

E & R AMENDMENTS TO LB 711

1 1. Strike the original sections and all amendments
2 thereto and insert the following new sections:

3 "Section 1. Section 24-710.07, Revised Statutes
4 Supplement, 2000, is amended to read:

5 24-710.07. (1) Beginning July 1, 2000, and each July 1
6 thereafter, current benefits paid to a member or beneficiary shall
7 be adjusted to equal seventy-five percent of the annuity which
8 results when the initial benefit that was paid to the member or
9 beneficiary (before any cost-of-living adjustments or supplemental
10 retirement benefit adjustments pursuant to the Judges Retirement
11 Act) is adjusted by the increase in the change in the Consumer
12 Price Index for Urban Wage Earners and Clerical Workers between the
13 commencement date of the annuity and July 1 of each year the
14 adjustment is made. The adjustment pursuant to this subsection
15 shall not cause a current benefit to be reduced.

16 (2)(a) Beginning July 1, 2000, until July 1, 2001, the
17 current benefit of a member or the beneficiary of such a member
18 shall be increased annually by the lesser of ~~(a)~~ (i) the change in
19 the Consumer Price Index for Urban Wage Earners and Clerical
20 Workers published by the Bureau of Labor Statistics of the United
21 States Department of Labor for the prior year or ~~(b)~~ (ii) two
22 percent.

23 **(b) Beginning July 1, 2001, the current benefit of a**
24 **member or the beneficiary of such a member shall be increased**

1 annually by the lesser of (i) the change in the Consumer Price
2 Index for Urban Wage Earners and Clerical Workers published by the
3 Bureau of Labor Statistics of the United States Department of Labor
4 for the prior year or (ii) two and seventy-five hundredths percent.

5 (3) The Judges Purchasing Power Stabilization Fund is
6 created. The purpose of the fund shall be to reflect changes in
7 the cost of living and wage levels that have occurred subsequent to
8 the date of retirement and that have reduced the purchasing power
9 of retirement benefits provided under the retirement system. A
10 separate annual actuarial valuation of the fund and the benefits
11 provided in section 24-710.08 shall be completed by the actuary
12 using the aggregate actuarial cost method. Commencing with the
13 1996-97 fiscal year through the 1999-00 fiscal year, the state
14 shall contribute to the Judges Purchasing Power Stabilization Fund
15 an annual level dollar payment certified by the board. After the
16 1999-00 fiscal year, the state shall contribute to the Nebraska
17 Retirement Fund for Judges an annual level dollar payment certified
18 by the board. For the 1996-97 fiscal year through the 2010-11
19 fiscal year, the annual level dollar payment certified by the board
20 shall equal 1.04778 percent of six million eight hundred
21 ninety-five thousand dollars. Until July 1, 2000, any money in the
22 Judges Purchasing Power Stabilization Fund available for investment
23 shall be invested by the state investment officer pursuant to the
24 Nebraska Capital Expansion Act and the Nebraska State Funds
25 Investment Act. On July 1, 2000, the Judges Purchasing Power
26 Stabilization Fund shall terminate and all money in the fund shall
27 be transferred to the Nebraska Retirement Fund for Judges.

1 (4) The board shall adjust the annual benefit adjustment
2 provided in this section so that the total amount of all
3 cost-of-living adjustments provided to the eligible retiree at the
4 time of the annual benefit adjustment does not exceed the change in
5 the National Consumer Price Index for Urban Wage Earners and
6 Clerical Workers published by the Bureau of Labor Statistics for
7 the period between June 30 of the prior year to June 30 of the
8 present year. If the consumer price index used in this section is
9 discontinued or replaced, a substitute index published by the
10 United States Department of Labor shall be selected by the board
11 which shall be a reasonable representative measurement of the cost
12 of living for retired employees.

13 Sec. 2. Section 79-934, Revised Statutes Supplement,
14 2000, is amended to read:

15 79-934. (1) In lieu of the school retirement allowance
16 provided by section 79-933, any member who is not an employee of a
17 Class V school district and who becomes eligible to make
18 application for and receive a school retirement allowance under
19 section 79-931 may receive a formula annuity retirement allowance
20 if it is greater than the school retirement allowance provided by
21 section 79-933.

22 (2) Subject to the other provisions of this section, the
23 monthly formula annuity in the normal form shall be determined by
24 multiplying the number of years of creditable service for which
25 such member would otherwise receive the service annuity provided by
26 section 79-933 by (a) one and one-quarter percent of his or her
27 final average compensation for a member who has acquired the

AM7075
LB 711
DSH-03-27

AM7075
LB 711
DSH-03-27

1 equivalent of one-half year of service or more as a public school
2 employee under the retirement system following August 24, 1975, (b)
3 one and one-half percent of his or her final average compensation
4 for a member who has acquired the equivalent of one-half year of
5 service or more as a public school employee under the retirement
6 system following July 17, 1982, (c) one and sixty-five hundredths
7 percent of his or her final average compensation for a member who
8 has acquired the equivalent of one-half year of service or more as
9 a public school employee under the retirement system following July
10 1, 1984, (d) one and seventy-three hundredths percent of his or her
11 final average compensation for a member actively employed as a
12 public school employee under the retirement system or under
13 contract with an employer on or after June 5, 1993, (e) one and
14 eight-tenths percent of his or her final average compensation for a
15 member who has acquired the equivalent of one-half year of service
16 or more as a public school employee under the retirement system
17 following July 1, 1995, and was employed as a public school
18 employee under the retirement system or under contract with an
19 employer on or after April 10, 1996, ~~or~~ (f) one and nine-tenths
20 percent of his or her final average compensation for a member who
21 has acquired the equivalent of one-half year of service or more as
22 a public school employee under the retirement system following July
23 1, 1998, and was employed as a public school employee under the
24 retirement system or under contract with an employer on or after
25 April 29, 1999, or (g) two percent of his or her final average
26 compensation for a member who has acquired the equivalent of
27 one-half year of service or more as a public school employee under

1 the retirement system following July 1, 2000, who was employed as a
2 public school employee under the retirement system or under
3 contract with an employer on or after the effective date of this
4 act, and who has not retired prior to the effective date of this
5 act. Subdivision (2)(f) of this section shall not apply to a
6 member who is retired prior to April 29, 1999. Subdivision (2)(g)
7 of this section shall not apply to a member who is retired prior to
8 the effective date of this act.

9 (3) If the annuity begins on or after the sixty-fifth
10 birthday of a member, the annuity shall not be reduced. If the
11 annuity begins prior to the sixty-fifth birthday of the member and
12 the member has completed thirty or more years of creditable service
13 and is at least sixty years of age, the annuity shall not be
14 reduced. If the annuity begins prior to the sixtieth birthday of
15 the member and the member has completed thirty-five or more years
16 of creditable service, the annuity shall be actuarially reduced on
17 the basis of age sixty-five. If the annuity begins on or after the
18 sixtieth birthday of the member and the member has completed at
19 least a total of five years of (a) creditable service plus (b)
20 eligibility and vesting credit but less than thirty years of
21 creditable service, the annuity shall be reduced by three percent
22 for each year by which the member's age is less than the age at
23 which the member's age plus years of creditable service would have
24 totaled ninety or three percent for each year after the member's
25 sixtieth birthday and prior to his or her sixty-fifth birthday,
26 whichever provides the greater annuity.

27 (4) For retirements on or after March 4, 1998, if the

1 annuity begins at a time when the sum of the member's attained age
2 and creditable service totals eighty-five and the member is at
3 least fifty-five years of age, the annuity shall not be reduced.
4 This subsection shall only apply to a member who has acquired the
5 equivalent of one-half year of service or more as a public school
6 employee under the retirement system following July 1, 1997, and
7 who was a school employee on or after March 4, 1998. This
8 subsection shall not apply to a member who is retired prior to
9 March 4, 1998.

