

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 820

FINAL READING

Introduced by Nebraska Retirement Systems Committee: Ballard, 21,
Chairperson; Clements, 2; Hardin, 48; Juarez, 5;
Sorrentino, 39.

Read first time January 07, 2026

Committee: Nebraska Retirement Systems

1 A BILL FOR AN ACT relating to retirement; to amend sections 23-2305.01,
2 23-2312, 24-705, 42-1111, 79-905, 79-906, 79-907, 79-930, 79-963,
3 79-978.01, 79-979.01, 79-983, 79-989, 79-992, 79-9,113, 79-9,115,
4 79-9,121, 81-2019, 81-2019.01, 81-2021, 81-2022, 81-2025, 81-2041,
5 84-1305.01, 84-1305.02, 84-1503, 84-1503.03, and 84-1512, Reissue
6 Revised Statutes of Nebraska, sections 24-704, 24-704.01, 24-710,
7 72-1237, and 72-1239, Revised Statutes Cumulative Supplement, 2024,
8 and sections 4-108, 23-2306, 24-703, 24-703.01, 49-617, 79-904.01,
9 79-915, 79-916, 79-958, 79-966, 79-978, 79-9,103, 79-9,118, 81-2016,
10 84-1307, and 84-1504, Revised Statutes Supplement, 2025; to define
11 approved identification document; to change provisions relating to
12 participation in certain retirement systems by certain state
13 agencies and political subdivisions; to change the title from
14 director of to executive director of the Nebraska Public Employees
15 Retirement Systems; to rename certain state transfers as state
16 contributions; to change provisions relating to the ex officio
17 members of the Nebraska Investment Council, certain contributions by
18 school districts and employees, and the computation of certain tax
19 withholdings relating to deferred compensation; to change provisions
20 relating to retirement allowances and cost-of-living adjustments
21 under the Class V School Employees Retirement Act; to change the

1 mandatory retirement age and provisions relating to deferred
2 retirement option plans under the Nebraska State Patrol Retirement
3 Act; to define, redefine, and eliminate terms; to eliminate obsolete
4 provisions; to harmonize provisions; to provide operative dates; to
5 repeal the original sections; and to declare an emergency.
6 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 4-108, Revised Statutes Supplement, 2025, is
2 amended to read:

3 4-108 (1) Notwithstanding any other provisions of law, unless
4 exempted from verification under section 4-110 or pursuant to federal
5 law, no state agency or political subdivision of the State of Nebraska
6 shall provide public benefits to a person not lawfully present in the
7 United States.

8 (2) Except as provided in section 4-110 or if exempted by federal
9 law, every agency or political subdivision of the State of Nebraska shall
10 verify the lawful presence in the United States of any person who has
11 applied for public benefits administered by an agency or a political
12 subdivision of the State of Nebraska. This section shall be enforced
13 without regard to race, religion, gender, ethnicity, or national origin.

14 (3) No employee of a state agency or political subdivision of the
15 State of Nebraska shall be authorized to participate in any retirement
16 system, including, but not limited to, the systems provided for in the
17 Class V School Employees Retirement Act, the County Employees Retirement
18 Act, the Judges Retirement Act, the Nebraska State Patrol Retirement Act,
19 the School Employees Retirement Act, and the State Employees Retirement
20 Act, unless the employee is a United States citizen or is lawfully
21 present in the United States. The employing state agency or political
22 subdivision of the State of Nebraska and the employee shall: ~~maintain at~~
23 ~~least one of the following documents, which shall be~~

- 24 (a) Maintain at least one approved identification document; and
25 (b) Produce any such approved identification document so maintained
26 upon request of the Public Employees Retirement Board or the Nebraska
27 Public Employees Retirement Systems.

