

LEGISLATIVE BILL 423

Approved by the Governor May 26, 1973

Introduced by Retirement Committee, Hasebroock, 18,  
V-Chmn.; Luedtke, 28; Goodrich, 20

AN ACT to amend section 85-320, Reissue Revised Statutes of Nebraska, 1943, section 85-304, Reissue Revised Statutes of Nebraska, 1943, as amended by section 3, Legislative Bill 248, Eighty-third Legislature, First Session, 1973, and section 85-106, Revised Statutes Supplement, 1972, as amended by section 2, Legislative Bill 149, Eighty-third Legislature, First Session, 1973, relating to higher education; to provide for the investment of retirement funds; to provide for insurance benefits; to permit a retirement system for employees of the State Board of Technical Community Colleges or of any area board; to repeal the original sections, and also section 79-1624, Reissue Revised Statutes of Nebraska, 1943.

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

Section 1. That section 85-106, Revised Statutes Supplement, 1972, as amended by section 2, Legislative Bill 149, Eighty-third Legislature, First Session, 1973, be amended to read as follows:

85-106. The Board of Regents shall have power (1) to enact laws for the government of the university; (2) to elect a president, vice presidents, chancellors, vice chancellors, deans, associate deans, assistant deans, directors, associate directors, assistant directors, professors, associate professors, assistant professors, instructors, other members of the faculty staff, and employees generally of the university, and to provide for academic tenure for professors, associate professors, and assistant professors; (3) to prescribe the duties of such persons, not inconsistent with section 4 of this act Legislative Bill 149; (4) to fix their compensation; (5) to provide, in its discretion, retirement benefits for present and future employees of the university, subject to the following: (a) The cost of such retirement benefits shall be funded in accordance with sound actuarial principles with the necessary contributions for both past service and future service being treated in the university budget in the same way as any other operating expense, (b) the maximum university

contribution under any such retirement plan shall not exceed the sum of (i) six per cent of each university employee's salary or wage earnings for any calendar year before any agreement for reduction of salary or wage earnings, and (ii) pursuant to an agreement for reduction of salary or wage earnings, the amount of the reduction of salary or wage earnings, (c) each employee's contribution shall at least equal the university's contribution under subdivision (5) (b) (i) of this section to any such retirement fund; Provided, that in lieu of making such contribution, each such employee may enter into an agreement for reduction of salary or wages for the purchase by the Board of Regents of an annuity contract for such employee, under the provisions of the Technical Amendments Act of 1958 to the Internal Revenue Code, as amended, but the amount of the reduction of salary or wages allowable under this subdivision may not include credit for service prior to March 29, 1972, (d) the retirement benefits of any employee for service prior to September 1, 1961 shall be those provided under the retirement plan then in force which benefits shall not be abridged; provided, that such retirement benefits shall become fully vested in the event of an employee's termination of employment, if such an employee shall have at least ten years of service at the date of termination, and (e) the investment of retirement funds shall be pursuant to sections 72-1237 to 72-1259, but no change in the type of investment of such funds shall be made without the prior approval of the Board of Regents; (6) to equalize and provide for uniform benefits for all present and future employees, including group life insurance, group hospital-medical insurance, group long-term disability income insurance and retirement benefits; (7) to provide, through the University Extension Division, for the holding of classes at various localities throughout the state avoiding unnecessary duplication of courses offered by other educational institutions in such localities; (8) to remove the president, vice presidents, chancellors, vice chancellors, deans, associate deans, assistant deans, directors, associate directors, assistant directors, professors, associate professors, assistant professors, instructors, other members of the faculty staff, and employees generally, when the interests of the university shall require it; and (9) to pay expenses for recruitment of academic, administrative, professional, and managerial personnel.

Sec. 2. That section 85-304, Reissue Revised Statutes of Nebraska, 1943, as amended by section 3, Legislative Bill 248, Eighty-third Legislature, First Session, 1973, be amended to read as follows:

85-304. The board shall have the power:

(1) To appoint a president and such other persons as may be required for each school;

(2) To fix their compensation and prescribe their duties;

(3) To remove all persons appointed, but the affirmative votes of four members of the board shall be necessary to remove a president or an assistant during the time for which such persons were appointed;

(4) Through an extension division to provide for holding of classes at various localities throughout the state, avoiding unnecessary duplication of courses offered by other educational institutions in such localities;

(5) To acquire real and personal property and dispose of the same whenever any of the state colleges will be benefited thereby, but no grounds upon which any buildings of any of the state colleges are located shall be disposed of without the consent of the Legislature; and

(6) To pay expenses for recruitment of academic, administrative, professional, and managerial personnel; and

(7) To provide benefits for all present and future employees, including group life insurance, group hospital-medical insurance, and group long-term disability income insurance.

