

LEGISLATIVE BILL 216

Approved by the Governor January 31, 1984

Introduced by Nebraska Retirement Systems Committee,
Fowler, 27, Chairperson; Wesely, 26;
Schmit, 23; Goodrich, 20; Vickers, 38;
Warner, 25

AN ACT relating to county retirement systems; to amend sections 23-2301, 23-2306, and 23-2319, Reissue Revised Statutes of Nebraska, 1943, and section 23-1118, Revised Statutes Supplement, 1982; to change provisions relating to which counties may provide benefits; to redefine a term; to change membership and benefit provisions; and to repeal the original sections.

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

Section 1. That section 23-1118, Revised Statutes Supplement, 1982, be amended to read as follows:
23-1118. The Unless the county has adopted a retirement system pursuant to section 23-2329, the county board of any county having a population of one hundred thousand inhabitants or more may, in its discretion and with the approval of the voters, provide retirement benefits for present and future employees of the county. The cost of such retirement benefits shall be funded in accordance with sound actuarial principles with the necessary cost being treated in the county budget in the same way as any other operating expense. Each employee shall be required to contribute an amount at least equal to the county's contribution to the cost of any such retirement program as to service performed after the adoption of such retirement program, but the cost of any benefits based on prior service shall be borne solely by the county. Before the county board provides retirement benefits for the employees of the county, such question shall be submitted at a regular general or primary election held within the county, and in which election all persons eligible to vote for the county officials of the county shall be entitled to vote on such question, which shall be submitted in the following language: Shall the county board provide retirement benefits for present and future employees of the county? If a majority of the votes cast upon such question shall be in favor of such question then the county board shall be empowered to provide retirement benefits for present and future employees as provided in this section. If such retirement benefits for present and future county employees are approved by the voters and authorized by the county board, then the funds of such

retirement system, in excess of the amount required for current operations as determined by the county board, may be invested and reinvested in the class of securities and investments described in this section. As used in this section, employees shall mean all persons or officers devoting more than twenty hours per week to employment by the county, all elected officers of the county, and such other persons or officers as are classified from time to time as permanent employees by the county board.

Sec. 2. That section 23-2301, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

23-2301. As used in sections 23-2301 to 23-2331, unless the context otherwise requires:

(1) Employees shall mean all persons or officers who are employed by a county of the State of Nebraska devoting twenty or more hours per week to such employment, all elected officers of a county, and such other persons or officers as are classified from time to time as permanent employees by the county board of the county by whom they are employed, except that the term shall not include judges, persons making contributions to the School Retirement System of the State of Nebraska, or nonelected employees and nonelected officials of any county having a population in excess of one hundred ~~five~~ thousand inhabitants;

(2) Retirement shall mean qualifying for and accepting a retirement allowance granted under the provisions of sections 23-2301 to 23-2331;

(3) Retirement board or board shall mean the Public Employees Retirement Board;

(4) Retirement system shall mean the Retirement System for Nebraska Counties;

(5) Required contribution shall mean the deduction to be made from the salary of employees, as provided in sections 23-2301 to 23-2331;

(6) Service shall mean the actual total length of employment as an employee and shall include leave of absence because of disability or military service when properly authorized by the retirement board; PROVIDED, that service shall not include any period of disability for which disability retirement benefits are received under the provisions of section 23-2315;

(7) Straight life annuity shall mean an ordinary annuity, payable for the life of the primary annuitant only, and terminating at his or her death without refund or death benefit of any kind;

(8) Date of adoption of the retirement system by each county shall mean the first day of the month next following the date of approval of the retirement system by the county board;

(9) Prior service shall mean service prior to the date of adoption of the retirement system;

(10) Future service shall mean service following

the date of adoption of the retirement system;

(11) Group annuity contract shall mean the contract issued by a life insurance company to the retirement system in order to provide the future service benefits described in sections 23-2301 to 23-2331;

(12) Carrier shall mean the life insurance company or trust company designated by the retirement board as the underwriter or trustee of the retirement system;

(13) Regular interest shall mean the rate of interest earned each calendar year commencing January 1, 1975, as determined by the retirement board in conformity with actual and expected earnings on its investments;

(14) Disability shall mean an inability to engage in a substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or be of a long and indefinite duration; and

(15) Date of disability shall mean the date on which a member is determined by the board to be disabled.

Sec. 3. That section 23-2306, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

23-2306. The membership of the retirement system shall be composed of (1) all employees who have been employees for a period of twelve continuous months and who have attained the age of twenty-five, except that elected officials shall be eligible for membership on taking office, and (2) all part-time employees who have attained the age of twenty-five and have been employed for a total of twelve months and who exercise the option to join the retirement system within sixty days after completion of the twelfth month of employment, except that any part-time employee twenty-five years of age or older who has completed the twelfth month of employment prior to the effective date of this act may exercise the option to join at any time within sixty days after the effective date of this act.

Sec. 4. That section 23-2319, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

23-2319. (1) Any member of the retirement system who ceases to be an employee before his or her sixtieth birthday may, upon application, receive from the carrier (a) a termination benefit equal to the amount of his or her employee account payable in a lump sum plus a paid-up deferred annuity provided by the vested portion of the employer account under which the first annuity payment shall be made as of the first of the month immediately following the sixty-fifth birthday or (b) a paid-up deferred annuity provided by the employee account and the vested portion of the employer account under which the first annuity payment shall be made as of the first of the month immediately following the sixty-fifth birthday. If the terminating member does not make such application,

he or she shall receive the benefits provided under subdivision (1)(b) of this section. to withdraw the amount in his employee account, he shall be granted, in lieu thereof, a paid-up deferred annuity under which the first annuity payment shall be made as of the first of the month immediately following his sixty-fifth birthday.

(2) At the option of the terminating member, any paid-up deferred annuity provided under subsection (1) of this section such annuity may commence as of the first of the month at any time after such member attains the age of sixty and before his or her sixty-fifth birthday. Such election by the terminating member may be made at any time prior to the commencement of the annuity payments. Such paid-up deferred annuity shall be the actuarial equivalent, as determined by the group annuity contract, of the employee account together with a certain vested percentage of the employer account. If the terminating member has been a member of the system for less than five years, such percentage shall be nil; if the terminating member has been a member of the system for at least five years, such percentage shall be twice the number of completed months, not counting the first sixty, that the terminating member has been a member of the system; but in no event shall such percentage exceed one hundred. Such percentage shall be one hundred for any disability retirement under the provisions of section 23-2315.

(3) The vesting percentage shall be one hundred after five years of participation. The vesting percentage shall equal one hundred for any disability retirement under the provisions of section 23-2315.

(4) If the terminating member shall not be credited with one hundred per cent of his or her employer account, the remainder shall be paid by the carrier to the county by whom the terminating member was employed.

Sec. 5. That original sections 23-2301, 23-2306, and 23-2319, Reissue Revised Statutes of Nebraska, 1943, and section 23-1118, Revised Statutes Supplement, 1982, are repealed.