28 (4) For purposes of this section and sections 23-2306, 24-703.01,
29 79-915, 79-9,118, 81-2016, 84-1307, and 84-1504, approved identification
30 document means a document that is:

- 31 (a) Unexpired ~~unexpired~~ if applicable to the particular document or

1 ~~that which~~ has an expiration date that has been extended by the United
2 States Department of Homeland Security or the United States Citizenship
3 and Immigration Services so that such document is still valid; ~~r~~

4 ~~(b) Used to demonstrate United States citizenship or lawful presence~~
5 ~~in the United States as of the employee's date of hire; and and produce~~
6 ~~any such document so maintained upon request of the Public Employees~~
7 ~~Retirement Board or the Nebraska Public Employees Retirement Systems:~~

8 ~~(c)(i) (a)~~ A state-issued driver's license;

9 ~~(ii) (b)~~ A state-issued identification card;

10 ~~(iii) (c)~~ A state-issued motor vehicle learner's permit;

11 ~~(iv) (d)~~ A certified copy of a birth certificate or delayed birth
12 certificate issued in any state, territory, or possession of the United
13 States;

14 ~~(v) (e)~~ A Consular Report of Birth Abroad issued by the United
15 States Department of State;

16 ~~(vi) (f)~~ A United States passport;

17 ~~(vii) (g)~~ A foreign passport with a United States visa;

18 ~~(viii) (h)~~ A United States Certificate of Naturalization;

19 ~~(ix) (i)~~ A United States Certificate of Citizenship;

20 ~~(x) (j)~~ A tribal certificate of Native American blood or similar
21 document;

22 ~~(xi) (k)~~ A United States Citizenship and Immigration Services
23 Employment Authorization Document, Form I-766;

24 ~~(xii) (l)~~ A United States Citizenship and Immigration Services
25 Permanent Resident Card, Form I-551; or

26 ~~(xiii) (m)~~ Any other document issued by the United States Department
27 of Homeland Security or the United States Citizenship and Immigration
28 Services granting employment authorization in the United States and
29 approved by the Public Employees Retirement Board.

30 **Sec. 2.** Section 23-2305.01, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 23-2305.01 (1)(a) If the board determines that the retirement system
2 has previously received contributions or distributed benefits which for
3 any reason are not in accordance with the statutory provisions of the
4 County Employees Retirement Act, the board shall refund contributions,
5 require additional contributions, adjust benefits, credit dividend
6 amounts, or require repayment of benefits paid. In the event of an
7 overpayment of a benefit, the board may, in addition to other remedies,
8 offset future benefit payments by the amount of the prior overpayment,
9 together with regular interest or interest credits, whichever is
10 appropriate, thereon. In the event of an underpayment of a benefit, the
11 board shall immediately make payment equal to the deficit amount plus
12 regular interest or interest credits, whichever is appropriate.

13 (b) The board shall have the power, through the executive director
14 of the Nebraska Public Employees Retirement Systems or the executive
15 director's designee, to make a thorough investigation of any overpayment
16 of a benefit, when in the judgment of the retirement system such
17 investigation is necessary, including, but not limited to, circumstances
18 in which benefit payments are made after the death of a member or
19 beneficiary and the retirement system is not made aware of such member's
20 or beneficiary's death. In connection with any such investigation, the
21 board, through the executive director or the executive director's
22 designee, shall have the power to compel the attendance of witnesses and
23 the production of books, papers, records, and documents, whether in
24 hardcopy, electronic form, or otherwise, and issue subpoenas for such
25 purposes. Such subpoenas shall be served in the same manner and have the
26 same effect as subpoenas from district courts.

27 (2) The board may adopt and promulgate rules and regulations
28 implementing this section, which may include, but not be limited to, the
29 following: (a) The procedures for refunding contributions, adjusting
30 future contributions or benefit payments, and requiring additional
31 contributions or repayment of benefits; (b) the process for a member,

1 member's beneficiary, employee, or employer to dispute an adjustment of
2 contributions or benefits; and (c) notice provided to all affected
3 persons. All notices shall be sent prior to an adjustment and shall
4 describe the process for disputing an adjustment of contributions or
5 benefits.

6 **Sec. 3.** Section 23-2306, Revised Statutes Supplement, 2025, is
7 amended to read:

8 23-2306 (1) The membership of the retirement system shall be
9 composed of all persons who are or were employed by member counties and
10 who maintain an account balance with the retirement system.

