

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

May 14, 1999

LB 538

very quickly review the first part. And what the first part of the amendment does is add another definition of school employee. We have heard that there are individuals, particularly school administrators, that have retired or wanted to retire, who wish to establish a corporation and lease themselves back to a school district shortly after retirement. These individuals would not technically be a school employee under a lease arrangement, and therefore would not be subject to the School Employees Retirement Act. Currently, a school employee who retires or terminates employment cannot return to regular active work within one year of this termination without forfeiting their retirement benefits. This amendment does not prohibit those from establishing a corporation. That question cannot be answered within the retirement statute. But what this amendment does is that it simply states that an individual who retires and later receives compensated services on a regular basis in any capacity, that they will be subject to School Employees Retirement Act, just as they had been before. And the second part of the amendment changes a word in the definition of final average compensation. We felt that we needed to more clearly define this. It's a simple change, and we have added "substantial". And it was thought, by adding this word "substantial", that it would clearly indicate that we mean more than a minor change in job description for determining eligibility salary increases. And again, there was some concern, but for example, we have limited that to 10 percent in this bill, and if there was a change in employment, substantially, particularly if they went from a principal to a superintendent, that we have noted now that it will need to be substantial. So with that, I ask for your support on the adoption of this amendment. Thank you.

SPEAKER KRISTENSEN: Debate on the Stuhr amendment? Senator Stuhr, you're recognized to close. She waives closing. The question before the body is the adoption of the Stuhr amendment. All those in favor vote aye; all those opposed vote nay. Record.

CLERK: 25 ayes, 0 nays, Mr. President, on the adoption of Senator Stuhr's amendment.

SPEAKER KRISTENSEN: The amendment is adopted.