

AMENDMENTS TO LB 408

1 1. Strike original section 12 and insert the following
2 new sections:

3 "Sec. 6. Section 24-701, Revised Statutes Supplement,
4 2000, is amended to read:

5 24-701. For purposes of the Judges Retirement Act,
6 unless the context otherwise requires:

7 (1) Fund means the Nebraska Retirement Fund for Judges;

8 (2) Judge means and includes (a) all duly elected or
9 appointed Chief Justices or judges of the Supreme Court and judges
10 of the district courts of Nebraska who serve in such capacity on
11 and after January 3, 1957, (b)(i) all duly appointed judges of the
12 Nebraska Workmen's Compensation Court who served in such capacity
13 on and after September 20, 1957, and prior to July 17, 1986, and
14 (ii) judges of the Nebraska Workers' Compensation Court who serve
15 in such capacity on and after July 17, 1986, (c) judges of separate
16 juvenile courts, (d) judges of the county courts of the respective
17 counties who serve in such capacity on and after January 5, 1961,
18 except acting judges of the county court appointed pursuant to
19 section 24-507, (e) judges of the county court and clerk
20 magistrates who were associate county judges and members of the
21 fund at the time of their appointment as clerk magistrates, (f)
22 judges of municipal courts established by Chapter 26, article 1,
23 who served in such capacity on and after October 23, 1967, and
24 prior to July 1, 1985, and (g) judges of the Court of Appeals;

1 (3) Prior service means all the periods of time any
2 person has served as a (a) judge of the Supreme Court or judge of
3 the district court prior to January 3, 1957, (b) judge of the
4 county court prior to January 5, 1961, (c) judge of the Nebraska
5 Workmen's Compensation Court prior to September 20, 1957, (d) judge
6 of the separate juvenile court, or (e) judge of the municipal court
7 prior to October 23, 1967;

8 (4)(a) Current service means the period of service (i)
9 any judge of the Supreme Court or judge of the district court
10 serves in such capacity from and after January 3, 1957, (ii)(A) any
11 judge of the Nebraska Workmen's Compensation Court served in such
12 capacity from and after September 20, 1957, and prior to July 17,
13 1986, and (B) any judge of the Nebraska Workers' Compensation Court
14 serves in such capacity on and after July 17, 1986, (iii) any
15 county judge serves in such capacity from and after January 5,
16 1961, (iv) any judge of a separate juvenile court serves in such
17 capacity, (v) any judge of the municipal court served in such
18 capacity subsequent to October 23, 1967, and prior to July 1, 1985,
19 (vi) any judge of the county court or associate county judge serves
20 in such capacity subsequent to January 4, 1973, (vii) any clerk
21 magistrate, who was an associate county judge and a member of the
22 fund at the time of appointment as a clerk magistrate, serves in
23 such capacity from and after July 1, 1986, and (viii) any judge of
24 the Court of Appeals serves in such capacity on or after September
25 6, 1991.

26 (b) Current service shall not be deemed to be interrupted
27 by (i) temporary or seasonal suspension of service that does not

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1 terminate the employee's employment, (ii) leave of absence
2 authorized by the employer for a period not exceeding twelve
3 months, (iii) leave of absence because of disability, or (iv)
4 military service, when properly authorized by the board. Current
5 service does not include any period of disability for which
6 disability retirement benefits are received under section 24-709;

7 (5) Military service means active service of (a) any
8 judge of the Supreme Court or judge of the district court in any of
9 the armed forces of the United States during a war or national
10 emergency prior or subsequent to September 18, 1955, if such
11 service commenced while such judge was holding the office of judge,
12 (b) any judge of the Nebraska Workmen's Compensation Court or the
13 Nebraska Workers' Compensation Court in any of the armed forces of
14 the United States during a war or national emergency prior or
15 subsequent to September 20, 1957, if such service commenced while
16 such judge was holding the office of judge, (c) any judge of the
17 municipal court in any of the armed forces of the United States
18 during a war or national emergency prior or subsequent to October
19 23, 1967, and prior to July 1, 1985, if such service commenced
20 while such judge was holding the office of judge, (d) any judge of
21 the county court or associate county judge in any of the armed
22 forces of the United States during a war or national emergency
23 prior or subsequent to January 4, 1973, if such service commenced
24 while such judge was holding the office of judge, (e) any clerk
25 magistrate, who was an associate county judge and a member of the
26 fund at the time of appointment as a clerk magistrate, in any of
27 the armed forces of the United States during a war or national

1 emergency on or after July 1, 1986, if such service commenced while
2 such clerk magistrate was holding the office of clerk magistrate,
3 and (f) any judge of the Court of Appeals in any of the armed
4 forces of the United States during a war or national emergency on
5 or after September 6, 1991, if such service commenced while such
6 judge was holding the office of judge. The board shall have the
7 power to determine when a national emergency exists or has existed
8 for the purpose of applying this definition and provision;

