

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 474

Final Reading

(Second)

Introduced by Nebraska Retirement Systems Committee: Nordquist, 7,
Chairperson; Heidemann, 1; Karpisek, 32; Louden, 49;
Mello, 5; Pankonin, 2.

Read first time January 14, 2011

Committee: Nebraska Retirement Systems

A BILL

1 FOR AN ACT relating to retirement; to amend sections 2-3228, 14-567,
2 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 19-3501,
3 23-1118, 23-3526, 71-1631.02, 84-304.02, and 84-1503,
4 Reissue Revised Statutes of Nebraska, and section 12-101,
5 Revised Statutes Cumulative Supplement, 2010; to require
6 certain reports be submitted to the Auditor of Public
7 Accounts; to eliminate certain report submission and
8 notification requirements; to provide powers for the
9 Auditor of Public Accounts; to harmonize provisions; and
10 to repeal the original sections.

11 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 2-3228, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 2-3228 (1) Each district shall have the power and
4 authority to:

5 (a) Receive and accept donations, gifts, grants,
6 bequests, appropriations, or other contributions in money, services,
7 materials, or otherwise from the United States or any of its
8 agencies, from the state or any of its agencies or political
9 subdivisions, or from any person as defined in section 49-801 and use
10 or expend all such contributions in carrying on its operations;

11 (b) Establish advisory groups by appointing persons
12 within the district, pay necessary and proper expenses of such groups
13 as the board shall determine, and dissolve such groups;

14 (c) Employ such persons as are necessary to carry out its
15 authorized purposes and, in addition to other compensation provided,
16 establish and fund a pension plan designed and intended for the
17 benefit of all permanent full-time employees of the district. Any
18 recognized method of funding a pension plan may be employed. Employee
19 contributions shall be required to fund at least fifty percent of the
20 benefits, and past service benefits may be included. The district
21 shall pay all costs of any such past service benefits, which may be
22 retroactive to July 1, 1972, and the plan may be integrated with old
23 age and survivors' insurance, generally known as social security. A
24 uniform pension plan, including the method for jointly funding such
25 plan, shall be established for all districts in the state. A district

1 may elect not to participate in such a plan but shall not establish
2 an independent plan;

3 (d) Purchase liability, property damage, workers'
4 compensation, and other types of insurance as in the judgment of the
5 board are necessary to protect the assets of the district;

6 (e) Borrow money to carry out its authorized purposes;

7 (f) Adopt and promulgate rules and regulations to carry
8 out its authorized purposes; and

9 (g) Invite the local governing body of any municipality
10 or county to designate a representative to advise and counsel with
11 the board on programs and policies that may affect the property,
12 water supply, or other interests of such municipality or county.

13 (2)(a) Beginning December 31, 1998, and each December 31
14 thereafter, the Nebraska Association of Resources Districts as
15 organized under the Interlocal Cooperation Act shall file with the
16 Public Employees Retirement Board an annual report on each retirement
17 plan established pursuant to this section and section 401(a) of the
18 Internal Revenue Code and shall submit copies of such report to the
19 ~~members of the Nebraska Retirement Systems Committee of the~~
20 Auditor of Public Accounts. The Auditor of Public
21 Accounts may prepare a review of such report pursuant to section
22 84-304.02 but is not required to do so. The annual report shall be in
23 a form prescribed by the Public Employees Retirement Board and shall
24 contain the following information for each such retirement plan:

25 (i) The number of persons participating in the retirement

1 plan;

2 (ii) The contribution rates of participants in the plan;

3 (iii) Plan assets and liabilities;

4 (iv) The names and positions of persons administering the

5 plan;

6 (v) The names and positions of persons investing plan

7 assets;

8 (vi) The form and nature of investments;

9 (vii) For each defined contribution plan, a full
10 description of investment policies and options available to plan
11 participants; and

12 (viii) For each defined benefit plan, the levels of
13 benefits of participants in the plan, the number of members who are
14 eligible for a benefit, and the total present value of such members'
15 benefits, as well as the funding sources which will pay for such
16 benefits.

17 If a plan contains no current active participants, the
18 association may file in place of such report a statement with the
19 Public Employees Retirement Board indicating the number of retirees
20 still drawing benefits, and the sources and amount of funding for
21 such benefits.

22 (b) Beginning December 31, 1998, and every four years
23 thereafter, if such retirement plan is a defined benefit plan, the
24 association shall cause to be prepared a quadrennial report and shall
25 file the same with the Public Employees Retirement Board and submit

1 ~~to the members of the Nebraska Retirement Systems Committee of the~~
2 ~~Legislature~~ Auditor of Public Accounts a copy of such report. The
3 Auditor of Public Accounts may prepare a review of such report
4 pursuant to section 84-304.02 but is not required to do so. The
5 report shall consist of a full actuarial analysis of each such
6 retirement plan established pursuant to this section. The analysis
7 shall be prepared by an independent private organization or public
8 entity employing actuaries who are members in good standing of the
9 American Academy of Actuaries, and which organization or entity has
10 demonstrated expertise to perform this type of analysis and is
11 unrelated to any organization offering investment advice or which
12 provides investment management services to the retirement plan.

13 Sec. 2. Section 12-101, Revised Statutes Cumulative
14 Supplement, 2010, is amended to read:

15 12-101 (1) The cemetery in Lincoln, Nebraska, known as
16 Wyuka Cemetery, is hereby declared to be a public charitable
17 corporation. The general control and management of the affairs of
18 such cemetery shall be vested in a board of three trustees until July
19 1, 2009, and thereafter shall be vested in a board of five trustees.
20 The trustees shall serve without compensation and shall be a body
21 corporate to be known as Wyuka Cemetery, with power to sue and be
22 sued, to contract and to be contracted with, and to acquire, hold,
23 and convey both real and personal property for all purposes
24 consistent with the provisions of sections 12-101 to 12-105, and
25 shall have the power of eminent domain to be exercised in the manner

1 provided in section 12-201.

2 (2) The trustees of Wyuka Cemetery shall have the power,
3 by resolution duly adopted by a majority vote, to authorize one of
4 their number to sign a petition for paving, repaving, curbing,
5 recurbing, grading, changing grading, guttering, resurfacing,
6 relaying existing pavement, or otherwise improving any street,
7 streets, alley, alleys, or public ways or grounds abutting cemetery
8 property. When such improvements have been ordered, the trustees
9 shall pay, from funds of the cemetery, such special taxes or
10 assessments as may be properly determined.

