in the
6 plan; and

7 (ii)(A) Attained at least seventy and one-half years of age for a
8 member who attained seventy and one-half years of age on or before
9 December 31, 2019;

10 (B) Attained at least seventy-two years of age for a member who
11 attained seventy and one-half years of age on or after January 1, 2020,
12 and prior to January 1, 2023;

13 (C) Attained at least seventy-three years of age for a member who
14 attained seventy-two years of age after December 31, 2022, and seventy-
15 three years of age prior to January 1, 2033; or

16 (D) Attained at least seventy-five years of age for a member who
17 attained seventy-four years of age after December 31, 2032; or

18 (b)(i) Terminated employment with all employers participating in the
19 plan; and

20 (ii) Otherwise reached the date specified by section 401(a)(9) of
21 the Internal Revenue Code and the regulations issued thereunder;

22 (28) Required deposit means the deduction from a member's
23 compensation as provided for in section 79-958 which shall be deposited
24 in the School Retirement Fund;

25 (29) Retirement means qualifying for and accepting a school or
26 disability retirement allowance granted under the School Employees
27 Retirement Act;

28 (30) Retirement application means the form approved and provided by
29 the retirement system for acceptance of a member's request for either
30 regular or disability retirement;

31 (31) Retirement board or board means the Public Employees Retirement

1 Board;

2 (32) Retirement date means (a) if the member has terminated
3 employment, the first day of the month following the date upon which a
4 member's request for retirement is received on a retirement application
5 provided by the retirement system or (b) if the member has filed a
6 retirement application but has not yet terminated employment, the first
7 day of the month following the date on which the member terminates
8 employment. An application may be filed no more than two hundred seventy
9 ~~one hundred twenty~~ days prior to the effective date of the member's
10 initial benefit;

11 (33) Retirement system means the School Employees Retirement System
12 of the State of Nebraska;

13 (34) Savings annuity means payments for life, made in equal monthly
14 payments, derived from the accumulated contributions of a member;

15 (35) School employee means a contributing member who earns service
16 credit pursuant to section 79-927. For purposes of this section,
17 contributing member means the following persons who receive compensation
18 from a public school: (a) Regular employees; (b) regular employees having
19 retired pursuant to the School Employees Retirement Act who subsequently
20 provide compensated service on a regular basis in any capacity; and (c)
21 regular employees hired by a public school on an ongoing basis to assume
22 the duties of other regular employees who are temporarily absent.
23 Substitute employees, temporary employees, and employees who have not
24 attained the age of eighteen years shall not be considered school
25 employees;

26 (36) School retirement allowance means the total of the savings
27 annuity and the service annuity or formula annuity paid a person who has
28 retired under sections 79-931 to 79-935. The monthly payments shall be
29 payable at the end of each calendar month during the life of a retired
30 member. The first payment shall include all amounts accrued since the
31 effective date of the award of annuity. The last payment shall be at the

1 end of the calendar month in which such member dies or in accordance with
2 the payment option chosen by the member;

3 (37) School year means one fiscal year which includes not less than
4 one thousand instructional hours or, in the case of service in the State
5 of Nebraska prior to July 1, 1945, not less than seventy-five percent of
6 the then legal school year;

7 (38) Service means employment as a school employee and shall not be
8 deemed interrupted by (a) termination at the end of the school year of
9 the contract of employment of an employee in a public school if the
10 employee enters into a contract of employment in any public school,
11 except a school in a Class V school district, for the following school
12 year, (b) temporary or seasonal suspension of service that does not
13 terminate the employee's employment, (c) leave of absence authorized by
14 the employer for a period not exceeding twelve months, (d) leave of
15 absence because of disability, or (e) military service when properly
16 authorized by the retirement board. Service does not include any period
17 of disability for which disability retirement benefits are received under
18 sections 79-951 to 79-953;

19 (39) Service annuity means payments for life, made in equal monthly
20 installments, derived from appropriations made by the State of Nebraska
21 to the retirement system;

22 (40) State deposit means the deposit by the state in the retirement
23 system on behalf of any member;

24 (41) State school official means the Commissioner of Education and
25 his or her professional staff who are required by law or by the State
26 Department of Education to hold a certificate as such term is defined in
27 section 79-807;

28 (42) Substitute employee means a person hired by a public school as
29 a temporary employee to assume the duties of regular employees due to a
30 temporary absence of any regular employees. Substitute employee does not
31 mean a person hired as a regular employee on an ongoing basis to assume

1 the duties of other regular employees who are temporarily absent;

2 (43) Surviving spouse means (a) the spouse married to the member on
3 the date of the member's death or (b) the spouse or former spouse of the
4 member if survivorship rights are provided under a qualified domestic
5 relations order filed with the board pursuant to the Spousal Pension
6 Rights Act. The spouse or former spouse shall supersede the spouse
7 married to the member on the date of the member's death as provided under
8 a qualified domestic relations order. If the benefits payable to the
9 spouse or former spouse under a qualified domestic relations order are
10 less than the value of benefits entitled to the surviving spouse, the
11 spouse married to the member on the date of the member's death shall be
12 the surviving spouse for the balance of the benefits;

13 (44) Temporary employee means an employee hired by a public school
14 who is not a regular employee and who is hired to provide service for a
15 limited period of time to accomplish a specific purpose or task. When
16 such specific purpose or task is complete, the employment of such
17 temporary employee shall terminate and in no case shall the temporary
18 employment period exceed one year in duration;

19 (45)(a) Termination of employment or termination occurs on the date
20 the member experiences a bona fide separation from service with the
21 member's employer. The date of the separation is the end of the member's
22 contractual agreement or, if there is no contract or only partial
23 fulfillment of a contract, as determined by the employer.

24 (b) A member shall not be deemed to have incurred a termination of
25 employment if the board determines based on the facts and circumstances
26 that:

27 (i) A claimed termination was not a bona fide separation from
28 service with the member's employer;

29 (ii) A member was compensated for a full contractual period when the
30 member stopped working prior to the end date of the contract; or

31 (iii) A member prearranged a return to work that violates the

1 provisions of the School Employees Retirement Act.

2 (c) A member who experiences a separation from service must comply
3 with the return-to-work provisions of section 79-930 if the member is
4 subsequently employed by an employer participating in the retirement
5 system.

6 (d) Nothing in this subdivision precludes an employer from adopting
7 a policy which limits or denies employees who have experienced a
8 separation from service with the employer from working as a volunteer or
9 substitute employee within one hundred eighty days after the employee
10 experiences such separation from service; and

11 (46) Voluntary service or volunteer means providing bona fide unpaid
12 service to any employer.

13 **Sec. 10.** Section 79-904.01, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 79-904.01 (1)(a) If the board determines that the retirement system
16 has previously received contributions or distributed benefits which for
17 any reason are not in accordance with the statutory provisions of the
18 School Employees Retirement Act, the board may refund contributions,
19 require additional contributions, adjust benefits, or require repayment
20 of benefits paid. In the event of an overpayment of a benefit, the board
21 may, in addition to other remedies, offset future benefit payments by the
22 amount of the prior overpayment, together with regular interest thereon.
23 In the event of a material underpayment of a benefit, the board shall
24 immediately make payment equal to the deficit amount plus regular
25 interest.

26 (b) The board shall have the power, through the director of the
27 Nebraska Public Employees Retirement Systems or the director's designee,
28 to make a thorough investigation of any overpayment of a benefit, when in
29 the judgment of the retirement system such investigation is necessary,
30 including, but not limited to, circumstances in which benefit payments
31 are made after the death of a member or beneficiary and the retirement

1 system is not made aware of such member's or beneficiary's death. In
2 connection with any such investigation, the board, through the director
3 or the director's designee, shall have the power to compel the attendance
4 of witnesses and the production of books, papers, records, and documents,
5 whether in hardcopy, electronic form, or otherwise, and issue subpoenas
6 for such purposes. Such subpoenas shall be served in the same manner and
7 have the same effect as subpoenas from district courts.

8 (2) If the board determines that termination of employment has not
9 occurred and a retirement benefit has been paid to a member of the
10 retirement system pursuant to section 79-933, such member shall repay the
11 benefit to the retirement system unless the board determines that all or
12 any portion of such benefit was the result of an inadvertent benefit
13 overpayment and repayment of such benefit would create a significant
14 hardship.

15 (3) The board may adopt and promulgate rules and regulations
16 implementing this section, which shall include, but not be limited to,
17 the following: (a) The procedures for refunding contributions, adjusting
18 future contributions or benefit payments, and requiring additional
19 contributions or repayment of benefits; (b) the process for a member,
20 member's beneficiary, employee, or employer to dispute an adjustment of
21 contributions or benefits; and (c) notice provided to all affected
22 persons. All notices shall be sent at the time of or prior to an
23 adjustment and shall describe the process for disputing an adjustment of
24 contributions or benefits.

25 (4) The board shall not refund contributions made on compensation in
26 excess of the limitations imposed by subdivision (4) of section 79-902 or
27 subsection (9) of section 79-934.

28 **Sec. 11.** Section 79-915, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 79-915 (1) Persons residing outside of the United States and engaged
31 temporarily as school employees in the State of Nebraska shall not become

1 members of the retirement system.

2 (2) No school employee shall be authorized to participate in the
3 retirement system provided for in the School Employees Retirement Act
4 unless the employee is a United States citizen or is lawfully present in
5 the United States. The employing public school and the school employee
6 shall maintain at least one of the following documents, which shall be
7 unexpired, if applicable to the particular document, or which has an
8 expiration date that has been extended by the United States Department of
9 Homeland Security or the United States Citizenship and Immigration
10 Services so that such document is still valid, to demonstrate United
11 States citizenship or lawful presence in the United States as of the
12 employee's date of hire and produce any such document so maintained upon
13 request of the retirement board or the Nebraska Public Employees
14 Retirement Systems:

15 (a) A state-issued driver's license;

16 (b) A state-issued identification card;

17 (c) A state-issued motor vehicle learner's permit;

18 (d) ~~(e)~~ A certified copy of a birth certificate or delayed birth
19 certificate issued in any state, territory, or possession of the United
20 States;

21 (e) ~~(d)~~ A Consular Report of Birth Abroad issued by the United
22 States Department of State;

23 (f) ~~(e)~~ A United States passport;

24 (g) ~~(f)~~ A foreign passport with a United States visa;

25 (h) ~~(g)~~ A United States Certificate of Naturalization;

26 (i) ~~(h)~~ A United States Certificate of Citizenship;

27 (j) ~~(i)~~ A tribal certificate of Native American blood or similar
28 document;

29 (k) ~~(j)~~ A United States Citizenship and Immigration Services
30 Employment Authorization Document, Form I-766;

31 (l) ~~(k)~~ A United States Citizenship and Immigration Services

1 Permanent Resident Card, Form I-551; or

2 (m) ~~(l)~~ Any other document issued by the United States Department of
3 Homeland Security or the United States Citizenship and Immigration
4 Services granting employment authorization in the United States and
5 approved by the retirement board.

6 (3)(a) The board may determine that a governmental entity currently
7 participating in the retirement system no longer qualifies, in whole or
8 in part, under section 414(d) of the Internal Revenue Code as a
9 participating employer in a governmental plan.

10 (b)(i) To aid governmental entities in their business decisionmaking
11 process, any governmental entity currently participating in the
12 retirement system contemplating a business transaction that may result in
13 such entity no longer qualifying, in whole or in part, under section
14 414(d) of the Internal Revenue Code may notify the board in writing as
15 soon as reasonably practicable, but no later than one hundred eighty days
16 before the transaction is to occur.

17 (ii) The board when timely notified shall, as soon as is reasonably
18 practicable, obtain from its contracted actuary the cost of any actuarial
19 study necessary to determine the potential funding obligation. The board
20 will notify the entity of such cost.

21 (iii) If such entity pays the board's contracted actuary pursuant to
22 subdivision (3)(c)(vi) of this section for any actuarial study necessary
23 to determine the potential funding obligation, the board shall, as soon
24 as reasonably practicable following its receipt of the actuarial study,
25 (A) determine whether the entity's contemplated business transaction will
26 cause the entity to no longer qualify under section 414(d) of the
27 Internal Revenue Code, (B) determine whether the contemplated business
28 transaction constitutes a plan termination by the entity, (C) determine
29 the potential funding obligation, (D) determine the administrative costs
30 that will be incurred by the board or the Nebraska Public Employees
31 Retirement Systems in connection with the entity's removal from the

1 retirement system, and (E) notify the entity of such determinations.

