

ONE HUNDRED EIGHTH LEGISLATURE - FIRST SESSION - 2023
COMMITTEE STATEMENT (CORRECTED)
LB103

Hearing Date: Tuesday February 14, 2023
Committee On: Nebraska Retirement Systems
Introducer: McDonnell
One Liner: Change provisions of the School Employees Retirement Act and the State Employees Retirement Act

Roll Call Vote - Final Committee Action:

Advanced to General File with amendment(s)

Vote Results:

Aye: 6 Senators Clements, Conrad, Hardin, Ibach, McDonnell, Vargas
Nay:
Absent:
Present Not Voting:

Testimony:

Proponents:

Mike McDonnell
Randy Gerke

Representing:

Introducer
Nebraska Public Employees Retirement System

Opponents:

Representing:

Neutral:

Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 103 is a “clean-up” to address some changes made in LB 700e (2022). Two particular issues are addressed in the bill. The first is including another category in the definition of “eligible school plan state employee”. The definition contained in LB 700 included two categories covered by the State Code Agency Teachers Association (SCATA). LB 103 proposes to add another category: state agency employees required to hold a teaching certificate but not covered by SCATA.

The second change is to change an effective date contained in the prior legislation. The date in the slip law version of LB 700e contained an effective date of July 1, 2022, but the bill contained an emergency clause and was signed (and effective) on March 4, 2022. LB 103 makes changes to address the difference between the stated and actual effective date.

Section by section

Section 1 Amends section 79-920, regarding definitions and provisions for state agency teachers, by including an additional category in the definition of “eligible school plan state

employee. The additional category includes state agency teachers that are not part of the SCATA bargaining unit. These individuals are typically professional level positions working directly with the Commissioner of Education.

The section is also amended to reflect the actual effective date of LB 700e (2002). The legislation contained a July 1 reference, but the bill was signed by the Governor on March 4. Section 2 Amends 84-1301, which provides definitions for the State Employees Retirement Act, by changing an effective date in the “employee” definition to the actual date the bill was signed by the Governor.

Section 3 Repeals original sections.

Explanation of amendments:

AM 417 incorporates the provisions of two other related bills into the bill: LB 104, and LB 105.

The committee voted to adopt AM 417 6-0.

Voting Aye:

Sen. Mike McDonnell, Chairperson

Sen. Robert Clements

Sen. Danielle Conrad

Sen. Brian Hardin

Sen. Teresa Ibach

Sen. Tony Vargas

Voting Nay: None

Overview:

Committee Amendment 417 is a white copy amendment that adds LB's 104 and 105 to LB 103. LB's 104 and 105 are technical bills that make changes to accommodate changes in federal law. Each are described below. While sections are rearranged, each of the three bills are included as initially introduced.

Section by section (AM417 to LB 103)

Section 1 Amends section 23-2301 regarding definitions in the County Employees Retirement Act, by making changes in subsection (28) (found on p. 7 of the introduced bill) the definition of “Required beginning date” for deferred or mandatory distributions. The changes require minimum distributions for those turning age 73 in 2023 until 2033 and those turning age 75 in 2033. (LB 104 sec. 1)

Section 2 Amends section 23-2323.01, regarding USERRA provisions in county retirement plans, by adding provisions to address the federal changes made. The new language provisions would add preparations prior to military service, rest and recovery following military service and active state service to the general provisions of military service. (LB 105 sec.1)

Section 3 Amends section 24-701 regarding definitions in the Judges Retirement Act, by making changes in subsection (22), (found on p. 15 of the introduced bill) the definition of “Required beginning date” for deferred distributions. The changes require distributions for those turning age 73 in 2023 until 2033 and those turning age 75 in 2033. Also strikes an outdated definition of military service (subsection 15). (LB 104 sec. 2 and LB 105 sec. 2)

Section 4 Amends section 24-710.01, allowing a judge to elect to make certain contributions, by removing a cross reference. (LB 105 sec.3)

Section 5 Amends section 24-710.04, regarding USERRA provisions in the judges' retirement plan, by adding provisions to address the federal changes made. The new language provisions would add preparations prior to military service, rest and recovery following military service and active state service to the general provisions of military service. (LB 105 sec.4)

Section 6 Amends section 79-902 regarding definitions in the School Employees Retirement Act, by making changes in subsection (27) (found on p. 27-28 of the introduced bill), the definition of "Required beginning date" for deferred distributions. The changes require minimum distributions for those turning age 73 in 2023 until 2033 and those turning age 75 in 2033 and after. (LB 104 sec. 3)

Section 7 Amends section 79-920, regarding definitions and provisions for state agency teachers, by including an additional category in the definition of "eligible school plan state employee. The additional category includes state agency teachers that are not part of the SCATA bargaining unit. These individuals are typically professional level positions working directly with the Commissioner of Education. (LB 103 sec 1)

Section 8 Amends section 79-926, regarding USERRA provisions in the teachers' retirement plan, by adding provisions to address the federal changes made. The new language provisions would add preparations prior to military service, rest and recovery following military service and active state service to the general provisions of military service. (LB 105 sec. 5)

Section 9 Amends section 81-2014 regarding definitions in the Nebraska State Patrol Retirement Act, by making changes in subsection (15) (found on p. 31 of the introduced bill), the definition of "Required beginning date" for deferred distributions. The changes require minimum distributions for those turning age 73 in 2023 until 2033 and those turning age 75 in 2033 and after. (LB 104 sec. 4)

Section 10 Amends section 81-2034, regarding USERRA provisions in the State Patrol retirement plan, by adding provisions to address the federal changes made. The new language provisions would add preparations prior to military service, rest and recovery following military service and active state service to the general provisions of military service. (LB 105 sec. 6)

Section 11 Amends 84-1301, which provides definitions for the State Employees Retirement Act, by changing an effective date in the "employee" definition to the actual date the bill was signed by the Governor. Also amends the definition of "Required beginning date" for deferred distributions. The changes require minimum distributions for those turning age 73 in 2023 until 2033 and those turning age 75 in 2033 and after. (LB 103 sec 2 and LB 104 sec 5)

Section 12 Amends section 23-2323.01, regarding USERRA provisions in the state retirement plan, by adding provisions to address the federal changes made. The new language provisions would add preparations prior to military service, rest and recovery following military service and active state service to the general provisions of military service. (LB 105 sec 7)

Section 13 Repeals original sections.