11 (2) The following employees of member counties are authorized to
12 participate in the retirement system: (a) All permanent full-time
13 employees who have attained the age of eighteen years shall begin
14 participation in the retirement system upon employment and full-time
15 elected officials shall begin participation in the retirement system upon
16 taking office, (b) all permanent part-time employees who have attained
17 the age of eighteen years may exercise the option to begin participation
18 in the retirement system within the first thirty days of employment, and
19 (c) all part-time elected officials may exercise the option to begin
20 participation in the retirement system within thirty days after taking
21 office. An employee who exercises the option to begin participation in
22 the retirement system shall remain in the system until termination or
23 retirement, regardless of any change of status as a permanent or
24 temporary employee.

25 (3) No employee of a member county shall be authorized to
26 participate in the retirement system provided for in the County Employees
27 Retirement Act unless the employee is a United States citizen or is
28 lawfully present in the United States. The employing member county and
29 the employee shall:

30 (a) Maintain at least one approved identification document as
31 defined in section 4-108; and

1 ~~(b) Produce any such approved identification document so maintained~~
2 ~~upon request of the Public Employees Retirement Board or the Nebraska~~
3 ~~Public Employees Retirement Systems. maintain at least one of the~~
4 ~~following documents, which shall be unexpired if applicable to the~~
5 ~~particular document or which has an expiration date that has been~~
6 ~~extended by the United States Department of Homeland Security or the~~
7 ~~United States Citizenship and Immigration Services so that such document~~
8 ~~is still valid, to demonstrate United States citizenship or lawful~~
9 ~~presence in the United States as of the employee's date of hire and~~
10 ~~produce any such document so maintained upon request of the retirement~~
11 ~~board or the Nebraska Public Employees Retirement Systems:~~

12 ~~(a) A state-issued driver's license;~~

13 ~~(b) A state-issued identification card;~~

14 ~~(c) A state-issued motor vehicle learner's permit;~~

15 ~~(d) A certified copy of a birth certificate or delayed birth~~
16 ~~certificate issued in any state, territory, or possession of the United~~
17 ~~States;~~

18 ~~(e) A Consular Report of Birth Abroad issued by the United States~~
19 ~~Department of State;~~

20 ~~(f) A United States passport;~~

21 ~~(g) A foreign passport with a United States visa;~~

22 ~~(h) A United States Certificate of Naturalization;~~

23 ~~(i) A United States Certificate of Citizenship;~~

24 ~~(j) A tribal certificate of Native American blood or similar~~
25 ~~document;~~

26 ~~(k) A United States Citizenship and Immigration Services Employment~~
27 ~~Authorization Document, Form I-766;~~

28 ~~(l) A United States Citizenship and Immigration Services Permanent~~
29 ~~Resident Card, Form I-551; or~~

30 ~~(m) Any other document issued by the United States Department of~~
31 ~~Homeland Security or the United States Citizenship and Immigration~~

1 ~~Services granting employment authorization in the United States and~~
2 ~~approved by the retirement board.~~

3 (4)(a) The board may determine that a governmental entity currently
4 participating in the retirement system no longer qualifies, in whole or
5 in part, under section 414(d) of the Internal Revenue Code as a
6 participating employer in a governmental plan.

7 (b)(i) To aid governmental entities in their business decisionmaking
8 process, any governmental entity currently participating in the
9 retirement system contemplating a business transaction that may result in
10 such entity no longer qualifying, in whole or in part, under section
11 414(d) of the Internal Revenue Code may notify the board in writing as
12 soon as reasonably practicable, but no later than one hundred eighty days
13 before the transaction is to occur.

14 (ii) The board when timely notified shall, as soon as is reasonably
15 practicable, obtain from its contracted actuary the cost of any actuarial
16 study necessary to determine the potential funding obligation. The board
17 shall notify the entity of such cost.

