

AMENDMENTS TO LB645

(Amendments to Standing Committee amendments, AM876)

Introduced by Bostar, 29.

1 1. Insert the following new section:

2 **Sec. 3.** Section 81-2026, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 81-2026 (1)(a) Any officer qualified for an annuity as provided in
5 section 81-2025 for reasons other than disability shall be entitled to
6 receive a monthly annuity for the remainder of the officer's life. The
7 annuity payments shall continue until the end of the calendar month in
8 which the officer dies. The amount of the annuity shall be a percentage
9 of the officer's final average monthly compensation. For retirement on or
10 after the fifty-fifth birthday of the member or on or after the fiftieth
11 birthday of a member who has been in the employ of the state for twenty-
12 five years, as calculated in section 81-2033, the percentage shall be
13 three percent multiplied by the number of years of creditable service, as
14 calculated in section 81-2033, except that the percentage shall never be
15 greater than seventy-five percent.

16 (b) For retirement pursuant to subsection (2) of section 81-2025 on
17 or after the fiftieth birthday of the member but prior to the fifty-fifth
18 birthday of the member who has been in the employ of the state for less
19 than twenty-five years, as calculated in section 81-2033, the annuity
20 which would apply if the member were age fifty-five at the date of
21 retirement shall be reduced by five-ninths of one percent for each month
22 by which the early retirement date precedes age fifty-five or for each
23 month by which the early retirement date precedes the date upon which the
24 member has served for twenty-five years, whichever is earlier. Any
25 officer who has completed thirty years of creditable service with the
26 Nebraska State Patrol shall have retirement benefits computed as if the

1 officer had reached age fifty-five.

2 (c) For purposes of this computation:

3 (i) For an officer who became a member prior to July 1, 2016, final
4 average monthly compensation means the sum of the officer's total
5 compensation during the three twelve-month periods of service as an
6 officer in which compensation was the greatest divided by thirty-six and:

7 (A) For any officer employed on or before January 4, 1979, the
8 officer's total compensation includes payments received for unused
9 vacation and sick leave accumulated during the final three years of
10 service; or

11 (B) For any officer employed after January 4, 1979, and prior to
12 July 1, 2016, the officer's total compensation includes payments received
13 for unused holiday compensatory time and unused compensatory time; and

14 (ii) For an officer who became a member on or after July 1, 2016,
15 final average monthly compensation means the sum of the officer's total
16 compensation during the five twelve-month periods of service as an
17 officer in which compensation was the greatest divided by sixty and does
18 not include payments received for unused sick leave, unused vacation
19 leave, unused holiday compensatory time, unused compensatory time, or any
20 other type of unused leave, compensatory time, or similar benefits,
21 converted to cash payments. The five twelve-month periods used for
22 calculating an officer's final average monthly compensation ends with the
23 month during which the officer's final compensation is paid. In the
24 determination of compensation, that part of an officer's compensation for
25 the plan year which exceeds the officer's compensation for the preceding
26 plan year by more than eight percent during the capping period shall be
27 excluded. Such officer's compensation for the first plan year of the
28 capping period shall be compared to the officer's compensation received
29 for the plan year immediately preceding the capping period. For purposes
30 of this subdivision, capping period means the five plan years preceding
31 the officer's retirement date. The board may adopt and promulgate rules

1 and regulations for the implementation of this section, including rules
2 and regulations related to prorating, annualizing, or recalculating an
3 officer's final average monthly compensation for each plan year in the
4 capping period.

5 (2) Any officer qualified for an annuity as provided in section
6 81-2025 for reasons of disability shall be entitled to receive a monthly
7 annuity for the remainder of the period of disablement as provided in
8 sections 81-2028 to 81-2030. The amount of the annuity shall be fifty
9 percent of the officer's monthly compensation at the date of disablement
10 if the officer has completed seventeen or fewer years of creditable
11 service. If the officer has completed more than seventeen years of
12 creditable service, the amount of the annuity shall be three percent of
13 the final monthly compensation at the date of disablement multiplied by
14 the total years of creditable service but not to exceed seventy-five
15 percent of the final average monthly compensation as defined in
16 subsection (1) of this section. The date of disablement shall be the date
17 on which the benefits as provided in section 81-2028 have been exhausted.

18 (3) Upon the death of an officer after retirement for reasons other
19 than disability, benefits shall be provided as a percentage of the amount
20 of the officer's annuity, calculated as follows:

21 (a) If there is a surviving spouse but no dependent child or
22 children of the officer under nineteen years of age, the surviving spouse
23 shall receive a benefit equal to one hundred ~~seventy-five~~ percent of the
24 amount of the officer's annuity for the remainder of the surviving
25 spouse's life;

26 (b) If there is a surviving spouse and the surviving spouse has in
27 his or her care a dependent child or children of the officer under
28 nineteen years of age and there is no other dependent child or children
29 of the officer not in the care of the surviving spouse under nineteen
30 years of age, the benefit shall be equal to one hundred percent of the
31 officer's annuity. When there is no remaining dependent child of the

1 officer under nineteen years of age, the benefit shall be one hundred
2 ~~seventy-five~~ percent of the amount of the officer's annuity to the
3 surviving spouse for the remainder of the surviving spouse's life;

