

LEGISLATIVE BILL 350

Approved by the Governor March 29, 1985

Introduced by Nebraska Retirement Systems Committee,
Harris, 27, Chairperson; Abboud, 12;
Goodrich, 20; Vickers, 38; Warner, 25;
Wesely, 26

AN ACT relating to the school retirement system; to amend section 79-1501, Revised Statutes Supplement, 1984; to change provisions relating to certain retirement benefits; to harmonize provisions; to provide duties for the Revisor of Statutes; to repeal the original section; and to declare an emergency.

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

Section 1. That section 79-1501, Revised Statutes Supplement, 1984, be amended to read as follows:

79-1501. As used in sections 79-1501 to ~~79-1553~~ 79-1557 and sections 2 and 3 of this act, unless the context otherwise requires:

(1) Accumulated contributions shall mean the sum of all amounts deducted from the compensation of a member and credited to his or her individual account in the School Employees' Savings Fund together with regular interest thereon, compounded annually;

(2) Beneficiary shall mean any person in receipt of a school retirement allowance or other benefit provided by sections 79-1501 to ~~79-1557~~ and sections 2 and 3 of this act;

(3) Member shall mean any person who has an account in the School Employees' Savings Fund;

(4) County school official shall mean the county superintendent or district superintendent and any person serving in his or her office who is required by law to have a teacher's certificate;

(5) Creditable service shall mean prior service for which credit is granted under sections 79-1515 to 79-1518 plus all service rendered while a member of the retirement system, and shall include working days, sick days, vacation days, holidays, and any other leave days for which the employee is paid regular wages as part of the employee's agreement with the employer. Creditable service shall not include lump-sum payments to the employee upon termination or retirement in lieu of accrued benefits for such days;

(6) Disability retirement allowance shall mean the annuity paid to a person upon retirement for disability under ~~the provisions of~~ section 79-1524;

(7) Employer shall mean the State of Nebraska or any subdivision thereof or agency of the state or subdivision authorized by law to hire school employees, as defined in this section, or to pay their salaries;

(8) Fiscal year shall mean any year beginning July 1 and ending June 30 next following;

(9) Regular interest shall mean interest at such a rate as shall be determined by the retirement board in conformity with actual and expected earnings on its investments;

(10) Junior school employee shall mean a school employee, as herein defined, who has not arrived at his or her twenty-first birthday anniversary on August 15 preceding;

(11) Present senior school employee shall mean a senior school employee, as herein defined, who was employed within the State of Nebraska on September 1, 1945;

(12) Full-time employee shall mean a person whose services are engaged for full-time employment on an annual or continuing contract basis;

(13) Prior service shall mean service rendered as a school employee in the public schools of the State of Nebraska, as such is defined in this section, prior to July 1, 1945;

(14) Public school shall mean any and all schools supported by public funds and wholly under the control and management of the State of Nebraska, or any subdivision thereof, including schools established, maintained, and controlled by the school boards of local school districts and schools under the control and management of the state colleges, the Board of Regents of the University of Nebraska, any educational service unit, and any other educational institution wholly supported by public funds;

(15) Retirement shall mean qualifying for and accepting a school or disability retirement allowance granted under the provisions of sections 79-1501 to 79-1557 and sections 2 and 3 of this act;

(16) Retirement board or board shall mean the Public Employees Retirement Board, which shall administer the retirement system;

(17) Retirement system shall mean the school retirement system of the State of Nebraska provided for in sections 79-1501 to 79-1557 and sections 2 and 3 of this act;

(18) Required deposit shall mean the deduction from a member's compensation as provided for in section 79-1531, which shall all be deposited in the School Employees' Savings Fund;

(19) School year shall mean one fiscal year which shall include not less than one hundred twenty teaching days or, in the case of service in the State of Nebraska prior to July 1, 1945, not less than seventy-five

per cent of the then legal school year;

(20) Senior school employee shall mean a school employee, as herein defined, who has arrived at his or her twenty-first birthday anniversary on August 15 preceding;

(21) Service shall mean service as a school employee;

(22) School retirement allowance shall mean the total of the savings annuity and the service annuity paid a person who has retired under the provisions of sections 79-1520 and 79-1521. The monthly payments shall be payable at the end of each calendar month during the life of a retired member. The first payment shall include all amounts accrued since the effective date of the award of annuity, including a pro rata portion of the monthly amount of any fraction of a month elapsing between the effective date of such annuity and the end of the calendar month in which such annuity began. The last payment shall be at the end of the calendar month in which such member shall die;