11 (3) The trustees of Wyuka Cemetery shall be appointed by
12 the Governor of the State of Nebraska at the expiration of each
13 trustee's term of office. The two trustees appointed for their
14 initial terms of office beginning July 1, 2009, shall be appointed by
15 the Governor to serve a five-year term and a six-year term,
16 respectively. Thereafter, each of the five trustees shall be
17 appointed by the Governor for a term of six years. In the event of a
18 vacancy occurring among the members of the board, the vacancy shall
19 be filled by appointment by the Governor, and such appointment shall
20 continue for the unexpired term.

21 (4) The board of trustees of Wyuka Cemetery shall file
22 with the Secretary of State, on or before the second Tuesday in March
23 of each year, an itemized report of all the receipts and expenditures
24 in connection with its management and control of the cemetery.

25 (5) The trustees of Wyuka Cemetery shall have the power

1 to provide, in their discretion, retirement benefits for present and
2 future employees of the cemetery, and to establish, participate in,
3 and administer plans for the benefit of its employees or its
4 employees and their dependents, which may provide disability,
5 hospitalization, medical, surgical, accident, sickness and life
6 insurance coverage, or any one or more coverages, and which shall be
7 purchased from a corporation or corporations authorized and licensed
8 by the Department of Insurance.

9 (6)(a) Beginning December 31, 1998, and each December 31
10 thereafter, the trustees shall file with the Public Employees
11 Retirement Board an annual report on each retirement plan established
12 pursuant to this section and section 401(a) of the Internal Revenue
13 Code and shall submit copies of such report to the ~~members of the~~
14 ~~Nebraska Retirement Systems Committee of the Legislature. Auditor of~~
15 Public Accounts. The Auditor of Public Accounts may prepare a review
16 of such report pursuant to section 84-304.02 but is not required to
17 do so. The annual report shall be in a form prescribed by the Public
18 Employees Retirement Board and shall contain the following
19 information for each such retirement plan:

- 20 (i) The number of persons participating in the retirement
21 plan;
- 22 (ii) The contribution rates of participants in the plan;
- 23 (iii) Plan assets and liabilities;
- 24 (iv) The names and positions of persons administering the
25 plan;

1 (v) The names and positions of persons investing plan
2 assets;

3 (vi) The form and nature of investments;

4 (vii) For each defined contribution plan, a full
5 description of investment policies and options available to plan
6 participants; and

7 (viii) For each defined benefit plan, the levels of
8 benefits of participants in the plan, the number of members who are
9 eligible for a benefit, and the total present value of such members'
10 benefits, as well as the funding sources which will pay for such
11 benefits.

12 If a plan contains no current active participants, the
13 trustees may file in place of such report a statement with the Public
14 Employees Retirement Board indicating the number of retirees still
15 drawing benefits, and the sources and amount of funding for such
16 benefits.

17 (b) Beginning December 31, 1998, and every four years
18 thereafter, if such retirement plan is a defined benefit plan, the
19 trustees shall cause to be prepared a quadrennial report and shall
20 file the same with the Public Employees Retirement Board and submit
21 to the ~~members of the Nebraska Retirement Systems Committee of the~~
22 ~~Legislature~~ Auditor of Public Accounts a copy of such report. The
23 Auditor of Public Accounts may prepare a review of such report
24 pursuant to section 84-304.02 but is not required to do so. The
25 report shall consist of a full actuarial analysis of each such

1 retirement plan established pursuant to this section. The analysis
2 shall be prepared by an independent private organization or public
3 entity employing actuaries who are members in good standing of the
4 American Academy of Actuaries, and which organization or entity has
5 demonstrated expertise to perform this type of analysis and is
6 unrelated to any organization offering investment advice or which
7 provides investment management services to the retirement plan.

8 Sec. 3. Section 14-567, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 14-567 (1) Beginning December 31, 1998, and each December
11 31 thereafter, the pension board of a city of the metropolitan class
12 shall file with the Public Employees Retirement Board an annual
13 report on each retirement plan established by such city pursuant to
14 section 401(a) of the Internal Revenue Code and shall submit copies
15 of such report to the ~~members of the Nebraska Retirement Systems~~
16 ~~Committee of the Legislature.~~ Auditor of Public Accounts. The Auditor
17 of Public Accounts may prepare a review of such report pursuant to
18 section 84-304.02 but is not required to do so. The annual report
19 shall be in a form prescribed by the Public Employees Retirement
20 Board and shall contain the following information for each such
21 retirement plan:

22 (a) The number of persons participating in the retirement
23 plan;

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

25 (c) Plan assets and liabilities;

1 (d) The names and positions of persons administering the
2 plan;

3 (e) The names and positions of persons investing plan
4 assets;

5 (f) The form and nature of investments;

6 (g) For each defined contribution plan, a full
7 description of investment policies and options available to plan
8 participants; and

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

13 If a plan contains no current active participants, the
14 pension board may file in place of such report a statement with the
15 Public Employees Retirement Board indicating the number of retirees
16 still drawing benefits, and the sources and amount of funding for
17 such benefits.

18 (2) Beginning December 31, 1998, and every four years
19 thereafter, if such retirement plan is a defined benefit plan, the
20 pension board of a city of the metropolitan class shall cause to be
21 prepared a quadrennial report and shall file the same with the Public
22 Employees Retirement Board and submit to the ~~members of the Nebraska~~
23 ~~Retirement Systems Committee of the Legislature~~ Auditor of Public
24 Accounts a copy of such report. The Auditor of Public Accounts may
25 prepare a review of such report pursuant to section 84-304.02 but is

1 not required to do so. The report shall consist of a full actuarial
2 analysis of each such retirement plan established by the city. The
3 analysis shall be prepared by an independent private organization or
4 public entity employing actuaries who are members in good standing of
5 the American Academy of Actuaries, and which organization or entity
6 has demonstrated expertise to perform this type of analysis and is
7 unrelated to any organization offering investment advice or which
8 provides investment management services to the retirement plan.

9 Sec. 4. Section 14-1805.01, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 14-1805.01 (1) Beginning December 31, 1998, and each
12 December 31 thereafter, the chairperson of the board shall file with
13 the Public Employees Retirement Board an annual report on each
14 retirement plan established pursuant to section 14-1805 and section
15 401(a) of the Internal Revenue Code and shall submit copies of such
16 report to the ~~members of the Nebraska Retirement Systems Committee of~~
17 ~~the Legislature.~~ Auditor of Public Accounts. The Auditor of Public
18 Accounts may prepare a review of such report pursuant to section
19 84-304.02 but is not required to do so. The annual report shall be in
20 a form prescribed by the Public Employees Retirement Board and shall
21 contain the following information for each such retirement plan:

22 (a) The number of persons participating in the retirement
23 plan;

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

25 (c) Plan assets and liabilities;

1 (d) The names and positions of persons administering the
2 plan;

3 (e) The names and positions of persons investing plan
4 assets;

5 (f) The form and nature of investments;

6 (g) For each defined contribution plan, a full
7 description of investment policies and options available to plan
8 participants; and

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

13 If a plan contains no current active participants, the
14 chairperson may file in place of such report a statement with the
15 Public Employees Retirement Board indicating the number of retirees
16 still drawing benefits, and the sources and amount of funding for
17 such benefits.