2 (iv) Failure to timely notify the board pursuant to subdivision (3)
3 (b)(i) of this section may result in the entity being treated as though
4 the board made a decision pursuant to subdivision (3)(a) of this section.

5 (c) If the board makes a determination pursuant to subdivision (3)
6 (a) of this section, or if the entity engages in the contemplated
7 business transaction reviewed under subdivision (3)(b) of this section
8 that results in the entity no longer qualifying under section 414(d) of
9 the Internal Revenue Code:

10 (i) The board shall notify the entity that it no longer qualifies
11 under section 414(d) of the Internal Revenue Code within ten business
12 days after the determination;

13 (ii) The affected plan members shall be immediately considered fully
14 vested;

15 (iii) The affected plan members shall become inactive within ninety
16 days after the board's determination;

17 (iv) The entity shall pay to the School Retirement Fund an amount
18 equal to any funding obligation;

19 (v) The entity shall pay to the Expense Fund an amount equal to any
20 administrative costs incurred by the board or the Nebraska Public
21 Employees Retirement Systems in connection with the entity's removal from
22 the retirement system; and

23 (vi) The entity shall pay directly to the board's contracted actuary
24 an amount equal to the cost of any actuarial study necessary to aid the
25 board in determining the amount of such funding obligation, if not
26 previously paid.

27 (d) For purposes of this subsection:

28 (i) Business transaction means a merger; consolidation; sale of
29 assets, equipment, or facilities; termination of a division, department,
30 section, or subgroup of the entity; or any other business transaction
31 that results in termination of some or all of the entity's workforce; and

1 (ii) Funding obligation means the financial liability of the
2 retirement system to provide benefits for the affected plan members
3 incurred by the retirement system due to the entity's business
4 transaction calculated using the methodology and assumptions recommended
5 by the board's contracted actuary and approved by the board. The
6 methodology and assumptions used must be structured in a way that ensures
7 the entity is financially liable for all the costs of the entity's
8 business transaction, and the retirement system is not financially liable
9 for any of the cost of the entity's business transaction.

10 (e) The board may adopt and promulgate rules and regulations to
11 carry out this subsection including, but not limited to, the methods of
12 notifying the board of pending business transactions, the acceptable
13 methods of payment, and the timing of such payment.

14 **Sec. 12.** Section 79-956, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 79-956 (1)(a) Except as provided in section 42-1107, if a member
17 dies before the member's retirement date, the member's accumulated
18 contributions shall be paid pursuant to section 79-969.

19 (b) Except for payment to an alternative payee pursuant to a
20 qualified domestic relations order, if no legal representative or
21 beneficiary applies for such accumulated contributions, the contributions
22 shall be distributed in accordance with the Uniform Disposition of
23 Unclaimed Property Act.

24 (2) When the deceased member has twenty years or more of creditable
25 service regardless of age or dies on or after his or her sixty-fifth
26 birthday and leaves a surviving spouse who has been designated by the
27 member as the sole surviving primary beneficiary, on forms provided by
28 the board, as of the date of the member's death, such beneficiary may
29 elect, within twelve months after the death of the member, to receive (a)
30 a refund of the member's contribution account balance, including
31 interest, plus an additional one hundred one percent of the member's

1 contribution account balance, including interest, or (b) an annuity which
2 shall be equal to the amount that would have accrued to the member had he
3 or she elected to have the retirement annuity paid as a one-hundred-
4 percent joint and survivor annuity payable as long as either the member
5 or the member's spouse should survive and had the member retired (i) on
6 the date of death if his or her age at death is sixty-five years or more
7 or (ii) at age sixty-five years if his or her age at death is less than
8 sixty-five years.

9 (3) When the deceased member who was a school employee on or after
10 May 1, 2001, has not less than five years of creditable service and less
11 than twenty years of creditable service and dies before his or her sixty-
12 fifth birthday and leaves a surviving spouse who has been designated in
13 writing as beneficiary and who, as of the date of the member's death, is
14 the sole surviving primary beneficiary, such beneficiary may elect,
15 within twelve months after the death of the member, to receive (a) a
16 refund of the member's contribution account balance with interest plus an
17 additional one hundred one percent of the member's contribution account
18 balance with interest or (b) an annuity payable monthly for the surviving
19 spouse's lifetime which shall be equal to the benefit amount that had
20 accrued to the member at the date of the member's death, commencing when
21 the member would have reached age sixty, or the member's age at death if
22 greater, reduced by three percent for each year payments commence before
23 the member would have reached age sixty-five, and adjusted for payment in
24 the form of a one-hundred-percent joint and survivor annuity.

25 (4)(a) If the requirements of subsection (2) or (3) of this section
26 are not met, a lump sum equal to all contributions to the fund made by
27 such member plus regular interest shall be paid pursuant to section
28 79-969. Lump sum payments to multiple individuals made under this
29 section, when appropriate, may be made independently of each other.

30 (b) An application for benefits under subsection (2) or (3) of this
31 section shall be deemed to have been timely filed if the application is

1 received by the retirement system within twelve months after the date of
2 the death of the member.

3 (5) Benefits to which a surviving spouse, beneficiary, or estate of
4 a member shall be entitled pursuant to this section shall commence
5 immediately upon the death of such member.

6 (6) A lump-sum death benefit paid to the member's beneficiary, other
7 than the member's estate, that is an eligible distribution may be
8 distributed in the form of a direct transfer to a retirement plan
9 eligible to receive such transfer under the provisions of the Internal
10 Revenue Code.

11 (7) For any member whose death occurs on or after January 1, 2007,
12 while performing qualified military service as defined in section 414(u)
13 of the Internal Revenue Code, the member's beneficiary shall be entitled
14 to any additional death benefit that would have been provided, other than
15 the accrual of any benefit relating to the period of qualified military
16 service. The additional death benefit shall be determined as if the
17 member had returned to employment with the employer and such employment
18 had terminated on the date of the member's death.

19 **Sec. 13.** Section 79-978, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 79-978 For purposes of the Class V School Employees Retirement Act,
22 unless the context otherwise requires:

23 (1) Accumulated contributions means the sum of amounts contributed
24 by a member of the system together with regular interest credited
25 thereon;

26 (2) Actuarial equivalent means the equality in value of the
27 retirement allowance for early retirement or the retirement allowance for
28 an optional form of annuity, or both, with the normal form of the annuity
29 to be paid, as determined by the application of the appropriate actuarial
30 table, except that use of such actuarial tables shall not effect a
31 reduction in benefits accrued prior to September 1, 1985, as determined

1 by the actuarial tables in use prior to such date;

2 (3) Actuarial tables means:

3 (a) For determining the actuarial equivalent of any annuities other
4 than joint and survivorship annuities:

5 (i) For members hired before July 1, 2018, a unisex mortality table
6 using twenty-five percent of the male mortality and seventy-five percent
7 of the female mortality from the 1994 Group Annuity Mortality Table with
8 a One Year Setback and using an interest rate of eight percent compounded
9 annually; and

10 (ii) For members hired on or after July 1, 2018, or rehired on or
11 after July 1, 2018, after termination of employment and being paid a
12 retirement benefit, the determinations shall be based on a unisex
13 mortality table and an interest rate specified by (A) the board until
14 September 1, 2024, or (B) the retirement board beginning on September 1,
15 2024. Both the mortality table and the interest rate shall be recommended
16 by the actuary retained pursuant to section 79-984 following an actuarial
17 experience study, a benefit adequacy study, or a plan valuation. The
18 mortality table, interest rate, and actuarial factors in effect on the
19 member's retirement date shall be used to calculate the actuarial
20 equivalency of any retirement benefit. Such interest rate may be, but is
21 not required to be, equal to the assumed rate; and

22 (b) For joint and survivorship annuities:

23 (i) For members hired before July 1, 2018, a unisex retiree
24 mortality table using sixty-five percent of the male mortality and
25 thirty-five percent of the female mortality from the 1994 Group Annuity
26 Mortality Table with a One Year Setback and using an interest rate of
27 eight percent compounded annually and a unisex joint annuitant mortality
28 table using thirty-five percent of the male mortality and sixty-five
29 percent of the female mortality from the 1994 Group Annuity Mortality
30 Table with a One Year Setback and using an interest rate of eight percent
31 compounded annually; and

1 (ii) For members hired on or after July 1, 2018, or rehired on or
2 after July 1, 2018, after termination of employment and being paid a
3 retirement benefit, the determinations shall be based on a unisex
4 mortality table and an interest rate specified by (A) the board until
5 September 1, 2024, or (B) the retirement board beginning on September 1,
6 2024. Both the mortality table and the interest rate shall be recommended
7 by the actuary retained pursuant to section 79-984 following an actuarial
8 experience study, a benefit adequacy study, or a plan valuation. The
9 mortality table, interest rate, and actuarial factors in effect on the
10 member's retirement date shall be used to calculate the actuarial
11 equivalency of any retirement benefit. Such interest rate may be, but is
12 not required to be, equal to the assumed rate;

13 (4) Administrator of the retirement system or administrator means
14 (a) until September 1, 2024, the person administering the retirement
15 system who is appointed by the board or (b) beginning on September 1,
16 2024, the director appointed by the retirement board pursuant to section
17 84-1503;

18 (5) Annuitant means any member receiving an allowance;

19 (6) Annuity means annual payments, for both prior service and
20 membership service, for life as provided in the Class V School Employees
21 Retirement Act;

22 (7) Audit year means the period beginning January 1 in any year and
23 ending on December 31 of that same year, which is the period of time used
24 in the preparation of (a) the annual actuarial analysis and valuation and
25 (b) a financial audit of the retirement system, including the investments
26 of the retirement system;

27 (8) Beneficiary means any person entitled to receive or receiving a
28 benefit by reason of the death of a member;

29 (9) Board means the board of trustees until July 1, 2021, and the
30 board of education beginning July 1, 2021, and until September 1, 2024;

31 (10) Board of education means the board or boards of education of a

1 school district or districts;

2 (11) Board of trustees means:

3 (a) Until September 1, 2024, the entity established pursuant to
4 section 79-980; and

5 (b) Beginning September 1, 2024, the board of education shall be
6 deemed to be the successor in interest for all liability associated with
7 the actions or inactions of the entity identified under subdivision (11)
8 (a) of this section and as specified in the Class V School Employees
9 Retirement Act;

10 (12)(a) Compensation means gross wages or salaries payable to the
11 member during a fiscal year and includes (i) overtime pay, (ii) member
12 contributions to the retirement system that are picked up under section
13 414(h) of the Internal Revenue Code, as defined in section 49-801.01,
14 (iii) retroactive salary payments paid pursuant to court order,
15 arbitration, or litigation and grievance settlements, and (iv) amounts
16 contributed by the member to plans under sections 125, 403(b), and 457 of
17 the Internal Revenue Code, as defined in section 49-801.01, or any other
18 section of the code which defers or excludes such amounts from income.

19 (b) Compensation does not include (i) fraudulently obtained amounts
20 as determined by the board, (ii) amounts for accrued unused sick leave or
21 accrued unused vacation leave converted to cash payments, (iii) insurance
22 premiums converted into cash payments, (iv) reimbursement for expenses
23 incurred, (v) fringe benefits, (vi) per diems paid as expenses, (vii)
24 bonuses for services not actually rendered, (viii) early retirement
25 inducements, (ix) cash awards, (x) severance pay, or (xi) employer
26 contributions made for the purposes of separation payments made at
27 retirement and early retirement inducements.

