

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

February 18, 1999 LB 331, 703

SPEAKER KRISTENSEN: (LB) 331 advances. LB 703.

CLERK: (LB) 703 by the Retirement Systems Committee. (Read title.) Bill was introduced on January 20, referred to the Retirement Systems Committee, advanced to General File. There are committee amendments, Mr. President.

SPEAKER KRISTENSEN: The Chair of the Retirement Systems Committee, Senator Stuhr, is recognized to open on the bill.

SENATOR STUHR: Thank you, Mr. Speaker and members of the body. LB 703 is a Retirement Committee clean-up technical bill. It provides several clarifications and corrections in all five of the state administered retirement systems, as well as making changes to portions of the statutes dealing with deferred compensation. Some of these changes are necessary to remain compliant with federal law, and some of these changes are necessary for clarification and cleanup of prior changes. You were handed a blue sheet and you could follow along with some of the proposed changes, and I will try to just briefly summarize those. The first major change in the bill amends the definition of "termination of employment" as it applies to break in service in the state and county retirement systems. The state determines when a break in service has occurred. This change clarifies the termination does not occur if an employee leaves one employer and goes to work for the same or another employer within the same system and there are less than 120 days between the date when the change occurs within the plan year. The current language caused some confusion because it seemed to apply only to rehiring between counties rather than also within the same counties, and the break was also calculated in hours. LB 703 provides that in the state and county retirement systems the state, including the state of Nebraska, the Retirement Board, PERB, the state investment officer, members of the Nebraska Investment Council, or the counties shall not be liable for investment results that resulted from the members' exercise of control over the assets in the employee account. Number three, another change the bill makes require changes in all five retirement systems regarding buybacks or reemployment of employees. Currently, these provisions read that the repayment of a termination benefit is to be completed within five years of reemployment or prior to retirement. (LB) 703 amends these