18 (2) Beginning December 31, 1998, and every four years
19 thereafter, if such retirement plan is a defined benefit plan, the
20 authority shall cause to be prepared a quadrennial report and the
21 chairperson shall file the same with the Public Employees Retirement
22 Board and submit to the ~~members of the Nebraska Retirement Systems~~
23 ~~Committee of the Legislature~~ Auditor of Public Accounts a copy of
24 such report. The Auditor of Public Accounts may prepare a review of
25 such report pursuant to section 84-304.02 but is not required to do

1 so. The report shall consist of a full actuarial analysis of each
2 such retirement plan established pursuant to section 14-1805. The
3 analysis shall be prepared by an independent private organization or
4 public entity employing actuaries who are members in good standing of
5 the American Academy of Actuaries, and which organization or entity
6 has demonstrated expertise to perform this type of analysis and is
7 unrelated to any organization offering investment advice or which
8 provides investment management services to the retirement plan.

9 Sec. 5. Section 14-2111, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 14-2111 (1) The board of directors of any metropolitan
12 utilities district may also provide benefits for, insurance of, and
13 annuities for the present and future employees and appointees of the
14 district covering accident, disease, death, total and permanent
15 disability, and retirement, all or any of them, under such terms and
16 conditions as the board may deem proper and expedient from time to
17 time. Any retirement plan adopted by the board of directors shall be
18 upon some contributory basis requiring contributions by both the
19 district and the employee or appointee, except that the district may
20 pay the entire cost of the fund necessary to cover service rendered
21 prior to the adoption of any new retirement plan. Any retirement plan
22 shall take into consideration the benefits provided for employees and
23 appointees of metropolitan utilities districts under the Social
24 Security Act, and any benefits provided under a contributory
25 retirement plan shall be supplemental to the benefits provided under

1 the Social Security Act as defined in section 68-602 if the employees
2 entitled to vote in a referendum vote in favor of old age and
3 survivors' insurance coverage. To effectuate any plan adopted
4 pursuant to this authority, the board of directors of the district is
5 empowered to establish and maintain reserves and funds, provide for
6 insurance premiums and costs, and make such delegation as may be
7 necessary to carry into execution the general powers granted by this
8 section. Payments made to employees and appointees, under the
9 authority in this section, shall be exempt from attachment or other
10 legal process and shall not be assignable.

11 (2) Any retirement plan adopted by the board of directors
12 of any metropolitan utilities district may allow the district to pick
13 up the employee contribution required by this section for all
14 compensation paid on or after January 1, 1986, and the contributions
15 so picked up shall be treated as employer contributions in
16 determining federal tax treatment under the Internal Revenue Code,
17 except that the employer shall continue to withhold federal income
18 taxes based upon such contributions until the Internal Revenue
19 Service or the federal courts rule that, pursuant to section 414(h)
20 of the Internal Revenue Code, such contributions shall not be
21 included as gross income of the employee until such time as they are
22 distributed or made available. The employer shall pay the employee
23 contributions from the same source of funds which is used in paying
24 earnings to the employees. The employer shall pick up the
25 contributions by a salary deduction either through a reduction in the

1 cash salary of the employee or a combination of a reduction in salary
2 and offset against a future salary increase. Employee contributions
3 picked up shall be treated in the same manner and to the same extent
4 as employee contributions made prior to the date picked up.

5 (3)(a) Beginning December 31, 1998, and each December 31
6 thereafter, the chairperson of the board shall file with the Public
7 Employees Retirement Board an annual report on each retirement plan
8 established pursuant to this section and section 401(a) of the
9 Internal Revenue Code and shall submit copies of such report to the
10 ~~members of the Nebraska Retirement Systems Committee of the~~
11 ~~Legislature.~~ Auditor of Public Accounts. The Auditor of Public
12 Accounts may prepare a review of such report pursuant to section
13 84-304.02 but is not required to do so. The annual report shall be in
14 a form prescribed by the Public Employees Retirement Board and shall
15 contain the following information for each such retirement plan:

16 (i) The number of persons participating in the retirement
17 plan;

18 (ii) The contribution rates of participants in the plan;

19 (iii) Plan assets and liabilities;

20 (iv) The names and positions of persons administering the
21 plan;

22 (v) The names and positions of persons investing plan
23 assets;

24 (vi) The form and nature of investments;

25 (vii) For each defined contribution plan, a full

1 description of investment policies and options available to plan
2 participants; and

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

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

13 (b) Beginning December 31, 1998, and every four years
14 thereafter, if such retirement plan is a defined benefit plan, the
15 board of directors of any metropolitan utilities district shall cause
16 to be prepared a quadrennial report and shall file the same with the
17 Public Employees Retirement Board and submit to the ~~members of the~~
18 ~~Nebraska Retirement Systems Committee of the Legislature~~ Auditor of
19 Public Accounts a copy of such report. The Auditor of Public Accounts
20 may prepare a review of such report pursuant to section 84-304.02 but
21 is not required to do so. The report shall consist of a full
22 actuarial analysis of each such retirement plan established pursuant
23 to this section. The analysis shall be prepared by an independent
24 private organization or public entity employing actuaries who are
25 members in good standing of the American Academy of Actuaries, and

1 which organization or entity has demonstrated expertise to perform
2 this type of analysis and is unrelated to any organization offering
3 investment advice or which provides investment management services to
4 the retirement plan.

5 Sec. 6. Section 15-1017, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 15-1017 (1) A city of the primary class which has a city
8 pension and retirement plan or fund, or a city fire and police
9 pension plan or fund, or both, may provide by ordinance as authorized
10 by its home rule charter, and not prohibited by the Constitution of
11 Nebraska, for the investment of any plan or fund, and it may provide
12 that (a) such a city shall place in trust any part of such plan or
13 fund, (b) it shall place in trust any part of any such plan or fund
14 with a corporate trustee in Nebraska, or (c) it shall purchase any
15 part of any such plan from a life insurance company licensed to do
16 business in the State of Nebraska. The powers conferred by this
17 section shall be independent of and in addition and supplemental to
18 any other provisions of the laws of the State of Nebraska with
19 reference to the matters covered hereby and this section shall be
20 considered as a complete and independent act and not as amendatory of
21 or limited by any other provision of the laws of the State of
22 Nebraska.