28 (c) Compensation in excess of the limitations set forth in section
29 401(a)(17) of the Internal Revenue Code, as defined in section 49-801.01,
30 shall be disregarded;

31 (13) Council means the Nebraska Investment Council created and

1 acting pursuant to section 72-1237;

2 (14) Creditable service means the sum of the membership service and
3 the prior service, measured in one-tenth-year increments;

4 (15) Early retirement date means, for members hired prior to July 1,
5 2016, who have attained age fifty-five, that month and year selected by a
6 member having at least ten years of creditable service which includes a
7 minimum of five years of membership service. Early retirement date means,
8 for members hired on or after July 1, 2016, that month and year selected
9 by a member having at least five years of membership creditable service
10 and who has attained age sixty;

11 (16) Early retirement inducement means, but is not limited to:

12 (a) A benefit, bonus, or payment to a member by an employer in
13 exchange for an agreement by the member to retire with a reduced
14 retirement benefit;

15 (b) A benefit, bonus, or payment paid to a member by an employer in
16 addition to the member's retirement benefit;

17 (c) Lump-sum or installment cash payments by an employer, except
18 payments for accrued unused leave converted to cash payments;

19 (d) An additional salary or wage component of any kind that is being
20 paid by an employer as an incentive to leave employment and not for
21 personal services performed for which creditable service is granted;

22 (e) Partial or full employer payment of a member's health, dental,
23 life, or long-term disability insurance benefits or cash in lieu of such
24 insurance benefits that extend beyond the member's termination of
25 employment and contract of employment dates. This subdivision does not
26 apply to any period during which the member is contributing to the
27 retirement system and being awarded creditable service; and

28 (f) Any other form of separation payments made by an employer to a
29 member at termination, including, but not limited to, purchasing
30 retirement contracts for the member pursuant to section 79-514, or
31 depositing money for the member in an account established under section

1 403(b) of the Internal Revenue Code except for payments for accrued
2 unused leave;

3 (17) Employee means the following enumerated persons receiving
4 compensation from the school district: (a) Teachers, other than
5 substitutes, employed on a written contract basis; (b) administrators
6 employed on a written contract, agreement, or document basis; and (c)
7 regular employees;

8 (18) Employer means a school district participating in a retirement
9 system established pursuant to the Class V School Employees Retirement
10 Act;

11 (19) Fiscal year means the period beginning September 1 in any year
12 and ending on August 31 of the next succeeding year;

13 (20) Hire date or date of hire means the first day of compensated
14 service subject to retirement contributions;

15 (21) Interest means, for the purchase of service credit, the
16 purchase of prior service credit, restored refunds, and delayed payments,
17 the investment return assumption used in the most recent actuarial
18 valuation;

19 (22) Member means any employee included in the membership of the
20 retirement system or any former employee who has made contributions to
21 the system and has not received a refund;

22 (23) Membership service means service on or after September 1, 1951,
23 as an employee of the school district and a member of the system for
24 which compensation is paid by the school district. Credit for more than
25 one year of membership service shall not be allowed for service rendered
26 in any fiscal year. Beginning September 1, 2005, a member shall be
27 credited with a year of membership service for each fiscal year in which
28 the member performs one thousand or more hours of compensated service as
29 an employee of the school district. For an employee who becomes a member
30 prior to July 1, 2018, an hour of compensated service shall include any
31 hour for which the member is compensated by the school district during

1 periods when no service is performed due to vacation or approved leave.
2 For an employee who becomes a member on or after July 1, 2018, an hour of
3 compensated service shall include any hour for which the member is
4 compensated by the school district during periods when no service is
5 performed due to used accrued sick days, used accrued vacation days,
6 federal and state holidays, and jury duty leave for which the member is
7 paid full compensation by an employer. If a member performs less than one
8 thousand hours of compensated service during a fiscal year, one-tenth of
9 a year of membership service shall be credited for each one hundred hours
10 of compensated service by the member in such fiscal year. In determining
11 a member's total membership service, all periods of membership service,
12 including fractional years of membership service in one-tenth-year
13 increments, shall be aggregated;

14 (24) Military service means service in the uniformed services as
15 defined in 38 U.S.C. 4301 et seq., as such provision existed on March 27,
16 1997;

17 (25) Normal retirement date means the end of the month during which
18 the member attains age sixty-five and has completed at least five years
19 of membership service;

20 (26) Participation means qualifying for and making required deposits
21 to the retirement system during the course of a fiscal year;

22 (27) Primary beneficiary means the person or persons entitled to
23 receive or receiving a benefit by reason of the death of a member;

24 (28) Prior service means service rendered prior to September 1,
25 1951, for which credit is allowed under section 79-999, service rendered
26 by retired employees receiving benefits under preexisting systems, and
27 service for which credit is allowed under sections 79-990, 79-991,
28 79-994, 79-995, and 79-997;

29 (29)(a) Regular employee means a person hired on a full-time basis,
30 which basis shall contemplate a work week of not less than thirty hours,
31 and who is not (i) a teacher employed on a written contract basis or (ii)

1 an administrator employed on a written contract, agreement, or document
2 basis.

3 (b) Effective September 1, 2021, a person hired by an employer or
4 under contract to provide service for less than thirty hours per week but
5 who provides service for an average of thirty hours or more per week in
6 each calendar month of any three calendar months of a fiscal year shall,
7 beginning with the next full payroll period: 7

8 (i) Commence ~~commence~~ contributions; ~~and shall be~~

9 (ii) Be deemed a regular employee; and

10 (iii) Remain a deemed regular employee regardless of hours worked
11 thereafter;

12 (30) Regular interest means interest (a) on the total contributions
13 of the member prior to the close of the last preceding fiscal year, (b)
14 compounded annually, and (c)(i) beginning September 1, 2016, at a rate
15 equal to the daily treasury yield curve for one-year treasury securities,
16 as published by the Secretary of the Treasury of the United States, that
17 applies on September 1 of each year and (ii) prior to September 1, 2016,
18 at rates to be determined annually by the board, which shall have the
19 sole, absolute, and final discretionary authority to make such
20 determination, except that the rate for any given year in no event shall
21 exceed the actual percentage of net earnings of the system during the
22 last preceding fiscal year;

23 (31) Retirement allowance means the total annual retirement benefit
24 payable to a member for service or disability;

25 (32) Retirement application means beginning on and after September
26 1, 2024, the form approved and provided by the retirement system for
27 acceptance of a member's request for either regular or disability
28 retirement;

29 (33) Retirement board means the Public Employees Retirement Board
30 created and acting pursuant to section 84-1501;

31 (34) Retirement date means the date of retirement of a member for

1 service or disability as fixed by (a) the board for retirements occurring
2 prior to September 1, 2024, or (b) the retirement board for retirements
3 occurring on or after September 1, 2024;

4 (35) Retirement system or system means the School Employees'
5 Retirement System of (corporate name of the school district as described
6 in section 79-405) as provided for by the act;

7 (36) School district means an employer participating in a retirement
8 system established pursuant to the Class V School Employees Retirement
9 Act;

10 (37) Secondary beneficiary means the person or persons entitled to
11 receive or receiving a benefit by reason of the death of all primary
12 beneficiaries prior to the death of the member. If no primary beneficiary
13 survives the member, secondary beneficiaries shall be treated in the same
14 manner as primary beneficiaries;

15 (38) Solvency means the rate of all contributions required pursuant
16 to the Class V School Employees Retirement Act is equal to or greater
17 than the actuarially required contribution rate as annotated in the most
18 recent valuation report prepared by the actuary retained for the
19 retirement system as provided in section 79-984;

20 (39) State investment officer means the person appointed by the
21 council pursuant to section 72-1240 and acting pursuant to the Nebraska
22 State Funds Investment Act;

23 (40) Substitute employee means a person hired by an employer as a
24 temporary employee to assume the duties of an employee due to a temporary
25 absence of any employee. Substitute employee does not mean a person hired
26 as an employee on an ongoing basis to assume the duties of other
27 employees who are temporarily absent;

28 (41) Temporary employee means a person hired by an employer who is
29 not an employee and who is hired to provide service for a limited period
30 of time to accomplish a specific purpose or task. When such specific
31 purpose or task is complete, the employment of such temporary employee

1 shall terminate and in no case shall the temporary employment period
2 exceed one year in duration;

3 (42)(a) Termination of employment or termination occurs on the date
4 the member experiences a bona fide separation from service of employment
5 with the member's employer, the date of which separation is the last day
6 of service under the member's contractual agreement or, if there is no
7 contract or only partial fulfillment of a contract, as determined by an
8 employer. A member who experiences a separation from service shall comply
9 with the return-to-work provisions of section 79-992 if the member
10 returns to work for an employer.

11 (b) A member shall not be deemed to have incurred a termination of
12 employment if the board determines that, based on the facts and
13 circumstances, (i) a claimed termination of employment was not a bona
14 fide separation from service with the employer; (ii) a member was
15 compensated for a full contractual period when the member stopped working
16 prior to the end date of the member's employment as determined by the
17 member's contract or labor agreement; or (iii) a member prearranged a
18 return to work that violates the Class V School Employees Retirement Act.

19 (c) Nothing in this subdivision (42) precludes an employer from
20 adopting a policy which limits or denies employees who have experienced a
21 separation from service from working as a volunteer or substitute
22 employee within one hundred eighty days after the employee experiences a
23 separation from service;

24 (43) Transfer of management means the transition and transfer of the
25 general management, administration, and operation of the retirement
26 system from the board of trustees, board of education, and school
27 district to the retirement board as described in the Class V School
28 Employees Retirement Act. Transfer of management does not include:

29 (a) Transfer of the school district's funding obligations described
30 in the Class V School Employees Retirement Act or assumption of financial
31 liability for such funding obligations by (i) the State of Nebraska, (ii)

1 the retirement board, (iii) the Nebraska Public Employees Retirement
2 Systems, (iv) any other state entity with duties related to
3 administration of the retirement system, or (v) the council for its
4 investment duties regarding the assets of the retirement system; or

5 (b) Merger or consolidation of any Class V school employees
6 retirement system established under the Class V School Employees
7 Retirement Act with the School Employees Retirement System of the State
8 of Nebraska or any other retirement system administered by the retirement
9 board;

10 (44) Trustee means a trustee provided for in section 79-980; and

11 (45) Voluntary service or volunteer means providing bona fide unpaid
12 service to an employer.

13 **Sec. 14.** Section 79-9,103, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 79-9,103 (1) Any annuity paid on or after September 1, 1983, to a
16 member who retired prior to February 21, 1982, pursuant to the Class V
17 School Employees Retirement Act, or to such member's beneficiary, or to a
18 person who retired under the provisions of the retirement system
19 established by statute for employees of Class V school districts in
20 effect prior to September 1, 1951, or to such person's beneficiary, shall
21 be adjusted by the increase in the cost of living or wage levels between
22 the effective date of retirement and June 30, 1983, except that such
23 increase shall not exceed the sum of one dollar and fifty cents per month
24 for each year of creditable service and one dollar per month for each
25 completed year of retirement as measured from the effective date of
26 retirement to June 30, 1983. No separate adjustment in such annuity shall
27 be made as a result of the changes made in section 79-9,113 pursuant to
28 Laws 1983, LB 488. If a joint and survivor annuity was elected, the
29 increase shall be actuarially adjusted so that the joint and survivor
30 annuity remains the actuarial equivalent of the life annuity otherwise
31 payable.

1 (2) In addition to the cost-of-living adjustment provided in
2 subsection (1) of this section, any annuity paid on or after September 1,
3 1986, pursuant to the act or pursuant to the provisions of the retirement
4 system established by statute for employees of Class V school districts
5 in effect prior to September 1, 1951, and on which the first payment was
6 dated on or before September 1, 1985, shall be adjusted by the increase
7 in the cost of living or wage levels between the effective date of
8 retirement and June 30, 1986, except that such increase shall not exceed
9 (a) three and one-half percent for annuities first paid on or after
10 September 1, 1984, (b) seven percent for annuities first paid on or after
11 September 1, 1983, but before September 1, 1984, or (c) ten and one-half
12 percent for all other annuities.

13 (3) In addition to the cost-of-living adjustments provided in
14 subsections (1) and (2) of this section, any annuity paid on or after
15 September 1, 1989, pursuant to the act or pursuant to the provisions of
16 the retirement system established by statute for employees of Class V
17 school districts in effect prior to September 1, 1951, and on which the
18 first payment was dated on or before September 1, 1988, shall be adjusted
19 by the increase in the cost of living or wage levels between the
20 effective date of retirement and June 30, 1989, except that such increase
21 shall not exceed (a) three percent for annuities first paid on or after
22 September 1, 1987, (b) six percent for annuities first paid on or after
23 September 1, 1986, but before September 1, 1987, or (c) nine percent for
24 all other annuities.

