

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1054

FINAL READING

Introduced by Kolterman, 24.

Read first time January 21, 2020

Committee: Nebraska Retirement Systems

1 A BILL FOR AN ACT relating to retirement; to amend sections 79-932,
2 84-1317, 84-1320, and 84-1321, Reissue Revised Statutes of Nebraska,
3 sections 23-2301, 23-2315, 23-2319, 24-701, 24-708, 81-2014,
4 81-2025, and 84-1301, Revised Statutes Cumulative Supplement, 2018,
5 and sections 23-2317, 79-902, and 84-1319, Revised Statutes
6 Supplement, 2019; to define required beginning date and change
7 deferment of payment provisions under the County Employees
8 Retirement Act, Judges Retirement Act, School Employees Retirement
9 Act, Nebraska State Patrol Retirement Act, and State Employees
10 Retirement Act; to harmonize provisions; to provide severability; to
11 repeal the original sections; and to declare an emergency.
12 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 23-2301, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 23-2301 For purposes of the County Employees Retirement Act, unless
4 the context otherwise requires:

5 (1)(a) Actuarial equivalent means the equality in value of the
6 aggregate amounts expected to be received under different forms of an
7 annuity payment.

8 (b) For a member hired prior to January 1, 2018, the mortality
9 assumption used for purposes of converting the member cash balance
10 account shall be the 1994 Group Annuity Mortality Table using a unisex
11 rate that is fifty percent male and fifty percent female. For purposes of
12 converting the member cash balance account attributable to contributions
13 made prior to January 1, 1984, that were transferred pursuant to the act,
14 the 1994 Group Annuity Mortality Table for males shall be used.

15 (c) For a member hired on or after January 1, 2018, or rehired on or
16 after January 1, 2018, after termination of employment and being paid a
17 retirement benefit or taking a refund of contributions, the mortality
18 assumption used for purposes of converting the member cash balance
19 account shall be a unisex mortality table that is recommended by the
20 actuary and approved by the board following an actuarial experience
21 study, a benefit adequacy study, or a plan valuation. The mortality table
22 and actuarial factors in effect on the member's retirement date will be
23 used to calculate the actuarial equivalency of any retirement benefit;

24 (2) Annuity means equal monthly payments provided by the retirement
25 system to a member or beneficiary under forms determined by the board
26 beginning the first day of the month after an annuity election is
27 received in the office of the Nebraska Public Employees Retirement
28 Systems or the first day of the month after the employee's termination of
29 employment, whichever is later. The last payment shall be at the end of
30 the calendar month in which the member dies or in accordance with the
31 payment option chosen by the member;

1 (3) Annuity start date means the date upon which a member's annuity
2 is first effective and shall be the first day of the month following the
3 member's termination or following the date the application is received by
4 the board, whichever is later;

5 (4) Cash balance benefit means a member's retirement benefit that is
6 equal to an amount based on annual employee contribution credits plus
7 interest credits and, if vested, employer contribution credits plus
8 interest credits and dividend amounts credited in accordance with
9 subdivision (4)(c) of section 23-2317;

10 (5)(a) Compensation means gross wages or salaries payable to the
11 member for personal services performed during the plan year. Compensation
12 does not include insurance premiums converted into cash payments,
13 reimbursement for expenses incurred, fringe benefits, per diems, or
14 bonuses for services not actually rendered, including, but not limited
15 to, early retirement inducements, cash awards, and severance pay, except
16 for retroactive salary payments paid pursuant to court order,
17 arbitration, or litigation and grievance settlements. Compensation
18 includes overtime pay, member retirement contributions, and amounts
19 contributed by the member to plans under sections 125, 403(b), and 457 of
20 the Internal Revenue Code or any other section of the code which defers
21 or excludes such amounts from income.

22 (b) Compensation in excess of the limitations set forth in section
23 401(a)(17) of the Internal Revenue Code shall be disregarded. For an
24 employee who was a member of the retirement system before the first plan
25 year beginning after December 31, 1995, the limitation on compensation
26 shall not be less than the amount which was allowed to be taken into
27 account under the retirement system as in effect on July 1, 1993;

28 (6) Date of adoption of the retirement system by each county means
29 the first day of the month next following the date of approval of the
30 retirement system by the county board or January 1, 1987, whichever is
31 earlier;

1 (7) Date of disability means the date on which a member is
2 determined by the board to be disabled;

3 (8) Defined contribution benefit means a member's retirement benefit
4 from a money purchase plan in which member benefits equal annual
5 contributions and earnings pursuant to section 23-2309 and, if vested,
6 employer contributions and earnings pursuant to section 23-2310;

7 (9) Disability means an inability to engage in any substantially
8 gainful activity by reason of any medically determinable physical or
9 mental impairment which was initially diagnosed or became disabling while
10 the member was an active participant in the plan and which can be
11 expected to result in death or be of a long-continued and indefinite
12 duration;

13 (10) Employee means all persons or officers who are employed by a
14 county of the State of Nebraska on a permanent basis, persons or officers
15 employed by or serving in a municipal county formed by at least one
16 county participating in the retirement system, persons employed as
17 provided in section 2-1608, all elected officers of a county, and such
18 other persons or officers as are classified from time to time as
19 permanent employees by the county board of the county by which they are
20 employed, except that employee does not include judges, employees or
21 officers of any county having a population in excess of two hundred fifty
22 thousand inhabitants as determined by the most recent federal decennial
23 census, or, except as provided in section 23-2306, persons making
24 contributions to the School Employees Retirement System of the State of
25 Nebraska;

26 (11) Employee contribution credit means an amount equal to the
27 member contribution amount required by section 23-2307;

28 (12) Employer contribution credit means an amount equal to the
29 employer contribution amount required by section 23-2308;

30 (13) Final account value means the value of a member's account on
31 the date the account is either distributed to the member or used to

1 purchase an annuity from the plan, which date shall occur as soon as
2 administratively practicable after receipt of a valid application for
3 benefits, but no sooner than forty-five days after the member's
4 termination;

5 (14) Five-year break in service means a period of five consecutive
6 one-year breaks in service;

7 (15) Full-time employee means an employee who is employed to work
8 one-half or more of the regularly scheduled hours during each pay period;

9 (16) Future service means service following the date of adoption of
10 the retirement system;

11 (17) Guaranteed investment contract means an investment contract or
12 account offering a return of principal invested plus interest at a
13 specified rate. For investments made after July 19, 1996, guaranteed
14 investment contract does not include direct obligations of the United
15 States or its instrumentalities, bonds, participation certificates or
16 other obligations of the Federal National Mortgage Association, the
17 Federal Home Loan Mortgage Corporation, or the Government National
18 Mortgage Association, or collateralized mortgage obligations and other
19 derivative securities. This subdivision shall not be construed to require
20 the liquidation of investment contracts or accounts entered into prior to
21 July 19, 1996;

22 (18) Hire date or date of hire means the first day of compensated
23 service subject to retirement contributions;

24 (19) Interest credit rate means the greater of (a) five percent or
25 (b) the applicable federal mid-term rate, as published by the Internal
26 Revenue Service as of the first day of the calendar quarter for which
27 interest credits are credited, plus one and one-half percent, such rate
28 to be compounded annually;

29 (20) Interest credits means the amounts credited to the employee
30 cash balance account and the employer cash balance account at the end of
31 each day. Such interest credit for each account shall be determined by

1 applying the daily portion of the interest credit rate to the account
2 balance at the end of the previous day. Such interest credits shall
3 continue to be credited to the employee cash balance account and the
4 employer cash balance account after a member ceases to be an employee,
5 except that no such credit shall be made with respect to the employee
6 cash balance account and the employer cash balance account for any day
7 beginning on or after the member's date of final account value. If
8 benefits payable to the member's surviving spouse or beneficiary are
9 delayed after the member's death, interest credits shall continue to be
10 credited to the employee cash balance account and the employer cash
11 balance account until such surviving spouse or beneficiary commences
12 receipt of a distribution from the plan;

13 (21) Member cash balance account means an account equal to the sum
14 of the employee cash balance account and, if vested, the employer cash
15 balance account and dividend amounts credited in accordance with
16 subdivision (4)(c) of section 23-2317;

17 (22) One-year break in service means a plan year during which the
18 member has not completed more than five hundred hours of service;

19 (23) Participation means qualifying for and making the required
20 deposits to the retirement system during the course of a plan year;

21 (24) Part-time employee means an employee who is employed to work
22 less than one-half of the regularly scheduled hours during each pay
23 period;

24 (25) Plan year means the twelve-month period beginning on January 1
25 and ending on December 31;

26 (26) Prior service means service prior to the date of adoption of
27 the retirement system;

28 (27) Regular interest means the rate of interest earned each
29 calendar year as determined by the retirement board in conformity with
30 actual and expected earnings on the investments through December 31,
31 1985;

1 (28) Required beginning date means, for purposes of the deferral of
2 distributions, April 1 of the year following the calendar year in which a
3 member has:

4 (a)(i) Terminated employment with all employers participating in the
5 plan; and

6 (ii)(A) Attained at least seventy and one-half years of age for a
7 member who attained seventy and one-half years of age on or before
8 December 31, 2019; or

9 (B) Attained at least seventy-two years of age for a member who
10 attained seventy and one-half years of age on or after January 1, 2020;
11 or

12 (b)(i) Terminated employment with all employers participating in the
13 plan; and

14 (ii) Otherwise reached the date specified by section 401(a)(9) of
15 the Internal Revenue Code and the regulations issued thereunder;

16 (29) ~~(28)~~ Required contribution means the deduction to be made from
17 the compensation of employees as provided in the act;

18 (30) ~~(29)~~ Retirement means qualifying for and accepting the
19 retirement benefit granted under the act after terminating employment;

20 (31) ~~(30)~~ Retirement application means the form approved and
21 provided by the retirement system for acceptance of a member's request
22 for either regular or disability retirement;

23 (32) ~~(31)~~ Retirement board or board means the Public Employees
24 Retirement Board;

25 (33) ~~(32)~~ Retirement date means (a) the first day of the month
26 following the date upon which a member's request for retirement is
27 received on a retirement application if the member is eligible for
28 retirement and has terminated employment or (b) the first day of the
29 month following termination of employment if the member is eligible for
30 retirement and has filed an application but has not yet terminated
31 employment;

1 ~~(34)~~ ~~(33)~~ Retirement system means the Retirement System for Nebraska
2 Counties;

3 ~~(35)~~ ~~(34)~~ Service means the actual total length of employment as an
4 employee and is not deemed to be interrupted by (a) temporary or seasonal
5 suspension of service that does not terminate the employee's employment,
6 (b) leave of absence authorized by the employer for a period not
7 exceeding twelve months, (c) leave of absence because of disability, or
8 (d) military service, when properly authorized by the retirement board.
9 Service does not include any period of disability for which disability
10 retirement benefits are received under section 23-2315;

11 ~~(36)~~ ~~(35)~~ Surviving spouse means (a) the spouse married to the
12 member on the date of the member's death or (b) the spouse or former
13 spouse of the member if survivorship rights are provided under a
14 qualified domestic relations order filed with the board pursuant to the
15 Spousal Pension Rights Act. The spouse or former spouse shall supersede
16 the spouse married to the member on the date of the member's death as
17 provided under a qualified domestic relations order. If the benefits
18 payable to the spouse or former spouse under a qualified domestic
19 relations order are less than the value of benefits entitled to the
20 surviving spouse, the spouse married to the member on the date of the
21 member's death shall be the surviving spouse for the balance of the
22 benefits;

23 ~~(37)~~ ~~(36)~~ Termination of employment occurs on the date on which a
24 county which is a member of the retirement system determines that its
25 employer-employee relationship with an employee is dissolved. The county
26 shall notify the board of the date on which such a termination has
27 occurred. Termination of employment does not occur if an employee whose
28 employer-employee relationship with a county is dissolved enters into an
29 employer-employee relationship with the same or another county which
30 participates in the Retirement System for Nebraska Counties and there are
31 less than one hundred twenty days between the date when the employee's

1 employer-employee relationship ceased with the county and the date when
2 the employer-employee relationship commenced with the same or another
3 county which qualifies the employee for participation in the plan. It is
4 the responsibility of the employer that is involved in the termination of
5 employment to notify the board of such change in employment and provide
6 the board with such information as the board deems necessary. If the
7 board determines that termination of employment has not occurred and a
8 retirement benefit has been paid to a member of the retirement system
9 pursuant to section 23-2319, the board shall require the member who has
10 received such benefit to repay the benefit to the retirement system; and

11 ~~(38)~~ ~~(37)~~ Vesting credit means credit for years, or a fraction of a
12 year, of participation in another Nebraska governmental plan for purposes
13 of determining vesting of the employer account.