23 (2)(a) Beginning December 31, 1998, and each December 31
24 thereafter, the clerk of a city of the primary class shall file with
25 the Public Employees Retirement Board an annual report on each

1 retirement plan established pursuant to this section, section
2 15-1026, and section 401(a) of the Internal Revenue Code and shall
3 submit copies of such report to the ~~members of the Nebraska~~
4 ~~Retirement Systems Committee of the Legislature.~~ Auditor of Public
5 Accounts. The Auditor of Public Accounts may prepare a review of such
6 report pursuant to section 84-304.02 but is not required to do so.

7 The annual report shall be in a form prescribed by the Public
8 Employees Retirement Board and shall contain the following
9 information for each such retirement plan:

10 (i) The number of persons participating in the retirement
11 plan;

12 (ii) The contribution rates of participants in the plan;

13 (iii) Plan assets and liabilities;

14 (iv) The names and positions of persons administering the
15 plan;

16 (v) The names and positions of persons investing plan
17 assets;

18 (vi) The form and nature of investments;

19 (vii) For each defined contribution plan, a full
20 description of investment policies and options available to plan
21 participants; and

22 (viii) For each defined benefit plan, the levels of
23 benefits of participants in the plan, the number of members who are
24 eligible for a benefit, and the total present value of such members'
25 benefits, as well as the funding sources which will pay for such

1 benefits.

2 If a plan contains no current active participants, the
3 city clerk may file in place of such report a statement with the
4 Public Employees Retirement Board indicating the number of retirees
5 still drawing benefits, and the sources and amount of funding for
6 such benefits.

7 (b) Beginning December 31, 1998, and every four years
8 thereafter, if such retirement plan is a defined benefit plan, the
9 city council of a city of the primary class shall cause to be
10 prepared a quadrennial report and shall file the same with the Public
11 Employees Retirement Board and submit to the ~~members of the Nebraska~~
12 ~~Retirement Systems Committee of the Legislature~~ Auditor of Public
13 Accounts a copy of such report. The Auditor of Public Accounts may
14 prepare a review of such report pursuant to section 84-304.02 but is
15 not required to do so. The report shall consist of a full actuarial
16 analysis of each such retirement plan established pursuant to this
17 section and section 15-1026. The analysis shall be prepared by an
18 independent private organization or public entity employing actuaries
19 who are members in good standing of the American Academy of
20 Actuaries, and which organization or entity has demonstrated
21 expertise to perform this type of analysis and is unrelated to any
22 organization offering investment advice or which provides investment
23 management services to the retirement plan.

24 Sec. 7. Section 16-1017, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 16-1017 (1) It shall be the duty of the retirement
2 committee to:

3 (a) Provide each employee a summary of plan eligibility
4 requirements and benefit provisions;

5 (b) Provide, within thirty days after a request is made
6 by a participant, a statement describing the amount of benefits such
7 participant is eligible to receive; and

8 (c) Make available for review an annual report of the
9 system's operations describing both (i) the amount of contributions
10 to the system from both employee and employer sources and (ii) an
11 identification of the total assets of the retirement system.

12 (2)(a) Beginning December 31, 1998, and each December 31
13 thereafter, the chairperson of the retirement committee shall file
14 with the Public Employees Retirement Board an annual report on each
15 retirement plan established pursuant to section 401(a) of the
16 Internal Revenue Code and administered by a retirement system
17 established pursuant to sections 16-1001 to 16-1019 and shall submit
18 copies of such report to the ~~members of the Nebraska Retirement~~
19 ~~Systems Committee of the Legislature.~~ Auditor of Public Accounts. The
20 Auditor of Public Accounts may prepare a review of such report
21 pursuant to section 84-304.02 but is not required to do so. The
22 annual report shall be in a form prescribed by the Public Employees
23 Retirement Board and shall contain the following information for each
24 such retirement plan:

25 (i) The number of persons participating in the retirement

1 plan;

2 (ii) The contribution rates of participants in the plan;

3 (iii) Plan assets and liabilities;

4 (iv) The names and positions of persons administering the

5 plan;

6 (v) The names and positions of persons investing plan

7 assets;

8 (vi) The form and nature of investments;

9 (vii) For each defined contribution plan, a full
10 description of investment policies and options available to plan
11 participants; and

12 (viii) For each defined benefit plan, the levels of
13 benefits of participants in the plan, the number of members who are
14 eligible for a benefit, and the total present value of such members'
15 benefits, as well as the funding sources which will pay for such
16 benefits.

17 If a plan contains no current active participants, the
18 chairperson may file in place of such report a statement with the
19 Public Employees Retirement Board indicating the number of retirees
20 still drawing benefits, and the sources and amount of funding for
21 such benefits.

22 (b) Beginning December 31, 1998, and every four years
23 thereafter, if such retirement plan is a defined benefit plan, the
24 retirement committee shall cause to be prepared a quadrennial report
25 and the chairperson shall file the same with the Public Employees

1 Retirement Board and submit to the ~~members of the Nebraska Retirement~~
2 ~~Systems Committee of the Legislature~~ Auditor of Public Accounts a
3 copy of such report. The Auditor of Public Accounts may prepare a
4 review of such report pursuant to section 84-304.02 but is not
5 required to do so. The report shall consist of a full actuarial
6 analysis of each such retirement plan administered by a system
7 established pursuant to sections 16-1001 to 16-1019. The analysis
8 shall be prepared by an independent private organization or public
9 entity employing actuaries who are members in good standing of the
10 American Academy of Actuaries, and which organization or entity has
11 demonstrated expertise to perform this type of analysis and is
12 unrelated to any organization offering investment advice or which
13 provides investment management services to the retirement plan.

14 Sec. 8. Section 16-1037, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 16-1037 (1) It shall be the duty of the retirement
17 committee to:

18 (a) Elect a chairperson, a vice-chairperson, and such
19 other officers as the committee deems appropriate;

20 (b) Hold regular quarterly meetings and special meetings
21 upon the call of the chairperson;

22 (c) Conduct meetings pursuant to the Open Meetings Act;

23 (d) Provide each employee a summary of plan eligibility
24 requirements, benefit provisions, and investment options available to
25 such employee;

1 (e) Provide, within thirty days after a request is made
2 by a participant, a statement describing the amount of benefits such
3 participant is eligible to receive; and

4 (f) Make available for review an annual report of the
5 system's operations describing both (i) the amount of contributions
6 to the system from both employee and employer sources and (ii) an
7 identification of the total assets of the retirement system.