10 (5) Except as provided in section 42-1107, the normal
11 form of the formula annuity shall be an annuity payable monthly
12 during the remainder of the member's life with the provision that
13 in the event of his or her death before sixty monthly payments have
14 been made the monthly payments will be continued to his or her
15 estate or to the beneficiary he or she has designated until sixty
16 monthly payments have been made. Except as provided in section
17 42-1107, a member may elect to receive in lieu of the normal form
18 of annuity an actuarially equivalent annuity in any optional form
19 provided by section 79-938.

20 (6) All formula annuities shall be paid from the Annuity
21 Reserve Account. Upon the granting of a formula annuity, there
22 shall be transferred to the Annuity Reserve Account: (a) From the
23 Service Annuity Account, the value of the service annuity which
24 would otherwise be payable; (b) from the School Employees Savings
25 Account, the accumulated contributions of the member; and (c) from
26 the School Employers Deposit Account, the value of the formula
27 annuity in excess of the amounts transferred from the Service

1 Annuity Account and the School Employees Savings Account. The
2 amounts transferred from the Service Annuity Account at any time
3 after such member attains sixty years of age and prior to his or
4 her sixty-fifth birthday or thirty-five years of creditable service
5 shall be on an actuarially reduced basis.

6 Sec. 3. Section 79-947.01, Revised Statutes Supplement,
7 2000, is amended to read:

8 79-947.01. (1) Beginning July 1, 2000, and each July 1
9 thereafter, current benefits paid to a member or beneficiary shall
10 be adjusted to equal seventy-five percent of the annuity which
11 results when the initial benefit that was paid to the member or
12 beneficiary (before any cost-of-living adjustments or supplemental
13 retirement benefit adjustments pursuant to the School Employees
14 Retirement Act) is adjusted by the increase in the change in the
15 Consumer Price Index for Urban Wage Earners and Clerical Workers
16 between the commencement date of the annuity and July 1 of each
17 year the adjustment is made. The adjustment pursuant to this
18 subsection shall not cause a current benefit to be reduced.

19 (2)(a) Beginning July 1, 2000, and prior to July 1, 2001,
20 the current benefit of a member or the beneficiary of such a member
21 shall be increased annually by the lesser of ~~(a)~~ (i) the change in
22 the Consumer Price Index for Urban Wage Earners and Clerical
23 Workers published by the Bureau of Labor Statistics of the United
24 States Department of Labor for the prior year or ~~(b)~~ (ii) two
25 percent.

26 (b) Beginning July 1, 2001, the current benefit to a
27 member or the beneficiary of such a member shall be increased

1 annually by the lesser of (i) the change in the Consumer Price
2 Index for Urban Wage Earners and Clerical Workers published by the
3 Bureau of Labor Statistics of the United States Department of Labor
4 for the prior year or (ii) two and seventy-five hundredths percent.

5 (3) The School Employees Purchasing Power Stabilization
6 Fund is created. The purpose of the fund shall be to reflect
7 changes in the cost of living and wage levels that have occurred
8 subsequent to the date of retirement and that have reduced the
9 purchasing power of retirement benefits provided under the
10 retirement system. ~~A separate annual actuarial valuation of the~~
11 ~~fund and the benefits provided in section 79-947.02 shall be~~
12 ~~completed by the actuary using the aggregate actuarial cost method.~~
13 Commencing with the 1996-97 fiscal year through the 1999-00 fiscal
14 year, the state shall contribute to the School Employees Purchasing
15 Power Stabilization Fund an annual level dollar payment certified
16 by the board. After the 1999-00 fiscal year, the state shall
17 contribute to the Annuity Reserve Fund an annual level dollar
18 payment certified by the board. For the 1996-97 fiscal year
19 through the 2010-11 fiscal year, the annual level dollar payment
20 certified by the board shall equal 81.7873 percent of six million
21 eight hundred ninety-five thousand dollars. Until July 1, 2000,
22 any money in the School Employees Purchasing Power Stabilization
23 Fund available for investment shall be invested by the state
24 investment officer pursuant to the Nebraska Capital Expansion Act
25 and the Nebraska State Funds Investment Act. On July 1, 2000, the
26 School Employees Purchasing Power Stabilization Fund shall
27 terminate and all money in the fund shall be transferred to the

1 Annuity Reserve Fund.

2 (4) The retirement board shall adjust the annual benefit
3 adjustment provided in this section so that the total amount of all
4 cost-of-living adjustments provided to the eligible retiree at the
5 time of the annual benefit adjustment does not exceed the change in
6 the National Consumer Price Index for Urban Wage Earners and
7 Clerical Workers published by the Bureau of Labor Statistics for
8 the period between June 30 of the prior year to June 30 of the
9 present year. If the consumer price index used in this section is
10 discontinued or replaced, a substitute index published by the
11 United States Department of Labor shall be selected by the board
12 which shall be a reasonable representative measurement of the cost
13 of living for retired employees.

14 Sec. 4. Section 79-956, Revised Statutes Supplement,
15 2000, is amended to read:

16 79-956. (1) If a member dies before retirement, his or
17 her accumulated contributions shall be paid to his or her estate,
18 to an alternate payee pursuant to a qualified domestic relations
19 order as provided in section 42-1107, or to the person he or she
20 has nominated by designation duly executed and filed with the
21 retirement board. Except for payment to an alternative payee
22 pursuant to a qualified domestic relations order, if no legal
23 representative or beneficiary applies for such accumulated
24 contributions within five years following (a) the deceased member's
25 sixty-fifth birthday if death occurred prior to such date or (b)
26 the date of the deceased member's death if death occurred after the
27 deceased member's sixty-fifth birthday, the contributions shall be

1 forfeited to the retirement system and credited to the Contingent
2 Account at that time.

3 (2) When the deceased member has not less than twenty
4 years of creditable service regardless of age or dies on or after
5 his or her sixty-fifth birthday and leaves a surviving spouse who
6 has been designated as beneficiary and who, as of the date of the
7 member's death, is the sole surviving primary beneficiary, such
8 beneficiary may elect, within ninety days after the death of the
9 member, to receive an annuity which shall be equal to the amount
10 that would have accrued to the member had he or she elected to have
11 the retirement annuity paid as a one-hundred-percent joint and
12 survivor annuity payable as long as either the member or the
13 member's spouse should survive and had the member retired (a) on
14 the date of death if his or her age at death is sixty-five years or
15 more or (b) at age sixty-five years if his or her age at death is
16 less than sixty-five years.

17 (3) When the deceased member has not less than five years
18 of creditable service and less than twenty years of creditable
19 service and dies before his or her sixty-fifth birthday and leaves
20 a surviving spouse who has been designated in writing as
21 beneficiary and who, as of the date of the member's death, is the
22 sole surviving primary beneficiary, such beneficiary may elect,
23 within ninety days after the death of the member, to receive (a) a
24 refund of the member's contribution account balance with interest
25 plus an additional one hundred one percent of the member's
26 contribution account balance with interest or (b) an annuity
27 payable monthly for the surviving spouse's lifetime which shall be

1 equal to the benefit amount that had accrued to the member at the
2 date of the member's death, commencing when the member would have
3 reached age sixty, or the member's age at death if greater, reduced
4 by three percent for each year payments commence before the member
5 would have reached age sixty-five, and adjusted for payment in the
6 form of a one-hundred-percent joint and survivor annuity.