25 (4) In addition to the cost-of-living adjustments provided in
26 subsections (1), (2), and (3) of this section, any annuity paid on or
27 after September 1, 1992, pursuant to the act or pursuant to the
28 provisions of the retirement system established by statute for employees
29 of Class V school districts in effect prior to September 1, 1951, and on
30 which the first payment was dated on or before October 1, 1991, shall be
31 adjusted by the increase in the cost of living or wage levels between the

1 effective date of retirement and June 30, 1992, except that such increase
2 shall not exceed (a) three percent for annuities first paid after October
3 1, 1990, (b) six percent for annuities first paid after October 1, 1989,
4 but on or before October 1, 1990, or (c) nine percent for all other
5 annuities.

6 (5) In addition to the cost-of-living adjustments provided in
7 subsections (1), (2), (3), and (4) of this section, any annuity paid on
8 or after September 1, 1995, pursuant to the act or pursuant to the
9 provisions of the retirement system established by statute for employees
10 of Class V school districts in effect prior to September 1, 1951, and on
11 which the first payment was dated on or before October 1, 1994, shall be
12 adjusted by the increase in the cost of living or wage levels between the
13 effective date of retirement and June 30, 1995, except that such increase
14 shall not exceed (a) three percent for annuities first paid after October
15 1, 1993, (b) six percent for annuities first paid after October 1, 1992,
16 but on or before October 1, 1993, or (c) nine percent for all other
17 annuities.

18 (6) In addition to the cost-of-living adjustments provided in
19 subsections (1), (2), (3), (4), and (5) of this section, any annuity paid
20 pursuant to the act or pursuant to the provisions of the retirement
21 system established by statute for employees of Class V school districts
22 in effect prior to September 1, 1951, and on which the first payment was
23 dated on or before October 1, 1994, shall be subject to adjustment to
24 equal the greater of (a) the annuity payable to the member or beneficiary
25 as adjusted, if applicable, under the provisions of subsection (1), (2),
26 (3), (4), or (5) of this section or (b) ninety percent of the annuity
27 which results when the original annuity that was paid to the member or
28 beneficiary (before any cost-of-living adjustments under this section),
29 is adjusted by the increase in the cost of living or wage levels between
30 the commencement date of the annuity and June 30, 1995.

31 (7) In addition to the cost-of-living adjustments provided in

1 subsections (1), (2), (3), (4), (5), and (6) of this section, any annuity
2 paid on or after September 1, 1998, pursuant to the act or pursuant to
3 the provisions of the retirement system established by statute for
4 employees of Class V school districts in effect prior to September 1,
5 1951, and on which the first payment was dated on or before October 3,
6 1997, shall be adjusted by the increase in the cost of living or wage
7 levels between the effective date of retirement and June 30, 1998, except
8 that such increase shall not exceed (a) three percent for annuities first
9 paid after October 1, 1996, (b) six percent for annuities first paid
10 after October 1, 1995, but on or before October 1, 1996, or (c) nine
11 percent for all other annuities.

12 (8) Beginning January 1, 2000, and on January 1 of every year
13 thereafter, for employees of Class V school districts who were members
14 prior to July 1, 2013, a cost-of-living adjustment shall be made for any
15 formula annuity being paid pursuant to the act, or pursuant to the
16 provisions of the retirement system established by statute for employees
17 of Class V school districts in effect prior to September 1, 1951, and on
18 which the first payment was dated on or before October 3 preceding such
19 January 1 adjustment date. The cost-of-living adjustment for any such
20 annuity shall be the lesser of (a) one and one-half percent or (b) the
21 increase in the consumer price index from the date such annuity first
22 became payable through the August 31 preceding the January 1 adjustment
23 date as reduced by the aggregate cost-of-living adjustments previously
24 made to the annuity pursuant to this section.

25 (9) Beginning January 1, 2014, and on January 1 of every year
26 thereafter, for employees of Class V school districts who became members
27 on or after July 1, 2013, a cost-of-living adjustment shall be made for
28 any formula annuity being paid pursuant to the act and on which the first
29 payment was dated on or before October 3 preceding such January 1
30 adjustment date. The cost-of-living adjustment for any such annuity shall
31 be the lesser of (a) one percent or (b) the increase in the consumer

1 price index from the date such annuity first became payable through the
2 August 31 preceding the January 1 adjustment date as reduced by the
3 aggregate cost-of-living adjustments previously made to the annuity
4 pursuant to this section.

5 (10) Beginning September 1, 1999, the actuary shall make an annual
6 valuation of the assets and liabilities of the system. If the annual
7 valuation made by the actuary, as approved by the board of trustees,
8 indicates that the system has sufficient actuarial surplus to provide for
9 a cost-of-living adjustment in addition to the adjustment made pursuant
10 to subsection (8) or (9) of this section, the board of trustees may, in
11 its discretion, declare by resolution that each annuity being paid
12 pursuant to the act, or pursuant to the provisions of the retirement
13 system established by statute for employees of Class V school districts
14 in effect prior to September 1, 1951, and on which the first payment was
15 dated on or before October 3 of the year such resolution is adopted,
16 shall be increased beginning as of the January 1 following the date of
17 the board of trustees' resolution by such percentage as may be declared
18 by the board of trustees, except that such increase for any such annuity
19 shall not exceed the increase in the consumer price index from the date
20 such annuity first became payable through the applicable valuation date
21 as reduced by the aggregate cost-of-living adjustments previously made to
22 the annuity pursuant to this section.

23 (11) Except for the adjustments pursuant to subsection (13) of this
24 section, the consumer price index to be used for determining any cost-of-
25 living adjustment under this section shall be the Consumer Price Index -
26 All Urban Consumers, as published by the Bureau of Labor Statistics of
27 the United States Department of Labor. If this consumer price index is
28 discontinued or replaced, a substitute index published by the United
29 States Department of Labor shall be selected by the board if before
30 September 1, 2024, or by the retirement board if on or after September 1,
31 2024. Any substitute index selected shall be a reasonable representative

1 measurement of the cost of living for retired employees. An annuity as
2 increased by any cost-of-living adjustment made under this section shall
3 be considered the base annuity amount for the purpose of future
4 adjustments pursuant to this section. In no event shall any cost-of-
5 living adjustment be deemed to affect or increase the amount of the base
6 retirement annuity of a member as determined under section 79-999 or
7 79-9,100.

8 (12) Any decision or determination by the board or retirement board,
9 as applicable, (a) to declare or not declare a cost-of-living adjustment,
10 (b) as to whether the annual valuation indicates a sufficient actuarial
11 surplus to provide for a cost-of-living adjustment, or (c) pursuant to
12 the selection of a substitute index shall be made in the sole, absolute,
13 and final discretion of the board or retirement board, as applicable, and
14 shall not be subject to challenge by any member or beneficiary. In no
15 event shall the Legislature be constrained or limited in amending the
16 system or increasing the benefits of members under the system, nor shall
17 the board or retirement board, as applicable, be constrained from
18 supporting any such change to the system, notwithstanding the effect of
19 any such change upon the actuarial surplus of the system and the ability
20 of the board or retirement board, as applicable, to declare future cost-
21 of-living adjustments.

22 (13) The Legislature finds and declares that there exists in this
23 state a pressing need to attract and retain qualified and dedicated
24 public school employees and that one of the factors prospective public
25 school employees consider when seeking or continuing public school
26 employment is the retirement system and benefits the employment provides.
27 The Legislature further finds that over the past decades, as reflected by
28 the Medical Price Index published by the United States Department of
29 Labor, the cost of medical care, including the cost of medications and
30 insurance coverages, has increased at a rate in excess of that by which
31 the Consumer Price Index - All Urban Consumers has increased. The

1 Legislature further finds and declares that there accordingly exists a
2 need to adjust the amount of retirement benefits paid to retired public
3 school employees in order to assist them in meeting the increased cost of
4 medical care. Therefor, in addition to the cost-of-living adjustments
5 provided in subsections (1) through (12) of this section, commencing on
6 October 3, 2001, and on October 3 of every year thereafter, a medical
7 cost-of-living adjustment shall be paid to any annuitant who became a
8 member prior to July 1, 2016, and has been paid an annuity from the
9 retirement system for at least ten years through the October 3 adjustment
10 date. The cost-of-living adjustment shall be paid in the form of a
11 supplemental annuity providing monthly payments equal to the amount which
12 results when (a) the fraction, not to exceed one, that results when the
13 annuitant's years of creditable service at his or her retirement date is
14 divided by twenty, is multiplied by (b) the product of ten dollars times
15 the number of years, including attained one-half years, that such
16 annuitant has received annuity payments from the retirement system
17 through the October 3 adjustment date. The supplemental annuity being
18 paid to an annuitant shall increase by ten dollars on October 3 of each
19 subsequent year to reflect the additional year of annuity payments to the
20 annuitant until the total amount of the supplemental annuity is two
21 hundred fifty dollars. In no event shall the medical cost-of-living
22 adjustment for any annuitant pursuant to this subsection result in the
23 payment of a supplemental annuity exceeding two hundred fifty dollars per
24 month. The supplemental annuity paid to an annuitant pursuant to this
25 subsection shall cease at the death of the annuitant regardless of the
26 form of retirement annuity being paid to the annuitant at the time of his
27 or her death.

28 **Sec. 15.** Section 79-9,106, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 79-9,106 (1) Upon the death of a member who has not yet retired and
31 who has twenty years or more of creditable service, the member's primary

1 beneficiary, as designated by the member in writing on forms provided by
2 the system, shall receive a survivorship annuity in accordance with
3 subdivision (1) of section 79-9,101 if the primary beneficiary is (a) the
4 member's spouse or (b) one other designated beneficiary whose attained
5 age in the calendar year of the member's death is no more than ten years
6 less than the attained age of the member in such calendar year. The
7 amount of such actuarially equivalent annuity shall be calculated using
8 the attained ages of the member and the beneficiary and be based on the
9 annuity earned to the date of the member's death without reduction due to
10 any early commencement of benefits. Within ninety ~~sixty~~ days from the
11 date of the member's death, if the member has not previously filed with
12 the administrator of the retirement system a form requiring that only the
13 survivorship annuity be paid, the beneficiary may request to receive in a
14 lump sum an amount equal to the member's accumulated contributions. If
15 prior to the member's death, the member files with the administrator of
16 the retirement system a form requiring that the beneficiary receive a
17 lump-sum settlement in lieu of the survivorship annuity, the beneficiary
18 shall receive, in lieu of the survivorship annuity, a lump-sum settlement
19 in an amount equal to the member's accumulated contributions
20 notwithstanding any other provision of this section.

21 (2) Upon the death of a member who has not yet retired and who has
22 less than twenty years of creditable service or upon the death of a
23 member who has not yet retired and who has twenty years or more of
24 creditable service but whose beneficiary does not meet the criteria in
25 subsection (1) of this section, a lump sum in an amount equal to the
26 member's accumulated contributions shall be paid pursuant to section
27 79-9,119.

28 (3) A lump-sum death benefit paid pursuant to subsection (1) or (2)
29 of this section, other than the member's estate, that is an eligible
30 distribution may be distributed in the form of a direct transfer to a
31 retirement plan eligible to receive such transfer under the provisions of

1 the Internal Revenue Code.

2 (4) For any member whose death occurs on or after January 1, 2007,
3 while performing qualified military service as defined in section 414(u)
4 of the Internal Revenue Code, the member's beneficiary shall be entitled
5 to any additional death benefit that would have been provided, other than
6 the accrual of any benefit relating to the period of qualified military
7 service. The additional death benefit shall be determined as if the
8 member had returned to employment with the school district and such
9 employment had terminated on the date of the member's death.

10 **Sec. 16.** Section 79-9,117, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 79-9,117 (1)(a) Until September 1, 2024, the board of trustees shall
13 establish a comprehensive preretirement planning program for school
14 employees who are members of the retirement system. The program shall
15 provide information and advice regarding the many changes members face
16 upon retirement, including, but not limited to, changes in physical and
17 mental health, housing, family life, leisure activity, and retirement
18 income.

19 (b) Beginning September 1, 2024, the retirement board shall
20 establish sessions as provided in section 84-1511 for school employees
21 who are members of the retirement system.