8 (2)(a) Beginning December 31, 1998, and each December 31
9 thereafter, the chairperson of the retirement committee shall file
10 with the Public Employees Retirement Board an annual report on each
11 retirement plan established pursuant to section 401(a) of the
12 Internal Revenue Code and administered by a retirement system
13 established pursuant to sections 16-1020 to 16-1042 and shall submit
14 copies of such report to the ~~members of the Nebraska Retirement~~
15 ~~Systems Committee of the Legislature.~~ Auditor of Public Accounts. The
16 Auditor of Public Accounts may prepare a review of such report
17 pursuant to section 84-304.02 but is not required to do so. The
18 annual report shall be in a form prescribed by the Public Employees
19 Retirement Board and shall contain the following information for each
20 such retirement plan:

21 (i) The number of persons participating in the retirement
22 plan;

23 (ii) The contribution rates of participants in the plan;

24 (iii) Plan assets and liabilities;

25 (iv) The names and positions of persons administering the

1 plan;

2 (v) The names and positions of persons investing plan
3 assets;

4 (vi) The form and nature of investments;

5 (vii) For each defined contribution plan, a full
6 description of investment policies and options available to plan
7 participants; and

8 (viii) For each defined benefit plan, the levels of
9 benefits of participants in the plan, the number of members who are
10 eligible for a benefit, and the total present value of such members'
11 benefits, as well as the funding sources which will pay for such
12 benefits.

13 If a plan contains no current active participants, the
14 chairperson may file in place of such report a statement with the
15 Public Employees Retirement Board indicating the number of retirees
16 still drawing benefits, and the sources and amount of funding for
17 such benefits.

18 (b) Beginning December 31, 1998, and every four years
19 thereafter, if such retirement plan is a defined benefit plan, the
20 retirement committee shall cause to be prepared a quadrennial report
21 and the chairperson shall file the same with the Public Employees
22 Retirement Board and submit to the ~~members of the Nebraska Retirement~~
23 ~~Systems Committee of the Legislature~~ Auditor of Public Accounts a
24 copy of such report. The Auditor of Public Accounts may prepare a
25 review of such report pursuant to section 84-304.02 but is not

1 required to do so. The report shall consist of a full actuarial
2 analysis of each such retirement plan administered by a system
3 established pursuant to sections 16-1020 to 16-1042. The analysis
4 shall be prepared by an independent private organization or public
5 entity employing actuaries who are members in good standing of the
6 American Academy of Actuaries, and which organization or entity has
7 demonstrated expertise to perform this type of analysis and is
8 unrelated to any organization offering investment advice or which
9 provides investment management services to the retirement plan.

10 Sec. 9. Section 19-3501, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 19-3501 (1) The governing body of cities of the first and
13 second classes and villages may, by appropriate ordinance or proper
14 resolution, establish a pension plan designed and intended for the
15 benefit of the regularly employed or appointed full-time employees of
16 the city. Any recognized method of funding a pension plan may be
17 employed. The plan shall be established by appropriate ordinance or
18 proper resolution, which may provide for mandatory contribution by
19 the employee. The city may also contribute, in addition to any
20 amounts contributed by the employee, amounts to be used for the
21 purpose of funding employee past service benefits. Any two or more
22 cities of the first and second classes and villages may jointly
23 establish such a pension plan by adoption of appropriate ordinances
24 or resolutions. Such a pension plan may be integrated with old age
25 and survivors insurance, otherwise generally known as social

1 security.

2 (2)(a) Beginning December 31, 1998, and each December 31
3 thereafter, the clerk of a city or village with a retirement plan
4 established pursuant to this section and section 401(a) of the
5 Internal Revenue Code shall file with the Public Employees Retirement
6 Board an annual report on such plan and shall submit copies of such
7 report to the ~~members of the Nebraska Retirement Systems Committee of~~
8 ~~the Legislature.~~ Auditor of Public Accounts. The Auditor of Public
9 Accounts may prepare a review of such report pursuant to section
10 84-304.02 but is not required to do so. The annual report shall be in
11 a form prescribed by the Public Employees Retirement Board and shall
12 contain the following information for each such retirement plan:

13 (i) The number of persons participating in the retirement
14 plan;

15 (ii) The contribution rates of participants in the plan;

16 (iii) Plan assets and liabilities;

17 (iv) The names and positions of persons administering the
18 plan;

19 (v) The names and positions of persons investing plan
20 assets;

21 (vi) The form and nature of investments;

22 (vii) For each defined contribution plan, a full
23 description of investment policies and options available to plan
24 participants; and

25 (viii) For each defined benefit plan, the levels of

1 benefits of participants in the plan, the number of members who are
2 eligible for a benefit, and the total present value of such members'
3 benefits, as well as the funding sources which will pay for such
4 benefits.

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

10 (b) Beginning December 31, 1998, and every four years
11 thereafter, if such retirement plan is a defined benefit plan, the
12 city council or village board shall cause to be prepared a
13 quadrennial report and shall file the same with the Public Employees
14 Retirement Board and submit to the ~~members of the Nebraska Retirement~~
15 ~~Systems Committee of the Legislature~~ Auditor of Public Accounts a
16 copy of each report. The Auditor of Public Accounts may prepare a
17 review of such report pursuant to section 84-304.02 but is not
18 required to do so. The report shall consist of a full actuarial
19 analysis of each such retirement plan established pursuant to this
20 section. The analysis shall be prepared by an independent private
21 organization or public entity employing actuaries who are members in
22 good standing of the American Academy of Actuaries, and which
23 organization or entity has demonstrated expertise to perform this
24 type of analysis and is unrelated to any organization offering
25 investment advice or which provides investment management services to

1 the retirement plan.

2 (3) Subsection (1) of this section shall not apply to
3 firefighters or police officers who are included under an existing
4 pension or retirement system established by the municipality
5 employing such firefighters or police officers or the Legislature. If
6 a city of the first class decreases in population to less than five
7 thousand, as determined by the latest federal census, any police
8 officer or firefighter employed by such city on or prior to the date
9 such city becomes a city of the second class shall retain the level
10 of benefits established by the Legislature for police officers or
11 firefighters employed by a city of the first class on the date such
12 city becomes a city of the second class.

13 Sec. 10. Section 23-1118, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 23-1118 (1)(a) Unless the county has adopted a retirement
16 system pursuant to section 23-2329, the county board of any county
17 having a population of one hundred fifty thousand inhabitants or more
18 may, in its discretion and with the approval of the voters, provide
19 retirement benefits for present and future employees of the county.
20 The cost of such retirement benefits shall be funded in accordance
21 with sound actuarial principles with the necessary cost being treated
22 in the county budget in the same way as any other operating expense.

23 (b) Except as provided in subdivision (c) of this
24 subsection, each employee shall be required to contribute, or have
25 contributed on his or her behalf, an amount at least equal to the

1 county's contribution to the cost of any such retirement program as
2 to service performed after the adoption of such retirement program,
3 but the cost of any benefits based on prior service shall be borne
4 solely by the county.