18 (iii) If such entity pays the board's contracted actuary pursuant to
19 subdivision (4)(c)(vi) of this section for any actuarial study necessary
20 to determine the potential funding obligation, the board shall, as soon
21 as reasonably practicable following its receipt of the actuarial study,
22 (A) determine whether the entity's contemplated business transaction will
23 cause the entity to no longer qualify under section 414(d) of the
24 Internal Revenue Code, (B) determine whether the contemplated business
25 transaction constitutes a plan termination by the entity, (C) determine
26 the potential funding obligation, (D) determine the administrative costs
27 that will be incurred by the board or the Nebraska Public Employees
28 Retirement Systems in connection with the entity's removal from the
29 retirement system, and (E) notify the entity of such determinations.

30 (iv) Failure to timely notify the board pursuant to subdivision (4)
31 (b)(i) of this section may result in the entity being treated as though

1 the board made a decision pursuant to subdivision (4)(a) of this section.

2 (c) If the board makes a determination pursuant to subdivision (4)
3 (a) of this section, or if the entity engages in the contemplated
4 business transaction reviewed under subdivision (4)(b) of this section
5 that results in the entity no longer qualifying under section 414(d) of
6 the Internal Revenue Code:

7 (i) The board shall notify the entity that it no longer qualifies
8 under section 414(d) of the Internal Revenue Code within ten business
9 days after the determination;

10 (ii) The affected plan members shall be immediately considered fully
11 vested;

12 (iii) The affected plan members shall become inactive within ninety
13 days after the board's determination;

14 (iv) The entity shall pay to the County Employees Retirement Fund an
15 amount equal to any funding obligation;

16 (v) The entity shall pay to the County Employees Cash Balance
17 Retirement Expense Fund an amount equal to any administrative costs
18 incurred by the board or the Nebraska Public Employees Retirement Systems
19 in connection with the entity's removal from the retirement system; and

20 (vi) The entity shall pay directly to the board's contracted actuary
21 an amount equal to the cost of any actuarial study necessary to aid the
22 board in determining the amount of such funding obligation, if not
23 previously paid.

24 (d) For purposes of this subsection:

25 (i) Business transaction means a merger; consolidation; sale of
26 assets, equipment, or facilities; termination of a division, department,
27 section, or subgroup of the entity; or any other business transaction
28 that results in termination of some or all of the entity's workforce; and

29 (ii) Funding obligation means the financial liability of the
30 retirement system to provide benefits for the affected plan members
31 incurred by the retirement system due to the entity's business

1 transaction calculated using the methodology and assumptions recommended
2 by the board's contracted actuary and approved by the board. The
3 methodology and assumptions used must be structured in a way that ensures
4 the entity is financially liable for all the costs of the entity's
5 business transaction, and the retirement system is not financially liable
6 for any of the cost of the entity's business transaction.

7 (e) The board may adopt and promulgate rules and regulations to
8 carry out this subsection including, but not limited to, the methods of
9 notifying the board of pending business transactions, the acceptable
10 methods of payment, and the timing of such payment.

11 (5) Within the first one hundred eighty days of employment, a full-
12 time employee may apply to the board for vesting credit for years of
13 participation in another Nebraska governmental plan, as defined by
14 section 414(d) of the Internal Revenue Code. During the years of
15 participation in the other Nebraska governmental plan, the employee must
16 have been a full-time employee, as defined in the Nebraska governmental
17 plan in which the credit was earned. The board may adopt and promulgate
18 rules and regulations governing the assessment and granting of vesting
19 credit.

20 (6) Any employee who qualifies for membership in the retirement
21 system pursuant to this section may not be disqualified from membership
22 in the retirement system solely because such employee also maintains
23 separate employment which qualifies the employee for membership in
24 another public retirement system, nor may membership in this retirement
25 system disqualify such an employee from membership in another public
26 retirement system solely by reason of separate employment which qualifies
27 such employee for membership in this retirement system.

28 (7) A full-time or part-time employee of a city, village, or
29 township who becomes a county employee pursuant to a merger of services
30 shall receive vesting credit for his or her years of participation in a
31 Nebraska governmental plan, as defined by section 414(d) of the Internal

1 Revenue Code, of the city, village, or township.

2 (8) A full-time or part-time employee of a city, village, fire
3 protection district, or township who becomes a municipal county employee
4 shall receive credit for his or her years of employment with the city,
5 village, fire protection district, or township for purposes of the
6 vesting provisions of this section.