22 (2) The preretirement planning program shall be available to all
23 members.

24 (3) The preretirement planning program shall include information on
25 the federal and state income tax consequences of the various annuity or
26 retirement benefit options available to the member, information on social
27 security benefits, information on various local, state, and federal
28 government programs and programs in the private sector designed to assist
29 elderly persons, and information and advice the board of trustees or
30 retirement board, as applicable, deems valuable in assisting members in
31 the transition from public employment to retirement.

1 (4) The board of trustees or retirement board, as applicable, shall
2 work with any governmental agency, including political subdivisions or
3 bodies whose services or expertise may enhance the development or
4 implementation of the preretirement planning program.

5 (5) The costs of the preretirement planning program shall be charged
6 back to the retirement system.

7 (6) An employer shall provide each member leave with pay to attend
8 up to two preretirement planning programs or the equivalent of up to
9 sixteen hours of preretirement planning programs. For purposes of this
10 subsection, leave with pay means a day off paid by an employer and does
11 not mean vacation, sick, personal, or compensatory time. A member may
12 choose to attend a program more than twice, but such leave shall be at
13 the expense of the member and shall be at the discretion of the employer.
14 A member shall not be entitled to attend more than one preretirement
15 planning program per fiscal year prior to actual election of retirement.

16 (7) A nominal registration fee may be charged to each person
17 attending a preretirement planning program to cover the costs for meals,
18 meeting rooms, or other expenses incurred under such program.

19 **Sec. 17.** Section 79-9,118, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 79-9,118 No employee shall be authorized to participate in the
22 retirement system unless the employee is a United States citizen or is
23 lawfully present in the United States. The employing public school and
24 the school employee shall maintain at least one of the following
25 documents, which shall be unexpired, if applicable to the particular
26 document or which has an expiration date that has been extended by the
27 United States Department of Homeland Security or the United States
28 Citizenship and Immigration Services so that such document is still
29 valid, to demonstrate United States citizenship or lawful presence in the
30 United States as of the employee's date of hire, and, beginning September
31 1, 2024, produce any such document so maintained upon request of the

1 retirement board or the Nebraska Public Employees Retirement Systems:

2 (1) A state-issued driver's license;

3 (2) A state-issued identification card;

4 (3) ~~(3)~~ A state-issued motor vehicle learner's permit;

5 (4) ~~(3)~~ A certified copy of a birth certificate or delayed birth
6 certificate issued in any state, territory, or possession of the United
7 States;

8 (5) ~~(4)~~ A Consular Report of Birth Abroad issued by the United
9 States Department of State;

10 (6) ~~(5)~~ A United States passport;

11 (7) ~~(6)~~ A foreign passport with a United States visa;

12 (8) ~~(7)~~ A United States Certificate of Naturalization;

13 (9) ~~(8)~~ A United States Certificate of Citizenship;

14 (10) ~~(9)~~ A tribal certificate of Native American blood or similar
15 document;

16 (11) ~~(10)~~ A United States Citizenship and Immigration Services
17 Employment Authorization Document, Form I-766;

18 (12) ~~(11)~~ A United States Citizenship and Immigration Services
19 Permanent Resident Card, Form I-551; or

20 (13) ~~(12)~~ Any other document issued by the United States Department
21 of Homeland Security or the United States Citizenship and Immigration
22 Services granting employment authorization in the United States and
23 approved (a) until September 1, 2024, by the board of trustees and (b)
24 beginning September 1, 2024, by the retirement board.

25 **Sec. 18.** Section 81-2014, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 81-2014 For purposes of the Nebraska State Patrol Retirement Act:

28 (1)(a) Actuarial equivalent means the equality in value of the
29 aggregate amounts expected to be received under different forms of
30 payment or to be received at an earlier retirement age than the normal
31 retirement age.

1 (b) For an officer hired before July 1, 2017, the determinations
2 shall be based on the 1994 Group Annuity Mortality Table reflecting sex-
3 distinct factors blended using seventy-five percent of the male table and
4 twenty-five percent of the female table. An interest rate of eight
5 percent per annum shall be reflected in making the determinations until
6 such percent is amended by the Legislature.

7 (c) For an officer hired on or after July 1, 2017, or rehired on or
8 after July 1, 2017, after termination of employment and being paid a
9 retirement benefit or taking a refund of contributions, the
10 determinations shall be based on a unisex mortality table and an interest
11 rate specified by the board. Both the mortality table and the interest
12 rate shall be recommended by the actuary and approved by the board
13 following an actuarial experience study, a benefit adequacy study, or a
14 plan valuation. The mortality table, interest rate, and actuarial factors
15 in effect on the officer's retirement date will be used to calculate
16 actuarial equivalency of any retirement benefit. Such interest rate may
17 be, but is not required to be, equal to the assumed rate of return;

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

19 (3)(a)(i) Compensation means gross wages or salaries payable to the
20 member for personal services performed during the plan year. Compensation
21 does not include insurance premiums converted into cash payments,
22 reimbursement for expenses incurred, fringe benefits, per diems, or
23 bonuses for services not actually rendered, including, but not limited
24 to, early retirement inducements, cash awards, and severance pay, except
25 for retroactive salary payments paid pursuant to court order,
26 arbitration, or litigation and grievance settlements. Compensation
27 includes overtime pay, member retirement contributions, and amounts
28 contributed by the member to plans under sections 125 and 457 of the
29 Internal Revenue Code as defined in section 49-801.01 or any other
30 section of the code which defers or excludes such amounts from income.

31 (ii) For any officer employed on or prior to January 4, 1979,

1 compensation includes compensation for unused sick leave or unused
2 vacation leave converted to cash payments.

3 (iii) For any officer employed after January 4, 1979, and prior to
4 July 1, 2016, compensation does not include compensation for unused sick
5 leave or unused vacation leave converted to cash payments and includes
6 compensation for unused holiday compensatory time and unused compensatory
7 time converted to cash payments.

8 (iv) For any officer employed on or after July 1, 2016, compensation
9 does not include compensation for unused sick leave, unused vacation
10 leave, unused holiday compensatory time, unused compensatory time, or any
11 other type of unused leave, compensatory time, or similar benefits,
12 converted to cash payments.

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

20 (4) Creditable service means service granted pursuant to section
21 81-2034 and all service rendered while a contributing member of the
22 retirement system. Creditable service includes working days, sick days,
23 vacation days, holidays, and any other leave days for which the officer
24 is paid regular wages except as specifically provided in the Nebraska
25 State Patrol Retirement Act. Creditable service does not include
26 eligibility and vesting credit nor service years for which member
27 contributions are withdrawn and not repaid;

28 (5) Current benefit means the initial benefit increased by all
29 adjustments made pursuant to the Nebraska State Patrol Retirement Act;

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

1 (7) DROP account means an individual DROP participant's defined
2 contribution account under section 414(k) of the Internal Revenue Code;

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

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

12 (10) Hire date or date of hire means the first day of compensated
13 service subject to retirement contributions;

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

16 (12) Officer means law enforcement officer as defined in section
17 81-1401 and as provided for in sections 81-2001 to 81-2009, but does not
18 include a noncertified conditional officer as defined in section 81-1401;

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

21 (14) Regular interest means interest fixed at a rate equal to the
22 daily treasury yield curve for one-year treasury securities, as published
23 by the Secretary of the Treasury of the United States, that applies on
24 July 1 of each year, which may be credited monthly, quarterly,
25 semiannually, or annually as the board may direct;

26 (15) Required beginning date means, for purposes of the deferral of
27 distributions and the commencement of mandatory distributions pursuant to
28 section 401(a)(9) of the Internal Revenue Code and the regulations issued
29 thereunder, April 1 of the year following the calendar year in which a
30 member:

31 (a)(i) Terminated employment with the State of Nebraska; and

1 (ii)(A) Attained at least seventy and one-half years of age for a
2 member who attained seventy and one-half years of age on or before
3 December 31, 2019;

4 (B) Attained at least seventy-two years of age for a member who
5 attained seventy and one-half years of age on or after January 1, 2020,
6 and prior to January 1, 2023;

7 (C) Attained at least seventy-three years of age for a member who
8 attained seventy-two years of age after December 31, 2022, and seventy-
9 three years of age prior to January 1, 2033; or

10 (D) Attained at least seventy-five years of age for a member who
11 attained seventy-four years of age after December 31, 2032; or

12 (b)(i) Terminated employment with the State of Nebraska; and

13 (ii) Otherwise reached the date specified by section 401(a)(9) of
14 the Internal Revenue Code and the regulations issued thereunder;

15 (16) Retirement application means the form approved and provided by
16 the retirement system for acceptance of a member's request for either
17 regular or disability retirement;

18 (17) Retirement date means (a) the first day of the month following
19 the date upon which a member's request for retirement is received on a
20 retirement application if the member is eligible for retirement and has
21 terminated employment or (b) the first day of the month following
22 termination of employment if the member is eligible for retirement and
23 has filed an application but has not yet terminated employment;

24 (18) Retirement system or system means the Nebraska State Patrol
25 Retirement System as provided in the act;

26 (19) Service means employment as a member of the Nebraska State
27 Patrol and shall not be deemed to be interrupted by (a) temporary or
28 seasonal suspension of service that does not terminate the employee's
29 employment, (b) leave of absence authorized by the employer for a period
30 not exceeding twelve months, (c) leave of absence because of disability,
31 or (d) military service, when properly authorized by the board. Service

1 does not include any period of disability for which disability retirement
2 benefits are received under subsection (1) of section 81-2025;

3 (20) Surviving spouse means (a) the spouse married to the member on
4 the date of the member's death if married for at least one year prior to
5 death or if married on the date of the member's retirement or (b) the
6 spouse or former spouse of the member if survivorship rights are provided
7 under a qualified domestic relations order filed with the board pursuant
8 to the Spousal Pension Rights Act. The spouse or former spouse shall
9 supersede the spouse married to the member on the date of the member's
10 death as provided under a qualified domestic relations order. If the
11 benefits payable to the spouse or former spouse under a qualified
12 domestic relations order are less than the value of benefits entitled to
13 the surviving spouse, the spouse married to the member on the date of the
14 member's death shall be the surviving spouse for the balance of the
15 benefits; and

16 (21)(a) ~~(21)~~ Termination of employment occurs on the date on which
17 the Nebraska State Patrol determines that the officer's employer-employee
18 relationship with the patrol is dissolved. The Nebraska State Patrol
19 shall notify the board of the date on which such a termination has
20 occurred.

21 (b) Termination of employment does not include ceasing employment
22 with the Nebraska State Patrol if the officer returns to regular
23 employment with the Nebraska State Patrol or another agency of the State
24 of Nebraska and there are less than one hundred twenty days between the
25 date when the employee's employer-employee relationship ceased and the
26 date when the employer-employee relationship commenced with the Nebraska
27 State Patrol or another state agency. Termination of employment does not
28 occur upon an officer's participation in DROP pursuant to section
29 81-2041.

30 (c) It is the responsibility of the employer that is involved in the
31 termination of employment to notify the board of such change in

1 employment and provide the board with such information as the board deems
2 necessary.

3 (d) If the board determines that termination of employment has not
4 occurred and a retirement benefit has been paid to a member of the
5 retirement system pursuant to section 81-2026, the board shall require
6 the member who has received such benefit to repay the benefit to the
7 retirement system unless the board determines that all or any portion of
8 such benefit was the result of an inadvertent benefit overpayment and
9 repayment of such benefit would create a significant hardship.

10 **Sec. 19.** Section 81-2016, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 81-2016 (1) Every member of the Nebraska State Patrol who was
13 employed by the State of Nebraska as such, on September 7, 1947, and
14 every person employed as a member of such patrol thereafter, shall be a
15 member of the system, except for those members of the Nebraska State
16 Patrol who elected pursuant to section 60-1304 to remain members of the
17 State Employees Retirement System of the State of Nebraska.