5 (c) In a county or municipal county having a population
6 of two hundred thousand or more inhabitants but not more than three
7 hundred thousand inhabitants, the county or municipal county shall
8 establish the employee and employer contribution rates to the
9 retirement program for each year after July 15, 1992. The county or
10 municipal county shall contribute at least an amount equal to each
11 employee's mandatory contribution, if any, to the cost of any such
12 retirement program and by January 1, 1996, shall be contributing one
13 hundred fifty percent of each employee's mandatory contribution. The
14 combined contributions of the county or municipal county and its
15 employees to the cost of any such retirement program shall not exceed
16 thirteen percent of the employees' salaries.

17 (2) Before the county board or council provides
18 retirement benefits for the employees of the county or municipal
19 county, such question shall be submitted at a regular general or
20 primary election held within the county or municipal county, and in
21 which election all persons eligible to vote for the officials of the
22 county or municipal county shall be entitled to vote on such
23 question, which shall be submitted in the following language: Shall
24 the county board or council provide retirement benefits for present
25 and future employees of the county or municipal county? If a majority

1 of the votes cast upon such question are in favor of such question,
2 then the county board or council shall be empowered to provide
3 retirement benefits for present and future employees as provided in
4 this section. If such retirement benefits for present and future
5 county and municipal county employees are approved by the voters and
6 authorized by the county board or council, then the funds of such
7 retirement system, in excess of the amount required for current
8 operations as determined by the county board or council, may be
9 invested and reinvested in the class of securities and investments
10 described in section 30-3209.

11 (3) As used in this section, employees shall mean all
12 persons or officers devoting more than twenty hours per week to
13 employment by the county or municipal county, all elected officers of
14 the county or municipal county, and such other persons or officers as
15 are classified from time to time as permanent employees by the county
16 board or council.

17 (4) The county or municipal county may pick up the member
18 contributions required by this section for all compensation paid on
19 or after January 1, 1985, and the contributions so picked up shall be
20 treated as employer contributions in determining federal tax
21 treatment under the Internal Revenue Code, except that the county or
22 municipal county shall continue to withhold federal income taxes
23 based upon these contributions until the Internal Revenue Service or
24 the federal courts rule that, pursuant to section 414(h) of the
25 Internal Revenue Code, these contributions shall not be included as

1 gross income of the member until such time as they are distributed or
2 made available. The county or municipal county shall pay these member
3 contributions from the same source of funds which is used in paying
4 earnings to the member. The county or municipal county shall pick up
5 these contributions by a salary deduction either through a reduction
6 in the cash salary of the member or a combination of a reduction in
7 salary and offset against a future salary increase. Member
8 contributions picked up shall be treated in the same manner and to
9 the same extent as member contributions made prior to the date picked
10 up.

11 (5)(a) Beginning December 31, 1998, and each December 31
12 thereafter, the chairperson of the county board or council with a
13 retirement plan established pursuant to this section and section
14 401(a) of the Internal Revenue Code shall file with the Public
15 Employees Retirement Board an annual report on such plan and shall
16 submit copies of such report to the ~~members of the Nebraska~~
17 ~~Retirement Systems Committee of the Legislature.~~ Auditor of Public
18 Accounts. The Auditor of Public Accounts may prepare a review of such
19 report pursuant to section 84-304.02 but is not required to do so.
20 The annual report shall be in a form prescribed by the Public
21 Employees Retirement Board and shall contain the following
22 information for each such retirement plan:

23 (i) The number of persons participating in the retirement
24 plan;

25 (ii) The contribution rates of participants in the plan;

- 1 (iii) Plan assets and liabilities;
- 2 (iv) The names and positions of persons administering the
3 plan;
- 4 (v) The names and positions of persons investing plan
5 assets;
- 6 (vi) The form and nature of investments;
- 7 (vii) For each defined contribution plan, a full
8 description of investment policies and options available to plan
9 participants; and
- 10 (viii) For each defined benefit plan, the levels of
11 benefits of participants in the plan, the number of members who are
12 eligible for a benefit, and the total present value of such members'
13 benefits, as well as the funding sources which will pay for such
14 benefits.

15 If a plan contains no current active participants, the
16 chairperson may file in place of such report a statement with the
17 Public Employees Retirement Board indicating the number of retirees
18 still drawing benefits, and the sources and amount of funding for
19 such benefits.

20 (b) Beginning December 31, 1998, and every four years
21 thereafter, if such retirement plan is a defined benefit plan, the
22 county board of a county or council of the municipal county with a
23 retirement plan established pursuant to this section shall cause to
24 be prepared a quadrennial report and the chairperson shall file the
25 same with the Public Employees Retirement Board and submit to the

1 ~~members of the Nebraska Retirement Systems Committee of the~~
2 ~~Legislature~~ Auditor of Public Accounts a copy of such report. The
3 Auditor of Public Accounts may prepare a review of such report
4 pursuant to section 84-304.02 but is not required to do so. The
5 report shall consist of a full actuarial analysis of each such
6 retirement plan established pursuant to this section. The analysis
7 shall be prepared by an independent private organization or public
8 entity employing actuaries who are members in good standing of the
9 American Academy of Actuaries, and which organization or entity has
10 demonstrated expertise to perform this type of analysis and is
11 unrelated to any organization offering investment advice or which
12 provides investment management services to the retirement plan.

13 Sec. 11. Section 23-3526, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 23-3526 (1) The board of trustees of each facility, as
16 provided by section 23-3501, shall, upon approval of the county
17 board, have the power and authority to establish and fund a
18 retirement plan for the benefit of its full-time employees. The plan
19 may be funded by any actuarially recognized method approved by the
20 county board. Employees participating in the plan may be required to
21 contribute toward funding the benefits. The facility shall pay all
22 costs of establishing and maintaining the plan. The plan may be
23 integrated with old age and survivor's insurance.

24 (2)(a) Beginning December 31, 1998, and each December 31
25 thereafter, the chairperson of the board of trustees of a facility

1 with a retirement plan established pursuant to this section and
2 section 401(a) of the Internal Revenue Code shall file with the
3 Public Employees Retirement Board an annual report on such plan and
4 shall submit copies of such report to the ~~members of the Nebraska~~
5 ~~Retirement Systems Committee of the Legislature.~~ Auditor of Public
6 Accounts. The Auditor of Public Accounts may prepare a review of such
7 report pursuant to section 84-304.02 but is not required to do so.