Section 14 Emergency clause.

Summaries of bills included in AM417

LB 104

Overview

LB 104 proposes to make changes regarding the required minimum distributions (RMD) necessitated by changes to federal law. The proposed changes (and current federal law) extends the age before RMD's are required. These changes include requiring a distribution for those who turn age 73 in 2023 until 2033 and those who turn 75 in 2033 and after.

Section by Section

Section 1 Amends section 23-2301 regarding definitions in the County Employees Retirement Act, by making changes in subsection (28) (found on p. 7 of the introduced bill) the definition of "Required beginning date" for deferred or mandatory distributions. The changes require minimum distributions for those turning age 73 in 2023 until 2033 and those turning age 75 in 2033.

Section 2 Amends section 24-701 regarding definitions in the Judges Retirement Act, by making changes in subsection (22), (found on p. 15 of the introduced bill) the definition of "Required beginning date" for deferred distributions. The changes require distributions for those turning age 73 in 2023 until 2033 and those turning age 75 in 2033.

Section 3 Amends section 79-902 regarding definitions in the School Employees Retirement Act, by making changes in subsection (27) (found on p. 27-28 of the introduced bill), the definition of "Required beginning date" for deferred distributions. The changes require minimum distributions for those turning age 73 in 2023 until 2033 and those turning age 75 in 2033 and after.

Section 4 Amends section 81-2014 regarding definitions in the Nebraska State Patrol Retirement Act, by making changes in subsection (15) (found on p. 31 of the introduced bill), the definition of "Required beginning date" for deferred distributions. The changes require minimum distributions for those turning age 73 in 2023 until 2033 and those turning age 75 in 2033 and after.

Section 5 Amends section 84-1301 regarding definitions in the State Employees Retirement Act, by making changes in subsection (27) (found on p. 39 of the introduced bill), the definition of "Required beginning date" for deferred distributions. The changes require minimum distributions for those turning age 73 in 2023 until 2033 and those turning age 75 in 2033 and after.

Section 6 Repeals original sections.

Section 7 Emergency clause.

Motion to include LB 104 into AM 417:

Vote Results: 6-0

Voting Aye:

Sen. Mike McDonnell, Chairperson

Sen. Robert Clements
Sen. Danielle Conrad
Sen. Brian Hardin
Sen. Teresa Ibach
Sen. Tony Vargas
Voting Nay: None

Testifiers for LB 104:

Proponents:

Sen. Mike McDonnell, Introducer
Randy Gerke, Nebraska Public Employees Retirement System

LB 105

Overview

LB 105 proposes to make changes to the definition of military service as it applies to retirement systems to comply with federal changes made to the Uniformed Services Employment and Re-employment Rights Act (USERRA). These changes expand USERRA coverage to include preparations for military service, rest and recovery after military service, and state active service.

Section by section

Section 1 Amends section 23-2323.01, regarding USERRA provisions in county retirement plans, by adding provisions to address the federal changes made. The new language provisions would add preparations prior to military service, rest and recovery following military service and active state service to the general provisions of military service.

Section 2 Amends section 24-701 that provides definitions for the Judges Retirement Act, by striking an outdated definition of military service (subsection 15).

Section 3 Amends section 24-710.01, allowing a judge to elect to make certain contributions, by removing a cross reference.

Section 4 Amends section 24-710.04, regarding USERRA provisions in the judges' retirement plan, by adding provisions to address the federal changes made. The new language provisions would add preparations prior to military service, rest and recovery following military service and active state service to the general provisions of military service.

Section 5 Amends section 79-926, regarding USERRA provisions in the teachers' retirement plan, by adding provisions to address the federal changes made. The new language provisions would add preparations prior to military service, rest and recovery following military service and active state service to the general provisions of military service.

Section 6 Amends section 81-2034, regarding USERRA provisions in the State Patrol retirement plan, by adding provisions to address the federal changes made. The new language provisions would add preparations prior to military service, rest and recovery following military service and active state service to the general provisions of military service.

Section 7 Amends section 23-2323.01, regarding USERRA provisions in the state retirement plan, by adding provisions to address the federal changes made. The new language

provisions would add preparations prior to military service, rest and recovery following military service and active state service to the general provisions of military service.

Section 8 Repeals original sections.

Section 9 Emergency clause.

Motion to include LB 105 into AM 417:

Vote Results: 6-0

Voting Aye:

Sen. Mike McDonnell, Chairperson

Sen. Robert Clements

Sen. Danielle Conrad

Sen. Brian Hardin

Sen. Teresa Ibach

Sen. Tony Vargas

Voting Nay: None

Testifiers for LB 105:

Proponents:

Sen. Mike McDonnell, Introducer

Randy Gerke, Nebraska Public Employees Retirement System

Submitted Written Testimony on LB 105:

Proponents:

Dean Kenkel, Self

Mike McDonnell, Chairperson