



**Hundredth Legislature - First Session - 2007
Committee Statement
LB 508**

Hearing Date: February 20, 2007
Committee On: Nebraska Retirement Systems

Introducer(s): (Pahls)
Title: Change provisions of the Judges Retirement Act and the School Employees Retirement Act

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
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Vote Results:

6	Yes	Senators Erdman, Heidemann, Karpisek, Loudon, Synowiecki, White
	No	
	Present, not voting	
	Absent	

Proponents:	Representing:
Senator Rich Pahls	Introducer
Greg Fox	Self
Herb Schimek	Nebraska State Education Association

Opponents: **Representing:**

Neutral: **Representing:**

Summary of purpose and/or changes:

LB 508 amends the Judges Retirement Act and the School Employees Retirement Act.

Judges Retirement Act

- Under current law, a surviving spouse may exercise an option within 120 days of the judge’s death to be paid the contributions plus regular interest. This bill extends the 120 day period to 12 months and allows the spouse to apply for annuity benefits as they existed on the date of the election by the spouse.
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- Under current law, the application for disability retirement benefits for clerk magistrates must be made within one year of the termination of employment. This bill allows the election at any time prior to the date of normal retirement. Under this bill, the retirement payments shall be deemed to begin on the date of the certification of the disability.

School Employees Retirement Act

- Under current law, a member has five years from termination of employment to make application for disability retirement benefits, if the disability is related to employment in a public school. Also under current law, a member has one year from termination of employment to make application for disability retirement benefits, if the disability is not related to employment in a public school. This bill allows the member to make application for disability retirement benefits at any time prior to the date of normal retirement eligibility, regardless if the disability is related to school employment.
- Under current law, disability retirement benefits begin on the disability retirement date. Under this bill, the benefits shall be deemed to begin on the date of certification of the disability, regardless of the date of application.
- Under current law, the surviving spouse of a deceased member with at least 20 years service on or before his/her 65th birthday may elect to receive an annuity within 120 days of the death. This bill lengthens the 120 day period to 12 months.
- Under current law, the surviving spouse of a deceased member: 1) with at least 5, but less than 20 years of service, 2) who was an employee on or after May 1, 2001, and 3) who dies before his/her 65th birthday, may elect within 120 days of the death of the member to receive a refund of the member's account balance with interest or to receive an annuity. Under this bill, the 120 day period is extended to 12 months. Under current law, the refund or annuity benefit shall be as existed on the date of the death of the member. Under this bill, the refund or annuity benefits shall be as they exist on the date of the election to receive them.

LB 508 gives two groups (members who become disabled and grieving spouses of deceased members) more time to make important personal economic decisions that have lifetime impacts on their livelihood.

Summary of Sections

- Section 1 Amends the Judges Retirement Act to give a surviving spouse 12 months to elect to receive annuity benefits as they existed on the date of death of the member or at age sixty-five, whichever is later. Current law allows for an election period of 120 days. If the election is made after 12 months, the surviving spouse would be entitled to the annuity benefits as they existed on the date of the election.
- Section 2 Amends the Judges Retirement Act to allow for a disability retirement application any time prior to the date of normal retirement eligibility. Current law allows for an application period of one year after termination of employment.

- Section 3 Amends the School Employees Retirement Act to allow for a disability retirement application any time prior to the date of normal retirement eligibility. Current law allows for an application period of five years after termination of employment.
- Section 4 Amends the School Employees Retirement Act to give a surviving spouse 12 months to elect to receive annuity benefits as they existed on the date of death of the member or at age sixty-five, whichever is later. Current law allows for an election period of 120 days. If the election is made after 12 months, the surviving spouse would be entitled to the annuity benefits as they existed on the date of the election.
- Section 5 Original sections are repealed.

Explanation of amendments, if any:

AM 968 strikes the original language. AM 968 amends the Judges Retirement Act to give a surviving spouse 12 months to elect to receive annuity benefits as they existed on the date of death of the member or at age sixty-five, whichever is later. Current law allows for an election period of 120 days.

AM 968 also amends the School Employees Retirement Act to give a surviving spouse 12 months, beginning on January 1, 2006, to elect to receive annuity benefits as they existed on the date of death of the member or at age sixty-five, whichever is later. Current law allows for an election period of 120 days.

Senator John Synowiecki, Chairperson