

# COMMITTEE STATEMENT

## LB 1192

HEARING DATE: January 26, 2000

COMMITTEE ON: Nebraska Retirement Systems

TITLE: (Nebraska Retirement Systems Committee) Change retirement related membership, reporting, liability, and bidding provisions

### ROLL CALL VOTE – FINAL COMMITTEE ACTION

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Advanced to General File

X Advanced to General File with Amendments

Indefinitely Postponed

#### Vote Results:

5 Yes Senator Bourne, Bruning, Crosby, Stuhr, and Wehrbein

No

Present, not voting

1 Absent Senator Wickersham

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#### PROPOSERS

Leslie Campbell, Legal Counsel  
Mike Dulaney  
Shawn Nowlan

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#### REPRESENTING

Introducer, NE Retirement Systems Committee  
NE Council of School Administrators  
Public Employees Retirement Board

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#### OPPOSERS

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#### REPRESENTING

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#### NEUTRAL

Mike Justus

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#### REPRESENTING

Department of Administrative Services

### SUMMARY OF PURPOSE AND/OR CHANGES:

LB 1192 is a technical bill. It primarily addresses the collection, accuracy and storage of data by the Nebraska Public Employees Retirement System. The bill is meant to streamline and improve how the Retirement System handles information that flows from public employers to the Retirement System and modifies all provisions on employer reporting, form of reporting and responsibility for reporting.

#### **Section 1**

Within §23-2301, language relating to a specific form of transmitting information to the Nebraska Public Employees Retirement Systems (NPERS) is stricken.

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### **Section 2**

In §23-2306, language clarifying the manner in which eligibility and vesting credits are calculated is added to subsection (2), so that the amount of credit is calculated using the definitions of the plan in which the credit is earned. In addition, a new subsection (5) is added that clarifies the responsibility counties have to transmit accurate information to NPERS and the liability that the county incurs if inaccurate information is transmitted.

### **Section 3**

Provisions in §23-2312 are changed to clarify the responsibilities of NPERS. NPERS is responsible for educating counties on how to report information and is also responsible for creating and maintaining a system to further its educational and monitoring duties.

### **Section 4**

Language relating to a specific form of transmitting information to the Nebraska Public Employees Retirement Systems (NPERS) is stricken in §24-701.

### **Section 5**

New language is added to §24-704 to clarify the responsibility of both the State Court Administrator and NPERS with respect to the collection and accuracy of information. The State Court Administrator has the duty to transmit accurate information to NPERS and is liable if inaccurate information is transmitted. NPERS bears the responsibility for educating the State Court Administrator on what information needs to be transmitted and on monitoring the information sent by the State Court Administrator. If NPERS fulfills its duties of education and monitoring, no further liability is incurred by NPERS.

### **Section 6**

Provisions containing language relating to a specific form of transmitting information to the NPERS are stricken in §24-706.

**Section 7** In §24-707, language relating to a specific form of transmitting information to the NPERS is stricken.

### **Section 8**

Within §24-709.01, language relating to a specific form of information relating to NPERS and the Commission on Judicial Qualifications is stricken.

### **Section 9**

Changes are made to §79-902, the definitions for the School Employees Retirement Act. The definition of “termination” is modified so that a “termination” does not occur if a member, within 180 calendar days of ceasing employment again provides “compensated service on a regular basis in any capacity” to a school district that participates in the School Employees Retirement System.

### **Section 10**

In §79-905, language relating to a specific form of transmitting information to the NPERS is stricken.

### **Section 11**

New language is added to §79-906 to clarify the responsibility of both the school districts and other employers in the School Employees Retirements System and NPERS with respect to the collection and accuracy of information. The employers in the School Employees Retirements System have the duty to transmit accurate information to NPERS and are liable if inaccurate information is transmitted. NPERS bears the responsibility for educating the employers in the School Employees Retirements System on what information needs to be transmitted and on monitoring the information sent by the employers in the School Employees Retirements System. If NPERS fulfills its duties of education and monitoring, no further liability is incurred by NPERS.

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### **Section 12**

The provisions and procedures verifying creditable service accuracy found in §79-907 are expanded to include verifying other information that is necessary to calculate a retirement benefit in the School Employees Retirement System.

### **Section 13**

In §79-911, language relating to a specific form of transmitting information to the NPERS is stricken.

### **Section 14**

In §79-917, language clarifying the manner in which eligibility and vesting credits are calculated is added, so that the amount of credit is calculated using the definitions of the plan in which the credit is earned.