7 (4) If the requirements of ~~this~~ subsection (2) or (3) of
8 this section are not met, then the beneficiary or the estate, if
9 the member has not filed a statement with the board naming a
10 beneficiary, shall be paid a lump sum equal to all contributions to
11 the fund made by such member plus regular interest.

12 ~~(3)~~ (5) Benefits to which a surviving spouse,
13 beneficiary, or estate of a member shall be entitled pursuant to
14 ~~subsections (1) and (2) of~~ this section shall commence immediately
15 upon the death of such member.

16 Sec. 5. Section 79-980, Revised Statutes Supplement,
17 2000, is amended to read:

18 79-980. The general administration of the retirement
19 system is hereby vested in the board of education. The board shall
20 appoint, by a majority of all its members, ~~nine~~ ten trustees to
21 serve as executive officers to administer the Class V School
22 Employees Retirement Act. Such trustees shall consist of (1) the
23 superintendent of schools, as ex officio trustee, (2) ~~three~~ four
24 members of the retirement system, two from the certificated staff,
25 ~~and~~ and one from the classified staff, and one from the annuitants, (3)
26 three members of the board of education, and (4) two trustees who
27 are business persons qualified in financial affairs and who are not

AM7075
LB 711
DSH-03-27

AM7075
LB 711
DSH-03-27

1 members of the retirement system. ~~The first trustees will take~~
2 ~~office as of the effective date of the retirement system,~~ and the
3 ~~terms of office shall begin as of that date.~~ The trustees shall
4 serve without compensation, but they shall be reimbursed from the
5 funds of the retirement system for expenses that they may incur
6 through service on the board of trustees as provided in sections
7 81-1174 to 81-1177. A trustee shall serve until a successor
8 qualifies, except that trustees who are members of the retirement
9 system or members of the board of education shall be disqualified
10 as trustees immediately upon ceasing to be a member of the
11 retirement system or of the board of education. Each trustee shall
12 be entitled to one vote on the board of trustees, and ~~five~~ six
13 trustees shall constitute a quorum for the transaction of any
14 business. The trustees who are appointed from the board of
15 education and the membership shall be appointed for each fiscal
16 year. The two trustees who are not members of the board of
17 education or of the retirement system shall be appointed for three
18 fiscal years each. The trustees and the administrator of the
19 retirement system shall administer the retirement system in
20 compliance with the tax-qualification requirements applicable to
21 government retirement plans under section 401(a) of the Internal
22 Revenue Code, as defined in section 49-801.01.

23 Sec. 6. Section 79-981, Revised Statutes Supplement,
24 2000, is amended to read:

25 79-981. The board of education shall from time to time
26 establish rules and regulations for the administration of the
27 retirement system and for the transaction of its business and shall

1 appoint an administrator of the retirement system. The board may
2 contract for such medical and other services as shall be required
3 to transact the business of the retirement system. Compensation
4 for all persons employed by the board and all other expenses of the
5 board necessary for the proper and efficient operation of the
6 retirement system shall be paid in such amounts as the board
7 determines and approves.

8 In addition to such duties and other duties arising out
9 of the Class V School Employees Retirement Act not specifically
10 reserved or assigned to others, the board shall maintain a separate
11 account of each member's contribution, the record of which shall be
12 available to the member upon request, compile such data as may be
13 necessary for the required actuarial valuation, consider and pass
14 on all applications for annuities or other benefits and have
15 examinations made when advisable of persons receiving disability
16 benefits, ~~certify the amount of the tax levy required under section~~
17 ~~79-9,112 to the county board of equalization,~~ and direct and
18 determine all policies necessary in the administration of the act.

19 Sec. 7. Section 79-982, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 79-982. The trustees shall (1) hold regular meetings
22 annually and such special meetings at such times as may be deemed
23 necessary, and all meetings of the trustees shall be open to the
24 public, (2) keep a record of all the proceedings of such meetings,
25 (3) subject to the approval of the board of education, invest all
26 cash income not required for current payments in securities of the
27 type provided in section 79-9,107 and so reinvest the proceeds from

AM7075
LB 711
DSH-03-27

AM7075
LB 711
DSH-03-27

1 the sale or redemption of investments, and (4) supervise the
2 financial affairs of the retirement system and recommend to the
3 board of education any changes in the administration of the
4 retirement system essential to the actuarial requirements of the
5 fund. ~~7 and (5) ascertain each year the estimated amount of money~~
6 ~~to be raised by taxation to cover payments during the ensuing~~
7 ~~fiscal year on account of prior service and recommend to the board~~
8 ~~of education the rate of tax to be levied.~~

9 Sec. 8. Section 79-984, Revised Statutes Supplement,
10 2000, is amended to read:

11 79-984. The board of education shall contract for the
12 services of an actuary who shall be the technical advisor of the
13 board and the trustees on matters regarding the operation of the
14 retirement system. The actuary shall (1) make a general
15 investigation of the operation of the retirement system at least
16 once in every three years, which investigation shall cover
17 mortality, retirement, disability, employment, turnover, interest,
18 and earnable compensation, and (2) recommend tables to be used for
19 all required actuarial calculations. ~~The actuary may be employed~~
20 ~~to make an annual valuation of the liabilities of the retirement~~
21 ~~system on the basis of which the board of education may make an~~
22 ~~annual determination of the amount of the tax levy authorized by~~
23 ~~the Class V School Employees Retirement Act.~~ The actuary shall
24 perform such other duties as may be assigned by the board.

25 Sec. 9. Section 79-987, Revised Statutes Supplement,
26 2000, is amended to read:

27 79-987. (1) An annual audit of the affairs of the

1 retirement system shall be conducted. At the option of the
2 ~~governing board, of the retirement system,~~ such audit may be
3 conducted by a certified public accountant or the Auditor of Public
4 Accounts. The costs of such audit shall be paid from funds of the
5 retirement system. A copy of such audit shall be filed with the
6 Auditor of Public Accounts.

7 (2) Beginning December 31, 1998, and each December 31
8 thereafter, the administrator of the retirement system established
9 pursuant to section 79-979 and section 401(a) of the Internal
10 Revenue Code, as defined in section 49-801.01, shall file with the
11 Public Employees Retirement Board an annual report on such system
12 and shall submit copies of such report to the members of the
13 Nebraska Retirement Systems Committee of the Legislature. The
14 annual report shall be in a form prescribed by the Public Employees
15 Retirement Board and shall contain the following information for
16 each such retirement plan:

17 (a) The number of persons participating in the retirement
18 plan;

19 (b) The contribution rates of participants in the plan;

20 (c) Plan assets and liabilities;

21 (d) The names and positions of persons administering the
22 plan;

23 (e) The names and positions of persons investing plan
24 assets;

25 (f) The form and nature of investments;

26 (g) For each defined contribution plan, a full
27 description of investment policies and options available to plan

1 participants; and

2 (h) For each defined benefit plan, the levels of benefits
3 of participants in the plan, the number of members who are eligible
4 for a benefit, and the total present value of such members'
5 benefits, as well as the funding sources which will pay for such
6 benefits.

7 If a plan contains no current active participants, the
8 administrator may file in place of such report a statement with the
9 Public Employees Retirement Board indicating the number of retirees
10 still drawing benefits, and the sources and amount of funding for
11 such benefits.

12 (3) Beginning December 31, 1998, and every four years
13 thereafter, if such retirement plan is a defined benefit plan, the
14 trustees of a retirement system established pursuant to section
15 79-979 shall cause to be prepared a quadrennial report and the
16 administrator shall file the same with the Public Employees
17 Retirement Board and submit to the members of the Nebraska
18 Retirement Systems Committee of the Legislature a copy of such
19 report. The report shall consist of a full actuarial analysis of
20 each such retirement plan established pursuant to section 79-979.
21 The analysis shall be prepared by an independent private
22 organization or public entity employing actuaries who are members
23 in good standing of the American Academy of Actuaries, and which
24 organization or entity has demonstrated expertise to perform this
25 type of analysis and is unrelated to any organization offering
26 investment advice or which provides investment management services
27 to the retirement plan.

