

Introducer's Statement of Intent

LB916

Chairperson: Senator Jeremy Nordquist

Committee: Nebraska Retirement Systems

Date of Hearing: January 26, 2012

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 916 was introduced at the request of the Nebraska Public Employees Retirement System and contains a number of clarifications and Internal Revenue Code compliance updates in the retirement plans. The following changes are made to the County, Judges, State Patrol, School, Class V School, and State Employees Retirement Acts:

1. Per diems are removed as compensation for purposes of retirement;
2. Clarifies that an employer is required to notify the Public Employees Retirement Board (PERB) upon the termination of an employee member;
3. Provides for a rollover into a Roth IRA;
4. Enables a non-spousal beneficiary to make a direct transfer or rollover into a qualified retirement plan as permitted by the Internal Revenue Code;
5. Provides for a lump sum death benefit direct transfer into a qualified retirement plan, and
6. Implements provisions of the HEART Act requiring a member's beneficiary to be entitled to an additional death benefit that he or she would be entitled to had the member been employed during the period of qualified military service when death occurred.

The School Employees Retirement Act includes the following clarifications:

1. A school employee must have attained the age of 18 in order to be a plan member;
2. A retirement benefit paid in error must be returned to the Retirement System.; and
3. Voluntary service during the 180 days following termination must be bona fide unpaid voluntary service.

LB 916 also authorizes the PERB to adopt rules and regulations establishing materiality and de minimus amounts for agency transactions, adjustments, and inactive account closures.

Principal Introducer: _____

Senator Jeremy Nordquist