14 Sec. 2. Section 23-2315, Revised Statutes Cumulative Supplement,
15 2018, is amended to read:

16 23-2315 (1) Upon filing an application for benefits with the board,
17 an employee may elect to retire at any time after attaining the age of
18 fifty-five or an employee may retire as a result of disability at any
19 age.

20 (2) The member shall specify in the application for benefits the
21 manner in which he or she wishes to receive the retirement benefit under
22 the options provided by the County Employees Retirement Act. Payment
23 under the application for benefits shall be made (a) for annuities, no
24 sooner than the annuity start date, and (b) for other distributions, no
25 sooner than the date of final account value.

26 (3) Payment of any benefit provided under the retirement system
27 ~~shall~~ ~~may~~ not be deferred later than the required beginning date ~~April 1~~
28 ~~of the year following the year in which the employee has both attained at~~
29 ~~least age seventy and one half years and terminated his or her employment~~
30 ~~with the county.~~

31 (4) The board shall make reasonable efforts to locate the member or

1 the member's beneficiary and distribute benefits by the required
2 beginning date ~~as specified by section 401(a)(9) of the Internal Revenue~~
3 ~~Code and the regulations issued thereunder.~~ If the board is unable to
4 make such a distribution, the benefit shall be distributed pursuant to
5 the Uniform Disposition of Unclaimed Property Act and no amounts may be
6 applied to increase the benefits any member would otherwise receive under
7 the County Employees Retirement Act.

8 (5) A participant or beneficiary who would have been required to
9 receive required minimum distributions for 2009 but for the enactment of
10 section 401(a)(9)(H) of the Internal Revenue Code, and who would have
11 satisfied that requirement by receiving distributions that are either
12 equal to the 2009 required minimum distributions or one or more payments
13 in a series of substantially equal distributions, including the 2009
14 required minimum distribution, made at least annually and expected to
15 last for the life or life expectancy of the participant, the joint lives
16 or joint life expectancy of the participant and the participant's
17 designated beneficiary, or for a period of at least ten years, shall
18 receive those distributions for 2009 unless the participant or
19 beneficiary chooses not to receive such distributions. Participants and
20 beneficiaries shall be given the opportunity to elect to stop receiving
21 the distributions described in this subsection.

22 Sec. 3. Section 23-2317, Revised Statutes Supplement, 2019, is
23 amended to read:

24 23-2317 (1) The future service retirement benefit shall be an
25 annuity, payable monthly with the first payment made no earlier than the
26 annuity start date, which shall be the actuarial equivalent of the
27 retirement value as specified in section 23-2316 based on factors
28 determined by the board, except that gender shall not be a factor when
29 determining the amount of such payments pursuant to subsection (2) of
30 this section.

31 Except as provided in section 42-1107, at any time before the

1 annuity start date, the retiring employee may choose to receive his or
2 her annuity either in the form of an annuity as provided under subsection
3 (4) of this section or any optional form that is determined by the board.

4 Except as provided in section 42-1107, in lieu of the future service
5 retirement annuity, a retiring employee may receive a benefit not to
6 exceed the amount in his or her employer and employee accounts as of the
7 date of final account value payable in a lump sum and, if the employee
8 chooses not to receive the entire amount in such accounts, an annuity
9 equal to the actuarial equivalent of the remainder of the retirement
10 value, and the employee may choose any form of such annuity as provided
11 for by the board.

12 In any case, the amount of the monthly payment shall be such that
13 the annuity chosen shall be the actuarial equivalent of the retirement
14 value as specified in section 23-2316 except as provided in this section.

15 (2) Except as provided in subsection (4) of this section, the
16 monthly income payable to a member retiring on or after January 1, 1984,
17 shall be as follows:

18 He or she shall receive at retirement the amount which may be
19 purchased by the accumulated contributions based on annuity rates in
20 effect on the annuity start date which do not utilize gender as a factor,
21 except that such amounts shall not be less than the retirement income
22 which can be provided by the sum of the amounts derived pursuant to
23 subdivisions (a) and (b) of this subsection as follows:

24 (a) The income provided by the accumulated contributions made prior
25 to January 1, 1984, based on male annuity purchase rates in effect on the
26 date of purchase; and

27 (b) The income provided by the accumulated contributions made on and
28 after January 1, 1984, based on the annuity purchase rates in effect on
29 the date of purchase which do not use gender as a factor.

30 (3) Any amount, in excess of contributions, which may be required in
31 order to purchase the retirement income specified in subsection (2) of

1 this section shall be withdrawn from the County Equal Retirement Benefit
2 Fund.

3 (4)(a) The normal form of payment shall be a single life annuity
4 with five-year certain, which is an annuity payable monthly during the
5 remainder of the member's life with the provision that, in the event of
6 the member's death before sixty monthly payments have been made, the
7 monthly payments will continue until sixty monthly payments have been
8 made in total pursuant to section 23-2327.

9 Such annuity shall be equal to the actuarial equivalent of the
10 member cash balance account or the sum of the employee and employer
11 accounts, whichever is applicable, as of the date of final account value.
12 As a part of the annuity, the normal form of payment may include a two
13 and one-half percent cost-of-living adjustment purchased by the member,
14 if the member elects such a payment option.

15 Except as provided in section 42-1107, a member may elect a lump-sum
16 distribution of his or her member cash balance account as of the date of
17 final account value upon termination of service or retirement.

18 For a member employed and participating in the retirement system
19 prior to January 1, 2003, who has elected to participate in the cash
20 balance benefit pursuant to section 23-2308.01, or for a member employed
21 and participating in the retirement system beginning on and after January
22 1, 2003, the balance of his or her member cash balance account as of the
23 date of final account value shall be converted to an annuity using an
24 interest rate that is recommended by the actuary and approved by the
25 board following an actuarial experience study, a benefit adequacy study,
26 or a plan valuation. The interest rate and actuarial factors in effect on
27 the member's retirement date will be used to calculate actuarial
28 equivalency of any retirement benefit. Such interest rate may be, but is
29 not required to be, equal to the assumed rate of return.

30 For an employee who is a member prior to January 1, 2003, who has
31 elected not to participate in the cash balance benefit pursuant to

1 section 23-2308.01, and who, at the time of retirement, chooses the
2 annuity option rather than the lump-sum option, his or her employee and
3 employer accounts as of the date of final account value shall be
4 converted to an annuity using an interest rate that is equal to the
5 lesser of (i) the Pension Benefit Guaranty Corporation initial interest
6 rate for valuing annuities for terminating plans as of the beginning of
7 the year during which payment begins plus three-fourths of one percent or
8 (ii) the interest rate used to calculate the retirement benefits for cash
9 balance plan members.

10 (b) For the calendar year beginning January 1, 2003, and each
11 calendar year thereafter, the actuary for the board shall perform an
12 actuarial valuation of the system using the entry age actuarial cost
13 method. Under this method, the actuarially required funding rate is equal
14 to the normal cost rate plus the contribution rate necessary to amortize
15 the unfunded actuarial accrued liability on a level-payment basis. The
16 normal cost under this method shall be determined for each individual
17 member on a level percentage of salary basis. The normal cost amount is
18 then summed for all members. The initial unfunded actual accrued
19 liability as of January 1, 2003, if any, shall be amortized over a
20 twenty-five-year period. During each subsequent actuarial valuation,
21 changes in the unfunded actuarial accrued liability due to changes in
22 benefits, actuarial assumptions, the asset valuation method, or actuarial
23 gains or losses shall be measured and amortized over a twenty-five-year
24 period beginning on the valuation date of such change. If the unfunded
25 actuarial accrued liability under the entry age actuarial cost method is
26 zero or less than zero on an actuarial valuation date, then all prior
27 unfunded actuarial accrued liabilities shall be considered fully funded
28 and the unfunded actuarial accrued liability shall be reinitialized and
29 amortized over a twenty-five-year period as of the actuarial valuation
30 date. If the actuarially required contribution rate exceeds the rate of
31 all contributions required pursuant to the County Employees Retirement

1 Act, there shall be a supplemental appropriation sufficient to pay for
2 the difference between the actuarially required contribution rate and the
3 rate of all contributions required pursuant to the act.

4 (c) If the unfunded accrued actuarial liability under the entry age
5 actuarial cost method is less than zero on an actuarial valuation date,
6 and on the basis of all data in the possession of the retirement board,
7 including such mortality and other tables as are recommended by the
8 actuary engaged by the retirement board and adopted by the retirement
9 board, the retirement board may elect to pay a dividend to all members
10 participating in the cash balance option in an amount that would not
11 increase the actuarial contribution rate above ninety percent of the
12 actual contribution rate. Dividends shall be credited to the employee
13 cash balance account and the employer cash balance account based on the
14 account balances on the actuarial valuation date. In the event a dividend
15 is granted and paid after the actuarial valuation date, interest for the
16 period from the actuarial valuation date until the dividend is actually
17 paid shall be paid on the dividend amount. The interest rate shall be the
18 interest credit rate earned on regular contributions.

19 (5) At the option of the retiring member, any lump sum or annuity
20 provided under this section or section 23-2334 may be deferred to
21 commence at any time, except that no benefit shall be deferred later than
22 ~~the required beginning date April 1 of the year following the year in~~
23 ~~which the employee has both attained at least seventy and one-half years~~
24 ~~of age and has terminated his or her employment with the county.~~ Such
25 election by the retiring member may be made at any time prior to the
26 commencement of the lump-sum or annuity payments.

27 (6) A participant or beneficiary who would have been required to
28 receive required minimum distributions for 2009 but for the enactment of
29 section 401(a)(9)(H) of the Internal Revenue Code, and who would have
30 satisfied that requirement by receiving distributions that are either
31 equal to the 2009 required minimum distributions or one or more payments

1 in a series of substantially equal distributions, including the 2009
2 required minimum distribution, made at least annually and expected to
3 last for the life or life expectancy of the participant, the joint lives
4 or joint life expectancy of the participant and the participant's
5 designated beneficiary, or for a period of at least ten years, shall
6 receive those distributions for 2009 unless the participant or
7 beneficiary chooses not to receive such distributions. Participants and
8 beneficiaries shall be given the opportunity to elect to stop receiving
9 the distributions described in this subsection.

10 Sec. 4. Section 23-2319, Revised Statutes Cumulative Supplement,
11 2018, is amended to read:

12 23-2319 (1) Except as provided in section 42-1107, upon termination
13 of employment, except for retirement or disability, and after filing an
14 application with the board, a member may receive:

15 (a) If not vested, a termination benefit equal to the amount of his
16 or her employee account or member cash balance account as of the date of
17 final account value payable in a lump sum or an annuity with the lump-sum
18 or first annuity payment made at any time after termination but no later
19 than the required beginning date April 1 of the year following the year
20 ~~in which the member attains the age of seventy and one-half years; or~~

21 (b) If vested, a termination benefit equal to (i) the amount of his
22 or her member cash balance account as of the date of final account value
23 payable in a lump sum or an annuity with the lump-sum or first annuity
24 payment made at any time after termination but no later than the required
25 beginning date April 1 of the year following the year in which the member
26 ~~attains the age of seventy and one-half years~~ or (ii)(A) the amount of
27 his or her employee account as of the date of final account value payable
28 in a lump sum or an annuity with the lump-sum or first annuity payment
29 made at any time after termination but no later than the required
30 beginning date April 1 of the year following the year in which the member
31 ~~attains the age of seventy and one-half years~~ plus (B) the amount of his

1 or her employer account as of the date of final account value payable in
2 a lump sum or an annuity with the lump-sum or first annuity payment made
3 at any time after termination but no later than the required beginning
4 date April 1 of the year following the year in which the member attains
5 the age of seventy and one-half years.