1 Sec. 10. Section 79-990, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-990. (1) Any member who is eligible for reemployment
4 on or after December 12, 1994, pursuant to 38 U.S.C. chapter 43, ~~as~~
5 ~~amended as such chapter existed on the effective date of this act,~~
6 or is eligible for reemployment under sections 55-160 to 55-163 may
7 pay to the retirement system after the date of his or her return
8 from active military service, and within the period required by
9 law, not to exceed five years, an amount equal to the sum of all
10 deductions which would have been made from the salary which he or
11 she would have received during the period of military service for
12 which creditable service is desired. If such payment is made, the
13 member shall be entitled to credit for membership service in
14 determining his or her annuity for the period for which
15 contributions have been made and the board shall be responsible for
16 any funding necessary to provide for the benefit which is
17 attributable to this increase in the member's creditable service.
18 The member's payments shall be paid as the trustees may direct,
19 through direct payments to the retirement system or on an
20 installment basis pursuant to a binding irrevocable payroll
21 deduction authorization between the member and the school district.
22 Creditable service may be purchased only in one-half-year
23 increments, starting with the most recent year's salary.

24 (2) Under such rules and regulations as the board may
25 prescribe, any member who was away from his or her position while
26 on a leave of absence from such position authorized by the board of
27 education of the school district by which he or she was employed at

AM7075
LB 711
DSH-03-27

AM7075
LB 711
DSH-03-27

1 the time of such leave of absence or pursuant to any contractual
2 agreement entered into by such school district may receive credit
3 for any or all time he or she was on leave of absence. Such time
4 shall be included in creditable service when determining
5 eligibility for death, disability, termination, and retirement
6 benefits. The member who receives the credit shall earn benefits
7 during the leave based on salary at the level received immediately
8 prior to the leave of absence. Such credit shall be received if
9 such member pays into the retirement system (a) an amount equal to
10 the sum of the deductions from his or her salary for the portion of
11 the leave for which creditable service is desired, (b) any
12 contribution which the school district would have been required to
13 make for the portion of the leave for which creditable service is
14 desired had he or she continued to receive salary at the level
15 received immediately prior to the leave of absence, and (c) regular
16 interest on these combined payments from the date such deductions
17 would have been made to the date of repayment. Such amounts shall
18 be paid as the trustees may direct, through direct payments to the
19 retirement system or on an installment basis pursuant to a binding
20 irrevocable payroll deduction authorization between the member and
21 the school district over a period not to exceed five years from the
22 date of the termination of his or her leave of absence. Interest
23 on any delayed payment shall be at the rate of regular interest.
24 Creditable service may be purchased only in one-half-year
25 increments, starting with the most recent ~~year's~~ years' salary, and
26 if payments are made on an installment basis, creditable service
27 will be credited only as payment has been made to the retirement

1 system to purchase each additional one-half-year increment. Leave
2 of absence shall be construed to include, but not be limited to,
3 sabbaticals, maternity leave, exchange teaching programs, full-time
4 leave as an elected official of a professional association or
5 collective-bargaining unit, or leave of absence to pursue further
6 education or study. A leave of absence granted pursuant to this
7 section shall not exceed four years in length, and in order to
8 receive credit for the leave of absence, the member must ~~return~~
9 have returned to employment with the ~~Class V~~ school district within
10 one year after termination of the leave of absence.

11 (3) Until one year after the effective date of this act,
12 any member currently employed by the school district who resigned
13 from full-time employment with the school district for maternity
14 purposes prior to September 1, 1979, and was reemployed as a
15 full-time employee by the school district before the end of the
16 school year following the school year of such member's resignation
17 may have such absence treated as though the absence was a leave of
18 absence described in subsection (2) of this section. The period of
19 such absence for maternity purposes shall be included in creditable
20 service when determining the member's eligibility for death,
21 disability, termination, and retirement benefits if the member
22 submits satisfactory proof to the board that the prior resignation
23 was for maternity purposes and the member complies with the payment
24 provisions of subsection (2) of this section before the one-year
25 anniversary of the effective date of this act.

26 Sec. 11. Section 79-992, Revised Statutes Supplement,
27 2000, is amended to read:

1 79-992. (1) A member who has five years or more of
2 creditable service, excluding years of prior service acquired
3 pursuant to section 79-990, 79-991, 79-994, 79-995, or 79-997, and
4 who severs his or her employment may elect to leave his or her
5 contributions in the retirement system, in which event he or she
6 shall receive a retirement allowance at normal retirement age based
7 on the annuity earned to the date of such severance. Such member
8 may elect to receive a retirement allowance at early retirement age
9 if such member retires at an early retirement date. Such annuity
10 shall be adjusted in accordance with section 79-9,100. Upon the
11 severance of employment, except on account of retirement, a member
12 shall be entitled to receive refunds as follows: (a) An amount
13 equal to the accumulated contributions to the retirement system by
14 the member; and (b) any contributions made to a previously existing
15 system which were refundable under the terms of that system. Any
16 member receiving a refund of contributions shall thereby forfeit
17 and relinquish all accrued rights in the retirement system
18 including all accumulated creditable service, except that if any
19 member who has withdrawn his or her contributions as provided in
20 this section reenters the service of the district and again becomes
21 a member of the retirement system, he or she may restore any or all
22 money previously received by him or her as a refund, including the
23 regular interest for the period of his or her absence from the
24 district's service, and he or she shall then again receive credit
25 for that portion of service which the restored money represents.
26 Such restoration may be made as the trustees may direct through
27 direct payments to the system or on an installment basis pursuant

1 to a binding irrevocable payroll deduction authorized between the
2 member and the school district over a period of not to exceed five
3 years from the date of reemployment. Interest on delayed payments
4 shall be at the rate of regular interest. Creditable service may
5 be purchased only in one-half-year increments, starting with the
6 most recent ~~year's~~ years' salary.

7 (2) A retired member who returns to employment as an
8 employee of the school district shall again participate in the
9 retirement system as a new member and shall make contributions to
10 the retirement system commencing upon reemployment. The retirement
11 annuity of a retired member who returns to employment with the
12 school district shall continue to be paid by the retirement system.
13 A retired member who returns to employment as an employee of the
14 school district shall receive creditable service only for service
15 performed after his or her return to employment and in no event
16 shall creditable service which accrues or the compensation paid to
17 the member after such return to employment after retirement
18 increase the amount of the member's original retirement annuity.

19 (3) Upon termination of the reemployed member, the member
20 shall receive in addition to the retirement annuity which commenced
21 at the time of the previous retirement (a) if the member has
22 accrued five years or more of creditable service after his or her
23 return to employment, excluding years of prior service acquired
24 pursuant to section 79-990, 79-991, 79-994, 79-995, or 79-997, a
25 retirement annuity as provided in section 79-999 or 79-9,100, as
26 applicable, calculated solely on the basis of creditable service
27 and final average compensation accrued and earned after the

1 member's return to employment after his or her original retirement,
2 and as adjusted to reflect any payment in other than the normal
3 form or (b) if the member has not accrued five years or more of
4 creditable service after his or her return to employment, a refund
5 equal to the member's accumulated contributions which were credited
6 to the member after the member's return to employment. In no event
7 shall the member's creditable service which accrued prior to a
8 previous retirement be considered as part of the member's
9 creditable service after his or her return to employment for any
10 purpose of the Class V School Employees Retirement Act.