18 (2) No employee shall be authorized to participate in the retirement
19 system provided for in the Nebraska State Patrol Retirement Act unless
20 the employee is a United States citizen or is lawfully present in the
21 United States. The employing state agency and the employee shall maintain
22 at least one of the following documents, which shall be unexpired, if
23 applicable to the particular document, or which has an expiration date
24 that has been extended by the United States Department of Homeland
25 Security or the United States Citizenship and Immigration Services so
26 that such document is still valid, to demonstrate United States
27 citizenship or lawful presence in the United States as of the employee's
28 date of hire and produce any such document so maintained upon request of
29 the board or the Nebraska Public Employees Retirement Systems:

30 (a) A state-issued driver's license;

31 (b) A state-issued identification card;

1 (c) A state-issued motor vehicle learner's permit;

2 (d) ~~(e)~~ A certified copy of a birth certificate or delayed birth
3 certificate issued in any state, territory, or possession of the United
4 States;

5 (e) ~~(d)~~ A Consular Report of Birth Abroad issued by the United
6 States Department of State;

7 (f) ~~(e)~~ A United States passport;

8 (g) ~~(f)~~ A foreign passport with a United States visa;

9 (h) ~~(g)~~ A United States Certificate of Naturalization;

10 (i) ~~(h)~~ A United States Certificate of Citizenship;

11 (j) ~~(i)~~ A tribal certificate of Native American blood or similar
12 document;

13 (k) ~~(j)~~ A United States Citizenship and Immigration Services
14 Employment Authorization Document, Form I-766;

15 (l) ~~(k)~~ A United States Citizenship and Immigration Services
16 Permanent Resident Card, Form I-551; or

17 (m) ~~(l)~~ Any other document issued by the United States Department of
18 Homeland Security or the United States Citizenship and Immigration
19 Services granting employment authorization in the United States and
20 approved by the board.

21 (3) Within the first one hundred eighty days of employment, a member
22 may apply to the board for eligibility and vesting credit for years of
23 participation in another Nebraska governmental plan, as defined by
24 section 414(d) of the Internal Revenue Code. During the years of
25 participation in the other Nebraska governmental plan, the employee must
26 have been a full-time employee, as defined in the Nebraska governmental
27 plan in which the credit was earned.

28 (4) Any officer who qualifies for membership pursuant to subsection
29 (1) of this section may not be disqualified from membership in the
30 retirement system solely because such officer also maintains separate
31 employment which qualifies the officer for membership in another public

1 retirement system, nor may membership in this retirement system
2 disqualify such an officer from membership in another public retirement
3 system solely by reason of separate employment which qualifies such
4 officer for membership in this retirement system.

5 (5) Information necessary to determine membership shall be provided
6 by the Nebraska State Patrol.

7 (6) The board may adopt and promulgate rules and regulations
8 governing the assessment and granting of eligibility and vesting credit.

9 **Sec. 20.** Section 84-1301, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 84-1301 For purposes of the State Employees Retirement Act, unless
12 the context otherwise requires:

13 (1)(a) Actuarial equivalent means the equality in value of the
14 aggregate amounts expected to be received under different forms of an
15 annuity payment.

16 (b) For an employee hired prior to January 1, 2018, the mortality
17 assumption used for purposes of converting the member cash balance
18 account shall be the 1994 Group Annuity Mortality Table using a unisex
19 rate that is fifty percent male and fifty percent female. For purposes of
20 converting the member cash balance account attributable to contributions
21 made prior to January 1, 1984, that were transferred pursuant to the act,
22 the 1994 Group Annuity Mortality Table for males shall be used.

23 (c) For an employee hired on or after January 1, 2018, or rehired on
24 or after January 1, 2018, after termination of employment and being paid
25 a retirement benefit or taking a refund of contributions, the mortality
26 assumption used for purposes of converting the member cash balance
27 account shall be a unisex mortality table that is recommended by the
28 actuary and approved by the board following an actuarial experience
29 study, a benefit adequacy study, or a plan valuation. The mortality table
30 and actuarial factors in effect on the member's retirement date will be
31 used to calculate the actuarial equivalency of any retirement benefit;

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

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

13 (4) Cash balance benefit means a member's retirement benefit that is
14 equal to an amount based on annual employee contribution credits plus
15 interest credits and, if vested, employer contribution credits plus
16 interest credits and dividend amounts credited in accordance with
17 subdivision (4)(c) of section 84-1319;

18 (5)(a) Compensation means gross wages or salaries payable to the
19 member for personal services performed during the plan year. Compensation
20 does not include insurance premiums converted into cash payments,
21 reimbursement for expenses incurred, fringe benefits, per diems, or
22 bonuses for services not actually rendered, including, but not limited
23 to, early retirement inducements, cash awards, and severance pay, except
24 for retroactive salary payments paid pursuant to court order,
25 arbitration, or litigation and grievance settlements. Compensation
26 includes overtime pay, member retirement contributions, and amounts
27 contributed by the member to plans under sections 125, 403(b), and 457 of
28 the Internal Revenue Code or any other section of the code which defers
29 or excludes such amounts from income.

30 (b) Compensation in excess of the limitations set forth in section
31 401(a)(17) of the Internal Revenue Code shall be disregarded. For an

1 employee who was a member of the retirement system before the first plan
2 year beginning after December 31, 1995, the limitation on compensation
3 shall not be less than the amount which was allowed to be taken into
4 account under the retirement system as in effect on July 1, 1993;

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

7 (7) Defined contribution benefit means a member's retirement benefit
8 from a money purchase plan in which member benefits equal annual
9 contributions and earnings pursuant to section 84-1310 and, if vested,
10 employer contributions and earnings pursuant to section 84-1311;

11 (8) Disability means an inability to engage in any substantially
12 gainful activity by reason of any medically determinable physical or
13 mental impairment which was initially diagnosed or became disabling while
14 the member was an active participant in the plan and which can be
15 expected to result in death or to be of long-continued and indefinite
16 duration;

17 (9) Employee means any person or officer employed by the State of
18 Nebraska whose compensation is paid out of state funds or funds
19 controlled or administered by a state department through any of its
20 executive or administrative officers when acting exclusively in their
21 respective official, executive, or administrative capacities and any
22 employee of the State Board of Agriculture who is a member of the state
23 retirement system on July 1, 1982. Employee does not include (a) judges
24 as defined in section 24-701, (b) members of the Nebraska State Patrol,
25 except for those members of the Nebraska State Patrol who elected
26 pursuant to section 60-1304 to remain members of the State Employees
27 Retirement System of the State of Nebraska, (c) employees of the
28 University of Nebraska, (d) employees of the state colleges, (e)
29 employees of community colleges, (f) employees of the Department of Labor
30 employed prior to July 1, 1984, and paid from funds provided pursuant to
31 Title III of the federal Social Security Act or funds from other federal

1 sources, except that if the contributory retirement plan or contract let
2 pursuant to section 48-609, as such section existed prior to January 1,
3 2018, is terminated, such employees shall become employees for purposes
4 of the State Employees Retirement Act on the first day of the first pay
5 period following the termination of such contributory retirement plan or
6 contract, (g) employees of the State Board of Agriculture who are not
7 members of the state retirement system on July 1, 1982, (h) the Nebraska
8 National Guard air and army technicians, (i) persons who are required to
9 participate in the School Employees Retirement System of the State of
10 Nebraska pursuant to section 79-920, except that those persons so
11 required and actively contributing to the State Employees Retirement
12 System of the State of Nebraska as of March 4, 2022, shall continue as
13 members of the State Employees Retirement System of the State of
14 Nebraska, or (j) employees of the Coordinating Commission for
15 Postsecondary Education who are eligible for and have elected to become
16 members of a qualified retirement program approved by the commission
17 which is commensurate with retirement programs at the University of
18 Nebraska. Any individual appointed by the Governor may elect not to
19 become a member of the State Employees Retirement System of the State of
20 Nebraska;

21 (10) Employee contribution credit means an amount equal to the
22 member contribution amount required by section 84-1308;

23 (11) Employer contribution credit means an amount equal to the
24 employer contribution amount required by section 84-1309;

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

31 (13) Five-year break in service means five consecutive one-year

1 breaks in service;

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

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

6 (16) Guaranteed investment contract means an investment contract or
7 account offering a return of principal invested plus interest at a
8 specified rate. For investments made after July 19, 1996, guaranteed
9 investment contract does not include direct obligations of the United
10 States or its instrumentalities, bonds, participation certificates or
11 other obligations of the Federal National Mortgage Association, the
12 Federal Home Loan Mortgage Corporation, or the Government National
13 Mortgage Association, or collateralized mortgage obligations and other
14 derivative securities. This subdivision shall not be construed to require
15 the liquidation of investment contracts or accounts entered into prior to
16 July 19, 1996;

17 (17) Hire date or date of hire means the first day of compensated
18 service subject to retirement contributions;

19 (18) Interest credit rate means the greater of (a) five percent or
20 (b) the applicable federal mid-term rate, as published by the Internal
21 Revenue Service as of the first day of the calendar quarter for which
22 interest credits are credited, plus one and one-half percent, such rate
23 to be compounded annually;

24 (19) Interest credits means the amounts credited to the employee
25 cash balance account and the employer cash balance account at the end of
26 each day. Such interest credit for each account shall be determined by
27 applying the daily portion of the interest credit rate to the account
28 balance at the end of the previous day. Such interest credits shall
29 continue to be credited to the employee cash balance account and the
30 employer cash balance account after a member ceases to be an employee,
31 except that no such credit shall be made with respect to the employee

1 cash balance account and the employer cash balance account for any day
2 beginning on or after the member's date of final account value. If
3 benefits payable to the member's surviving spouse or beneficiary are
4 delayed after the member's death, interest credits shall continue to be
5 credited to the employee cash balance account and the employer cash
6 balance account until such surviving spouse or beneficiary commences
7 receipt of a distribution from the plan;

8 (20) Member cash balance account means an account equal to the sum
9 of the employee cash balance account and, if vested, the employer cash
10 balance account and dividend amounts credited in accordance with
11 subdivision (4)(c) of section 84-1319;

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

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

16 (23) Part-time employee means an employee who is employed to work
17 less than one-half of the regularly scheduled hours during each pay
18 period;

19 (24) Plan year means the twelve-month period beginning on January 1
20 and ending on December 31;

21 (25) Prior service means service before January 1, 1964;

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

26 (27) Required beginning date means, for purposes of the deferral of
27 distributions and the commencement of mandatory distributions pursuant to
28 section 401(a)(9) of the Internal Revenue Code and the regulations issued
29 thereunder, April 1 of the year following the calendar year in which a
30 member:

31 (a)(i) Terminated employment with the State of Nebraska; and

1 (ii)(A) Attained at least seventy and one-half years of age for a
2 member who attained seventy and one-half years of age on or before
3 December 31, 2019;

4 (B) Attained at least seventy-two years of age for a member who
5 attained seventy and one-half years of age on or after January 1, 2020,
6 and prior to January 1, 2023;

7 (C) Attained at least seventy-three years of age for a member who
8 attained seventy-two years of age after December 31, 2022, and seventy-
9 three years of age prior to January 1, 2033; or

10 (D) Attained at least seventy-five years of age for a member who
11 attained seventy-four years of age after December 31, 2032; or

12 (b)(i) Terminated employment with the State of Nebraska; and

13 (ii) Otherwise reached the date specified by section 401(a)(9) of
14 the Internal Revenue Code and the regulations issued thereunder;

15 (28) Required contribution means the deduction to be made from the
16 compensation of employees as provided in section 84-1308;

17 (29) Retirement means qualifying for and accepting the retirement
18 benefit granted under the State Employees Retirement Act after
19 terminating employment;

20 (30) Retirement application means the form approved and provided by
21 the retirement system for acceptance of a member's request for either
22 regular or disability retirement;

23 (31) Retirement board or board means the Public Employees Retirement
24 Board;

25 (32) Retirement date means (a) the first day of the month following
26 the date upon which a member's request for retirement is received on a
27 retirement application if the member is eligible for retirement and has
28 terminated employment or (b) the first day of the month following
29 termination of employment if the member is eligible for retirement and
30 has filed an application but has not yet terminated employment;

31 (33) Retirement system means the State Employees Retirement System

1 of the State of Nebraska;

2 (34) Service means the actual total length of employment as an
3 employee and shall not be deemed to be interrupted by (a) temporary or
4 seasonal suspension of service that does not terminate the employee's
5 employment, (b) leave of absence authorized by the employer for a period
6 not exceeding twelve months, (c) leave of absence because of disability,
7 or (d) military service, when properly authorized by the retirement
8 board. Service does not include any period of disability for which
9 disability retirement benefits are received under section 84-1317;

10 (35) State department means any department, bureau, commission, or
11 other division of state government not otherwise specifically defined or
12 exempted in the act, the employees and officers of which are not already
13 covered by a retirement plan;

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

25 (37)(a) ~~(37)~~ Termination of employment occurs on the date on which
26 the agency which employs the member determines that the member's
27 employer-employee relationship with the State of Nebraska is dissolved.
28 The agency which employs the member shall notify the board of the date on
29 which such a termination has occurred.