6 (c) The member cash balance account or employer and employee
7 accounts of a terminating member shall be retained by the board, and the
8 termination benefit shall be deferred until a valid application for
9 benefits has been received.

10 (2) At the option of the terminating member, any lump sum of the
11 employer account or member cash balance account or any annuity payment
12 provided under subsection (1) of this section shall commence as of the
13 first of the month at any time after such member has terminated his or
14 her employment with the county and no later than the required beginning
15 date April 1 of the year following the year in which the member attains
16 the age of seventy and one-half years. Such election by the terminating
17 member shall be made at any time prior to the commencement of the lump-
18 sum or annuity payments.

19 (3) Members of the retirement system shall be vested after a total
20 of three years of participation in the system as a member pursuant to
21 section 23-2306, including vesting credit. If an employee retires
22 pursuant to section 23-2315, such employee shall be fully vested in the
23 retirement system.

24 (4) A participant or beneficiary who would have been required to
25 receive required minimum distributions for 2009 but for the enactment of
26 section 401(a)(9)(H) of the Internal Revenue Code, and who would have
27 satisfied that requirement by receiving distributions that are either
28 equal to the 2009 required minimum distributions or one or more payments
29 in a series of substantially equal distributions, including the 2009
30 required minimum distribution, made at least annually and expected to
31 last for the life or life expectancy of the participant, the joint lives

1 or joint life expectancy of the participant and the participant's
2 designated beneficiary, or for a period of at least ten years, shall
3 receive those distributions for 2009 unless the participant or
4 beneficiary chooses not to receive such distributions. Participants and
5 beneficiaries shall be given the opportunity to elect to stop receiving
6 the distributions described in this subsection.

7 Sec. 5. Section 24-701, Revised Statutes Cumulative Supplement,
8 2018, is amended to read:

9 24-701 For purposes of the Judges Retirement Act, unless the context
10 otherwise requires:

11 (1)(a) Actuarial equivalence means the equality in value of the
12 aggregate amounts expected to be received under different forms of
13 payment.

14 (b) For a judge hired prior to July 1, 2017, the determinations are
15 to be based on the 1994 Group Annuity Mortality Table reflecting sex-
16 distinct factors blended using seventy-five percent of the male table and
17 twenty-five percent of the female table. An interest rate of eight
18 percent per annum shall be reflected in making these determinations.

19 (c) For a judge hired on or after July 1, 2017, or rehired on or
20 after July 1, 2017, after termination of employment and being paid a
21 retirement benefit, the determinations shall be based on a unisex
22 mortality table and an interest rate specified by the board. Both the
23 mortality table and the interest rate shall be recommended by the actuary
24 and approved by the board following an actuarial experience study, a
25 benefit adequacy study, or a plan valuation. The mortality table,
26 interest rate, and actuarial factors in effect on the judge's retirement
27 date will be used to calculate actuarial equivalency of any retirement
28 benefit. Such interest rate may be, but is not required to be, equal to
29 the assumed rate of return;

30 (2) Beneficiary means a person so designated by a judge in the last
31 designation of beneficiary on file with the board or, if no designated

1 person survives or if no designation is on file, the estate of such
2 judge;

3 (3) Board means the Public Employees Retirement Board;

4 (4)(a) Compensation means the statutory salary of a judge or the
5 salary being received by such judge pursuant to law. Compensation does
6 not include compensation for unused sick leave or unused vacation leave
7 converted to cash payments, insurance premiums converted into cash
8 payments, reimbursement for expenses incurred, fringe benefits, per
9 diems, or bonuses for services not actually rendered, including, but not
10 limited to, early retirement inducements, cash awards, and severance pay,
11 except for retroactive salary payments paid pursuant to court order,
12 arbitration, or litigation and grievance settlements. Compensation
13 includes overtime pay, member retirement contributions, and amounts
14 contributed by the member to plans under sections 125 and 457 of the
15 Internal Revenue Code as defined in section 49-801.01 or any other
16 section of the code which defers or excludes such amounts from income.

17 (b) Compensation in excess of the limitations set forth in section
18 401(a)(17) of the Internal Revenue Code as defined in section 49-801.01
19 shall be disregarded. For an employee who was a member of the retirement
20 system before the first plan year beginning after December 31, 1995, the
21 limitation on compensation shall not be less than the amount which was
22 allowed to be taken into account under the retirement system as in effect
23 on July 1, 1993;

24 (5) Creditable service means the total number of years served as a
25 judge, including prior service, military service, and current service,
26 computed to the nearest one-twelfth year. For current service prior to
27 the time that the member has contributed the required percentage of
28 salary until the maximum benefit as limited by section 24-710 has been
29 earned, creditable service does not include current service for which
30 member contributions are not made or are withdrawn and not repaid;

31 (6) Current benefit means the initial benefit increased by all

1 adjustments made pursuant to the Judges Retirement Act;

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

18 (b) Current service shall not be deemed to be interrupted by (i)
19 temporary or seasonal suspension of service that does not terminate the
20 employee's employment, (ii) leave of absence authorized by the employer
21 for a period not exceeding twelve months, (iii) leave of absence because
22 of disability, or (iv) military service, when properly authorized by the
23 board. Current service does not include any period of disability for
24 which disability retirement benefits are received under section 24-709;

25 (8) Final average compensation for a judge who becomes a member
26 prior to July 1, 2015, means the average monthly compensation for the
27 three twelve-month periods of service as a judge in which compensation
28 was the greatest or, in the event of a judge serving less than three
29 twelve-month periods, the average monthly compensation for such judge's
30 period of service. Final average compensation for a judge who becomes a
31 member on and after July 1, 2015, means the average monthly compensation

1 for the five twelve-month periods of service as a judge in which
2 compensation was the greatest or, in the event of a judge serving less
3 than five twelve-month periods, the average monthly compensation for such
4 judge's period of service;

5 (9) Fund means the Nebraska Retirement Fund for Judges;

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

11 (11) Hire date or date of hire means the first day of compensated
12 service subject to retirement contributions;

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

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

30 (14) Member means a judge eligible to participate in the retirement
31 system established under the Judges Retirement Act;

1 (15) Military service means active service of (a) any judge of the
2 Supreme Court or judge of the district court in any of the armed forces
3 of the United States during a war or national emergency prior or
4 subsequent to September 18, 1955, if such service commenced while such
5 judge was holding the office of judge, (b) any judge of the Nebraska
6 Workmen's Compensation Court or the Nebraska Workers' Compensation Court
7 in any of the armed forces of the United States during a war or national
8 emergency prior or subsequent to September 20, 1957, if such service
9 commenced while such judge was holding the office of judge, (c) any judge
10 of the municipal court in any of the armed forces of the United States
11 during a war or national emergency prior or subsequent to October 23,
12 1967, and prior to July 1, 1985, if such service commenced while such
13 judge was holding the office of judge, (d) any judge of the county court
14 or associate county judge in any of the armed forces of the United States
15 during a war or national emergency prior or subsequent to January 4,
16 1973, if such service commenced while such judge was holding the office
17 of judge, (e) any clerk magistrate, who was an associate county judge and
18 a member of the fund at the time of appointment as a clerk magistrate, in
19 any of the armed forces of the United States during a war or national
20 emergency on or after July 1, 1986, if such service commenced while such
21 clerk magistrate was holding the office of clerk magistrate, and (f) any
22 judge of the Court of Appeals in any of the armed forces of the United
23 States during a war or national emergency on or after September 6, 1991,
24 if such service commenced while such judge was holding the office of
25 judge. The board shall have the power to determine when a national
26 emergency exists or has existed for the purpose of applying this
27 definition and provision;

28 (16) Normal form annuity means a series of equal monthly payments
29 payable at the end of each calendar month during the life of a retired
30 judge as provided in sections 24-707 and 24-710, except as provided in
31 section 42-1107. The first payment shall include all amounts accrued

1 since the effective date of the award of the annuity. The last payment
2 shall be at the end of the calendar month in which such judge dies. If at
3 the time of death the amount of annuity payments such judge has received
4 is less than contributions to the fund made by such judge, plus regular
5 interest, the difference shall be paid to the beneficiary or estate;

6 (17) Normal retirement date means the first day of the month
7 following attainment of age sixty-five;

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

12 (19) Plan year means the twelve-month period beginning on July 1 and
13 ending on June 30 of the following year;

14 (20) Prior service means all the periods of time any person has
15 served as a (a) judge of the Supreme Court or judge of the district court
16 prior to January 3, 1957, (b) judge of the county court prior to January
17 5, 1961, (c) judge of the Nebraska Workmen's Compensation Court prior to
18 September 20, 1957, (d) judge of the separate juvenile court, or (e)
19 judge of the municipal court prior to October 23, 1967;

20 (21) Regular interest means interest fixed at a rate equal to the
21 daily treasury yield curve for one-year treasury securities, as published
22 by the Secretary of the Treasury of the United States, that applies on
23 July 1 of each year, which may be credited monthly, quarterly,
24 semiannually, or annually as the board may direct;

25 (22) Required beginning date means, for purposes of the deferral of
26 distributions, April 1 of the year following the calendar year in which a
27 member has:

28 (a)(i) Terminated employment with the State of Nebraska; and

29 (ii)(A) Attained at least seventy and one-half years of age for a
30 member who attained seventy and one-half years of age on or before
31 December 31, 2019; or

1 (B) Attained at least seventy-two years of age for a member who
2 attained seventy and one-half years of age on or after January 1, 2020;
3 or

4 (b)(i) Terminated employment with the State of Nebraska; and
5 (ii) Otherwise reached the date specified by section 401(a)(9) of
6 the Internal Revenue Code and the regulations issued thereunder;

7 ~~(23)~~ ~~(22)~~ Retirement application means the form approved and
8 provided by the retirement system for acceptance of a member's request
9 for either regular or disability retirement;

10 ~~(24)~~ ~~(23)~~ Retirement date means (a) the first day of the month
11 following the date upon which a member's request for retirement is
12 received on a retirement application if the member is eligible for
13 retirement and has terminated employment or (b) the first day of the
14 month following termination of employment if the member is eligible for
15 retirement and has filed an application but has not yet terminated
16 employment;

17 ~~(25)~~ ~~(24)~~ Retirement system or system means the Nebraska Judges
18 Retirement System as provided in the Judges Retirement Act;

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

31 ~~(27)~~ ~~(26)~~ Termination of employment occurs on the date on which the

1 State Court Administrator's office determines that the judge's employer-
2 employee relationship with the State of Nebraska is dissolved. The State
3 Court Administrator's office shall notify the board of the date on which
4 such a termination has occurred. Termination of employment does not
5 include ceasing employment as a judge if the judge returns to regular
6 employment as a judge or is employed on a regular basis by another agency
7 of the State of Nebraska and there are less than one hundred twenty days
8 between the date when the judge's employer-employee relationship ceased
9 and the date when the employer-employee relationship recommences. It is
10 the responsibility of the employer that is involved in the termination of
11 employment to notify the board of such change in employment and provide
12 the board with such information as the board deems necessary. If the
13 board determines that termination of employment has not occurred and a
14 retirement benefit has been paid to a member of the retirement system
15 pursuant to section 24-710, the board shall require the member who has
16 received such benefit to repay the benefit to the retirement system.

17 Sec. 6. Section 24-708, Revised Statutes Cumulative Supplement,
18 2018, is amended to read:

19 24-708 (1) Except as provided in section 24-721, a judge may retire
20 upon reaching the age of sixty-five years and upon making application to
21 the board. Upon retiring each such judge shall receive retirement
22 annuities as provided in section 24-710.

23 (2) Except as provided in section 24-721, a judge may retire upon
24 reaching the age of fifty-five years and elect to receive a reduced
25 monthly retirement income in lieu of a deferred vested annuity. The judge
26 may request that the reduced monthly retirement income commence at any
27 date, beginning on the first day of the month following the actual
28 retirement date and ending on the normal retirement date. The amount of
29 the reduced monthly retirement income shall be calculated based on the
30 length of creditable service and average compensation at the actual
31 retirement date. When a judge has elected to receive a reduced monthly

1 retirement income to commence at the age of sixty-four years, the monthly
2 payments shall be reduced by three percent. When a judge has elected to
3 receive a reduced monthly retirement income to commence at the age of
4 sixty-three years, the monthly payments shall be reduced by six percent.
5 When a judge has elected to receive a reduced monthly retirement income
6 to commence at the age of sixty-two years, the monthly payments shall be
7 reduced by nine percent. When a judge has elected to receive a reduced
8 monthly retirement income to commence prior to the age of sixty-two
9 years, the monthly payments shall be further reduced to an amount that is
10 actuarially equivalent to the amount payable at the age of sixty-two
11 years.

