

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 689**

Introduced by Lonowski, 33; Andersen, 49; Guereca, 7; Ibach, 44; Murman,  
38; Quick, 35; Sorrentino, 39; Storm, 23.

Read first time January 22, 2025

Committee: Nebraska Retirement Systems

- 1 A BILL FOR AN ACT relating to retirement; to amend sections 79-930 and
- 2 79-992, Reissue Revised Statutes of Nebraska; to redefine terms
- 3 under the School Employees Retirement Act and the Class V School
- 4 Employees Retirement Act; and to repeal the original sections.
- 5 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 79-930, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           79-930 (1)(a) A member who experiences a separation from service  
4 with the member's employer but has not submitted a retirement application  
5 or a request for distribution pursuant to section 79-955, or received a  
6 retirement benefit, disability retirement benefit, or distribution  
7 pursuant to section 79-955, from the retirement system, may return to  
8 work as a temporary employee, substitute employee, or volunteer for any  
9 employer participating in the retirement system. Such an employee:

10           (i) Shall be deemed to have incurred a termination for purposes of  
11 sections 79-921, 79-932, 79-933.02 to 79-933.06, and 79-933.08;

12           (ii) Shall not be deemed to have incurred a termination for purposes  
13 of sections 79-933, 79-951, and 79-955, and shall not be eligible to  
14 receive a retirement benefit, disability retirement benefit, or  
15 distribution pursuant to section 79-955, from the retirement system,  
16 until the member incurs a termination of employment as described in  
17 subdivision (45) of section 79-902; and

18           (iii) Except as provided in subdivision (1)(b) of this section,  
19 shall not be eligible to contribute to the retirement system pursuant to  
20 section 79-958 or accrue service credit in the retirement system pursuant  
21 to section 79-927.

22           (b)(i) A member as described in subdivision (1)(a) of this section  
23 who becomes a regular employee for an employer participating in the  
24 retirement system shall immediately begin making contributions pursuant  
25 to section 79-958 on all compensation paid by such employer and accrue  
26 service credit pursuant to section 79-927 for all such service performed  
27 for such employer, including any work as a temporary employee or  
28 substitute employee.

29           (ii) A member as described in subdivision (1)(a) of this section who  
30 has not established eligibility as a regular employee at another employer  
31 shall not make contributions pursuant to section 79-958 on all

1 compensation paid by such employer nor accrue service credit pursuant to  
2 section 79-927 for work performed by the member as a temporary employee  
3 or substitute employee for such employer.

4 (c) Work performed while the member is not contributing to the  
5 retirement system pursuant to subdivision (1)(a) of this section shall  
6 not accrue service credit in the retirement system pursuant to section  
7 79-927 and cannot be purchased as service credit under sections 79-933.03  
8 to 79-933.06 and 79-933.08.

9 (2)(a) A member who experiences a separation from service with the  
10 member's employer and has submitted a retirement application or a request  
11 for distribution pursuant to section 79-955, or received a retirement  
12 benefit, disability retirement benefit, or distribution pursuant to  
13 section 79-955, from the retirement system, shall not be deemed to have  
14 incurred a termination of employment if the member subsequently returns  
15 to work for any employer participating in the retirement system within  
16 one hundred eighty days after separating from service, unless such work  
17 is limited to:

18 (i) Intermittent work as a volunteer or substitute employee. For  
19 purposes of this subsection:

20 (A) Intermittent work means work provided on a day-to-day basis ~~that~~  
21 ~~is not greater than eight days of work during a calendar month;~~ and

22 (B) Day of work means any length of work as a volunteer or  
23 substitute employee provided during a single calendar day; or

24 (ii) Work as authorized by, and performed in accordance with,  
25 section 79-920.

26 (b) The one-hundred-eighty-day period begins on the later of:

27 (i) The date the member experienced a bona fide separation from  
28 service of all employment with all employers participating in the  
29 retirement system; or

30 (ii) The date the Nebraska Public Employees Retirement Systems  
31 receives the member's retirement application or request for distribution

1 pursuant to section 79-955.