11 Sec. 12. Section 79-998, Revised Statutes Supplement,
12 2000, is amended to read:

13 79-998. The retirement system may accept cash rollover
14 contributions from a member who is making payments for additional
15 service credits pursuant to sections 79-990 to 79-992 if the
16 contributions do not exceed the amount of payment required for the
17 service credits purchased by the member pursuant to such sections
18 and:

19 (1) The contributions represent all or any portion of the
20 member's interest in a plan of a former employer which is qualified
21 under section 401(a) of the Internal Revenue Code, as defined in
22 section 49-801.01, and such interest may be transferred to the
23 system as a qualifying rollover contribution under the Internal
24 Revenue Code; or

25 (2) The contributions represent the interest of a member
26 from an individual retirement account or individual retirement
27 annuity, the entire amount of which is attributable to a qualified

1 total distribution as defined in the Internal Revenue Code from a
2 source described in subdivision (1) of this section and thus
3 qualified as a tax-free rollover amount, and the interest is
4 transferred to the system within sixty days from the date of
5 distribution of the individual retirement account or individual
6 retirement annuity.

7 Cash transferred to the system as a rollover contribution
8 shall be deposited as a commingled asset of the system and shall
9 not be separately accounted for or invested for the member's
10 benefit. Rollover contributions made by any member shall be
11 treated as qualifying ~~to~~ payments under sections 79-990 to 79-992
12 and as employee contributions for all other purposes of the Class V
13 School Employees Retirement Act except in determining federal and
14 state tax treatment of distributions from the system.

15 The system, the board, the trustees, and their respective
16 members, officers, and employees shall have no responsibility or
17 liability with respect to the federal and state income tax
18 consequences of any transfer made to the system pursuant to this
19 section, and the trustees may require as a condition to the
20 system's acceptance of any rollover contribution satisfactory
21 evidence that the proposed transfer is a qualifying rollover
22 contribution under the Internal Revenue Code and reasonable
23 releases or indemnifications from the member against any and all
24 liabilities which may in any way be connected with such transfer.

25 Effective January 1, 1993, any member who is to receive
26 an eligible rollover distribution, as defined in the Internal
27 Revenue Code, from the system may, in accordance with such rules,

1 regulations, and limitations as may be established by the trustees,
2 elect to have such distribution made in the form of a direct
3 transfer to a retirement plan eligible to receive such transfer
4 under the provisions of the Internal Revenue Code. Any such
5 election shall be made in the form and within the time periods
6 established by the trustees.

7 All distributions from the system shall be subject to all
8 withholdings required by federal or state tax laws.

9 Sec. 13. Section 79-9,101, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 79-9,101. Any time prior to receiving the first annuity
12 payment, the member may elect to receive in lieu of such annuity,
13 but payable in the same manner, an actuarially equivalent annuity
14 in one of the following forms:

15 (1) A joint and survivorship annuity which shall continue
16 after the death of the member to the death of the (a) member's
17 spouse or (b) other designated beneficiary whose attained age ~~at~~
18 the time of such election is fifty-five years or more in the
19 calendar year in which the payment of the annuity commences is no
20 more than ten years less than the attained age of the member in
21 such calendar year;

22 (2) A joint and survivorship annuity which shall continue
23 after the death of the member so that seventy-five percent of the
24 amount of the member's monthly benefit under this option shall be
25 paid monthly to the (a) member's spouse until his or her death or
26 (b) other designated beneficiary whose attained age ~~at the time of~~
27 such election is fifty-five years or more in the calendar year in

1 which the payment of the annuity commences is no more than nineteen
2 years less than the attained age of the member in such calendar
3 year until his or her death;

4 (3) An annuity payable monthly during the remainder of
5 the member's life with the provision that in the event of his or
6 her death before one hundred twenty monthly payments have been made
7 the monthly payments will be continued as provided in this section
8 until a total of one hundred twenty monthly payments have been
9 made; ~~or~~

10 (4) A joint and survivorship annuity which will continue
11 after the death of the member to the death of the (a) member's
12 spouse or (b) other designated beneficiary whose attained age ~~at~~
13 ~~the time of such election is fifty-five years or more in the~~
14 calendar year in which the payment of the annuity commences is no
15 more than ten years less than the attained age of the member in
16 such calendar year but which annuity shall, upon the spouse's or
17 designated beneficiary's death before the death of the member, be
18 increased after such death for the remaining life of the member so
19 that the monthly benefit equals the monthly benefit which would
20 have been payable to the member had the member selected the normal
21 form of the formula retirement annuity specified in section
22 79-9,100; or

23 (5) A joint and survivorship annuity which shall continue
24 after the death of the member so that fifty percent of the amount
25 of the member's monthly benefit under this option shall be paid
26 monthly to a designated beneficiary until his or her death.

27 Each of these actuarially equivalent annuities, except

1 for the form provided in subdivision (3) of this section, shall
2 continue for a minimum of sixty months.

3 The amount of each monthly payment shall be the amount
4 specified in the form elected by the member.

5 Whether the member elects the normal form or one of the
6 optional forms of the formula retirement annuity, if the member and
7 his or her designated beneficiary die before the specified monthly
8 payments have been made, the remaining number of the specified
9 payments shall be paid to the individual or individuals designated
10 in writing, on forms prescribed by the system, by the last
11 surviving of the member or the member's designated beneficiary and,
12 if no such designation is made, to the estate of the last surviving
13 of the member or the member's designated beneficiary. At the
14 election of a beneficiary, a single sum payment which is the
15 actuarial equivalent of the remaining monthly payments to be paid
16 to such beneficiary may be paid in lieu of the annuity benefit
17 otherwise to be provided under the normal form or the optional form
18 described in subdivision (3) of this section.

19 Sec. 14. Section 79-9,103, Revised Statutes Supplement,
20 2000, is amended to read:

21 79-9,103. (1) Any annuity paid on or after September 1,
22 1983, to a member who retired prior to February 21, 1982, pursuant
23 to the Class V School Employees Retirement Act, or to such member's
24 beneficiary, or to a person who retired under the provisions of the
25 retirement system established by statute for employees of Class V
26 school districts in effect prior to September 1, 1951, or to such
27 person's beneficiary, shall be adjusted by the increase in the cost

AM7075
LB 711
DSH-03-27

AM7075
LB 711
DSH-03-27

1 of living or wage levels between the effective date of retirement
2 and June 30, 1983, except that such increase shall not exceed the
3 sum of one dollar and fifty cents per month for each year of
4 creditable service and one dollar per month for each completed year
5 of retirement as measured from the effective date of retirement to
6 June 30, 1983. No separate adjustment in such annuity shall be
7 made as a result of the changes made in section 79-9,113 pursuant
8 to Laws 1983, LB 488. If a joint and survivor annuity was elected,
9 the increase shall be actuarially adjusted so that the joint and
10 survivor annuity remains the actuarial equivalent of the life
11 annuity otherwise payable.

12 (2) In addition to the cost-of-living adjustment provided
13 in subsection (1) of this section, any annuity paid on or after
14 September 1, 1986, pursuant to the act or pursuant to the
15 provisions of the retirement system established by statute for
16 employees of Class V school districts in effect prior to September
17 1, 1951, and on which the first payment was dated on or before
18 September 1, 1985, shall be adjusted by the increase in the cost of
19 living or wage levels between the effective date of retirement and
20 June 30, 1986, except that such increase shall not exceed (a) three
21 and one-half percent for annuities first paid on or after September
22 1, 1984, (b) seven percent for annuities first paid on or after
23 September 1, 1983, but before September 1, 1984, or (c) ten and
24 one-half percent for all other annuities.