12 (3) Payment of any benefit provided under the Judges Retirement Act
13 ~~shall may~~ not be deferred later than ~~the required beginning date April 1~~
14 ~~of the year following the year in which the judge has both attained at~~
15 ~~least age seventy and one-half years and terminated his or her employment~~
16 ~~as a judge.~~

17 (4) The effective date of retirement payments shall be the first day
18 of the month following (a) the date a member qualifies for retirement as
19 provided in this section or (b) the date upon which a member's request
20 for retirement is received on an application form provided by the
21 retirement system, whichever is later. An application may be filed no
22 more than one hundred twenty days in advance of qualifying for
23 retirement.

24 (5) The board shall make reasonable efforts to locate the member or
25 the member's beneficiary and distribute benefits by the required
26 ~~beginning date as specified by section 401(a)(9) of the Internal Revenue~~
27 ~~Code and the regulations issued thereunder.~~ If the board is unable to
28 make such a distribution, the benefit shall be distributed pursuant to
29 the Uniform Disposition of Unclaimed Property Act and no amounts may be
30 applied to increase the benefits any member would otherwise receive under
31 the Judges Retirement Act.

1 Sec. 7. Section 79-902, Revised Statutes Supplement, 2019, is
2 amended to read:

3 79-902 For purposes of the School Employees Retirement Act, unless
4 the context otherwise requires:

5 (1) Accumulated contributions means the sum of all amounts deducted
6 from the compensation of a member and credited to his or her individual
7 account in the School Retirement Fund together with regular interest
8 thereon, compounded monthly, quarterly, semiannually, or annually;

9 (2)(a) Actuarial equivalent means the equality in value of the
10 aggregate amounts expected to be received under different forms of
11 payment.

12 (b) For a school employee hired before July 1, 2017, the
13 determinations shall be based on the 1994 Group Annuity Mortality Table
14 reflecting sex-distinct factors blended using twenty-five percent of the
15 male table and seventy-five percent of the female table. An interest rate
16 of eight percent per annum shall be reflected in making these
17 determinations except when a lump-sum settlement is made to an estate.

18 (c) For a school employee hired on or after July 1, 2017, or rehired
19 on or after July 1, 2017, after termination of employment and being paid
20 a retirement benefit or taking a refund of contributions, the
21 determinations shall be based on a unisex mortality table and an interest
22 rate specified by the board. Both the mortality table and the interest
23 rate shall be recommended by the actuary and approved by the retirement
24 board following an actuarial experience study, a benefit adequacy study,
25 or a plan valuation. The mortality table, interest rate, and actuarial
26 factors in effect on the school employee's retirement date will be used
27 to calculate actuarial equivalency of any retirement benefit. Such
28 interest rate may be, but is not required to be, equal to the assumed
29 rate.

30 (d) If the lump-sum settlement is made to an estate, the interest
31 rate will be determined by the AAA-rated segment of the Bloomberg

1 Barclays Long U.S. Corporate Bond Index as of the prior June 30, rounded
2 to the next lower quarter percent. If the AAA-rated segment of the
3 Bloomberg Barclays Long U.S. Corporate Bond Index is discontinued or
4 replaced, a substitute index shall be selected by the board which shall
5 be a reasonably representative index;

6 (3) Beneficiary means any person in receipt of a school retirement
7 allowance or other benefit provided by the act;

8 (4)(a) Compensation means gross wages or salaries payable to the
9 member for personal services performed during the plan year and includes
10 (i) overtime pay, (ii) member retirement contributions, (iii) retroactive
11 salary payments paid pursuant to court order, arbitration, or litigation
12 and grievance settlements, and (iv) amounts contributed by the member to
13 plans under sections 125, 403(b), and 457 of the Internal Revenue Code as
14 defined in section 49-801.01 or any other section of the code which
15 defers or excludes such amounts from income.

16 (b) Compensation does not include (i) fraudulently obtained amounts
17 as determined by the retirement board, (ii) amounts for accrued unused
18 sick leave or accrued unused vacation leave converted to cash payments,
19 (iii) insurance premiums converted into cash payments, (iv) reimbursement
20 for expenses incurred, (v) fringe benefits, (vi) per diems paid as
21 expenses, (vii) bonuses for services not actually rendered, (viii) early
22 retirement inducements, (ix) cash awards, (x) severance pay, or (xi)
23 employer contributions made for the purposes of separation payments made
24 at retirement.

25 (c) Compensation in excess of the limitations set forth in section
26 401(a)(17) of the Internal Revenue Code as defined in section 49-801.01
27 shall be disregarded. For an employee who was a member of the retirement
28 system before the first plan year beginning after December 31, 1995, the
29 limitation on compensation shall not be less than the amount which was
30 allowed to be taken into account under the retirement system as in effect
31 on July 1, 1993;

1 (5) County school official means (a) until July 1, 2000, the county
2 superintendent or district superintendent and any person serving in his
3 or her office who is required by law to have a teacher's certificate and
4 (b) on or after July 1, 2000, the county superintendent, county school
5 administrator, or district superintendent and any person serving in his
6 or her office who is required by law to have a teacher's certificate;

7 (6)(a) Creditable service means prior service for which credit is
8 granted under sections 79-926 to 79-929, service credit purchased under
9 sections 79-933.03 to 79-933.06 and 79-933.08, and all service rendered
10 while a contributing member of the retirement system; and

11 (b) Creditable service includes working days, sick days, vacation
12 days, holidays, and any other leave days for which the employee is paid
13 regular wages as part of the employee's agreement with the employer.
14 Creditable service does not include lump-sum payments to the employee
15 upon termination or retirement in lieu of accrued benefits for such days,
16 eligibility and vesting credit, service years for which member
17 contributions are withdrawn and not repaid by the member, service
18 rendered for which the retirement board determines that the member was
19 paid less in compensation than the minimum wage as provided in the Wage
20 and Hour Act, service which the board determines was rendered with the
21 intent to defraud the retirement system, or service provided to an
22 employer in a retirement system established pursuant to the Class V
23 School Employees Retirement Act;

24 (7) Current benefit means the initial benefit increased by all
25 adjustments made pursuant to the School Employees Retirement Act;

26 (8) Disability means an inability to engage in any substantially
27 gainful activity by reason of any medically determinable physical or
28 mental impairment which was initially diagnosed or became disabling while
29 the member was an active participant in the plan and which can be
30 expected to result in death or be of a long-continued and indefinite
31 duration;

1 (9) Disability retirement allowance means the annuity paid to a
2 person upon retirement for disability under section 79-952;

3 (10) Disability retirement date means the first day of the month
4 following the date upon which a member's request for disability
5 retirement is received on a retirement application provided by the
6 retirement system if the member has terminated employment in the school
7 system and has complied with sections 79-951 to 79-954 as such sections
8 refer to disability retirement;

9 (11) Early retirement inducement means, but is not limited to:

10 (a) A benefit, bonus, or payment to a member in exchange for an
11 agreement by the member to terminate from employment;

12 (b) A benefit, bonus, or payment paid to a member in addition to the
13 member's retirement benefit;

14 (c) Lump-sum or installment cash payments, except payments for
15 accrued unused leave converted to cash payments;

16 (d) An additional salary or wage component of any kind that is being
17 paid as an incentive to leave employment and not for personal services
18 performed for which creditable service is granted;

19 (e) Partial or full employer payment of a member's health, dental,
20 life, or long-term disability insurance benefits or cash in lieu of such
21 insurance benefits that extend beyond the member's termination of
22 employment and contract of employment dates. This subdivision does not
23 apply to any period during which the member is contributing to the
24 retirement system and being awarded creditable service; and

25 (f) Any other form of separation payments made by an employer to a
26 member at termination, including, but not limited to, purchasing
27 retirement annuity contracts for the member pursuant to section 79-514,
28 depositing money for the member in an account established under section
29 403(b) of the Internal Revenue Code except for payments for accrued
30 unused leave, or purchasing service credit for the member pursuant to
31 section 79-933.08;

1 (12) Eligibility and vesting credit means credit for years, or a
2 fraction of a year, of participation in a Nebraska government plan for
3 purposes of determining eligibility for benefits under the School
4 Employees Retirement Act. Such credit shall not be included as years of
5 creditable service in the benefit calculation;

6 (13) Emeritus member means a person (a) who has entered retirement
7 under the provisions of the act, including those persons who have retired
8 since July 1, 1945, under any other regularly established retirement or
9 pension system as contemplated by section 79-916, (b) who has thereafter
10 been reemployed in any capacity by a public school, a Class V school
11 district, or a school under the control and management of the Board of
12 Trustees of the Nebraska State Colleges, the Board of Regents of the
13 University of Nebraska, or a community college board of governors or has
14 become a state school official or county school official subsequent to
15 such retirement, and (c) who has applied to the board for emeritus
16 membership in the retirement system. The school district or agency shall
17 certify to the retirement board on forms prescribed by the retirement
18 board that the annuitant was reemployed, rendered a service, and was paid
19 by the district or agency for such services;

20 (14) Employer means the State of Nebraska or any subdivision thereof
21 or agency of the state or subdivision authorized by law to hire school
22 employees or to pay their compensation;

23 (15)(a) Final average compensation means:

24 (i) Except as provided in subdivision (ii) of this subdivision:

25 (A) The sum of the member's total compensation during the three
26 twelve-month periods of service as a school employee in which such
27 compensation was the greatest divided by thirty-six; or

28 (B) If a member has such compensation for less than thirty-six
29 months, the sum of the member's total compensation in all months divided
30 by the total number of months of his or her creditable service therefor;

31 and

1 (ii) For an employee who became a member on or after July 1, 2013:

2 (A) The sum of the member's total compensation during the five
3 twelve-month periods of service as a school employee in which such
4 compensation was the greatest divided by sixty; or

5 (B) If a member has such compensation for less than sixty months,
6 the sum of the member's total compensation in all months divided by the
7 total number of months of his or her creditable service therefor.