2 (c)(i) A member may seek a determination from the director of the  
3 Nebraska Public Employees Retirement Systems that it has been at least  
4 one hundred eighty days since the member satisfied the requirements  
5 described in this subsection. The director shall make such determination  
6 if the member produces clear and convincing evidence that is received by  
7 the director within forty-five days after the later of:

8 (A) The date the member experienced a bona fide separation of  
9 service of all employment with all employers participating in the  
10 retirement system; or

11 (B) The date the member's retirement application or request for  
12 distribution pursuant to section 79-955 is received by the Nebraska  
13 Public Employees Retirement Systems.

14 (ii) A member may appeal the director's determination to the board  
15 within thirty days after receiving such determination.

16 (iii) The board's determination on the appeal shall be final and  
17 shall not be appealable to any court.

18 **Sec. 2.** Section 79-992, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 79-992 (1) A member who has five years or more of creditable  
21 service, excluding years of prior service acquired pursuant to section  
22 79-990, 79-991, 79-994, 79-995, or 79-997, and who terminates his or her  
23 employment may elect to leave his or her contributions in the retirement  
24 system, in which event he or she shall receive a retirement allowance at  
25 normal retirement age based on the annuity earned to the date of such  
26 termination of employment. Such member may elect to receive a retirement  
27 allowance at early retirement age if such member retires at an early  
28 retirement date. Such annuity shall be adjusted in accordance with  
29 section 79-9,100. Upon termination of employment, except on account of  
30 retirement, a member shall be entitled to receive refunds as follows: (a)  
31 An amount equal to the accumulated contributions to the retirement system

1 by the member; and (b) any contributions made to a previously existing  
2 system which were refundable under the terms of that system. Any member  
3 receiving a refund of contributions shall thereby forfeit and relinquish  
4 all accrued rights in the retirement system including all accumulated  
5 creditable service, except that if any member who has withdrawn his or  
6 her contributions as provided in this section reenters the service of the  
7 district and again becomes a member of the retirement system, he or she  
8 may restore any or all money previously received by him or her as a  
9 refund, including the interest on the amount of the restored refund for  
10 the period of his or her absence from the district's service as  
11 determined using the interest rate for interest on such restored refunds,  
12 and he or she shall then again receive credit for that portion of service  
13 which the restored money represents. Such restoration may be made as the  
14 board may direct until September 1, 2024, and as the retirement board may  
15 direct beginning September 1, 2024, through direct payments to the system  
16 or on an installment basis pursuant to a binding irrevocable payroll  
17 deduction authorized between the member and the school district over a  
18 period of not to exceed five years from the date of reemployment.  
19 Interest on delayed payments shall be at the rate of interest for  
20 determining interest on delayed payments by members to the retirement  
21 system. Creditable service may be purchased only in one-tenth-year  
22 increments, starting with the most recent years' salary.

23 (2) Except as provided in section 79-992.01:

24 (a)(i) A retired member, or a member described in subdivision (2)(c)  
25 or (d) of this subsection, who returns to employment as or again becomes  
26 an employee of the school district shall again participate in the  
27 retirement system as a new member and shall make contributions to the  
28 retirement system commencing upon reemployment as an employee.

29 (ii) The retirement annuity of a retired member who returns to  
30 employment with the school district shall continue to be paid by the  
31 retirement system. A retired member who returns to employment as an

1 employee of the school district shall receive creditable service only for  
2 service performed after his or her return to employment and in no event  
3 shall creditable service which accrues or the compensation paid to the  
4 member after such return to employment after retirement increase the  
5 amount of the member's original retirement annuity;

6 (b) Upon termination of employment of the reemployed member, the  
7 member shall receive in addition to the retirement annuity which  
8 commenced at the time of the previous retirement (i) if the member has  
9 accrued five years or more of creditable service after his or her return  
10 to employment, excluding years of prior service acquired pursuant to  
11 section 79-990, 79-991, 79-994, 79-995, or 79-997, a retirement annuity  
12 as provided in section 79-999 or 79-9,100, as applicable, calculated  
13 solely on the basis of creditable service and final average compensation  
14 accrued and earned after the member's return to employment after his or  
15 her original retirement, and as adjusted to reflect any payment in other  
16 than the normal form or (ii) if the member has not accrued five years or  
17 more of creditable service after his or her return to employment, a  
18 refund equal to the member's accumulated contributions which were  
19 credited to the member after the member's return to employment. In no  
20 event shall the member's creditable service which accrued prior to a  
21 previous retirement be considered as part of the member's creditable  
22 service after his or her return to employment for any purpose of the  
23 Class V School Employees Retirement Act;