25 (3) In addition to the cost-of-living adjustment provided
26 in subsections (1) and (2) of this section, any annuity paid on or
27 after September 1, 1989, pursuant to the act or pursuant to the

1 provisions of the retirement system established by statute for
2 employees of Class V school districts in effect prior to September
3 1, 1951, and on which the first payment was dated on or before
4 September 1, 1988, shall be adjusted by the increase in the cost of
5 living or wage levels between the effective date of retirement and
6 June 30, 1989, except that such increase shall not exceed (a) three
7 percent for annuities first paid on or after September 1, 1987, (b)
8 six percent for annuities first paid on or after September 1, 1986,
9 but before September 1, 1987, or (c) nine percent for all other
10 annuities.

11 (4) In addition to the cost-of-living adjustment provided
12 in subsections (1), (2), and (3) of this section, any annuity paid
13 on or after September 1, 1992, pursuant to the act or pursuant to
14 the provisions of the retirement system established by statute for
15 employees of Class V school districts in effect prior to September
16 1, 1951, and on which the first payment was dated on or before
17 October 1, 1991, shall be adjusted by the increase in the cost of
18 living or wage levels between the effective date of retirement and
19 June 30, 1992, except that such increase shall not exceed (a) three
20 percent for annuities first paid after October 1, 1990, (b) six
21 percent for annuities first paid after October 1, 1989, but on or
22 before October 1, 1990, or (c) nine percent for all other
23 annuities.

24 (5) In addition to the cost-of-living adjustment provided
25 in subsections (1), (2), (3), and (4) of this section, any annuity
26 paid on or after September 1, 1995, pursuant to the act or pursuant
27 to the provisions of the retirement system established by statute

1 for employees of Class V school districts in effect prior to
2 September 1, 1951, and on which the first payment was dated on or
3 before October 1, 1994, shall be adjusted by the increase in the
4 cost of living or wage levels between the effective date of
5 retirement and June 30, 1995, except that such increase shall not
6 exceed (a) three percent for annuities first paid after October 1,
7 1993, (b) six percent for annuities first paid after October 1,
8 1992, but on or before October 1, 1993, or (c) nine percent for all
9 other annuities.

10 (6) In addition to the cost-of-living adjustment provided
11 in subsections (1), (2), (3), (4), and (5) of this section, any
12 annuity paid pursuant to the act or pursuant to the provisions of
13 the retirement system established by statute for employees of Class
14 V school districts in effect prior to September 1, 1951, and on
15 which the first payment was dated on or before October 1, 1994,
16 shall be subject to adjustment to equal the greater of (a) the
17 annuity payable to the member or beneficiary as adjusted, if
18 applicable, under the provisions of subsection (1), (2), (3), (4),
19 or (5) of this section or (b) ninety percent of the annuity which
20 results when the original annuity that was paid to the member or
21 beneficiary (before any cost-of-living adjustments under this
22 section), is adjusted by the increase in the cost of living or wage
23 levels between the commencement date of the annuity and June 30,
24 1995.

25 (7) In addition to the cost-of-living adjustment provided
26 in subsections (1), (2), (3), (4), (5), and (6) of this section,
27 any annuity paid on or after September 1, 1998, pursuant to the act

1 or pursuant to the provisions of the retirement system established
2 by statute for employees of Class V school districts in effect
3 prior to September 1, 1951, and on which the first payment was
4 dated on or before October 3, 1997, shall be adjusted by the
5 increase in the cost of living or wage levels between the effective
6 date of retirement and June 30, 1998, except that such increase
7 shall not exceed (a) three percent for annuities first paid after
8 October 1, 1996, (b) six percent for annuities first paid after
9 October 1, 1995, but on or before October 1, 1996, or (c) nine
10 percent for all other annuities.

11 (8) Beginning January 1, 2000, and on January 1 of every
12 year thereafter, a cost-of-living adjustment shall be made for any
13 annuity being paid pursuant to the act, or pursuant to the
14 provisions of the retirement system established by statute for
15 employees of Class V school districts in effect prior to September
16 1, 1951, and on which the first payment was dated on or before
17 October 3 preceding such January 1 adjustment date. The
18 cost-of-living adjustment for any such annuity shall be the lesser
19 of (a) one and one-half percent or (b) the increase in the consumer
20 price index from the date such annuity first became payable through
21 the August 31 preceding the January 1 adjustment date as reduced by
22 the aggregate cost-of-living adjustments previously made to the
23 annuity pursuant to section 79-9,103 and pursuant to subsections
24 (8) and (9) of this section.

25 (9) Beginning September 1, 1999, the actuary shall make
26 an annual valuation of the assets and liabilities of the system.
27 If the annual valuation made by the actuary, as approved by the

AM7075
LB 711
DSH-03-27

AM7075
LB 711
DSH-03-27

1 trustees, indicates that the system has sufficient actuarial
2 surplus to provide for a cost-of-living adjustment in addition to
3 the adjustment made pursuant to subsection (8) of this section, the
4 board may, in its discretion, declare by resolution that each
5 annuity being paid pursuant to the act, or pursuant to the
6 provisions of the retirement system established by statute for
7 employees of Class V school districts in effect prior to September
8 1, 1951, and on which the first payment was dated on or before
9 October 3 of the year such resolution is adopted, shall be
10 increased beginning as of the January 1 following the date of the
11 board's resolution by such percentage as may be declared by the
12 board, except that such increase for any such annuity shall not
13 exceed the increase in the consumer price index from the date such
14 annuity first became payable through the applicable valuation date
15 as reduced by the aggregate cost-of-living adjustments previously
16 made to the annuity pursuant to section 79-9,103 and pursuant to
17 subsections (8) and (9) of this section.

18 (10) The Except for the adjustments pursuant to
19 subsection (12) of this section, the consumer price index to be
20 used for determining any cost-of-living adjustment under this
21 section shall be the Consumer Price ~~Index for All~~ Index - All Urban
22 Consumers, as published by the Bureau of Labor Statistics of the
23 United States Department of Labor. If this consumer price index is
24 discontinued or replaced, a substitute index published by the
25 United States Department of Labor shall be selected by the board,
26 upon recommendation of the trustees, which shall be a reasonable
27 representative measurement of the cost of living for retired

1 employees. An annuity as increased by any cost-of-living
2 adjustment made under this section shall be considered the base
3 annuity amount for the purpose of future adjustments pursuant to
4 this section. In no event shall any cost-of-living adjustment be
5 deemed to affect or increase the amount of the base retirement
6 annuity of a member as determined under section 79-999 or 79-9,100.

7 (11) Any decision or determination by the board (a) to
8 declare or not declare a cost-of-living adjustment, (b) as to
9 whether the annual valuation indicates a sufficient actuarial
10 surplus to provide for a cost-of-living adjustment, or (c) pursuant
11 to the selection of a substitute index shall be made in the sole,
12 absolute, and final discretion of the board and shall not be
13 subject to challenge by any member or beneficiary. In no event
14 shall the Legislature be constrained or limited in amending the
15 system or increasing the benefits of members under the system, nor
16 shall the board or trustees be constrained from supporting any such
17 change to the system, notwithstanding the effect of any such change
18 upon the actuarial surplus of the system and the ability of the
19 board to declare future cost-of-living adjustments.