7 (9) A full-time or part-time employee of the state who becomes a
8 county employee pursuant to transfer of assessment function to a county
9 shall not be deemed to have experienced a termination of employment and
10 shall receive vesting credit for his or her years of participation in the
11 State Employees Retirement System of the State of Nebraska.

12 (10) Counties shall ensure that employees authorized to participate
13 in the retirement system pursuant to this section shall enroll and make
14 required contributions to the retirement system immediately upon becoming
15 an employee. Information necessary to determine membership in the
16 retirement system shall be provided by the employer.

17 **Sec. 4.** Section 23-2312, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 23-2312 (1) The executive director of the Nebraska Public Employees
20 Retirement Systems shall keep a complete record of all members with
21 respect to names, current addresses, ages, contributions, and any other
22 facts as may be necessary in the administration of the County Employees
23 Retirement Act. The information in the records shall be provided by the
24 employer in an accurate and verifiable form, as specified by the
25 executive director. The executive director shall, from time to time,
26 carry out testing procedures pursuant to section 84-1512 to verify the
27 accuracy of such information. For the purpose of obtaining such facts and
28 information, the executive director shall have access to the records of
29 the various counties and state departments and agencies and the holder of
30 the records shall comply with a request by the executive director for
31 access by providing such facts and information to the executive director

1 in a timely manner. A certified copy of a birth certificate or delayed
2 birth certificate shall be prima facie evidence of the age of the person
3 named in the certificate.

4 (2) The executive director shall develop and implement an employer
5 education program using principles generally accepted by public employee
6 retirement systems so that all employers have the knowledge and
7 information necessary to prepare and file reports as the board requires.

8 **Sec. 5.** Section 24-703, Revised Statutes Supplement, 2025, is
9 amended to read:

10 24-703 (1) Each original member shall contribute monthly four
11 percent of his or her monthly compensation to the fund until the maximum
12 benefit as limited in subsection (1) of section 24-710 has been earned.
13 It shall be the duty of the Director of Administrative Services in
14 accordance with subsection (7) of this section to make a deduction of
15 four percent on the monthly payroll of each original member who is a
16 judge of the Supreme Court, a judge of the Court of Appeals, a judge of
17 the district court, a judge of a separate juvenile court, a judge of the
18 county court, a clerk magistrate of the county court who was an associate
19 county judge and a member of the fund at the time of his or her
20 appointment as a clerk magistrate, or a judge of the Nebraska Workers'
21 Compensation Court showing the amount to be deducted and its credit to
22 the fund. The Director of Administrative Services and the State Treasurer
23 shall credit the four percent as shown on the payroll and the amounts
24 received from the various counties to the fund and remit the same to the
25 executive director in charge of the judges retirement system who shall
26 keep an accurate record of the contributions of each judge.

27 (2)(a) In addition to the contribution required under subdivision
28 (c) of this subsection, beginning on July 1, 2004, each future member who
29 became a member prior to July 1, 2015, and who has not elected to make
30 contributions and receive benefits as provided in section 24-703.03 shall
31 contribute monthly six percent of his or her monthly compensation to the

1 fund until the maximum benefit as limited in subsection (2) of section
2 24-710 has been earned. After the maximum benefit as limited in
3 subsection (2) of section 24-710 has been earned, such future member
4 shall make no further contributions to the fund, except that (i) any time
5 the maximum benefit is changed, a future member who has previously earned
6 the maximum benefit as it existed prior to the change shall contribute
7 monthly six percent of his or her monthly compensation to the fund until
8 the maximum benefit as changed and as limited in subsection (2) of
9 section 24-710 has been earned and (ii) such future member shall continue
10 to make the contribution required under subdivision (c) of this
11 subsection.