8 (b) Payments under the Retirement Incentive Plan pursuant to section
9 79-855 and Staff Development Assistance pursuant to section 79-856 shall
10 not be included in the determination of final average compensation;

11 (16) Fiscal year means any year beginning July 1 and ending June 30
12 next following;

13 (17) Hire date or date of hire means the first day of compensated
14 service subject to retirement contributions;

15 (18) Initial benefit means the retirement benefit calculated at the
16 time of retirement;

17 (19) Member means any person who has an account in the School
18 Retirement Fund;

19 (20) Participation means qualifying for and making required deposits
20 to the retirement system during the course of a plan year;

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

23 (22) Prior service means service rendered as a school employee in
24 the public schools of the State of Nebraska prior to July 1, 1945;

25 (23) Public school means any and all schools offering instruction in
26 elementary or high school grades, as defined in section 79-101, which
27 schools are supported by public funds and are wholly under the control
28 and management of the State of Nebraska or any subdivision thereof,
29 including (a) schools or other entities established, maintained, and
30 controlled by the school boards of local school districts, except Class V
31 school districts, (b) any educational service unit, and (c) any other

1 educational institution wholly supported by public funds, except schools
2 under the control and management of the Board of Trustees of the Nebraska
3 State Colleges, the Board of Regents of the University of Nebraska, or
4 the community college boards of governors for any community college
5 areas;

6 (24) Regular employee means an employee hired by a public school or
7 under contract in a regular full-time or part-time position who works a
8 full-time or part-time schedule on an ongoing basis for twenty or more
9 hours per week. An employee hired as described in this subdivision to
10 provide service for less than twenty hours per week but who provides
11 service for an average of twenty hours or more per week in each calendar
12 month of any three calendar months of a plan year shall, beginning with
13 the next full payroll period, commence contributions and shall be deemed
14 a regular employee for all future employment with the same employer;

15 (25) Regular interest means interest fixed at a rate equal to the
16 daily treasury yield curve for one-year treasury securities, as published
17 by the Secretary of the Treasury of the United States, that applies on
18 July 1 of each year, which may be credited monthly, quarterly,
19 semiannually, or annually as the board may direct;

20 (26) Relinquished creditable service means, with respect to a member
21 who has withdrawn his or her accumulated contributions under section
22 79-955, the total amount of creditable service which such member has
23 given up as a result of his or her election not to remain a member of the
24 retirement system;

25 (27) Required beginning date means, for purposes of the deferral of
26 distributions, April 1 of the year following the calendar year in which a
27 member has:

28 (a)(i) Terminated employment with all employers participating in the
29 plan; and

30 (ii)(A) Attained at least seventy and one-half years of age for a
31 member who attained seventy and one-half years of age on or before

1 December 31, 2019; or

2 (B) Attained at least seventy-two years of age for a member who
3 attained seventy and one-half years of age on or after January 1, 2020;
4 or

5 (b)(i) Terminated employment with all employers participating in the
6 plan; and

7 (ii) Otherwise reached the date specified by section 401(a)(9) of
8 the Internal Revenue Code and the regulations issued thereunder;

9 (28) (27) Required deposit means the deduction from a member's
10 compensation as provided for in section 79-958 which shall be deposited
11 in the School Retirement Fund;

12 (29) (28) Retirement means qualifying for and accepting a school or
13 disability retirement allowance granted under the School Employees
14 Retirement Act;

15 (30) (29) Retirement application means the form approved and
16 provided by the retirement system for acceptance of a member's request
17 for either regular or disability retirement;

18 (31) (30) Retirement board or board means the Public Employees
19 Retirement Board;

20 (32) (31) Retirement date means (a) if the member has terminated
21 employment, the first day of the month following the date upon which a
22 member's request for retirement is received on a retirement application
23 provided by the retirement system or (b) if the member has filed a
24 retirement application but has not yet terminated employment, the first
25 day of the month following the date on which the member terminates
26 employment. An application may be filed no more than one hundred twenty
27 days prior to the effective date of the member's initial benefit;

28 (33) (32) Retirement system means the School Employees Retirement
29 System of the State of Nebraska;

30 (34) (33) Savings annuity means payments for life, made in equal
31 monthly payments, derived from the accumulated contributions of a member;

1 (35) ~~(34)~~ School employee means a contributing member who earns
2 service credit pursuant to section 79-927. For purposes of this section,
3 contributing member means the following persons who receive compensation
4 from a public school: (a) Regular employees; (b) regular employees having
5 retired pursuant to the School Employees Retirement Act who subsequently
6 provide compensated service on a regular basis in any capacity; and (c)
7 regular employees hired by a public school on an ongoing basis to assume
8 the duties of other regular employees who are temporarily absent.
9 Substitute employees, temporary employees, and employees who have not
10 attained the age of eighteen years shall not be considered school
11 employees;

12 (36) ~~(35)~~ School year means one fiscal year which includes not less
13 than one thousand instructional hours or, in the case of service in the
14 State of Nebraska prior to July 1, 1945, not less than seventy-five
15 percent of the then legal school year;

16 (37) ~~(36)~~ School retirement allowance means the total of the savings
17 annuity and the service annuity or formula annuity paid a person who has
18 retired under sections 79-931 to 79-935. The monthly payments shall be
19 payable at the end of each calendar month during the life of a retired
20 member. The first payment shall include all amounts accrued since the
21 effective date of the award of annuity. The last payment shall be at the
22 end of the calendar month in which such member dies or in accordance with
23 the payment option chosen by the member;

24 (38) ~~(37)~~ Service means employment as a school employee and shall
25 not be deemed interrupted by (a) termination at the end of the school
26 year of the contract of employment of an employee in a public school if
27 the employee enters into a contract of employment in any public school,
28 except a school in a Class V school district, for the following school
29 year, (b) temporary or seasonal suspension of service that does not
30 terminate the employee's employment, (c) leave of absence authorized by
31 the employer for a period not exceeding twelve months, (d) leave of

1 absence because of disability, or (e) military service when properly
2 authorized by the retirement board. Service does not include any period
3 of disability for which disability retirement benefits are received under
4 sections 79-951 to 79-953;

5 (39) ~~(38)~~ Service annuity means payments for life, made in equal
6 monthly installments, derived from appropriations made by the State of
7 Nebraska to the retirement system;

8 (40) ~~(39)~~ State deposit means the deposit by the state in the
9 retirement system on behalf of any member;

10 (41) ~~(40)~~ State school official means the Commissioner of Education
11 and his or her professional staff who are required by law or by the State
12 Department of Education to hold a certificate as such term is defined in
13 section 79-807;

14 (42) ~~(41)~~ Substitute employee means a person hired by a public
15 school as a temporary employee to assume the duties of regular employees
16 due to a temporary absence of any regular employees. Substitute employee
17 does not mean a person hired as a regular employee on an ongoing basis to
18 assume the duties of other regular employees who are temporarily absent;

19 (43) ~~(42)~~ Surviving spouse means (a) the spouse married to the
20 member on the date of the member's death or (b) the spouse or former
21 spouse of the member if survivorship rights are provided under a
22 qualified domestic relations order filed with the board pursuant to the
23 Spousal Pension Rights Act. The spouse or former spouse shall supersede
24 the spouse married to the member on the date of the member's death as
25 provided under a qualified domestic relations order. If the benefits
26 payable to the spouse or former spouse under a qualified domestic
27 relations order are less than the value of benefits entitled to the
28 surviving spouse, the spouse married to the member on the date of the
29 member's death shall be the surviving spouse for the balance of the
30 benefits;

31 (44) ~~(43)~~ Temporary employee means an employee hired by a public

1 school who is not a regular employee and who is hired to provide service
2 for a limited period of time to accomplish a specific purpose or task.
3 When such specific purpose or task is complete, the employment of such
4 temporary employee shall terminate and in no case shall the temporary
5 employment period exceed one year in duration;

6 (45) ~~(44)~~ Termination of employment occurs on the date on which the
7 member experiences a bona fide separation from service of employment with
8 the member's employer, the date of which separation is determined by the
9 end of the member's contractual agreement or, if there is no contract or
10 only partial fulfillment of a contract, by the employer.

11 A member shall not be deemed to have terminated employment if the
12 member subsequently provides service to any employer participating in the
13 retirement system provided for in the School Employees Retirement Act
14 within one hundred eighty days after ceasing employment unless such
15 service:

16 (a) Is bona fide unpaid voluntary service or substitute service,
17 provided on an intermittent basis; or

18 (b) Is as provided in subsection (2) of section 79-920.

19 Nothing in this subdivision precludes an employer from adopting a
20 policy which limits or denies employees who have terminated employment
21 from providing voluntary or substitute service within one hundred eighty
22 days after termination.

23 A member shall not be deemed to have terminated employment if the
24 board determines that a claimed termination was not a bona fide
25 separation from service with the employer or that a member was
26 compensated for a full contractual period when the member terminated
27 prior to the end date of the contract; and

28 (46) ~~(45)~~ Voluntary service or volunteer means providing bona fide
29 unpaid service to any employer.

30 Sec. 8. Section 79-932, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 79-932 (1) Payment of any benefit provided under the retirement
2 system ~~shall~~ may not be deferred later than the required beginning date
3 ~~April 1 of the year following the year in which the member has both~~
4 ~~attained at least age seventy and one-half years and terminated his or~~
5 ~~her employment with the school system.~~

6 (2) The board shall make reasonable efforts to locate the member or
7 the member's beneficiary and distribute benefits by the required
8 beginning date ~~as specified by section 401(a)(9) of the Internal Revenue~~
9 ~~Code and the regulations issued thereunder.~~ If the board is unable to
10 make such a distribution, the benefit shall be distributed pursuant to
11 the Uniform Disposition of Unclaimed Property Act and no amounts may be
12 applied to increase the benefits any member would otherwise receive under
13 the School Employees Retirement Act.

14 Sec. 9. Section 81-2014, Revised Statutes Cumulative Supplement,
15 2018, is amended to read:

16 81-2014 For purposes of the Nebraska State Patrol Retirement Act:

17 (1)(a) Actuarial equivalent means the equality in value of the
18 aggregate amounts expected to be received under different forms of
19 payment or to be received at an earlier retirement age than the normal
20 retirement age.

21 (b) For an officer hired before July 1, 2017, the determinations
22 shall be based on the 1994 Group Annuity Mortality Table reflecting sex-
23 distinct factors blended using seventy-five percent of the male table and
24 twenty-five percent of the female table. An interest rate of eight
25 percent per annum shall be reflected in making the determinations until
26 such percent is amended by the Legislature.

27 (c) For an officer hired on or after July 1, 2017, or rehired on or
28 after July 1, 2017, after termination of employment and being paid a
29 retirement benefit or taking a refund of contributions, the
30 determinations shall be based on a unisex mortality table and an interest
31 rate specified by the board. Both the mortality table and the interest

1 rate shall be recommended by the actuary and approved by the board
2 following an actuarial experience study, a benefit adequacy study, or a
3 plan valuation. The mortality table, interest rate, and actuarial factors
4 in effect on the officer's retirement date will be used to calculate
5 actuarial equivalency of any retirement benefit. Such interest rate may
6 be, but is not required to be, equal to the assumed rate of return;

7 (2) Board means the Public Employees Retirement Board;

8 (3)(a)(i) Compensation means gross wages or salaries payable to the
9 member for personal services performed during the plan year. Compensation
10 does not include insurance premiums converted into cash payments,
11 reimbursement for expenses incurred, fringe benefits, per diems, or
12 bonuses for services not actually rendered, including, but not limited
13 to, early retirement inducements, cash awards, and severance pay, except
14 for retroactive salary payments paid pursuant to court order,
15 arbitration, or litigation and grievance settlements. Compensation
16 includes overtime pay, member retirement contributions, and amounts
17 contributed by the member to plans under sections 125 and 457 of the
18 Internal Revenue Code as defined in section 49-801.01 or any other
19 section of the code which defers or excludes such amounts from income.

20 (ii) For any officer employed on or prior to January 4, 1979,
21 compensation includes compensation for unused sick leave or unused
22 vacation leave converted to cash payments.

23 (iii) For any officer employed after January 4, 1979, and prior to
24 July 1, 2016, compensation does not include compensation for unused sick
25 leave or unused vacation leave converted to cash payments and includes
26 compensation for unused holiday compensatory time and unused compensatory
27 time converted to cash payments.

28 (iv) For any officer employed on or after July 1, 2016, compensation
29 does not include compensation for unused sick leave, unused vacation
30 leave, unused holiday compensatory time, unused compensatory time, or any
31 other type of unused leave, compensatory time, or similar benefits,

1 converted to cash payments.