9 (6) Creditable service means the total number of years
10 served as a judge, including prior service, military service, and
11 current service, computed to the nearest one-twelfth year. For
12 current service prior to the time that the member has contributed
13 the required percentage of salary until the maximum benefit as
14 limited by section 24-710 has been earned, creditable service does
15 not include current service for which member contributions are not
16 made or are withdrawn and not repaid;

17 (7)(a) Compensation means the statutory salary of a judge
18 or the salary being received by such judge pursuant to law.
19 Compensation does not include compensation for unused sick leave or
20 unused vacation leave converted to cash payments, insurance
21 premiums converted into cash payments, reimbursement for expenses
22 incurred, fringe benefits, or bonuses for services not actually
23 rendered, including, but not limited to, early retirement
24 inducements, cash awards, and severance pay, except for retroactive
25 salary payments paid pursuant to court order, arbitration, or
26 litigation and grievance settlements. Compensation includes
27 overtime pay, member retirement contributions, and amounts

1 contributed by the member to plans under sections 125 and 457 of
2 the Internal Revenue Code or any other section of the code which
3 defers or excludes such amounts from income.

4 (b) Compensation in excess of the limitations set forth
5 in section 401(a)(17) of the Internal Revenue Code shall be
6 disregarded. For an employee who was a member of the retirement
7 system before the first plan year beginning after December 31,
8 1995, the limitation on compensation shall not be less than the
9 amount which was allowed to be taken into account under the
10 retirement system as in effect on July 1, 1993;

11 (8) Beneficiary means a person so designated by a judge
12 in the last designation of beneficiary on file with the board or,
13 if no designated person survives or if no designation is on file,
14 the estate of such judge;

15 (9) Normal form annuity means a series of equal monthly
16 payments payable at the end of each calendar month during the life
17 of a retired judge as provided in sections 24-707 and 24-710,
18 except as provided in section 42-1107. The first payment shall
19 include all amounts accrued since the effective date of the award
20 of the annuity. The last payment shall be at the end of the
21 calendar month in which such judge dies. If at the time of death
22 the amount of annuity payments such judge has received is less than
23 contributions to the fund made by such judge, plus regular
24 interest, the difference shall be paid to the beneficiary or
25 estate;

26 (10) Board means the Public Employees Retirement Board;

27 (11) Member means a judge eligible to participate in the

1 retirement system established under the Judges Retirement Act;

2 (12) Original member means a judge who first served as a
3 judge prior to December 25, 1969, who does not elect to become a
4 future member pursuant to subsection (8) of section 24-703 or
5 section 24-710.01, and who was retired on or before December 31,
6 1992;

7 (13) Future member means a judge who first served as a
8 judge on or after December 25, 1969, or means a judge who first
9 served as a judge prior to December 25, 1969, who elects to become
10 a future member on or before June 30, 1970, as provided in
11 subsection (8) of section 24-703 or section 24-710.01;

12 (14) Final average compensation means the average monthly
13 compensation for the three twelve-month periods of service as a
14 judge in which compensation was the greatest or, in the event of a
15 judge serving less than three twelve-month periods, the average
16 monthly compensation for such judge's period of service;

17 (15) Regular interest means interest fixed at a rate
18 equal to the ~~bond equivalent yield~~ daily treasury yield curve for
19 one-year treasury securities, as published by the Secretary of the
20 Treasury of the United States, ~~of the average accepted auction~~
21 ~~price for the last auction of fifty-two-week United States treasury~~
22 ~~bills in effect on the last day of the preceding plan that applies~~
23 on July 1 of each year, which may be credited monthly, quarterly,
24 semiannually, or annually as the board may direct;

25 (16) Normal retirement date means the first day of the
26 month following attainment of age sixty-five;

27 (17) Actuarial equivalence means the equality in value of

1 the aggregate amounts expected to be received under different forms
2 of payment. The determinations are to be based on the 1971 Group
3 Annuity Mortality Table reflecting sex-distinct factors blended
4 using seventy-five percent of the male table and twenty-five
5 percent of the female table. An interest rate of seven percent per
6 annum shall be reflected in making these determinations;

7 (18) Current benefit means (a) until July 1, 2000, the
8 initial benefit increased by all adjustments made pursuant to
9 section 24-710.08 and (b) on or after July 1, 2000, the initial
10 benefit increased by all adjustments made pursuant to the Judges
11 Retirement Act;

12 (19) Initial benefit means the retirement benefit
13 calculated at the time of retirement;

