

AMENDMENTS TO LB645

(Amendments to Standing Committee amendments, AM876)

Introduced by Ballard, 21.

1 1. Insert the following new section:

2 **Section 1.** Section 79-934, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 79-934 (1) In lieu of the school retirement allowance provided by
5 section 79-933, any member who is not an employee of a Class V school
6 district and who becomes eligible to make application for and receive a
7 school retirement allowance under section 79-931 may receive a formula
8 annuity retirement allowance if it is greater than the school retirement
9 allowance provided by section 79-933.

10 (2) Subject to the other provisions of this section, the monthly
11 formula annuity in the normal form shall be determined by multiplying the
12 number of years of creditable service for which such member would
13 otherwise receive the service annuity provided by section 79-933 by (a)
14 one and one-quarter percent of his or her final average compensation for
15 a member who has acquired the equivalent of one-half year of service or
16 more as a school employee under the retirement system following August
17 24, 1975, (b) one and one-half percent of his or her final average
18 compensation for a member who has acquired the equivalent of one-half
19 year of service or more as a school employee under the retirement system
20 following July 17, 1982, (c) one and sixty-five hundredths percent of his
21 or her final average compensation for a member who has acquired the
22 equivalent of one-half year of service or more as a school employee under
23 the retirement system following July 1, 1984, (d) one and seventy-three
24 hundredths percent of his or her final average compensation for a member
25 actively employed as a school employee under the retirement system or
26 under contract with an employer on or after June 5, 1993, (e) one and

1 eight-tenths percent of his or her final average compensation for a
2 member who has acquired the equivalent of one-half year of service or
3 more as a school employee under the retirement system following July 1,
4 1995, and was employed as a school employee under the retirement system
5 or under contract with an employer on or after April 10, 1996, (f) one
6 and nine-tenths percent of his or her final average compensation for a
7 member who has acquired the equivalent of one-half year of service or
8 more as a school employee under the retirement system following July 1,
9 1998, and was employed as a school employee under the retirement system
10 or under contract with an employer on or after April 29, 1999, (g) two
11 percent of his or her final average compensation for a member who has
12 acquired the equivalent of one-half year of service or more as a school
13 employee under the retirement system following July 1, 2000, who was
14 employed as a school employee under the retirement system or under
15 contract with an employer on or after May 2, 2001, and hired prior to
16 July 1, 2016, and who has not retired prior to May 2, 2001, or (h) two
17 percent of his or her final average compensation for a member initially
18 hired on or after July 1, 2016, or a member who has taken a refund or
19 retirement and is rehired or hired by a separate employer covered by the
20 retirement system on or after July 1, 2016, and has acquired the
21 equivalent of five years of service or more as a school employee under
22 the retirement system or under contract with an employer on or after July
23 1, 2016. Subdivision (2)(f) of this section shall not apply to a member
24 who is retired prior to April 29, 1999. Subdivision (2)(g) of this
25 section shall not apply to a member who is retired prior to May 2, 2001.

26 (3) If the annuity begins on or after the member's sixty-fifth
27 birthday, the annuity shall not be reduced.

28 (4) If the annuity begins prior to the member's sixtieth birthday
29 and the member has completed thirty-five or more years of creditable
30 service, the annuity shall be actuarially reduced on the basis of age
31 sixty-five.

1 (5)(a) For a member who has acquired the equivalent of one-half year
2 of creditable service or more as a school employee under the retirement
3 system following July 1, 1997, and who was a school employee on or after
4 March 4, 1998, and who was hired prior to July 1, 2016, if the annuity
5 begins at a time when the sum of the member's attained age and creditable
6 service totals eighty-five and the member is at least fifty-five years of
7 age, the annuity shall not be reduced. This subdivision shall not apply
8 to a member who is retired prior to March 4, 1998.

9 (b) For a member hired on or after July 1, 2016, and prior to July
10 1, 2018, or for a member who has taken a retirement or refund that
11 relinquished all prior service credit and who has not repaid the full
12 amount of the refund pursuant to section 79-921 and is rehired or hired
13 by any employer covered by the retirement system on or after July 1,
14 2016, and prior to July 1, 2018, if the annuity begins at a time when the
15 sum of the member's attained age and creditable service totals eighty-
16 five and the member is at least fifty-five years of age, the annuity
17 shall not be reduced.

18 (c) For a member hired on or after July 1, 2018, or for a member or
19 former member who has taken a retirement or refund that relinquished all
20 prior service credit and who has not repaid the full amount of the refund
21 pursuant to section 79-921 and is rehired or hired by any employer
22 covered by the retirement system on or after July 1, 2018, the annuity
23 shall not be reduced if the annuity begins at a time when the sum of the
24 member's attained age and creditable service totals eighty-five and the
25 member is:

26 (i) Prior to July 1, 2025, at least sixty years of age; and ~~the~~
27 ~~annuity shall not be reduced.~~

28 (ii) On or after July 1, 2025, at least fifty-five years of age.

29 (6) If the annuity begins on or after the member's sixtieth birthday
30 and the member has completed at least a total of five years of creditable
31 service including eligibility and vesting credit but has not yet

1 qualified for an unreduced annuity as specified in this section, the
2 annuity shall be reduced by three percent for each year after the
3 member's sixtieth birthday and prior to his or her sixty-fifth birthday.

4 (7)(a) Except as provided in section 42-1107, the normal form of the
5 formula annuity shall be an annuity payable monthly during the remainder
6 of the member's life with the provision that in the event of the member's
7 death before sixty monthly payments have been made the monthly payments
8 will continue until sixty monthly payments have been made in total
9 pursuant to section 79-969.

10 (b) Except as provided in section 42-1107, a member may elect to
11 receive in lieu of the normal form of annuity an actuarially equivalent
12 annuity in any optional form provided by section 79-938.

13 (8) All formula annuities shall be paid from the School Retirement
14 Fund.

15 (9)(a) For purposes of this section, in the determination of
16 compensation for members whose retirement date is on or after July 1,
17 2013, that part of a member's compensation for the plan year which
18 exceeds the member's compensation for the preceding plan year by more
19 than eight percent during the capping period shall be excluded. Such
20 member's compensation for the first plan year of the capping period shall
21 be compared to the member's compensation received for the plan year
22 immediately preceding the capping period.

23 (b) For purposes of this subsection:

24 (i) Capping period means the five plan years preceding the later of
25 (A) such member's retirement date or (B) such member's final compensation
26 date; and

27 (ii) Final compensation date means the later of (A) the date on
28 which a retiring member's final compensation is actually paid or (B) if a
29 retiring member's final compensation is paid in advance as a lump sum,
30 the date on which such final compensation would have been paid to the
31 member in the absence of such advance payment.

- 1 2. On page 4, after line 21 insert the following new subdivision:
- 2 "(b) For each fiscal year beginning July 1, 2025, and prior to July
- 3 1, 2027, no transfer shall be made into the School Retirement Fund under
- 4 this subsection."; and in line 22 strike "(b)" and insert "(c)" and
- 5 strike "2025" and insert "2027".
- 6 3. On page 5, line 23, strike "79-958" and insert "79-934, 79-958,".
- 7 4. Renumber the remaining sections accordingly.