2 (b) Compensation in excess of the limitations set forth in section
3 401(a)(17) of the Internal Revenue Code as defined in section 49-801.01
4 shall be disregarded. For an employee who was a member of the retirement
5 system before the first plan year beginning after December 31, 1995, the
6 limitation on compensation shall not be less than the amount which was
7 allowed to be taken into account under the retirement system as in effect
8 on July 1, 1993;

9 (4) Creditable service means service granted pursuant to section
10 81-2034 and all service rendered while a contributing member of the
11 retirement system. Creditable service includes working days, sick days,
12 vacation days, holidays, and any other leave days for which the officer
13 is paid regular wages except as specifically provided in the Nebraska
14 State Patrol Retirement Act. Creditable service does not include
15 eligibility and vesting credit nor service years for which member
16 contributions are withdrawn and not repaid;

17 (5) Current benefit means the initial benefit increased by all
18 adjustments made pursuant to the Nebraska State Patrol Retirement Act;

19 (6) DROP means the deferred retirement option plan as provided in
20 section 81-2041;

21 (7) DROP account means an individual DROP participant's defined
22 contribution account under section 414(k) of the Internal Revenue Code;

23 (8) DROP period means the amount of time the member elects to
24 participate in DROP which shall be for a period not to exceed five years
25 from and after the date of the member's DROP election;

26 (9) Eligibility and vesting credit means credit for years, or a
27 fraction of a year, of participation in a Nebraska government plan for
28 purposes of determining eligibility for benefits under the Nebraska State
29 Patrol Retirement Act. Such credit shall be used toward the vesting
30 percentage pursuant to subsection (2) of section 81-2031 but shall not be
31 included as years of service in the benefit calculation;

1 (10) Hire date or date of hire means the first day of compensated
2 service subject to retirement contributions;

3 (11) Initial benefit means the retirement benefit calculated at the
4 time of retirement;

5 (12) Officer means law enforcement officer as defined in section
6 81-1401 and as provided for in sections 81-2001 to 81-2009, but does not
7 include a law enforcement officer who has been granted an appointment
8 conditioned on satisfactory completion of a training program approved by
9 the Nebraska Police Standards Advisory Council;

10 (13) Plan year means the twelve-month period beginning on July 1 and
11 ending on June 30 of the following year;

12 (14) Regular interest means interest fixed at a rate equal to the
13 daily treasury yield curve for one-year treasury securities, as published
14 by the Secretary of the Treasury of the United States, that applies on
15 July 1 of each year, which may be credited monthly, quarterly,
16 semiannually, or annually as the board may direct;

17 (15) Required beginning date means, for purposes of the deferral of
18 distributions, April 1 of the year following the calendar year in which a
19 member has:

20 (a)(i) Terminated employment with the State of Nebraska; and

21 (ii)(A) Attained at least seventy and one-half years of age for a
22 member who attained seventy and one-half years of age on or before
23 December 31, 2019; or

24 (B) Attained at least seventy-two years of age for a member who
25 attained seventy and one-half years of age on or after January 1, 2020;
26 or

27 (b)(i) Terminated employment with the State of Nebraska; and

28 (ii) Otherwise reached the date specified by section 401(a)(9) of
29 the Internal Revenue Code and the regulations issued thereunder;

30 (16) ~~(15)~~ Retirement application means the form approved and
31 provided by the retirement system for acceptance of a member's request

1 for either regular or disability retirement;

2 (17) ~~(16)~~ Retirement date means (a) the first day of the month
3 following the date upon which a member's request for retirement is
4 received on a retirement application if the member is eligible for
5 retirement and has terminated employment or (b) the first day of the
6 month following termination of employment if the member is eligible for
7 retirement and has filed an application but has not yet terminated
8 employment;

9 (18) ~~(17)~~ Retirement system or system means the Nebraska State
10 Patrol Retirement System as provided in the act;

11 (19) ~~(18)~~ Service means employment as a member of the Nebraska State
12 Patrol and shall not be deemed to be interrupted by (a) temporary or
13 seasonal suspension of service that does not terminate the employee's
14 employment, (b) leave of absence authorized by the employer for a period
15 not exceeding twelve months, (c) leave of absence because of disability,
16 or (d) military service, when properly authorized by the board. Service
17 does not include any period of disability for which disability retirement
18 benefits are received under subsection (1) of section 81-2025;

19 (20) ~~(19)~~ Surviving spouse means (a) the spouse married to the
20 member on the date of the member's death if married for at least one year
21 prior to death or if married on the date of the member's retirement or
22 (b) the spouse or former spouse of the member if survivorship rights are
23 provided under a qualified domestic relations order filed with the board
24 pursuant to the Spousal Pension Rights Act. The spouse or former spouse
25 shall supersede the spouse married to the member on the date of the
26 member's death as provided under a qualified domestic relations order. If
27 the benefits payable to the spouse or former spouse under a qualified
28 domestic relations order are less than the value of benefits entitled to
29 the surviving spouse, the spouse married to the member on the date of the
30 member's death shall be the surviving spouse for the balance of the
31 benefits; and

1 (21) ~~(20)~~ Termination of employment occurs on the date on which the
2 Nebraska State Patrol determines that the officer's employer-employee
3 relationship with the patrol is dissolved. The Nebraska State Patrol
4 shall notify the board of the date on which such a termination has
5 occurred. Termination of employment does not include ceasing employment
6 with the Nebraska State Patrol if the officer returns to regular
7 employment with the Nebraska State Patrol or another agency of the State
8 of Nebraska and there are less than one hundred twenty days between the
9 date when the employee's employer-employee relationship ceased and the
10 date when the employer-employee relationship commenced with the Nebraska
11 State Patrol or another state agency. Termination of employment does not
12 occur upon an officer's participation in DROP pursuant to section
13 81-2041. It is the responsibility of the employer that is involved in the
14 termination of employment to notify the board of such change in
15 employment and provide the board with such information as the board deems
16 necessary. If the board determines that termination of employment has not
17 occurred and a retirement benefit has been paid to a member of the
18 retirement system pursuant to section 81-2026, the board shall require
19 the member who has received such benefit to repay the benefit to the
20 retirement system.

21 Sec. 10. Section 81-2025, Revised Statutes Cumulative Supplement,
22 2018, is amended to read:

23 81-2025 (1) Every officer who has been in the employ of the state as
24 such and who becomes disabled and physically unfit to perform the duties
25 of an officer shall be entitled to retire and receive an annuity as
26 provided by law.

27 (2) Every officer who has been in the employ of the state as such
28 for ten years or more, as calculated in section 81-2033, and has attained
29 the age of fifty years or more shall be entitled to retire and receive an
30 annuity as provided by law. The right to retire at the age of fifty years
31 shall be at the option of the officer but such retirement shall be

1 mandatory upon the officer attaining the age of sixty years.

2 (3) Any officer who has attained the age of sixty years upon his or
3 her separation from state service but who has not been in the employ of
4 the state for ten years as such shall be entitled to the annuity as
5 provided for in the Nebraska State Patrol Retirement Act.

6 (4) Every officer who has been in the employ of the state as such
7 for twenty-five years or more, as calculated in section 81-2033, and has
8 attained the age of fifty years shall be entitled to retire and receive
9 an annuity as provided by law. The right to retire at the age of fifty
10 years with twenty-five years or more of creditable service shall be at
11 the option of the officer but such retirement shall be mandatory upon the
12 officer attaining the age of sixty years.

13 (5) Every officer who has been in the employ of the state as such
14 for thirty years or more, as calculated in section 81-2033, shall be
15 entitled to retire and receive an annuity as provided by law. The right
16 to retire with thirty years or more of creditable service shall be at the
17 option of the officer but such retirement shall be mandatory upon the
18 officer attaining the age of sixty years.

19 (6) Payment of any benefit provided under the act ~~shall~~ may not be
20 deferred later than ~~the required beginning date April 1 of the year~~
21 ~~following the year in which the officer has both attained at least age~~
22 ~~seventy and one-half years and terminated his or her employment with the~~
23 ~~Nebraska State Patrol.~~

24 (7) The effective date of retirement payments shall be the first day
25 of the month following (a) the date a member qualifies for retirement as
26 provided in this section or (b) the date upon which a member's request
27 for retirement is received on an application form provided by the system,
28 whichever is later. An application may be filed no more than one hundred
29 twenty days in advance of qualifying for retirement.

30 (8) The board shall make reasonable efforts to locate the officer or
31 the officer's beneficiary and distribute benefits by the required

1 ~~beginning date as specified by section 401(a)(9) of the Internal Revenue~~
2 ~~Code and the regulations issued thereunder.~~ If the board is unable to
3 make such a distribution, the account shall be distributed pursuant to
4 the Uniform Disposition of Unclaimed Property Act and no amounts may be
5 applied to increase the benefits any officer would otherwise receive
6 under the Nebraska State Patrol Retirement Act.

7 Sec. 11. Section 84-1301, Revised Statutes Cumulative Supplement,
8 2018, is amended to read:

9 84-1301 For purposes of the State Employees Retirement Act, unless
10 the context otherwise requires:

11 (1)(a) Actuarial equivalent means the equality in value of the
12 aggregate amounts expected to be received under different forms of an
13 annuity payment.

14 (b) For an employee hired prior to January 1, 2018, the mortality
15 assumption used for purposes of converting the member cash balance
16 account shall be the 1994 Group Annuity Mortality Table using a unisex
17 rate that is fifty percent male and fifty percent female. For purposes of
18 converting the member cash balance account attributable to contributions
19 made prior to January 1, 1984, that were transferred pursuant to the act,
20 the 1994 Group Annuity Mortality Table for males shall be used.

21 (c) For an employee hired on or after January 1, 2018, or rehired on
22 or after January 1, 2018, after termination of employment and being paid
23 a retirement benefit or taking a refund of contributions, the mortality
24 assumption used for purposes of converting the member cash balance
25 account shall be a unisex mortality table that is recommended by the
26 actuary and approved by the board following an actuarial experience
27 study, a benefit adequacy study, or a plan valuation. The mortality table
28 and actuarial factors in effect on the member's retirement date will be
29 used to calculate the actuarial equivalency of any retirement benefit;

30 (2) Annuity means equal monthly payments provided by the retirement
31 system to a member or beneficiary under forms determined by the board

1 beginning the first day of the month after an annuity election is
2 received in the office of the Nebraska Public Employees Retirement
3 Systems or the first day of the month after the employee's termination of
4 employment, whichever is later. The last payment shall be at the end of
5 the calendar month in which the member dies or in accordance with the
6 payment option chosen by the member;

7 (3) Annuity start date means the date upon which a member's annuity
8 is first effective and shall be the first day of the month following the
9 member's termination or following the date the application is received by
10 the board, whichever is later;

11 (4) Cash balance benefit means a member's retirement benefit that is
12 equal to an amount based on annual employee contribution credits plus
13 interest credits and, if vested, employer contribution credits plus
14 interest credits and dividend amounts credited in accordance with
15 subdivision (4)(c) of section 84-1319;

16 (5)(a) Compensation means gross wages or salaries payable to the
17 member for personal services performed during the plan year. Compensation
18 does not include insurance premiums converted into cash payments,
19 reimbursement for expenses incurred, fringe benefits, per diems, or
20 bonuses for services not actually rendered, including, but not limited
21 to, early retirement inducements, cash awards, and severance pay, except
22 for retroactive salary payments paid pursuant to court order,
23 arbitration, or litigation and grievance settlements. Compensation
24 includes overtime pay, member retirement contributions, and amounts
25 contributed by the member to plans under sections 125, 403(b), and 457 of
26 the Internal Revenue Code or any other section of the code which defers
27 or excludes such amounts from income.

28 (b) Compensation in excess of the limitations set forth in section
29 401(a)(17) of the Internal Revenue Code shall be disregarded. For an
30 employee who was a member of the retirement system before the first plan
31 year beginning after December 31, 1995, the limitation on compensation

1 shall not be less than the amount which was allowed to be taken into
2 account under the retirement system as in effect on July 1, 1993;

3 (6) Date of disability means the date on which a member is
4 determined to be disabled by the board;

5 (7) Defined contribution benefit means a member's retirement benefit
6 from a money purchase plan in which member benefits equal annual
7 contributions and earnings pursuant to section 84-1310 and, if vested,
8 employer contributions and earnings pursuant to section 84-1311;

9 (8) Disability means an inability to engage in any substantially
10 gainful activity by reason of any medically determinable physical or
11 mental impairment which was initially diagnosed or became disabling while
12 the member was an active participant in the plan and which can be
13 expected to result in death or to be of long-continued and indefinite
14 duration;

15 (9) Employee means any employee of the State Board of Agriculture
16 who is a member of the state retirement system on July 1, 1982, and any
17 person or officer employed by the State of Nebraska whose compensation is
18 paid out of state funds or funds controlled or administered by a state
19 department through any of its executive or administrative officers when
20 acting exclusively in their respective official, executive, or
21 administrative capacities. Employee does not include (a) judges as
22 defined in section 24-701, (b) members of the Nebraska State Patrol,
23 except for those members of the Nebraska State Patrol who elected
24 pursuant to section 60-1304 to remain members of the State Employees
25 Retirement System of the State of Nebraska, (c) employees of the
26 University of Nebraska, (d) employees of the state colleges, (e)
27 employees of community colleges, (f) employees of the Department of Labor
28 employed prior to July 1, 1984, and paid from funds provided pursuant to
29 Title III of the federal Social Security Act or funds from other federal
30 sources, except that if the contributory retirement plan or contract let
31 pursuant to section 48-609, as such section existed prior to January 1,