20 (12) The Legislature finds and declares that there exists
21 in this state a pressing need to attract and retain qualified and
22 dedicated public school employees and that one of the factors
23 prospective public school employees consider when seeking or
24 continuing public school employment is the retirement system and
25 benefits the employment provides. The Legislature further finds
26 that over the past decades, as reflected by the Medical Price Index
27 published by the United States Department of Labor, the cost of

AM7075
LB 711
DSH-03-27

AM7075
LB 711
DSH-03-27

1 medical care, including the cost of medications and insurance
2 coverages, has increased at a rate in excess of that by which the
3 Consumers Price Index - All Urban Consumers has increased. The
4 Legislature further finds and declares that there accordingly
5 exists a need to adjust the amount of retirement benefits paid to
6 retired public school employees in order to assist them in meeting
7 the increased cost of medical care. Therefor, in addition to the
8 cost-of-living adjustments provided in subsections (1) through (11)
9 of this section, commencing on October 3, 2001, and on October 3 of
10 every year thereafter, a medical cost-of-living adjustment shall be
11 paid to any annuitant who has been paid an annuity from the
12 retirement system for at least ten years through the October 3
13 adjustment date. The cost-of-living adjustment shall be paid in
14 the form of a supplemental annuity providing monthly payments equal
15 to the amount which results when (a) the fraction, not to exceed
16 one, that results when the annuitant's years of creditable service
17 at his or her retirement date is divided by twenty, is multiplied
18 by (b) the product of ten dollars times the number of years,
19 including attained one-half years, that such annuitant has received
20 annuity payments from the retirement system through the October 3
21 adjustment date. The supplemental annuity being paid to an
22 annuitant shall increase by ten dollars on October 3 of each
23 subsequent year to reflect the additional year of annuity payments
24 to the annuitant until the total amount of the supplemental annuity
25 is two hundred fifty dollars. In no event shall the medical
26 cost-of-living adjustment for any annuitant pursuant to this
27 subsection result in the payment of a supplemental annuity

1 exceeding two hundred fifty dollars per month. The supplemental
2 annuity paid to an annuitant pursuant to this subsection shall
3 cease at the death of the annuitant regardless of the form of
4 retirement annuity being paid to the annuitant at the time of his
5 or her death.

6 Sec. 15. Section 79-9,105, Revised Statutes Supplement,
7 2000, is amended to read:

8 79-9,105. (1) Any member with five or more years of
9 creditable service, excluding years of prior service acquired
10 pursuant to section 79-990, 79-991, 79-994, 79-995, or 79-997, who
11 becomes totally disabled for further performance of duty on or
12 after March 22, 2000, may be approved for deferred disability
13 retirement by the board. In the case of such deferred disability
14 retirement, the member, during the period specified in subsection
15 (3) of this section, shall be credited with creditable service for
16 each year or portion thereof, to be determined in accordance with
17 board policies governing creditable service, that the member defers
18 retirement, up to a maximum of thirty-five years of total
19 creditable service, including creditable service accrued before the
20 member became totally disabled. The member approved for deferred
21 disability retirement may at any time of the member's choosing
22 request the deferral to end and retirement annuity payments to
23 begin. The retirement annuity of such member shall be based on the
24 total number of years of the member's creditable service, including
25 the years credited to the member during his or her total disability
26 under this section, and the member's final average salary as of the
27 date that the member became totally disabled and as adjusted from

1 such date by a percentage equal to the cumulative percentage
2 cost-of-living adjustments that were made or declared for annuities
3 in pay status pursuant to subsections (8) and (9) of section
4 79-9,103 after the date of the board's approval for deferred
5 disability retirement and before the cessation of the accrual of
6 additional creditable service pursuant to subsection (3) of this
7 section. Except as provided in subsection (4) of this section, the
8 retirement annuity so determined for the member shall be payable to
9 the member without reduction due to any early commencement of
10 benefits, except that the retirement annuity shall be reduced by
11 the amount of any periodic payments to such employee as workers'
12 compensation benefits. Additional creditable service acquired
13 through deferred disability retirement shall apply to the service
14 requirements specified in section 79-9,106. The board shall
15 consider a member to be totally disabled when it has received an
16 application by the member and a statement by at least two licensed
17 and practicing physicians designated by the board certifying that
18 the member is totally and presumably permanently disabled and
19 unable to perform his or her duties as a consequence thereof.

20 (2) Notwithstanding the provisions of subsection (1) of
21 this section, the payment of the retirement annuity of a member may
22 not be deferred later than the member's required beginning date as
23 defined in section 401(a)(9) of the Internal Revenue Code, as
24 defined in section 49-801.01. If the payment of a disabled
25 member's retirement annuity is required to commence before the
26 member has elected to end his or her deferred disability
27 retirement, the amount of benefit that would have accrued pursuant

1 to subsection (1) of this section in the fiscal year of the
2 member's required beginning date, and in each subsequent fiscal
3 year through the year of the member's election to end the deferred
4 disability retirement period, shall be reduced, but not below zero,
5 by the actuarial equivalent of the payments which were paid to the
6 member during each such fiscal year and after the member's required
7 beginning date. The retirement annuity of any member that
8 commences before the end of the member's deferred disability
9 retirement shall be adjusted as of each September 1 pursuant to the
10 requirements of this subsection.

11 (3) The accrual of creditable service and any adjustment
12 of final average salary provided in subsection (1) of this section
13 shall begin from the first day of the month following the date of
14 the first of the two examinations by which the member is determined
15 by the board to be totally disabled, shall continue only so long as
16 the member does not receive any wages or compensation for services,
17 and shall end at the earlier of (a) the time total disability
18 ceases as determined by the board or (b) the date the member elects
19 to end the deferred disability retirement and begin to receive his
20 or her retirement annuity. The board may require periodic proof of
21 disability but not more frequently than semiannually.

22 (4) The payment of any retirement annuity to a disabled
23 member, which begins to be paid under this section (a) before the
24 member's sixty-second birthday or (b) at a time before the sum of
25 the member's attained age and creditable service is eighty-five or
26 more, shall be suspended if the board determines at any time before
27 the member's sixty-second birthday that the member's total

1 disability has ceased. Payment of the retirement annuity of such
2 member as determined under this section shall recommence at the
3 member's early retirement date or normal retirement date but shall
4 be subject to reduction at such time as specified in section
5 79-9,100.

6 Sec. 16. Section 79-9,106, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 79-9,106. (1) Upon the death of a member who has not yet
9 retired and who has twenty years or more of creditable service, the
10 member's primary beneficiary shall receive a survivorship annuity
11 in accordance with subdivision (1) of section 79-9,101 if the
12 primary beneficiary is (a) the member's spouse or (b) one other
13 designated ~~person~~ beneficiary whose attained age at the time of the
14 ~~member's death is fifty-five years or more in the calendar year of~~
15 the member's death is no more than ten years less than the attained
16 age of the member in such calendar year. The amount of such
17 actuarially equivalent annuity shall be calculated using the
18 attained ages of the member and the beneficiary and be based on the
19 annuity earned to the date of the member's death without reduction
20 due to any early commencement of benefits. Within sixty days from
21 the date of the member's death, if the member has not previously
22 filed with the administrator of the retirement system a form
23 requiring that only the survivorship annuity be paid, the
24 beneficiary may request to receive in a lump sum an amount equal to
25 the member's accumulated contributions. If prior to the member's
26 death, the member files with the administrator of the retirement
27 system a form requiring that the beneficiary receive a lump-sum

AM7075
LB 711
DSH-03-27

AM7075
LB 711
DSH-03-27

1 settlement in lieu of the survivorship annuity, the beneficiary
2 shall receive, in lieu of the survivorship annuity, a lump-sum
3 settlement in an amount equal to the member's accumulated
4 contributions notwithstanding any other provision of this section.