30 (b) Termination of employment does not occur if an employee whose
31 employer-employee relationship with the State of Nebraska is dissolved

1 enters into an employer-employee relationship with the same or another
2 agency of the State of Nebraska and there are less than one hundred
3 twenty days between the date when the employee's employer-employee
4 relationship ceased with the state and the date when the employer-
5 employee relationship commenced with the same or another agency.

6 (c) It is the responsibility of the employer that is involved in the
7 termination of employment to notify the board of such change in
8 employment and provide the board with such information as the board deems
9 necessary.

10 (d) 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 require
13 the member who has received such benefit to repay the benefit to the
14 retirement system unless the board determines that all or any portion of
15 such benefit was the result of an inadvertent benefit overpayment and
16 repayment of such benefit would create a significant hardship; and

17 (38) Vesting credit means credit for years, or a fraction of a year,
18 of participation in another Nebraska governmental plan for purposes of
19 determining vesting of the employer account.

20 **Sec. 21.** Section 84-1307, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 84-1307 (1) The membership of the retirement system shall be
23 composed of all persons who are or were employed by the State of Nebraska
24 and who maintain an account balance with the retirement system.

25 (2) The following employees of the State of Nebraska are authorized
26 to participate in the retirement system: (a) All permanent full-time
27 employees who have attained the age of eighteen years shall begin
28 participation in the retirement system upon employment; and (b) all
29 permanent part-time employees who have attained the age of eighteen years
30 may exercise the option to begin participation in the retirement system
31 within the first thirty days of employment. An employee who exercises the

1 option to begin participation in the retirement system pursuant to this
2 section shall remain in the retirement system until his or her
3 termination of employment or retirement, regardless of any change of
4 status as a permanent or temporary employee.

5 (3) No employee shall be authorized to participate in the retirement
6 system provided for in the State Employees Retirement Act unless the
7 employee is a United States citizen or is lawfully present in the United
8 States. The employing state agency and the employee shall maintain at
9 least one of the following documents, which shall be unexpired τ if
10 applicable to the particular document or which has an expiration date
11 that has been extended by the United States Department of Homeland
12 Security or the United States Citizenship and Immigration Services so
13 that such document is still valid, to demonstrate United States
14 citizenship or lawful presence in the United States as of the employee's
15 date of hire and produce any such document so maintained upon request of
16 the retirement board or the Nebraska Public Employees Retirement Systems:

17 (a) A state-issued driver's license;

18 (b) A state-issued identification card;

19 (c) A state-issued motor vehicle learner's permit;

20 (d) ~~(e)~~ A certified copy of a birth certificate or delayed birth
21 certificate issued in any state, territory, or possession of the United
22 States;

23 (e) ~~(d)~~ A Consular Report of Birth Abroad issued by the United
24 States Department of State;

25 (f) ~~(e)~~ A United States passport;

26 (g) ~~(f)~~ A foreign passport with a United States visa;

27 (h) ~~(g)~~ A United States Certificate of Naturalization;

28 (i) ~~(h)~~ A United States Certificate of Citizenship;

29 (j) ~~(i)~~ A tribal certificate of Native American blood or similar
30 document;

31 (k) ~~(j)~~ A United States Citizenship and Immigration Services

1 Employment Authorization Document, Form I-766;

2 (l) ~~(k)~~ A United States Citizenship and Immigration Services
3 Permanent Resident Card, Form I-551; or

4 (m) ~~(l)~~ Any other document issued by the United States Department of
5 Homeland Security or the United States Citizenship and Immigration
6 Services granting employment authorization in the United States and
7 approved by the retirement board.

8 (4) For purposes of this section, (a) permanent full-time employees
9 includes employees of the Legislature or Legislative Council who work
10 one-half or more of the regularly scheduled hours during each pay period
11 of the legislative session and (b) permanent part-time employees includes
12 employees of the Legislature or Legislative Council who work less than
13 one-half of the regularly scheduled hours during each pay period of the
14 legislative session.

15 (5)(a) Within the first one hundred eighty days of employment, a
16 full-time employee may apply to the board for vesting credit for years of
17 participation in another Nebraska governmental plan, as defined by
18 section 414(d) of the Internal Revenue Code. During the years of
19 participation in the other Nebraska governmental plan, the employee must
20 have been a full-time employee, as defined in the Nebraska governmental
21 plan in which the credit was earned. The board may adopt and promulgate
22 rules and regulations governing the assessment and granting of vesting
23 credit.

24 (b) If the contributory retirement plan or contract let pursuant to
25 section 48-609, as such section existed prior to January 1, 2018, is
26 terminated, employees of the Department of Labor who are active
27 participants in such contributory retirement plan or contract on the date
28 of termination of such plan or contract shall be granted vesting credit
29 for their years of participation in such plan or contract.

30 (6) Any employee who qualifies for membership in the retirement
31 system pursuant to this section may not be disqualified for membership in

1 the retirement system solely because such employee also maintains
2 separate employment which qualifies the employee for membership in
3 another public retirement system, nor may membership in this retirement
4 system disqualify such an employee from membership in another public
5 retirement system solely by reason of separate employment which qualifies
6 such employee for membership in this retirement system.

7 (7) State agencies shall ensure that employees authorized to
8 participate in the retirement system pursuant to this section shall
9 enroll and make required contributions to the retirement system
10 immediately upon becoming an employee. Information necessary to determine
11 membership in the retirement system shall be provided by the employer.

12 **Sec. 22.** Section 84-1322, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 84-1322 (1) Prior to January 1, 2020, except as otherwise provided
15 in this section, a member of the retirement system who has a five-year
16 break in service shall upon reemployment be considered a new employee
17 with respect to the State Employees Retirement Act and shall not receive
18 credit for service prior to his or her reemployment date.

19 (2)(a) A member who ceases to be an employee before becoming
20 eligible for retirement under section 84-1317 and again becomes a
21 permanent full-time or permanent part-time state employee prior to having
22 a five-year break in service shall immediately be reenrolled in the
23 retirement system and resume making contributions. For purposes of
24 vesting employer contributions made prior to and after reentry into the
25 retirement system under subsection (3) of section 84-1321, years of
26 participation include years of participation prior to such employee's
27 original termination. For a member who is not vested and has received a
28 termination benefit pursuant to section 84-1321, the years of
29 participation prior to such employee's original termination shall be
30 limited in a ratio equal to the amount that the member repays divided by
31 the termination benefit withdrawn pursuant to section 84-1321. This

1 subsection shall apply whether or not the person was a state employee on
2 April 20, 1986, or July 17, 1986.

3 (b) The reemployed member may repay the value of, or a portion of
4 the value of, the termination benefit withdrawn pursuant to section
5 84-1321. A reemployed member who elects to repay all or a portion of the
6 value of the termination benefit withdrawn pursuant to section 84-1321
7 shall repay the actual earnings on such value. Repayment of the
8 termination benefit shall commence within three years after reemployment
9 and shall be completed within five years after reemployment or prior to
10 termination of employment, whichever occurs first, through (i) direct
11 payments to the retirement system, (ii) installment payments made
12 pursuant to a binding irrevocable payroll deduction authorization made by
13 the member, (iii) an eligible rollover distribution as provided under the
14 Internal Revenue Code, or (iv) a direct rollover distribution made in
15 accordance with section 401(a)(31) of the Internal Revenue Code.

16 (c) The value of the member's forfeited employer account or employer
17 cash balance account, as of the date of forfeiture, shall be restored in
18 a ratio equal to the amount of the benefit that the member has repaid
19 divided by the termination benefit received. The employer account or
20 employer cash balance account shall be restored first out of the current
21 forfeiture amounts and then by additional employer contributions.

22 (3) For a member who retired pursuant to section 84-1317 and becomes
23 a permanent full-time employee or permanent part-time employee with the
24 state more than one hundred twenty days after his or her retirement date,
25 the member shall continue receiving retirement benefits. Such a retired
26 member or a retired member who received a lump-sum distribution of his or
27 her benefit shall be considered a new employee as of the date of
28 reemployment and shall not receive credit for any service prior to the
29 member's retirement for purposes of the act.

30 (4) A member who is reinstated as an employee pursuant to a
31 grievance or appeal of his or her termination by the state shall be a

1 member upon reemployment and shall not be considered to have a break in
2 service for such period of time that the grievance or appeal was pending.

3 (5) Beginning January 1, 2020, if a contributing member of the
4 retirement system ceases to be an employee and returns to service in any
5 capacity with the state prior to having a one-hundred-twenty-day break in
6 service, the member:

7 (a) Shall not be deemed to have had a bona fide separation of
8 service;

9 (b) Shall be immediately reenrolled in:

10 (i) The defined contribution benefit if the member was contributing
11 to the defined contribution benefit prior to ceasing employment; or

12 (ii) The cash balance benefit in which the member was participating
13 prior to ceasing employment if the member was contributing to the cash
14 balance benefit prior to ceasing employment;

15 (c) Shall immediately resume making contributions;

16 (d) Shall make up any missed contributions based upon services
17 rendered and compensation received;

18 (e) Shall have all distributions from the retirement system
19 canceled; and

20 (f) Shall repay the gross distributions from the retirement system
21 unless the board determines that all or any portion of such gross
22 distributions were the result of an inadvertent benefit overpayment and
23 repayment of such gross distributions would create a significant
24 hardship.

25 (6)(a) Beginning January 1, 2020, if a contributing member of the
26 retirement system ceases to be an employee and returns to permanent full-
27 time or permanent part-time service in any capacity with the state after
28 having a one-hundred-twenty-day break in service, the member:

29 (i) Shall be immediately reenrolled in:

30 (A) The defined contribution benefit if the member was contributing
31 to the defined contribution benefit prior to ceasing employment; or

1 (B) The cash balance benefit in which the member was participating
2 prior to ceasing employment if the member was contributing to the cash
3 balance benefit prior to ceasing employment;

4 (ii) Shall immediately resume making contributions;

5 (iii) Shall continue receiving any annuity elected after the member
6 ceased employment and before the member was reemployed; and

7 (iv) Shall be prohibited from taking any distributions from the
8 retirement system until the employee again terminates employment with the
9 state.

10 (b) For the purposes of vesting employer contributions made prior to
11 and after reentry into the retirement system, the member's years of
12 participation prior to the date the member originally ceased employment
13 and the years of participation after the member is reenrolled in the
14 retirement system shall be included as years of participation, except
15 that if the member is not vested on the date the member originally ceased
16 employment and has taken a distribution, the years of participation prior
17 to the date the member originally ceased employment shall be limited in a
18 ratio equal to the value of the distribution that the member repays
19 divided by the total value of the distribution taken as described in
20 subdivision (6)(c) of this section.

21 (c) A reemployed member may repay all or a portion of the value of a
22 distribution except for an annuity elected after the member ceased
23 employment and before the member was reemployed. Repayment of such a
24 distribution shall commence within three years after reemployment and
25 shall be completed within five years after reemployment or prior to the
26 member again ceasing employment, whichever occurs first, through (i)
27 direct payments to the retirement system, (ii) installment payments made
28 pursuant to a binding irrevocable payroll deduction authorization made by
29 the member, (iii) an eligible rollover distribution as provided under the
30 Internal Revenue Code, or (iv) a direct rollover distribution made in
31 accordance with section 401(a)(31) of the Internal Revenue Code. If the

1 member fails to repay all of the value of such a distribution prior to
2 the member again ceasing employment, the member shall be forever barred
3 from repaying the value of such a distribution taken between the periods
4 of employment. The value of the member's forfeited employer account or
5 employer cash balance account, as of the date of forfeiture, shall be
6 restored in a ratio equal to the amount of the distribution repaid by the
7 member divided by the amount of the distribution taken. The employer
8 account or employer cash balance account shall be restored first out of
9 the current forfeiture amounts and then by additional employer
10 contributions.