14 (20) Plan year means the twelve-month period beginning on
15 July 1 and ending on June 30 of the following year;

16 (21) Retirement system or system means the Nebraska
17 Judges Retirement System as provided in the Judges Retirement Act;

18 (22) Surviving spouse means (a) the spouse married to the
19 member on the date of the member's death or (b) the spouse or
20 former spouse of the member if survivorship rights are provided
21 under a qualified domestic relations order filed with the board
22 pursuant to the Spousal Pension Rights Act. The spouse or former
23 spouse shall supersede the spouse married to the member on the date
24 of the member's death as provided under a qualified domestic
25 relations order. If the benefits payable to the spouse or former
26 spouse under the qualified domestic relations order are less than
27 the value of benefits entitled to the surviving spouse, the spouse

1 married to the member on the date of the member's death shall be
2 the surviving spouse for the balance of the benefits; and

3 (23) Termination of employment occurs on the date on
4 which the State Court Administrator's office determines that the
5 judge's employer-employee relationship with the State of Nebraska
6 is dissolved. The State Court Administrator's office shall notify
7 the board within two weeks after the date such a termination is
8 deemed to have occurred.

9 Sec. 13. Section 79-921, Revised Statutes Supplement,
10 2000, is amended to read:

11 79-921. (1) The membership of any person in the
12 retirement system shall cease only if he or she ~~(1)~~ (a) withdraws
13 his or her accumulated contributions under section 79-955, ~~(2)~~ (b)
14 retires on a school or formula or disability retirement allowance,
15 or ~~(3)~~ (c) dies.

16 (2) The retirement board shall reinstate to membership,
17 with the same status as when such membership ceased, a school
18 employee who has withdrawn his or her accumulated contributions
19 under the following conditions:

20 (a) If ~~if~~ he or she again becomes an employee and if such
21 employee chooses within three years after rejoining the system to
22 repay, within five years after the date on which he or she rejoins
23 the retirement system or prior to termination of employment,
24 whichever is first, to the retirement board part or all of the
25 amount he or she has withdrawn plus interest which would have
26 accrued on that amount under the retirement system; or

27 (b)(i) If, more than three years after again becoming an

1 employee and rejoining the system but prior to termination of
2 employment, he or she chooses to repay part or all of the amount he
3 or she has withdrawn, plus an amount as determined in subdivision
4 (2)(b)(ii) of this section. Payment must be completed within five
5 years after electing to repay or prior to termination, whichever is
6 earlier.

7 (ii) The additional amount required pursuant to
8 subdivision (2)(b)(i) of this section shall be equal to the total
9 actual annual return that was earned on assets of the system from
10 the time the amounts were withdrawn until the fiscal year in which
11 the employee makes the election to repay. The actual annual return
12 shall be reported by the Nebraska Investment Council to the board
13 on June 30 of each year.

14 (3) Prior creditable service shall be restored in
15 proportion to the amounts repaid. A member's prior creditable
16 service shall be fully restored only if the member has repaid all
17 accumulated withdrawals in accordance with either subdivision
18 (2)(a) or (2)(b) of this section, as applicable. Repayment may be
19 made through direct payment, installment payments, or an
20 irrevocable payroll deduction authorization. If the school
21 employee chooses not to repay such withdrawals with interest, the
22 school employee shall enter the system as a new member with no
23 prior rights.

24 Sec. 31. This act becomes operative on July 1, 2001.

25 Sec. 33. Since an emergency exists, this act takes
26 effect when passed and approved according to law."

27 2. On page 5, line 5, after "credited" insert "with

1 money forfeited pursuant to section 23-2319.01 and with".

2 3. On page 16, line 27, strike "bond equivalent yield",
3 show as stricken, and insert "daily treasury yield curve for
4 one-year treasury securities"; and in line 28 strike "of the
5 average accepted auction" and show as stricken.

6 4. On page 17, strike beginning with "price" in line 1
7 through "plan" in line 2, show as stricken, and insert "that
8 applies on July 1 of each".

9 5. On page 26, lines 6 and 7; and page 27, lines 14 and
10 15, strike "hired or rehired after July 19, 1996," and show as
11 stricken.

12 6. On page 33, line 21, strike "bond equivalent yield",
13 show as stricken, and insert "daily treasury yield curve for
14 one-year treasury securities"; and strike beginning with the third
15 "of" in line 22 through line 24, show as stricken, and insert "that
16 applies on July 1 of each".

17 7. On page 45, line 12, after "credited" insert "with
18 money forfeited pursuant to section 84-1321.01 and with".

19 8. On page 48, line 14, after "23-2310.05," insert
20 "24-701,".

21 9. Renumber the remaining sections and correct internal
22 references accordingly.