(23) Service annuity shall mean payments for life, made in equal monthly installments, derived from appropriations made by the State of Nebraska to the retirement system;

(24) State deposit shall mean the deposit by the state in the retirement system on behalf of any member;

(25) State school official shall mean the Commissioner of Education and his or her professional staff and the assistant commissioner of education in charge of vocational education and his or her professional staff;

(26) School employee shall mean any employee of a public school whose services are engaged for at least half-time employment on an annual or continuing contract basis;

(27) Savings annuity shall mean payments for life, made in equal monthly payments, derived from the accumulated contributions of a member;

(28) Emeritus member shall mean a person who has entered retirement under the provisions of sections 79-1501 to 79-1557 and sections 2 and 3 of this act, including those persons who have retired since July 1, 1945, under any other regularly established retirement or pension system as contemplated by section 79-1512, and who has thereafter been reemployed in any capacity by a public school in Nebraska, or has become a state school official or county school official subsequent to such retirement, and who has applied to the board for emeritus membership in the retirement system. The school district or agency shall certify to the retirement board on forms prescribed by the retirement board that the annuitant was reemployed, rendered a service, and was paid by the district for such services; and

(29) Primary carrier shall mean the life insurance companies and trust companies designated as the

underwriter or trustee of the retirement system.

Sec. 2. Until July 1, 1985, if a member of the retirement system retires, again becomes a school employee and a member of the retirement system, and then reretires, the member's benefit upon reretirement shall consist of his or her original retirement benefit and the additional benefit earned as a result of employment following prior retirement. The original benefit shall be reinstated and shall continue in the same amount and in the same form or option as was previously elected. The additional benefit earned shall be computed as follows:

(1) A benefit shall be calculated based on the member's total service and compensation record and the statutes in effect at the time of reretirement. This benefit shall not be reduced for early retirement and shall be calculated under the life-only option;

(2) The member's original retirement benefit shall be calculated under the life-only option without any adjustments for early retirement, deferred retirement, or election of optional forms; and

(3) The additional benefit earned shall be the excess, if any, of the benefit calculated in subdivision (1) of this section over the benefit calculated in subdivision (2) of this section, adjusted if necessary to reflect early retirement or the election of an optional form other than the life-only option.

Sec. 3. Commencing July 1, 1985, a beneficiary retired under sections 79-1501 to 79-1557 and sections 2 and 3 of this act who returns to employment as a school employee, except for members retired under sections 79-1523 to 79-1526, may waive the payments and return to regular employment in a public school of this state if the beneficiary notifies the retirement board in advance of the time and place of such employment and that he or she will become a member of the retirement system. The notice shall be in writing upon forms prescribed by the retirement board. Any person collecting retirement payments without filing such notice shall be subject to a withholding of future retirement benefits equal to twice the amount collected after being regularly employed.

Upon termination of such employment, if the beneficiary notifies the retirement board in writing upon forms prescribed by such board, his or her school retirement allowance under the option previously elected, specified under group annuity contract if one exists or under the option permitted by the retirement board if no group annuity contract exists, shall be reinstated.

For any service credit earned after returning to employment, upon reretirement such member shall become eligible for the retirement allowance provided in sections 79-1522 and 79-1522.01. At the option of the terminating member, such annuity may commence at any time after such member attains the age of sixty and before his or her

sixty-fifth birthday on an actuarially reduced basis. Such election by the terminating member may be made at any time prior to the commencement of the annuity payments.

At any time before the new retirement date, a member may elect to receive his or her new school retirement allowance under any optional form specified in the group annuity contract if one exists or under any optional form permitted by the retirement board if no group annuity contract exists. Such optional annuity shall be the actuarial equivalent of the normal form of the annuity.

Sec. 4. The Revisor of Statutes shall assign sections 2 and 3 of this act to Chapter 79, article 15, and references to sections 79-1501 to 79-1557 and to Chapter 79, article 15, shall be construed to include sections 2 and 3 of this act.

Sec. 5. That original section 79-1501, Revised Statutes Supplement, 1984, is repealed.

Sec. 6. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.