8 The annual report shall be in a form prescribed by the Public
9 Employees Retirement Board and shall contain the following
10 information for each such retirement plan:

11 (i) The number of persons participating in the retirement
12 plan;

13 (ii) The contribution rates of participants in the plan;

14 (iii) Plan assets and liabilities;

15 (iv) The names and positions of persons administering the
16 plan;

17 (v) The names and positions of persons investing plan
18 assets;

19 (vi) The form and nature of investments;

20 (vii) For each defined contribution plan which is not
21 administered by a retirement system under the County Employees
22 Retirement Act, a full description of investment policies and options
23 available to plan participants; and

24 (viii) For each defined benefit plan which is not
25 administered by a retirement system under the County Employees

1 Retirement Act, the levels of benefits of participants in the plan,
2 the number of members who are eligible for a benefit, and the total
3 present value of such members' benefits, as well as the funding
4 sources which will pay for such benefits.

5 If a plan which is not administered by a retirement
6 system under the County Employees Retirement Act contains no current
7 active participants, the chairperson may file in place of such report
8 a statement with the Public Employees Retirement Board indicating the
9 number of retirees still drawing benefits, and the sources and amount
10 of funding for such benefits.

11 (b) Beginning December 31, 1998, and every four years
12 thereafter, if such retirement plan is a defined benefit plan, the
13 board of trustees shall cause to be prepared a quadrennial report for
14 each retirement plan which is not administered by a retirement system
15 under the County Employees Retirement Act, and the chairperson shall
16 file the same with the Public Employees Retirement Board and submit
17 to the ~~members of the Nebraska Retirement Systems Committee of the~~
18 ~~Legislature~~ Auditor of Public Accounts a copy of such report. The
19 Auditor of Public Accounts may prepare a review of such report
20 pursuant to section 84-304.02 but is not required to do so. The
21 report shall consist of a full actuarial analysis of each such
22 retirement plan established pursuant to this section which is not
23 administered by a retirement system under the County Employees
24 Retirement Act. The analysis shall be prepared by an independent
25 private organization or public entity employing actuaries who are

1 members in good standing of the American Academy of Actuaries, and
2 which organization or entity has demonstrated expertise to perform
3 this type of analysis and is unrelated to any organization offering
4 investment advice or which provides investment management services to
5 the retirement plan.

6 Sec. 12. Section 71-1631.02, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 71-1631.02 (1) Beginning December 31, 1998, and each year
9 thereafter, the health director of a board of health with an
10 independent retirement plan established pursuant to section 71-1631
11 and section 401(a) of the Internal Revenue Code shall file with the
12 Public Employees Retirement Board an annual report on such plan and
13 shall submit copies of such report to the ~~members of the Nebraska~~
14 ~~Retirement Systems Committee of the Legislature.~~ Auditor of Public
15 Accounts. The Auditor of Public Accounts may prepare a review of such
16 report pursuant to section 84-304.02 but is not required to do so.
17 The annual report shall be in a form prescribed by the Public
18 Employees Retirement Board and shall contain the following
19 information for each such retirement plan:

20 (a) The number of persons participating in the retirement
21 plan;

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

23 (c) Plan assets and liabilities;

24 (d) The names and positions of persons administering the
25 plan;

1 (e) The names and positions of persons investing plan
2 assets;

3 (f) The form and nature of investments;

4 (g) For each independent defined contribution plan, a
5 full description of investment policies and options available to plan
6 participants; and

7 (h) For each independent defined benefit plan, the levels
8 of benefits of participants in the plan, the number of members who
9 are eligible for a benefit, and the total present value of such
10 members' benefits, as well as the funding sources which will pay for
11 such benefits.

12 If an independent plan contains no current active
13 participants, the health director may file in place of such report a
14 statement with the Public Employees Retirement Board indicating the
15 number of retirees still drawing benefits, and the sources and amount
16 of funding for such benefits.

17 (2) Beginning December 31, 1998, and every four years
18 thereafter, if such retirement plan is a defined benefit plan, a
19 board of health with an independent retirement plan established
20 pursuant to section 71-1631 shall cause to be prepared a quadrennial
21 report and the health director shall file the same with the Public
22 Employees Retirement Board and submit to the ~~members of the Nebraska~~
23 ~~Retirement Systems Committee of the Legislature~~ Auditor of Public
24 Accounts a copy of such report. The Auditor of Public Accounts may
25 prepare a review of such report pursuant to section 84-304.02 but is

1 not required to do so. The report shall consist of a full actuarial
2 analysis of each such independent retirement plan established
3 pursuant to section 71-1631. The analysis shall be prepared by an
4 independent private organization or public entity employing actuaries
5 who are members in good standing of the American Academy of
6 Actuaries, and which organization or entity has demonstrated
7 expertise to perform this type of analysis and is unrelated to any
8 organization offering investment advice or which provides investment
9 management services to the retirement plan.

10 Sec. 13. Section 84-304.02, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 84-304.02 ~~The (1) Except as provided in subsection (2) of~~
13 this section, the Auditor of Public Accounts, or a person designated
14 by him or her, shall prepare a written review of all audit,
15 accounting, or financial reports required to be filed by a political
16 subdivision of the state with the Auditor of Public Accounts and
17 cause one copy of such written review to be mailed to the political
18 subdivision involved and one copy to the accountant who prepared the
19 report. Such written review shall specifically set forth wherein the
20 audit, accounting, or financial report fails to comply with the
21 applicable minimum standards and the necessary action to be taken to
22 bring the report into compliance with such standards. The Auditor of
23 Public Accounts may, upon continued failure to comply with such
24 standards, refuse to accept for filing an audit, accounting, or
25 financial report or any future report submitted for filing by any

1 political subdivision.

2 (2) For public retirement system plan reports required to
3 be submitted to the Auditor of Public Accounts pursuant to sections
4 2-3228, 12-101, 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017,
5 16-1037, 19-3501, 23-1118, 23-3526, and 71-1631.02, the auditor may
6 prepare a review of such report pursuant to subsection (1) of this
7 section but is not required to do so.