5 (2) Upon the death of a member who has not yet retired
6 and who has less than twenty years of creditable service or upon
7 the death of a member who has not yet retired and who has twenty
8 years or more of creditable service but whose beneficiary does not
9 meet the criteria in subsection (1) of this section, the member's
10 beneficiary or, if no beneficiary has been named, the member's
11 estate shall receive in a lump sum an amount equal to the member's
12 accumulated contributions.

13 Sec. 17. Section 79-1075, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 79-1075. (1) The county board of the county in which is
16 located the schoolhouse or the administrative office of any joint
17 school district shall make a levy for the school district, as may
18 be necessary, and the county clerk of that headquarters county
19 shall certify the levy, on or before the date prescribed in section
20 77-1601, to the county clerk of each county in which is situated
21 any portion of the joint school district. This section shall apply
22 to all taxes levied on behalf of school districts, including, but
23 not limited to, taxes authorized by sections 10-304, 10-711,
24 10-716.01, 77-1601, 79-747, ~~79-9,112,~~ 79-1077, 79-1084, 79-1085,
25 79-1086, 79-10,100, 79-10,110, 79-10,118, 79-10,120, 79-10,122, and
26 79-10,126.

27 (2) The county board of the county in which is located

AM7075
LB 711
DSH-03-27

AM7075
LB 711
DSH-03-27

1 the schoolhouse or the administrative office of the high school
2 district of a joint affiliated school system shall make a levy for
3 the joint affiliated school system, as may be necessary, and the
4 county clerk of that headquarters county shall certify the levy, on
5 or before the date prescribed in section 77-1601, to the county
6 clerk of each county in which is situated any portion of the joint
7 affiliated school system. This section shall apply to all taxes
8 levied on behalf of affiliated school systems, including, but not
9 limited to, taxes authorized by sections 10-716.01, 79-1077, and
10 79-10,110.

11 Sec. 18. Section 79-1082, Revised Statutes Supplement,
12 2000, is amended to read:

13 79-1082. The aggregate school tax for a Class V school
14 district, ~~exclusive of the special levy to pay accrued liabilities~~
15 ~~of the retirement fund authorized by section 79-9,112, and~~
16 ~~exclusive~~ of the levy for the site and building fund as authorized
17 by section 79-10,126, shall be subject to the limits provided in
18 section 77-3442.

19 Sec. 19. Section 81-2027.03, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 81-2027.03. (1) Beginning July 1, 2000, and each July 1
22 thereafter, current benefits paid to a member or beneficiary shall
23 be adjusted to equal sixty percent of the annuity which results
24 when the initial benefit that was paid to the member or beneficiary
25 (before any cost-of-living adjustments or supplemental retirement
26 benefit adjustments pursuant to the Nebraska State Patrol
27 Retirement Act) is adjusted by the increase in the change in the

1 Consumer Price Index for Urban Wage Earners and Clerical Workers
2 between the commencement date of the annuity and July 1 of each
3 year the adjustment is made. The adjustment pursuant to this
4 subsection shall not cause a current benefit to be reduced.

5 (2)(a) Beginning July 1, 2000, and until July 1, 2001,
6 the current benefit of a member or the beneficiary of such a member
7 shall be increased annually by the lesser of ~~(a)~~ (i) the change in
8 the Consumer Price Index for Urban Wage Earners and Clerical
9 Workers published by the Bureau of Labor Statistics of the United
10 States Department of Labor for the prior year or ~~(b)~~ (ii) two
11 percent.

12 (b) Beginning July 1, 2001, the current benefit of a
13 member or the beneficiary of such a member shall be increased
14 annually by the lesser of (i) the change in the Consumer Price
15 Index for Urban Wage Earners and Clerical Workers published by the
16 Bureau of Labor Statistics of the United States Department of Labor
17 for the prior year or (ii) two and seventy-five hundredths percent.

18 (3) The State Patrol Purchasing Power Stabilization Fund
19 is created. The purpose of the fund shall be to reflect changes in
20 the cost of living and wage levels that have occurred subsequent to
21 the date of retirement and that have reduced the purchasing power
22 of retirement benefits provided under the retirement system. A
23 separate annual actuarial valuation of the fund and the benefits
24 provided in section 81-2027.04 shall be completed by the actuary
25 using the aggregate actuarial cost method. Commencing with the
26 1996-97 fiscal year through the 1999-00 fiscal year, the state
27 shall contribute to the State Patrol Purchasing Power Stabilization

AM7075
LB 711
DSH-03-27

AM7075
LB 711
DSH-03-27

1 Fund an annual level dollar payment certified by the board. After
2 the 1999-00 fiscal year, the state shall contribute to the State
3 Patrol Retirement Fund an annual level dollar payment certified by
4 the board. For the 1996-97 fiscal year through the 2010-11 fiscal
5 year, the annual level dollar payment certified by the board shall
6 equal 3.04888 percent of six million eight hundred ninety-five
7 thousand dollars. Until July 1, 2000, any money in the State
8 Patrol Purchasing Power Stabilization Fund available for investment
9 shall be invested by the state investment officer pursuant to the
10 Nebraska Capital Expansion Act and the Nebraska State Funds
11 Investment Act. On July 1, 2000, the State Patrol Purchasing Power
12 Stabilization Fund shall terminate and all money in the fund shall
13 be transferred to the State Patrol Retirement Fund.

14 (4) The board shall adjust the annual benefit adjustment
15 provided in this section so that the total amount of all
16 cost-of-living adjustments provided to the eligible retiree at the
17 time of the annual benefit adjustment does not exceed the change in
18 the National Consumer Price Index for Urban Wage Earners and
19 Clerical Workers published by the Bureau of Labor Statistics for
20 the period between June 30 of the prior year to June 30 of the
21 present year. If the consumer price index used in this section is
22 discontinued or replaced, a substitute index published by the
23 United States Department of Labor shall be selected by the board
24 which shall be a reasonable representative measurement of the cost
25 of living for retired employees.

26 Sec. 20. Original sections 79-982, 79-990, 79-9,101,
27 79-9,106, 79-1075, and 81-2027.03, Reissue Revised Statutes of

AM7075
LB 711
DSH-03-27

AM7075
LB 711
DSH-03-27

1 Nebraska, and sections 24-710.07, 79-934, 79-947.01, 79-956,
2 79-980, 79-981, 79-984, 79-987, 79-992, 79-998, 79-9,103, 79-9,105,
3 and 79-1082, Revised Statutes Supplement, 2000, are repealed.

4 Sec. 21. The following section is outright repealed:
5 Section 79-9,112, Reissue Revised Statutes of Nebraska.

6 Sec. 22. Since an emergency exists, this act takes
7 effect when passed and approved according to law.".

8 2. On page 1, strike beginning with "the" in line 1
9 through line 6 and insert "retirement; to amend sections 79-982,
10 79-990, 79-9,101, 79-9,106, 79-1075, and 81-2027.03, Reissue
11 Revised Statutes of Nebraska, and sections 24-710.07, 79-934,
12 79-947.01, 79-956, 79-980, 79-981, 79-984, 79-987, 79-992, 79-998,
13 79-9,103, 79-9,105, and 79-1082, Revised Statutes Supplement, 2000;
14 to change provisions relating to creditable service, retirement
15 annuities, death benefits, cost-of-living adjustments, and
16 investment reports; to authorize medical cost-of-living adjustments
17 and purchase of service credit for leaves of absence for maternity
18 purposes as prescribed; to eliminate a tax relating to prior
19 service annuities; to provide and change powers and duties; to
20 harmonize provisions; to repeal the original sections; to outright
21 repeal section 79-9,112, Reissue Revised Statutes of Nebraska; and
22 to declare an emergency.".