### **Section 15**

Within §79-956, language relating to a specific form of transmitting information to NPERS is stricken.

### **Section 16**

In §79-960, the form in which the employers may pay monies to NPERS is changed, so that NPERS can specify the form, including electronic transfers. Language from § 79-761 (outright repealed by this bill) is added to §79-960.

### **Section 17**

In §79-963, language relating to a specific form of transmitting information to the NPERS is stricken.

### **Section 18**

The definition of “termination of service” found in §81-2014 is expanded, so that a “break in service” of at least 120 days is required for a member of the State Patrol to have a true “termination.”

### **Section 19**

In §81-2016, language clarifying the manner in which eligibility and vesting credits are calculated is added, so that the amount of credit is calculated using the definitions of the plan in which the credit is earned. In addition, a new subsection (4) is added that clarifies the responsibility the State Patrol to transmit accurate information to NPERS and the liability that the State Patrol incurs if inaccurate information is transmitted.

### **Section 20**

Provisions in § 81-2021 are changed and clarified to clarify the responsibilities of NPERS. NPERS is responsible for educating the State Patrol on how to report information and is also responsible for creating and maintaining a system to monitor the State Patrol’s reported information. NPERS, however, is absolved from further responsibility if its educational and monitoring duties are being fulfilled.

### **Section 21**

In § 84-1301, language relating to a specific form of transmitting information to the NPERS is stricken.

### **Section 22**

In §84-1305.01, language is changed to clarify the responsibilities of NPERS. NPERS is responsible for educating state agencies on how to report information and is also responsible for creating and maintaining a system to monitor the agencies’ reported information. NPERS, however, is absolved from further responsibility if its educational and monitoring duties are being fulfilled.

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### **Section 23**

Within § 84-1307, language clarifying the manner in which eligibility and vesting credits are calculated is added, so that the amount of credit is calculated using the definitions of the plan in which the credit is earned. In addition, a new subsection (5) is added that clarifies that state agencies have to transmit accurate information to NPERS and the liability that the agencies incur if inaccurate information is transmitted.

### **Section 24**

The duties of the Public Employees Retirement Board (PERB) found in §84-1503(1)(f) are changed and expanded to make the PERB responsible for creating and implementing procedures for reporting and monitoring information from employers and monitoring the accuracy of the information. The respective responsibilities of employers and the PERB are also clarified, consistent with provisions elsewhere in the bill. Within subsection (2)(e), language allowing the PERB to extend the contract of the PERB actuary beyond the initial 3-year period is added, if the PERB finds that the bidding process would be unduly expensive and imprudent. In addition, language relating to a specific form of transmitting information to the NPERS and the Legislative Retirement Systems Committee is stricken.

### **Section 25**

Within §84-1512, language is added that clarifies that the Department of Administrative Services (DAS) is obligated to transmit accurate information to NPERS. NPERS is given access to the information maintained DAS. In addition, language is added that clarifies NPERS responsibility of education and monitoring with respect to DAS, and NPERS is absolved from further liability, if the educational and monitoring duties have been fulfilled.

### **Section 26**

Repealer Section

### **Section 27**

Neb. Rev. Stat. § 79-961 is outright repealed.

### **EXPLANATION OF AMENDMENTS:**

Because LB 1192 addresses the retirement systems of the State and County Employees, State Patrol, Judges and Teachers, the majority of amendments are made throughout all five systems to insure the systems are consistent.

Sections 2, 5, 19 and 23 are amended by striking the language making the employer liable for the transmission of inaccurate information and all losses incurred as a result of the inaccurate information.

Sections 3, 5, 11, 20, 22, and 25 are amended by striking subsection (2) and replacing it with a section that creates a duty of the Nebraska Public Employees Retirement System to implement an employer education program, in order for them to have the knowledge and information necessary to prepare the reports the board requires.

Section 9 is amended to include a provision which states that within the teachers retirement system, excess compensation will be excluded for purposes of computing retirement, unless the excess compensation was a result of a collective bargaining agreement between the employer and a recognized bargaining unit or a category of employee. These terms are then defined for purposes of the subsection.

Note: the amendment to Section 9 is from an amendment that was suggested for LB 676.

Section 15 is amended to provide school employees five years in which to make a claim for work-related disability and one year for any other disability.

Note: the amendment to section 15 is taken from LB 676.

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Section 22 is amended to include the words, “of the Nebraska Public Employees Retirement Systems”.

Section 25 is amended to read that "the Nebraska Public Employees Retirement Board shall consult with the Department of Accounting Services and other employers as to the form in which information is presented".

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Senator