11 **Sec. 23.** Section 84-1502, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 84-1502 (1) Within thirty days after its appointment, the Public
14 Employees Retirement Board shall meet and select a chairperson and
15 secretary. Thereafter, the chairperson and the secretary shall be elected
16 in January of each year.

17 (2) The board shall meet upon call of the chairperson, upon the call
18 of the vice-chairperson, or upon the request of three members of the
19 board filed with the board office. Meetings of the board shall be held in
20 this state and may be held by telecommunication equipment if the
21 requirements of the Open Meetings Act are met.

22 (3) The members of the board, except the state investment officer,
23 shall be paid seventy-five dollars per diem for attendance at any meeting
24 of the board or for any travel to or from any meeting of the board if
25 such travel occurs on a different day than a board meeting. All , and all
26 members shall be reimbursed for expenses incurred in connection with the
27 performance of their duties as board members, including mileage, as
28 provided in sections 81-1174 to 81-1177.

29 **Sec. 24.** Section 84-1504, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 84-1504 (1) The Public Employees Retirement Board, on behalf of the

1 state, may contract with any individual to defer a portion of such
2 individual's compensation or with the Legislative Council to defer any
3 other amount that the Legislative Council agrees to credit to an
4 individual's account pursuant to section 457 of the Internal Revenue
5 Code.

6 (2) The compensation to be deferred at the election of the
7 individual and any other amount credited on behalf of such individual by
8 the Legislative Council shall not exceed the total compensation to be
9 received by the individual from the employer or exceed the limits
10 established by the Internal Revenue Code for such a plan.

11 (3) The deferred compensation program shall serve in addition to but
12 not be a part of any existing retirement or pension system provided for
13 state or county employees or any other benefit program.

14 (4) Any compensation deferred at the election of the individual
15 under such a deferred compensation plan shall continue to be included as
16 regular compensation for the purpose of computing the retirement,
17 pension, or social security contributions made or benefits earned by any
18 employee.

19 (5) Any sum so deferred shall not be included in the computation of
20 any federal or state taxes withheld on behalf of any such individual.

21 (6) The state, the board, the state investment officer, the agency,
22 or the county shall not be responsible for any investment results entered
23 into by the individual in the deferred compensation agreement.

24 (7) Nothing in this section shall in any way limit, restrict, alter,
25 amend, invalidate, or nullify any deferred compensation plan previously
26 instituted by any instrumentality or agency of the State of Nebraska, and
27 any such plan is hereby authorized and approved.

28 (8) No employee of the state or any political subdivision of the
29 state shall be authorized to participate in a deferred compensation plan
30 unless the employee is a United States citizen or is lawfully present in
31 the United States. The employing state agency or political subdivision of

1 the State of Nebraska and the employee shall maintain at least one of the
2 following documents, ~~which shall be unexpired~~ ~~if applicable to the~~
3 particular document or which has an expiration date that has been
4 extended by the United States Department of Homeland Security or the
5 United States Citizenship and Immigration Services so that such document
6 is still valid, to demonstrate United States citizenship or lawful
7 presence in the United States as of the employee's date of hire and
8 produce any such document so maintained upon request of the Public
9 Employees Retirement Board or the Nebraska Public Employees Retirement
10 Systems:

11 (a) A state-issued driver's license;

12 (b) A state-issued identification card;

13 (c) A state-issued motor vehicle learner's permit;

14 (d) ~~(e)~~ A certified copy of a birth certificate or delayed birth
15 certificate issued in any state, territory, or possession of the United
16 States;

17 (e) ~~(d)~~ A Consular Report of Birth Abroad issued by the United
18 States Department of State;

19 (f) ~~(e)~~ A United States passport;

20 (g) ~~(f)~~ A foreign passport with a United States visa;

21 (h) ~~(g)~~ A United States Certificate of Naturalization;

22 (i) ~~(h)~~ A United States Certificate of Citizenship;

23 (j) ~~(i)~~ A tribal certificate of Native American blood or similar
24 document;

25 (k) ~~(j)~~ A United States Citizenship and Immigration Services
26 Employment Authorization Document, Form I-766;

27 (l) ~~(k)~~ A United States Citizenship and Immigration Services
28 Permanent Resident Card, Form I-551; or

29 (m) ~~(l)~~ Any other document issued by the United States Department of
30 Homeland Security or the United States Citizenship and Immigration
31 Services granting employment authorization in the United States and

1 approved by the Public Employees Retirement Board.

2 (9) For purposes of this section, individual means (a) any state
3 employee, whether employed on a permanent or temporary basis, full-time
4 or part-time, (b) a person under contract providing services to the state
5 who is not employed by the University of Nebraska or any of the state
6 colleges or community colleges and who has entered into a contract with
7 the state to have compensation deferred prior to August 28, 1999, and (c)
8 any county employee designated as a permanent part-time or full-time
9 employee or elected official whose employer does not offer a deferred
10 compensation plan and who has entered into an agreement pursuant to
11 section 48-1401.

12 **Sec. 25.** Section 84-1511, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 84-1511 (1) For purposes of this section:

15 (a) Leave with pay means time off paid by the employer and does not
16 mean vacation, sick, personal, or compensatory time; and

17 (b) Session means an in-person training or live-broadcast webinar
18 but does not include information that can be accessed at any time via
19 electronic means unless the information accessed via electronic means
20 is: -

21 (i) In connection with any retirement-planning session provided by
22 the Public Employees Retirement Board;

23 (ii) No longer than four hours; and

24 (iii) Accessed by the member within forty-eight hours after such
25 information was made available by the Public Employees Retirement Board.

26 (2)(a) The Public Employees Retirement Board shall provide sessions
27 for state patrol officers, state employees, judges, county employees, and
28 school employees who are members of the retirement systems established
29 pursuant to the County Employees Retirement Act, the Judges Retirement
30 Act, the School Employees Retirement Act, the Nebraska State Patrol
31 Retirement Act, and the State Employees Retirement Act. The sessions

1 shall provide information and advice regarding the many changes members
2 face upon retirement, including, but not limited to, changes in physical
3 and mental health, housing, family life, leisure activity, and retirement
4 income.

5 (b) The sessions shall be available to any member who has satisfied
6 the vesting requirements under the retirement system in which the member
7 participates.

8 (c) The sessions shall include information on the federal and state
9 income tax consequences of the various annuity or retirement benefit
10 options available to retirement system members, information on social
11 security benefits, information on various local, state, and federal
12 government programs and programs in the private sector designed to assist
13 elderly persons, and information and advice the board deems valuable in
14 assisting retirement system members in the transition from public
15 employment to retirement.

16 (d) Beginning September 1, 2024, as provided pursuant to section
17 79-9,117, the board shall also provide the sessions described in this
18 subsection to school employees who are members of any retirement system
19 established pursuant to the Class V School Employees Retirement Act.

20 (3) The board shall work with the Department of Health and Human
21 Services, the personnel division of the Department of Administrative
22 Services, employee groups, and any other governmental agency, including
23 political subdivisions or bodies whose services or expertise may enhance
24 the development or implementation of the sessions.

25 (4)(a)(i) Each employer participating in the Retirement System for
26 Nebraska Counties or the State Employees Retirement System of the State
27 of Nebraska shall provide each member leave with pay to attend up to
28 three days of sessions or up to twenty-four hours of sessions.

29 (ii) Each employer participating in the Nebraska Judges Retirement
30 System, the School Employees Retirement System of the State of Nebraska,
31 or the Nebraska State Patrol Retirement System shall provide each member

1 leave with pay to attend up to two days of sessions or up to sixteen
2 hours of sessions.

3 (b) Leave authorized pursuant to subdivision (4)(a) of this section
4 may only be used to attend sessions that occur during the employee's
5 normal work day.

6 (c) A member may choose to attend more sessions than the leave
7 authorized pursuant to subdivision (4)(a) of this section, but leave to
8 attend such additional sessions shall be at the expense of the member and
9 shall be at the discretion of the employer.

10 (5) Funding to cover the expenses of a session shall be charged back
11 to the retirement fund of each plan for which sessions are provided
12 pursuant to subsection (2) of this section on a pro rata share based on
13 the number of members in each plan, except that a nominal registration
14 fee may be charged to each person attending an in-person training session
15 to cover the costs for meals, meeting rooms, or other expenses incurred
16 that are incident to an in-person training session.

17 **Sec. 26.** (1)(a) Except as otherwise provided in this section, no
18 person or entity shall include any name, logo, symbol, or similar name,
19 logo, or symbol of any of the following in a written solicitation for any
20 financial product or service directed to a member of any Nebraska state
21 public retirement system without the consent of the Public Employees
22 Retirement Board:

23 (i) The Public Employees Retirement Board;

24 (ii) The Nebraska Public Employees Retirement Systems;

25 (iii) The School Employees Retirement System of the State of
26 Nebraska;

27 (iv) Any retirement system for a Class V school;

28 (v) The Retirement System for Nebraska Counties;

29 (vi) The State Employees Retirement System;

30 (vii) The Nebraska Judges Retirement System; or

31 (viii) The Nebraska State Patrol Retirement System.

1 (b) Any written solicitation for any financial product or service
2 directed to a member of any Nebraska state public retirement system shall
3 clearly and conspicuously state that the person or entity is not
4 sponsored by or affiliated with the Public Employees Retirement Board,
5 the Nebraska Public Employees Retirement Systems, or any retirement
6 system specified in subdivisions (1)(a)(iii) through (viii) of this
7 section. Any such statement shall be in close proximity to and in larger
8 font size than the first use and any prominent uses of the name, logo, or
9 symbol in the written solicitation, including on an envelope or through
10 an envelope window containing the written solicitation.

11 (2) No person or entity shall use the name of the Public Employees
12 Retirement Board, the Nebraska Public Employees Retirement Systems, any
13 retirement system specified in subdivisions (1)(a)(iii) through (viii) of
14 this section, or any name similar to the Public Employees Retirement
15 Board, the Nebraska Public Employees Retirement Systems, or any
16 retirement system specified in subdivisions (1)(a)(iii) through (viii) of
17 this section, in any written solicitation for any financial product or
18 service directed to any member of any Nebraska state public retirement
19 system if such use could cause a reasonable person to be confused,
20 mistaken, or deceived initially or otherwise as to either of the
21 following:

22 (a) Any sponsorship, affiliation, connection, or association with
23 the person who or entity that initiated or sent the written solicitation
24 and the Public Employees Retirement Board, the Nebraska Public Employees
25 Retirement Systems, or any retirement system specified in subdivisions
26 (1)(a)(iii) through (viii) of this section;

27 (b) Any approval or endorsement of the person who or entity that
28 initiated or sent the written solicitation by the Public Employees
29 Retirement Board, the Nebraska Public Employees Retirement Systems, or
30 any retirement system specified in subdivisions (1)(a)(iii) through
31 (viii) of this section; or

1 (c) Any approval or endorsement of any product or service provided
2 or offered by the person who or entity that initiated or sent the written
3 solicitation by the Public Employees Retirement Board, the Nebraska
4 Public Employees Retirement Systems, or any retirement system specified
5 in subdivisions (1)(a)(iii) through (viii) of this section.

6 **Sec. 27.** Sections 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15,
7 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, and 28 of this act become
8 operative three calendar months after the adjournment of this legislative
9 session. The other sections of this act become operative on their
10 effective date.

11 **Sec. 28.** Original sections 23-2320, 42-1102, 79-902, 79-904.01,
12 79-915, 79-956, 79-978, 79-9,103, 79-9,106, 79-9,117, 79-9,118, 81-2014,
13 81-2016, 84-1301, 84-1307, 84-1322, 84-1502, 84-1504, and 84-1511,
14 Reissue Revised Statutes of Nebraska, and sections 4-108, 23-2301,
15 23-2306, 24-701, and 24-703.01, Revised Statutes Cumulative Supplement,
16 2024, are repealed.

17 **Sec. 29.** Original section 24-703, Revised Statutes Cumulative
18 Supplement, 2024, is repealed.

19 **Sec. 30.** Since an emergency exists, this act takes effect when
20 passed and approved according to law.