12 (b) In addition to the contribution required under subdivision (c)
13 of this subsection, beginning on July 1, 2004, a judge who became a
14 member prior to July 1, 2015, and who first serves as a judge on or after
15 July 1, 2004, or a future member who became a member prior to July 1,
16 2015, and who elects to make contributions and receive benefits as
17 provided in section 24-703.03 shall contribute monthly eight percent of
18 his or her monthly compensation to the fund until the maximum benefit as
19 limited by subsection (2) of section 24-710 has been earned. In addition
20 to the contribution required under subdivision (c) of this subsection,
21 after the maximum benefit as limited in subsection (2) of section 24-710
22 has been earned, such judge or future member shall contribute monthly
23 four percent of his or her monthly compensation to the fund for the
24 remainder of his or her active service.

25 (c) Beginning on July 1, 2009, a member or judge described in
26 subdivisions (a) and (b) of this subsection shall contribute monthly an
27 additional one percent of his or her monthly compensation to the fund.

28 (d) Beginning on July 1, 2015, a judge who first serves as a judge
29 on or after such date shall contribute monthly ten percent of his or her
30 monthly compensation to the fund.

31 (e) It shall be the duty of the Director of Administrative Services

1 to make a deduction on the monthly payroll of each such future member who
2 is a judge of the Supreme Court, a judge of the Court of Appeals, a judge
3 of the district court, a judge of a separate juvenile court, a judge of
4 the county court, a clerk magistrate of the county court who was an
5 associate county judge and a member of the fund at the time of his or her
6 appointment as a clerk magistrate, or a judge of the Nebraska Workers'
7 Compensation Court showing the amount to be deducted and its credit to
8 the fund. This shall be done each month. The Director of Administrative
9 Services and the State Treasurer shall credit the amount as shown on the
10 payroll and the amounts received from the various counties to the fund
11 and remit the same to the executive director in charge of the judges
12 retirement system who shall keep an accurate record of the contributions
13 of each judge.

14 (3)(a) Except as otherwise provided in this subsection, a Nebraska
15 Retirement Fund for Judges fee of six dollars through June 30, 2021,
16 eight dollars beginning July 1, 2021, through June 30, 2022, nine dollars
17 beginning July 1, 2022, through June 30, 2023, ten dollars beginning July
18 1, 2023, through June 30, 2024, eleven dollars beginning July 1, 2024,
19 through June 30, 2025, and twelve dollars beginning July 1, 2025, shall
20 be taxed as costs in each (i) civil cause of action, criminal cause of
21 action, traffic misdemeanor or infraction, and city or village ordinance
22 violation filed in the district courts, the county courts, and the
23 separate juvenile courts, (ii) filing in the district court of an order,
24 award, or judgment of the Nebraska Workers' Compensation Court or any
25 judge thereof pursuant to section 48-188, (iii) appeal or other
26 proceeding filed in the Court of Appeals, and (iv) original action,
27 appeal, or other proceeding filed in the Supreme Court. In county courts
28 a sum shall be charged which is equal to ten percent of each fee provided
29 by sections 33-125, 33-126.02, 33-126.03, and 33-126.06, rounded to the
30 nearest even dollar. No judges retirement fee shall be charged for filing
31 a report pursuant to sections 33-126.02 and 33-126.06.

1 (b) The fee increases described in subdivision (a) of this
2 subsection shall not be taxed as a cost in any criminal cause of action,
3 traffic misdemeanor or infraction, or city or village ordinance violation
4 filed in the district court or the county court. The fee on such criminal
5 causes of action, traffic misdemeanors or infractions, or city or village
6 ordinance violations shall remain six dollars on and after July 1, 2021.

7 (c) When collected by the clerk of the district or county court,
8 such fees shall be remitted to the State Treasurer within ten days after
9 the close of each calendar month for credit to the Nebraska Retirement
10 Fund for Judges. In addition, information regarding collection of court
11 fees shall be submitted to the executive director in charge of the judges
12 retirement system by the State Court Administrator within ten days after
13 the close of each calendar month.