Sec. 3. That section 85-320, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

85-320. The Board of Trustees of the Nebraska State Colleges shall have power, in its discretion, to provide retirement benefits for present and future employees of the board, subject to the following: (1) The cost of such retirement benefits shall be funded in accordance with sound actuarial principles with the necessary contributions for both past service and future service being treated in the budgets in the same way as any other operating expense, (2) the maximum state contribution under such retirement plan shall not exceed the sum of (a) six per cent of each employee's salary or wage earnings for any calendar year before any agreement for reduction of salary or wage earnings, and (b) pursuant to an agreement for reduction of salary or wage

earnings, the amount of the reduction of salary or wage earnings, (3) each employee's contribution shall at least equal the state contribution under subdivision (2) (a) of this section to any such retirement fund; but shall not exceed six per cent of each state college employee's salary or wage earnings for any calendar year and shall be calculated before any agreement for any reduction of salary or wage earnings; Provided, that in lieu of making such contribution, each such employee may enter into an agreement for reduction of salary or wages in an amount equal to such employee's contribution for the purchase by the board of an annuity contract for such employee, under the provisions of the Technical Amendments Act of 1958 to the Internal Revenue Code, as amended, but the amount of the reduction of salary or wages allowable under this subdivision may not include credit for service prior to January 1, 1973, and (4) the retirement benefits of any employee for service prior to the effective date of any retirement plan established under the provisions of this section shall be those provided under the retirement plan now then in force which benefits shall not be abridged. The investment for such a retirement plan shall be made by the state investment officer, but the state investment officer shall not change the type of investment for such retirement plan without the approval of the Board of Trustees of the Nebraska State Colleges.

Sec. 4. The State Board of Technical Community Colleges or any area board shall have power, in its discretion, to provide retirement benefits for present and future employees of such board, subject to the following: (1) The cost of such retirement benefits shall be funded in accordance with sound actuarial principles with the necessary contributions for both past service and future service being treated in the budgets in the same way as any other operating expense; (2) the maximum state contribution under such retirement plan shall not exceed the sum of (a) six per cent of each employee's salary or wage earnings for any calendar year before any agreement for reduction of salary or wage earnings, and (b) pursuant to an agreement for reduction of salary or wage earnings, the amount of the reduction of salary or wage earnings; (3) each employee's contribution shall at least equal the state contribution under subdivision (2) (a) of this section to any such retirement fund; Provided, that in lieu of making such contribution, each such employee may enter into an agreement for reduction of salary or wages for the purchase by the State Board of Technical Community Colleges or any area board of an annuity contract for such employee, under the provisions of the Technical Amendments Act of 1958 to the Internal Revenue Code, as amended, but the amount of the reduction of salary or

wages allowable under this subdivision may not include credit for service prior to July 1, 1973; and (4) the retirement benefits of any employee for service prior to the effective date of any retirement plan established under the provisions of this section shall be those provided under the retirement plan then in force which benefits shall not be abridged. The investment for such a retirement plan shall be made by the state investment officer, except that for those employees of an area board who are members of the retirement system provided for in Chapter 79, article 10, the investment program shall be administered as provided in section 79-1051. The state investment officer shall not make any change in the type of investment of pension and retirement plans of the State Board of Technical Community Colleges or any area board without the approval of such board.

Sec. 5. The State Board of Technical Community Colleges and any area board may provide benefits for all present and future employees including group life insurance, group hospital-medical insurance, and group long-term disability income insurance.

Sec. 6. That original section 85-320, Reissue Revised Statutes of Nebraska, 1943, section 85-304, Reissue Revised Statutes of Nebraska, 1943, as amended by section 3, Legislative Bill 248, Eighty-third Legislature, First Session, 1973, and section 85-106, Revised Statutes Supplement, 1972, as amended by section 2, Legislative Bill 149, Eighty-third Legislature, First Session, 1973, and also section 79-1624, Reissue Revised Statutes of Nebraska, 1943, are repealed.