1 2018, is terminated, such employees shall become employees for purposes
2 of the State Employees Retirement Act on the first day of the first pay
3 period following the termination of such contributory retirement plan or
4 contract, (g) employees of the State Board of Agriculture who are not
5 members of the state retirement system on July 1, 1982, (h) the Nebraska
6 National Guard air and army technicians, (i) persons eligible for
7 membership under the School Employees Retirement System of the State of
8 Nebraska who have not elected to become members of the retirement system
9 pursuant to section 79-920 or been made members of the system pursuant to
10 such section, except that those persons so eligible and who as of
11 September 2, 1973, are contributing to the State Employees Retirement
12 System of the State of Nebraska shall continue as members of such system,
13 or (j) employees of the Coordinating Commission for Postsecondary
14 Education who are eligible for and have elected to become members of a
15 qualified retirement program approved by the commission which is
16 commensurate with retirement programs at the University of Nebraska. Any
17 individual appointed by the Governor may elect not to become a member of
18 the State Employees Retirement System of the State of Nebraska;

19 (10) Employee contribution credit means an amount equal to the
20 member contribution amount required by section 84-1308;

21 (11) Employer contribution credit means an amount equal to the
22 employer contribution amount required by section 84-1309;

23 (12) Final account value means the value of a member's account on
24 the date the account is either distributed to the member or used to
25 purchase an annuity from the plan, which date shall occur as soon as
26 administratively practicable after receipt of a valid application for
27 benefits, but no sooner than forty-five days after the member's
28 termination;

29 (13) Five-year break in service means five consecutive one-year
30 breaks in service;

31 (14) Full-time employee means an employee who is employed to work

1 one-half or more of the regularly scheduled hours during each pay period;

2 (15) Fund means the State Employees Retirement Fund created by
3 section 84-1309;

4 (16) Guaranteed investment contract means an investment contract or
5 account offering a return of principal invested plus interest at a
6 specified rate. For investments made after July 19, 1996, guaranteed
7 investment contract does not include direct obligations of the United
8 States or its instrumentalities, bonds, participation certificates or
9 other obligations of the Federal National Mortgage Association, the
10 Federal Home Loan Mortgage Corporation, or the Government National
11 Mortgage Association, or collateralized mortgage obligations and other
12 derivative securities. This subdivision shall not be construed to require
13 the liquidation of investment contracts or accounts entered into prior to
14 July 19, 1996;

15 (17) Hire date or date of hire means the first day of compensated
16 service subject to retirement contributions;

17 (18) Interest credit rate means the greater of (a) five percent or
18 (b) the applicable federal mid-term rate, as published by the Internal
19 Revenue Service as of the first day of the calendar quarter for which
20 interest credits are credited, plus one and one-half percent, such rate
21 to be compounded annually;

22 (19) Interest credits means the amounts credited to the employee
23 cash balance account and the employer cash balance account at the end of
24 each day. Such interest credit for each account shall be determined by
25 applying the daily portion of the interest credit rate to the account
26 balance at the end of the previous day. Such interest credits shall
27 continue to be credited to the employee cash balance account and the
28 employer cash balance account after a member ceases to be an employee,
29 except that no such credit shall be made with respect to the employee
30 cash balance account and the employer cash balance account for any day
31 beginning on or after the member's date of final account value. If

1 benefits payable to the member's surviving spouse or beneficiary are
2 delayed after the member's death, interest credits shall continue to be
3 credited to the employee cash balance account and the employer cash
4 balance account until such surviving spouse or beneficiary commences
5 receipt of a distribution from the plan;

6 (20) Member cash balance account means an account equal to the sum
7 of the employee cash balance account and, if vested, the employer cash
8 balance account and dividend amounts credited in accordance with
9 subdivision (4)(c) of section 84-1319;

10 (21) One-year break in service means a plan year during which the
11 member has not completed more than five hundred hours of service;

12 (22) Participation means qualifying for and making the required
13 deposits to the retirement system during the course of a plan year;

14 (23) Part-time employee means an employee who is employed to work
15 less than one-half of the regularly scheduled hours during each pay
16 period;

17 (24) Plan year means the twelve-month period beginning on January 1
18 and ending on December 31;

19 (25) Prior service means service before January 1, 1964;

20 (26) Regular interest means the rate of interest earned each
21 calendar year commencing January 1, 1975, as determined by the retirement
22 board in conformity with actual and expected earnings on the investments
23 through December 31, 1984;

24 (27) Required beginning date means, for purposes of the deferral of
25 distributions, April 1 of the year following the calendar year in which a
26 member has:

27 (a)(i) Terminated employment with the State of Nebraska; and

28 (ii)(A) Attained at least seventy and one-half years of age for a
29 member who attained seventy and one-half years of age on or before
30 December 31, 2019; or

31 (B) Attained at least seventy-two years of age for a member who

1 attained seventy and one-half years of age on or after January 1, 2020;
2 or

3 (b)(i) Terminated employment with the State of Nebraska; and

4 (ii) Otherwise reached the date specified by section 401(a)(9) of
5 the Internal Revenue Code and the regulations issued thereunder;

6 (28) ~~(27)~~ Required contribution means the deduction to be made from
7 the compensation of employees as provided in section 84-1308;

8 (29) ~~(28)~~ Retirement means qualifying for and accepting the
9 retirement benefit granted under the State Employees Retirement Act after
10 terminating employment;

11 (30) ~~(29)~~ Retirement application means the form approved and
12 provided by the retirement system for acceptance of a member's request
13 for either regular or disability retirement;

14 (31) ~~(30)~~ Retirement board or board means the Public Employees
15 Retirement Board;

16 (32) ~~(31)~~ Retirement date means (a) the first day of the month
17 following the date upon which a member's request for retirement is
18 received on a retirement application if the member is eligible for
19 retirement and has terminated employment or (b) the first day of the
20 month following termination of employment if the member is eligible for
21 retirement and has filed an application but has not yet terminated
22 employment;

23 (33) ~~(32)~~ Retirement system means the State Employees Retirement
24 System of the State of Nebraska;

25 (34) ~~(33)~~ Service means the actual total length of employment as an
26 employee and shall not be deemed to be interrupted by (a) temporary or
27 seasonal suspension of service that does not terminate the employee's
28 employment, (b) leave of absence authorized by the employer for a period
29 not exceeding twelve months, (c) leave of absence because of disability,
30 or (d) military service, when properly authorized by the retirement
31 board. Service does not include any period of disability for which

1 disability retirement benefits are received under section 84-1317;

2 (35) ~~(34)~~ State department means any department, bureau, commission,
3 or other division of state government not otherwise specifically defined
4 or exempted in the act, the employees and officers of which are not
5 already covered by a retirement plan;

6 (36) ~~(35)~~ Surviving spouse means (a) the spouse married to the
7 member on the date of the member's death or (b) the spouse or former
8 spouse of the member if survivorship rights are provided under a
9 qualified domestic relations order filed with the board pursuant to the
10 Spousal Pension Rights Act. The spouse or former spouse shall supersede
11 the spouse married to the member on the date of the member's death as
12 provided under a qualified domestic relations order. If the benefits
13 payable to the spouse or former spouse under a qualified domestic
14 relations order are less than the value of benefits entitled to the
15 surviving spouse, the spouse married to the member on the date of the
16 member's death shall be the surviving spouse for the balance of the
17 benefits;

18 (37) ~~(36)~~ Termination of employment occurs on the date on which the
19 agency which employs the member determines that the member's employer-
20 employee relationship with the State of Nebraska is dissolved. The agency
21 which employs the member shall notify the board of the date on which such
22 a termination has occurred. Termination of employment does not occur if
23 an employee whose employer-employee relationship with the State of
24 Nebraska is dissolved enters into an employer-employee relationship with
25 the same or another agency of the State of Nebraska and there are less
26 than one hundred twenty days between the date when the employee's
27 employer-employee relationship ceased with the state and the date when
28 the employer-employee relationship commenced with the same or another
29 agency. It is the responsibility of the employer that is involved in the
30 termination of employment to notify the board of such change in
31 employment and provide the board with such information as the board deems

1 necessary. If the board determines that termination of employment has not
2 occurred and a retirement benefit has been paid to a member of the
3 retirement system pursuant to section 84-1321, the board shall require
4 the member who has received such benefit to repay the benefit to the
5 retirement system; and

6 (38) ~~(37)~~ Vesting credit means credit for years, or a fraction of a
7 year, of participation in another Nebraska governmental plan for purposes
8 of determining vesting of the employer account.

9 Sec. 12. Section 84-1317, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 84-1317 (1) Upon filing an application for benefits with the board,
12 an employee may elect to retire after the attainment of age fifty-five or
13 an employee may retire as a result of disability at any age.

14 (2) The member shall specify in the application for benefits the
15 manner in which he or she wishes to receive the retirement benefit under
16 the options provided by the State Employees Retirement Act. Payment under
17 the application for benefits shall be made (a) for annuities, no sooner
18 than the annuity start date, and (b) for other distributions, no sooner
19 than the date of final account value.

20 (3) Payment of any benefit provided under the retirement system
21 ~~shall~~ may not be deferred later than the required beginning date ~~April 1~~
22 ~~of the year following the year in which the employee has both attained at~~
23 ~~least age seventy and one-half years and terminated his or her employment~~
24 ~~with the state.~~

25 (4) The board shall make reasonable efforts to locate the member or
26 the member's beneficiary and distribute benefits by the required
27 beginning date ~~as specified by section 401(a)(9) of the Internal Revenue~~
28 ~~Code and the regulations issued thereunder.~~ If the board is unable to
29 make such a distribution, the benefit shall be distributed pursuant to
30 the Uniform Disposition of Unclaimed Property Act and no amounts may be
31 applied to increase the benefits any member would otherwise receive under

1 the State Employees Retirement Act.

2 (5) A participant or beneficiary who would have been required to
3 receive required minimum distributions for 2009 but for the enactment of
4 section 401(a)(9)(H) of the Internal Revenue Code, and who would have
5 satisfied that requirement by receiving distributions that are either
6 equal to the 2009 required minimum distributions or one or more payments
7 in a series of substantially equal distributions, including the 2009
8 required minimum distribution, made at least annually and expected to
9 last for the life or life expectancy of the participant, the joint lives
10 or joint life expectancy of the participant and the participant's
11 designated beneficiary, or for a period of at least ten years, shall
12 receive those distributions for 2009 unless the participant or
13 beneficiary chooses not to receive such distributions. Participants and
14 beneficiaries shall be given the opportunity to elect to stop receiving
15 the distributions described in this subsection.

16 Sec. 13. Section 84-1319, Revised Statutes Supplement, 2019, is
17 amended to read:

18 84-1319 (1) The future service retirement benefit shall be an
19 annuity, payable monthly with the first payment made no earlier than the
20 annuity start date, which shall be the actuarial equivalent of the
21 retirement value as specified in section 84-1318 based on factors
22 determined by the board, except that gender shall not be a factor when
23 determining the amount of such payments except as provided in this
24 section.

25 Except as provided in section 42-1107, at any time before the
26 annuity start date, the retiring employee may choose to receive his or
27 her annuity either in the form of an annuity as provided under subsection
28 (4) of this section or any optional form that is determined acceptable by
29 the board.

30 Except as provided in section 42-1107, in lieu of the future service
31 retirement annuity, a retiring employee may receive a benefit not to

1 exceed the amount in his or her employer and employee accounts as of the
2 date of final account value payable in a lump sum and, if the employee
3 chooses not to receive the entire amount in such accounts, an annuity
4 equal to the actuarial equivalent of the remainder of the retirement
5 value, and the employee may choose any form of such annuity as provided
6 for by the board.

7 In any case, the amount of the monthly payment shall be such that
8 the annuity chosen shall be the actuarial equivalent of the retirement
9 value as specified in section 84-1318 except as provided in this section.

