

One Hundred Second Legislature - First Session - 2011

Introducer's Statement of Intent

LB509

Chairperson: Senator Jeremy Nordquist

Committee: Nebraska Retirement Systems

Date of Hearing: February 8, 2011

LB 509 is introduced on behalf of the Nebraska Public Employees Retirement System. The following substantive changes are made to the County, State, and Class V School Retirement Plans, and the duties of the Public Employees Retirement Board and Nebraska Investment Council:

1. Provides for suspension of retirement distributions under the State and County Employees Retirement Acts pending the final outcome of a grievance filed by a member of either plan. Terminated county and state plan members who file a grievance and are later reinstated for employment are required to pay back such distributions. The change restricts such distributions until it is determined whether the member will be reinstated by the employer.
2. Creates the County Employees Retirement Fund for the deposit of county late filing penalties;
3. Allows permanent part-time county and state employees to participate in their respective retirement plans at age 18 rather than age 20;
4. Adds a new section to the Class V School Employees Act requiring the board to provide comprehensive preretirement planning programs to members of the Class V School Employees Retirement System;
5. Deletes requirements for the Class V Retirement System to file annual plan summaries with the Public Employees Retirement Board and the Nebraska Retirement Systems Committee;
6. Requires the Class V Retirement System to file its actuarial report with the Public Employees Retirement Board and the Nebraska Retirement Systems Committee annually rather than every four years;
7. Changes the date from March 15 to March 31 for the Nebraska Investment Council to provide its annual report to the Nebraska Retirement Systems Committee.
8. Duties of the Public Employees Retirement Board (Board) are amended as follows:

- a. deletes the requirement for the Board to notify the Nebraska Retirement Systems Committee if local political subdivisions fail to file annual pension plan reports;
- b. requires the Board to provide copies of actuarial reports requested by entities other than the Board, to the Nebraska Retirement Systems Committee and Fiscal Analyst;
- c. changes the date for the Board to contract for a Compliance Audit from 2007 to 2012;
- d. changes the date from March 15 to March 31 for the Board to present its annual report to the Nebraska Retirement Systems Committee; and
- e. deletes a requirement that the Board provide preretirement planning programs to members of the Class V Employees Retirement System.

The bill makes a number of technical and clarifying changes to the County, Judges, State Patrol, School, Class V, and State Employees Retirement Acts, and Public Employee Retirement Board statutes including:

- 1. Modifies language in the Judges' Retirement Act to clarify that an optional form of the benefit may exceed the seventy percent cap once an actuarial factor adjustment is made;
- 2. Modifies language in the Judges, State Patrol and School Employees Retirement Acts to clarify that members receive the highest cost-of-living allowance method identified in current statutes. The COLA provisions are reorganized under new sections of statute within each Act;
- 3. Clarifies that the Board does not have to refund contributions made on compensation earned above the salary cap established in the School Employees Retirement Act;
- 4. Clarifies that Class V school employees who are not lawfully within the United States are not authorized to become members of the Class V School Employees Retirement System and receive public pension benefits; and
- 5. Makes revisor technical corrections and deletes obsolete language.

The operative date of the bill is July 1, 2011.

Principal Introducer: _____

Senator Jeremy Nordquist