24 (c) A member who experiences a separation from service but has not  
25 submitted a retirement application or request for distribution pursuant  
26 to this section or as described in subdivision (32) of section 79-978, or  
27 received a retirement benefit, disability retirement benefit, or refund  
28 may return to work as a temporary employee, substitute employee, or  
29 volunteer. Such a temporary employee, substitute employee, or volunteer:

30 (i) Shall be deemed to have incurred a termination of employment for  
31 purposes of section 79-991;

1 (ii) Shall not be deemed to have incurred a termination of  
2 employment for purposes of this section or section 79-992.01, 79-9,105,  
3 or 79-9,106, or for any other purposes under the Class V School Employees  
4 Retirement Act, and shall not be eligible to receive a retirement  
5 benefit, disability retirement benefit, or distribution pursuant to this  
6 section, until the member incurs a termination of employment as described  
7 in subdivision (42) of section 79-978; and

8 (iii) Except as provided in subdivision (2)(a)(i) of this section,  
9 shall not be eligible to contribute to the retirement system pursuant to  
10 section 79-9,113 or earn membership service credit in the retirement  
11 system as described in subdivision (23) of section 79-978; and

12 (d)(i) A member who experiences a separation from service and has  
13 submitted a retirement application or request for distribution pursuant  
14 to this section or as described in subdivision (32) of section 79-978, or  
15 received a retirement benefit, disability retirement benefit, or  
16 distribution, shall not be deemed to have incurred a termination of  
17 employment if the member subsequently returns to work for the district  
18 within one hundred eighty days after separating from service, unless such  
19 work is limited to:

20 (A) Bona fide unpaid voluntary service;

21 (B) Work performed as a substitute employee on an intermittent  
22 basis; or

23 (C) Work as a temporary employee following a bona fide separation of  
24 service of not less than thirty calendar days and which is provided to  
25 accomplish a specific purpose or task for a limited period not to exceed  
26 one year.

27 (ii) For purposes of subdivision (2)(d) of this section:

28 (A) Intermittent basis means work provided on a day-to-day basis  
29 ~~that is not greater than eight days of work during a calendar month;~~ and

30 (B) Day of work means any length of work as a substitute employee  
31 provided during a single calendar day.

1 (iii) The one-hundred-eighty-day period described in subdivision (2)  
2 (d)(i) of this section begins on the later of:

3 (A) The date the member experienced a bona fide separation from  
4 service of all employment as an employee with the school district; or

5 (B) The date the board receives the member's retirement application  
6 or request for distribution as described in subdivision (32) of section  
7 79-978.

8 (iv) A member may seek a determination from the administrator that  
9 it has been at least one hundred eighty days since the member satisfied  
10 the requirements described in this subdivision (2)(d). The administrator  
11 shall make such determination if the member produces clear and convincing  
12 evidence that is received by the administrator within forty-five days  
13 after the later of:

14 (A) The date the member experienced a bona fide separation of  
15 service of all employment as an employee with the district; or

16 (B) The date the board receives the member's retirement application  
17 or request for distribution as described in subdivision (32) of section  
18 79-978.

19 (v) A member may appeal the administrator's determination to the  
20 board within thirty days after the determination by the administrator.  
21 The board's determination on appeal shall be final and shall not be  
22 appealable to any court.

23 (3) In the event a member is entitled to receive a refund of  
24 contributions pursuant to subsection (1) or subdivision (2)(b)(ii) of  
25 this section in an amount greater than one thousand dollars, if the  
26 member does not elect to have the refund paid directly to himself or  
27 herself or transferred to an eligible retirement plan designated by the  
28 member as a direct rollover pursuant to section 79-998, then the refund  
29 of contributions shall be paid in a direct rollover to an individual  
30 retirement plan as designated by the board until September 1, 2024, and  
31 as designated by the retirement board beginning September 1, 2024.



1           **Sec. 3.**   Original sections 79-930 and 79-992, Reissue Revised  
2 Statutes of Nebraska, are repealed.