

LEGISLATIVE BILL 903

Approved by the Governor March 13, 1990

Introduced by Hall, 7

AN ACT relating to school retirement; to amend section 79-1528, Revised Statutes Supplement, 1988; to change provisions relating to treatment of benefits when a member dies before retirement; and to repeal the original section.

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

Section 1. That section 79-1528, Revised Statutes Supplement, 1988, be amended to read as follows:

79-1528. (1) ~~Should~~ If a member ~~dies~~ dies before retirement, his or her accumulated contributions shall be paid to his or her estate or to the person he or she has nominated by written designation duly executed and filed with the retirement board. If no legal representatives or beneficiary designated in writing applies for his or her accumulated contributions within five years following (a) his or her sixty-fifth birthday if death occurred prior to such date or (b) the date of his or her death if death occurred after his or her sixty-fifth birthday, the contributions shall be forfeited to the retirement system and credited to the Contingent Account at that time.

(2) When the deceased member has not less than twenty years of creditable service, regardless of age, or dies on or after his or her sixty-fifth birthday and leaves a surviving spouse who has been designated in writing as beneficiary and who, as of the date of the member's death, is the sole surviving primary beneficiary, such beneficiary may elect, within ninety days after the death of the member, to receive an annuity which shall be equal to the amount that would have accrued to the member had he or she elected to have the retirement annuity paid as a joint and survivor annuity payable as long as either the member or the member's spouse should survive and had the member retired (a) on the date of death if his or her age at death is sixty-five or more or (b) at age sixty-five if his or her age at death is less than sixty-five. If such option is not exercised by such spouse within ninety days of the member's death, if no spouse survives, or if the member has not served for twenty

years the requirements of this subsection are not met, then the beneficiary or the estate, if the member has not filed a written statement with the board naming a beneficiary, shall be paid a lump sum equal to all contributions to the fund made by such member plus regular interest.

Sec. 2. That original section 79-1528, Revised Statutes Supplement, 1988, is repealed.