8 Sec. 14. Section 84-1503, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 84-1503 (1) It shall be the duty of the Public Employees
11 Retirement Board:

12 (a) To administer the retirement systems provided for in
13 the County Employees Retirement Act, the Judges Retirement Act, the
14 Nebraska State Patrol Retirement Act, the School Employees Retirement
15 Act, and the State Employees Retirement Act. The agency for the
16 administration of the retirement systems and under the direction of
17 the board shall be known and may be cited as the Nebraska Public
18 Employees Retirement Systems;

19 (b) To appoint a director to administer the systems under
20 the direction of the board. The appointment shall be subject to the
21 approval of the Governor and a majority of the Legislature. The
22 director shall be qualified by training and have at least five years
23 of experience in the administration of a qualified public or private
24 employee retirement plan. The director shall not be a member of the
25 board. The salary of the director shall be set by the board. The

1 director shall serve without term and may be removed by the board;

2 (c) To provide for an equitable allocation of expenses
3 among the retirement systems administered by the board, and all
4 expenses shall be provided from the investment income earned by the
5 various retirement funds unless alternative sources of funds to pay
6 expenses are specified by law;

7 (d) To administer the deferred compensation program
8 authorized in section 84-1504;

9 (e) To hire an attorney, admitted to the Nebraska State
10 Bar Association, to advise the board in the administration of the
11 retirement systems listed in subdivision (a) of this subsection;

12 (f) To hire an internal auditor to perform the duties
13 described in section 84-1503.04 who meets the minimum standards as
14 described in section 84-304.03;

15 (g) To adopt and implement procedures for reporting
16 information by employers, as well as testing and monitoring
17 procedures in order to verify the accuracy of such information. The
18 information necessary to determine membership shall be provided by
19 the employer. The board shall adopt and promulgate rules and
20 regulations and prescribe such forms necessary to carry out this
21 subdivision. Nothing in this subdivision shall be construed to
22 require the board to conduct onsite audits of political subdivisions
23 for compliance with statutes, rules, and regulations governing the
24 retirement systems listed in subdivision (1)(a) of this section
25 regarding membership and contributions; and

1 (h) To prescribe and furnish forms for the public
2 retirement system plan reports required to be filed pursuant to
3 sections 2-3228, 12-101, 14-567, 14-1805.01, 14-2111, 15-1017,
4 16-1017, 16-1037, 19-3501, 23-1118, 23-3526, 71-1631.02, and 79-987.
5 ~~and to notify the Nebraska Retirement Systems Committee of the~~
6 ~~Legislature of the failure of any governmental entity to file such~~
7 ~~reports.~~

8 (2) In administering the retirement systems listed in
9 subdivision (1)(a) of this section, it shall be the duty of the
10 board:

11 (a) To determine, based on information provided by the
12 employer, the prior service annuity, if any, for each person who is
13 an employee of the county on the date of adoption of the retirement
14 system;

15 (b) To determine the eligibility of an individual to be a
16 member of the retirement system and other questions of fact in the
17 event of a dispute between an individual and the individual's
18 employer;

19 (c) To adopt and promulgate rules and regulations for the
20 management of the board;

21 (d) To keep a complete record of all proceedings taken at
22 any meeting of the board;

23 (e) To obtain, by a competitive, formal, and sealed
24 bidding process through the materiel division of the Department of
25 Administrative Services, actuarial services on behalf of the State of

1 Nebraska as may be necessary in the administration and development of
2 the retirement systems. Any contract for actuarial services shall
3 contain a provision allowing the actuary, without prior approval of
4 the board, to perform actuarial studies of the systems as requested
5 by entities other than the board, if notice, which does not identify
6 the entity or substance of the request, is given to the board, all
7 costs are paid by the requesting entity, results are provided to the
8 board upon being made public, and such actuarial studies do not
9 interfere with the actuary's ongoing responsibility to the board. The
10 term of the contract shall be for up to three years. A competitive,
11 formal, and sealed bidding process shall be completed at least once
12 in every three years, unless the board determines that such a process
13 would not be cost effective under the circumstances and that the
14 actuarial services performed have been satisfactory, in which case
15 the contract may also contain an option for renewal without a
16 competitive, formal, and sealed bidding process for up to three
17 additional years. An actuary under contract for the State of Nebraska
18 shall be a member of the American Academy of Actuaries;

19 (f) To direct the State Treasurer to transfer funds, as
20 an expense of the retirement systems, to the Legislative Council
21 Retirement Study Fund. Such transfer shall occur beginning on or
22 after July 1, 2005, and at intervals of not less than five years and
23 not more than fifteen years and shall be in such amounts as the
24 Legislature shall direct;

25 (g) To adopt and promulgate rules and regulations to

1 carry out the provisions of each retirement system described in
2 subdivision (1)(a) of this section, which shall include, but not be
3 limited to, the crediting of military service, direct rollover
4 distributions, and the acceptance of rollovers;

5 (h) To obtain, by a competitive, formal, and sealed
6 bidding process through the materiel division of the Department of
7 Administrative Services, auditing services for a separate compliance
8 audit of the retirement systems to be completed by December 31, 2007,
9 and from time to time thereafter at the request of the Nebraska
10 Retirement Systems Committee, to be completed not more than every
11 four years but not less than every ten years. The compliance audit
12 shall be in addition to the annual audit conducted by the Auditor of
13 Public Accounts. The compliance audit shall include, but not be
14 limited to, an examination of records, files, and other documents and
15 an evaluation of all policies and procedures to determine compliance
16 with all state and federal laws. A copy of the compliance audit shall
17 be given to the Governor, the board, and the Nebraska Retirement
18 Systems Committee and shall be presented to the committee at a public
19 hearing;

20 (i) To adopt and promulgate rules and regulations for the
21 adjustment of contributions or benefits, which shall include, but not
22 be limited to: (i) The procedures for refunding contributions,
23 adjusting future contributions or benefit payments, and requiring
24 additional contributions or repayment of benefits; (ii) the process
25 for a member, member's beneficiary, employee, or employer to dispute

1 an adjustment to contributions or benefits; and (iii) notice provided
2 to all affected persons. All notices shall be sent prior to an
3 adjustment and shall describe the process for disputing an adjustment
4 to contributions or benefits; and

5 (j) To administer all retirement system plans in a manner
6 which will maintain each plan's status as a qualified plan pursuant
7 to the Internal Revenue Code. The board shall adopt and promulgate
8 rules and regulations necessary or appropriate to maintain such
9 status including, but not limited to, rules or regulations which
10 restrict discretionary or optional contributions to a plan or which
11 limit distributions from a plan.

12 (3) By March 15 of each year, the board shall prepare a
13 written plan of action and shall present such plan to the Nebraska
14 Retirement Systems Committee at a public hearing. The plan shall
15 include, but not be limited to, the board's funding policy, the
16 administrative costs and other fees associated with each fund and
17 plan overseen by the board, member education and informational
18 programs, the director's duties and limitations, an organizational
19 structure of the office of the Nebraska Public Employees Retirement
20 Systems, and the internal control structure of such office to ensure
21 compliance with state and federal laws.

22 Sec. 15. Original sections 2-3228, 14-567, 14-1805.01,
23 14-2111, 15-1017, 16-1017, 16-1037, 19-3501, 23-1118, 23-3526,
24 71-1631.02, 84-304.02, and 84-1503, Reissue Revised Statutes of
25 Nebraska, and section 12-101, Revised Statutes Cumulative Supplement,

1 2010, are repealed.