10 (2) Except as provided in subsection (4) of this section, the
11 monthly annuity income payable to a member retiring on or after January
12 1, 1984, shall be as follows:

13 He or she shall receive at retirement the amount which may be
14 purchased by the accumulated contributions based on annuity rates in
15 effect on the annuity start date which do not utilize gender as a factor,
16 except that such amounts shall not be less than the retirement income
17 which can be provided by the sum of the amounts derived pursuant to
18 subdivisions (a) and (b) of this subsection as follows:

19 (a) The income provided by the accumulated contributions made prior
20 to January 1, 1984, based on male annuity purchase rates in effect on the
21 date of purchase; and

22 (b) The income provided by the accumulated contributions made on and
23 after January 1, 1984, based on the annuity purchase rates in effect on
24 the date of purchase which do not use gender as a factor.

25 (3) Any amounts, in excess of contributions, which may be required
26 in order to purchase the retirement income specified in subsection (2) of
27 this section shall be withdrawn from the State Equal Retirement Benefit
28 Fund.

29 (4)(a) The normal form of payment shall be a single life annuity
30 with five-year certain, which is an annuity payable monthly during the
31 remainder of the member's life with the provision that, in the event of

1 the member's death before sixty monthly payments have been made, the
2 monthly payments will continue until sixty monthly payments have been
3 made in total pursuant to section 84-1323.02.

4 Such annuity shall be equal to the actuarial equivalent of the
5 member cash balance account or the sum of the employee and employer
6 accounts, whichever is applicable, as of the date of final account value.
7 As a part of the annuity, the normal form of payment may include a two
8 and one-half percent cost-of-living adjustment purchased by the member,
9 if the member elects such a payment option.

10 Except as provided in section 42-1107, a member may elect a lump-sum
11 distribution of his or her member cash balance account as of the date of
12 final account value upon termination of service or retirement.

13 For a member employed and participating in the retirement system
14 prior to January 1, 2003, who has elected to participate in the cash
15 balance benefit pursuant to section 84-1309.02, or for a member employed
16 and participating in the retirement system beginning on and after January
17 1, 2003, the balance of his or her member cash balance account as of the
18 date of final account value shall be converted to an annuity using an
19 interest rate that is recommended by the actuary and approved by the
20 board following an actuarial experience study, a benefit adequacy study,
21 or a plan valuation. The interest rate and actuarial factors in effect on
22 the member's retirement date will be used to calculate actuarial
23 equivalency of any retirement benefit. Such interest rate may be, but is
24 not required to be, equal to the assumed rate of return.

25 For an employee who is a member prior to January 1, 2003, who has
26 elected not to participate in the cash balance benefit pursuant to
27 section 84-1309.02, and who, at the time of retirement, chooses the
28 annuity option rather than the lump-sum option, his or her employee and
29 employer accounts as of the date of final account value shall be
30 converted to an annuity using an interest rate that is equal to the
31 lesser of (i) the Pension Benefit Guaranty Corporation initial interest

1 rate for valuing annuities for terminating plans as of the beginning of
2 the year during which payment begins plus three-fourths of one percent or
3 (ii) the interest rate to calculate the retirement benefits for the cash
4 balance plan members.

5 (b) For the calendar year beginning January 1, 2003, and each
6 calendar year thereafter, the actuary for the board shall perform an
7 actuarial valuation of the system using the entry age actuarial cost
8 method. Under this method, the actuarially required funding rate is equal
9 to the normal cost rate plus the contribution rate necessary to amortize
10 the unfunded actuarial accrued liability on a level-payment basis. The
11 normal cost under this method shall be determined for each individual
12 member on a level percentage of salary basis. The normal cost amount is
13 then summed for all members. The initial unfunded actual accrued
14 liability as of January 1, 2003, if any, shall be amortized over a
15 twenty-five-year period. During each subsequent actuarial valuation,
16 changes in the unfunded actuarial accrued liability due to changes in
17 benefits, actuarial assumptions, the asset valuation method, or actuarial
18 gains or losses shall be measured and amortized over a twenty-five-year
19 period beginning on the valuation date of such change. If the unfunded
20 actuarial accrued liability under the entry age actuarial cost method is
21 zero or less than zero on an actuarial valuation date, then all prior
22 unfunded actuarial accrued liabilities shall be considered fully funded
23 and the unfunded actuarial accrued liability shall be reinitialized and
24 amortized over a twenty-five-year period as of the actuarial valuation
25 date. If the actuarially required contribution rate exceeds the rate of
26 all contributions required pursuant to the State Employees Retirement
27 Act, there shall be a supplemental appropriation sufficient to pay for
28 the difference between the actuarially required contribution rate and the
29 rate of all contributions required pursuant to the act.

30 (c) If the unfunded accrued actuarial liability under the entry age
31 actuarial cost method is less than zero on an actuarial valuation date,

1 and on the basis of all data in the possession of the retirement board,
2 including such mortality and other tables as are recommended by the
3 actuary engaged by the retirement board and adopted by the retirement
4 board, the retirement board may elect to pay a dividend to all members
5 participating in the cash balance option in an amount that would not
6 increase the actuarial contribution rate above ninety percent of the
7 actual contribution rate. Dividends shall be credited to the employee
8 cash balance account and the employer cash balance account based on the
9 account balances on the actuarial valuation date. In the event a dividend
10 is granted and paid after the actuarial valuation date, interest for the
11 period from the actuarial valuation date until the dividend is actually
12 paid shall be paid on the dividend amount. The interest rate shall be the
13 interest credit rate earned on regular contributions.

14 (5) At the option of the retiring member, any lump sum or annuity
15 provided under this section or section 84-1320 may be deferred to
16 commence at any time, except that no benefit shall be deferred later than
17 ~~the required beginning date April 1 of the year following the year in~~
18 ~~which the employee has both attained at least seventy and one-half years~~
19 ~~of age and has terminated his or her employment with the state.~~ Such
20 election by the retiring member may be made at any time prior to the
21 commencement of the lump-sum or annuity payments.

22 (6) A participant or beneficiary who would have been required to
23 receive required minimum distributions for 2009 but for the enactment of
24 section 401(a)(9)(H) of the Internal Revenue Code, and who would have
25 satisfied that requirement by receiving distributions that are either
26 equal to the 2009 required minimum distributions or one or more payments
27 in a series of substantially equal distributions, including the 2009
28 required minimum distribution, made at least annually and expected to
29 last for the life or life expectancy of the participant, the joint lives
30 or joint life expectancy of the participant and the participant's
31 designated beneficiary, or for a period of at least ten years, shall

1 receive those distributions for 2009 unless the participant or
2 beneficiary chooses not to receive such distributions. Participants and
3 beneficiaries shall be given the opportunity to elect to stop receiving
4 the distributions described in this subsection.

5 Sec. 14. Section 84-1320, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 84-1320 The prior service retirement benefit shall be a straight
8 life annuity, payable monthly with the first payment made as of the
9 annuity start date, in an amount determined in accordance with the State
10 Employees Retirement Act, except that the payments may be made less often
11 than monthly if the monthly payment would be less than fifteen dollars.
12 At the option of the member, the first payment may be deferred to
13 commence at any time, except that no benefit shall be deferred later than
14 ~~the required beginning date April 1 of the year following the year in~~
15 ~~which the employee has both attained at least seventy and one-half years~~
16 ~~of age and has terminated his or her employment with the state.~~ Such
17 deferred benefit shall be the actuarial equivalent, based on factors
18 designated by the board, of the prior service benefit. In the event of
19 retirement before age sixty-five under section 84-1317, the amount of the
20 prior service annuity shall be reduced in accordance with the principles
21 of actuarial equivalence based on factors designated by the board. Any
22 member of the retirement system who ceases to be an employee before
23 becoming eligible for retirement under section 84-1317, who has accrued a
24 prior service retirement benefit as defined in the act, and who has been
25 continuously employed by the state for ten or more years immediately
26 prior to termination shall receive the prior service retirement benefit
27 determined in accordance with the act upon attaining age sixty-five. At
28 the option of the terminating member, such annuity may commence as of the
29 first of the month at any time after such member attains the age of
30 fifty-five or may be deferred, except that no benefit shall be deferred
31 later than ~~the required beginning date April 1 of the year following the~~

1 ~~year in which the employee has both attained at least seventy and one-~~
2 ~~half years of age and has terminated his or her employment with the~~
3 ~~state.~~ Such election by the terminating member may be made at any time
4 prior to the commencement of the annuity payments. Any terminating
5 employee who forfeits a vested future service retirement benefit by
6 withdrawing his or her employee account shall also forfeit any vested
7 prior service retirement benefit to which he or she would otherwise be
8 entitled.

9 Sec. 15. Section 84-1321, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 84-1321 (1) Except as provided in section 42-1107, upon termination
12 of employment before becoming eligible for retirement under section
13 84-1317, a member may, upon application to the board, receive:

14 (a) If not vested, a termination benefit equal to the amount in his
15 or her employee account or member cash balance account as of the date of
16 final account value payable in a lump sum or an annuity with the lump-sum
17 or first annuity payment made at any time after termination but no later
18 than the required beginning date April 1 of the year following the year
19 ~~in which the member attains the age of seventy and one-half years; or~~

20 (b) If vested, a termination benefit equal to (i) the amount of his
21 or her member cash balance account as of the date of final account value
22 payable in a lump sum or an annuity with the lump-sum or first annuity
23 payment made at any time after termination but no later than the required
24 beginning date April 1 of the year following the year in which the member
25 ~~attains the age of seventy and one-half years or (ii)(A) the amount in~~
26 his or her employee account as of the date of final account value payable
27 in a lump sum or an annuity with the lump-sum or first annuity payment
28 made at any time after termination but no later than the required
29 beginning date April 1 of the year following the year in which the member
30 ~~attains the age of seventy and one-half years plus (B) the amount of his~~
31 or her employer account as of the date of final account value payable in

1 a lump sum or an annuity with the lump-sum or first annuity payment made
2 at any time after termination but no later than the required beginning
3 date April 1 of the year following the year in which the member attains
4 the age of seventy and one-half years.

5 (c) The member cash balance account or employer and employee
6 accounts of a terminating member shall be retained by the board, and the
7 termination benefit shall be deferred until a valid application for
8 benefits has been received.

9 (2) At the option of the terminating member, any lump sum of the
10 vested portion of the employer account or member cash balance account or
11 any annuity provided under subsection (1) of this section shall commence
12 as of the first of the month at any time after such member has terminated
13 his or her employment with the state or may be deferred, except that no
14 benefit shall be deferred later than the required beginning date April 1
15 of the year following the year in which the employee has both attained at
16 least seventy and one-half years of age and has terminated his or her
17 employment with the state. Such election by the terminating member shall
18 be made at any time prior to the commencement of the lump-sum or annuity
19 payments.

20 (3) Members of the retirement system shall be vested after a total
21 of three years of participation in the system as a member pursuant to
22 section 84-1307, including vesting credit. If an employee retires
23 pursuant to section 84-1317, such an employee shall be fully vested in
24 the retirement system.

25 (4) A participant or beneficiary who would have been required to
26 receive required minimum distributions for 2009 but for the enactment of
27 section 401(a)(9)(H) of the Internal Revenue Code, and who would have
28 satisfied that requirement by receiving distributions that are either
29 equal to the 2009 required minimum distributions or one or more payments
30 in a series of substantially equal distributions, including the 2009
31 required minimum distribution, made at least annually and expected to

1 last for the life or life expectancy of the participant, the joint lives
2 or joint life expectancy of the participant and the participant's
3 designated beneficiary, or for a period of at least ten years, shall
4 receive those distributions for 2009 unless the participant or
5 beneficiary chooses not to receive such distributions. Participants and
6 beneficiaries shall be given the opportunity to elect to stop receiving
7 the distributions.

8 Sec. 16. If any section in this act or any part of any section is
9 declared invalid or unconstitutional, the declaration shall not affect
10 the validity or constitutionality of the remaining portions.

11 Sec. 17. Original sections 79-932, 84-1317, 84-1320, and 84-1321,
12 Reissue Revised Statutes of Nebraska, sections 23-2301, 23-2315, 23-2319,
13 24-701, 24-708, 81-2014, 81-2025, and 84-1301, Revised Statutes
14 Cumulative Supplement, 2018, and sections 23-2317, 79-902, and 84-1319,
15 Revised Statutes Supplement, 2019, are repealed.

16 Sec. 18. Since an emergency exists, this act takes effect when
17 passed and approved according to law.