4 (c) If there is a surviving spouse and the surviving spouse has in
5 his or her care a dependent child or children of the officer under
6 nineteen years of age or there is another dependent child or children of
7 the officer under nineteen years of age not in the care of the surviving
8 spouse, the benefit shall be twenty-five percent of the amount of the
9 officer's annuity to the surviving spouse and seventy-five percent of the
10 amount of the officer's annuity to the dependent children of the officer
11 under nineteen years of age to be divided equally among such dependent
12 children but in no case shall the benefit received by a surviving spouse
13 and dependent children residing with such spouse be less than fifty
14 percent of the amount of the officer's annuity. At such time as any
15 dependent child of the officer attains nineteen years of age, the benefit
16 shall be divided equally among the remaining dependent children of the
17 officer who have not yet attained nineteen years of age. When there is no
18 remaining dependent child of the officer under nineteen years of age, the
19 benefit shall be one hundred ~~seventy-five~~ percent of the amount of the
20 officer's annuity to the surviving spouse for the remainder of the
21 surviving spouse's life;

22 (d) If there is no surviving spouse and a dependent child or
23 children of the officer under nineteen years of age, the benefit shall be
24 equal to one hundred ~~seventy-five~~ percent of the officer's annuity to the
25 dependent children of the officer under nineteen years of age to be
26 divided equally among such dependent children. At such time as any
27 dependent child of the officer attains nineteen years of age, the benefit
28 shall be divided equally among the remaining dependent children of the
29 officer who have not yet attained nineteen years of age; and

30 (e) If there is no surviving spouse or no dependent child or
31 children of the officer under nineteen years of age, the amount of

1 benefit such officer has received under the Nebraska State Patrol
2 Retirement Act shall be computed. If such amount is less than the
3 contributions to the State Patrol Retirement Fund made by such officer,
4 plus regular interest, the difference shall be paid to the officer's
5 designated beneficiary or estate.

6 (4) Upon the death of an officer after retirement for reasons of
7 disability, benefits shall be provided as if the officer had retired for
8 reasons other than disability.

9 (5) Upon the death of an officer before retirement, benefits shall
10 be provided as if the officer had retired for reasons of disability on
11 the date of such officer's death, calculated as follows:

12 (a) If there is a surviving spouse but no dependent child or
13 children of the officer under nineteen years of age, the surviving spouse
14 shall receive a benefit equal to one hundred ~~seventy-five~~ percent of the
15 amount of the officer's annuity for the remainder of the surviving
16 spouse's life;

17 (b) If there is a surviving spouse and the surviving spouse has in
18 his or her care a dependent child or children of the officer under
19 nineteen years of age and there is no other dependent child or children
20 of the officer not in the care of the surviving spouse under nineteen
21 years of age, the benefit shall be equal to one hundred percent of the
22 officer's annuity. When there is no remaining dependent child of the
23 officer under nineteen years of age, the benefit shall be one hundred
24 ~~seventy-five~~ percent of the amount of the officer's annuity to the
25 surviving spouse for the remainder of the surviving spouse's life;

26 (c) If there is a surviving spouse and the surviving spouse has in
27 his or her care a dependent child or children of the officer under
28 nineteen years of age or there is another dependent child or children of
29 the officer under nineteen years of age not in the care of the surviving
30 spouse, the benefit shall be twenty-five percent of the amount of the
31 officer's annuity to the surviving spouse and seventy-five percent of the

1 amount of the officer's annuity to the dependent children of the officer
2 under nineteen years of age to be divided equally among such dependent
3 children but in no case shall the benefit received by a surviving spouse
4 and dependent children residing with such spouse be less than fifty
5 percent of the amount of the officer's annuity. At such time as any
6 dependent child of the officer attains nineteen years of age, the benefit
7 shall be divided equally among the remaining dependent children of the
8 officer who have not yet attained nineteen years of age. When there is no
9 remaining dependent child of the officer under nineteen years of age, the
10 benefit shall be one hundred ~~seventy-five~~ percent of the amount of the
11 officer's annuity to the surviving spouse for the remainder of the
12 surviving spouse's life;

13 (d) If there is no surviving spouse and a dependent child or
14 children of the officer under nineteen years of age, the benefit shall be
15 equal to one hundred ~~seventy-five~~ percent of the officer's annuity to the
16 dependent children of the officer under nineteen years of age to be
17 divided equally among such dependent children. At such time as any
18 dependent child of the officer attains nineteen years of age, the benefit
19 shall be divided equally among the remaining dependent children of the
20 officer who have not yet attained nineteen years of age; and

21 (e) If no benefits are paid to a surviving spouse or dependent child
22 or children of the officer, benefits will be paid as described in
23 subsection (1) of section 81-2031.

24 (6) A lump-sum death benefit paid to the member's beneficiary, other
25 than the member's estate, that is an eligible distribution may be
26 distributed in the form of a direct transfer to a retirement plan
27 eligible to receive such transfer under the provisions of the Internal
28 Revenue Code.

29 (7) For any member whose death occurs on or after January 1, 2007,
30 while performing qualified military service as defined in section 414(u)
31 of the Internal Revenue Code, the member's beneficiary shall be entitled

1 to any additional death benefit that would have been provided, other than
2 the accrual of any benefit relating to the period of qualified military
3 service. The additional death benefit shall be determined as if the
4 member had returned to employment with the Nebraska State Patrol and such
5 employment had terminated on the date of the member's death.

6 (8) Any changes made to this section by Laws 2004, LB 1097, shall
7 apply only to retirements, disabilities, and deaths occurring on or after
8 July 16, 2004.

9 2. Renumber the remaining sections and correct the repealer
10 accordingly.