14 (d) The board may charge a late administrative processing fee not to
15 exceed twenty-five dollars if the information is not timely received or
16 the money is delinquent. In addition, the board may charge a late fee of
17 thirty-eight thousandths of one percent of the amount required to be
18 submitted pursuant to this section for each day such amount has not been
19 received. Such late fees shall be remitted to the executive director who
20 shall promptly thereafter remit such fees to the State Treasurer for
21 credit to the fund.

22 (e) No Nebraska Retirement Fund for Judges fee which is
23 uncollectible for any reason shall be waived by a county judge as
24 provided in section 29-2709.

25 (4) All expenditures from the fund shall be authorized by voucher in
26 the manner prescribed in section 24-713. The fund shall be used for the
27 payment of all annuities and other benefits to members and their
28 beneficiaries and for the expenses of administration.

29 (5)(a) Prior to July 1, 2021:

30 (i) Beginning July 1, 2013, and each fiscal year thereafter, the
31 board shall cause an annual actuarial valuation to be performed that will

1 value the plan assets for the year and ascertain the contributions
2 required for such fiscal year. The actuary for the board shall perform an
3 actuarial valuation of the system on the basis of actuarial assumptions
4 recommended by the actuary, approved by the board, and kept on file with
5 the board using the entry age actuarial cost method. Under this method,
6 the actuarially required funding rate is equal to the normal cost rate,
7 plus the contribution rate necessary to amortize the unfunded actuarial
8 accrued liability on a level percentage of salary basis. The normal cost
9 under this method shall be determined for each individual member on a
10 level percentage of salary basis. The normal cost amount is then summed
11 for all members;

12 (ii) Beginning July 1, 2006, any existing unfunded liabilities shall
13 be reinitialized and amortized over a thirty-year period, and during each
14 subsequent actuarial valuation through June 30, 2021, changes in the
15 unfunded actuarial accrued liability due to changes in benefits,
16 actuarial assumptions, the asset valuation method, or actuarial gains or
17 losses shall be measured and amortized over a thirty-year period
18 beginning on the valuation date of such change;

19 (iii) If the unfunded actuarial accrued liability under the entry
20 age actuarial cost method is zero or less than zero on an actuarial
21 valuation date, then all prior unfunded actuarial accrued liabilities
22 shall be considered fully funded and the unfunded actuarial accrued
23 liability shall be reinitialized and amortized over a thirty-year period
24 as of the actuarial valuation date; and

25 (iv) If the actuarially required contribution rate exceeds the rate
26 of all contributions required pursuant to the Judges Retirement Act,
27 there shall be a supplemental appropriation sufficient to pay for the
28 differences between the actuarially required contribution rate and the
29 rate of all contributions required pursuant to the Judges Retirement Act.

30 (b) Beginning July 1, 2021, and each fiscal year thereafter:

31 (i) The board shall cause an annual actuarial valuation to be

1 performed that will value the plan assets for the year and ascertain the
2 contributions required for such fiscal year. The actuary for the board
3 shall perform an actuarial valuation of the system on the basis of
4 actuarial assumptions recommended by the actuary, approved by the board,
5 and kept on file with the board using the entry age actuarial cost
6 method. Under such method, the actuarially required funding rate is equal
7 to the normal cost rate, plus the contribution rate necessary to amortize
8 the unfunded actuarial accrued liability on a level percentage of salary
9 basis. The normal cost under such method shall be determined for each
10 individual member on a level percentage of salary basis. The normal cost
11 amount is then summed for all members;

12 (ii) Any changes in the unfunded actuarial accrued liability due to
13 changes in benefits, actuarial assumptions, the asset valuation method,
14 or actuarial gains or losses shall be measured and amortized over a
15 twenty-five-year period beginning on the valuation date of such change;

16 (iii) If the unfunded actuarial accrued liability under the entry
17 age actuarial cost method is zero or less than zero on an actuarial
18 valuation date, then all prior unfunded actuarial accrued liabilities
19 shall be considered fully funded and the unfunded actuarial accrued
20 liability shall be reinitialized and amortized over a twenty-five-year
21 period as of the actuarial valuation date; and

22 (iv) If the actuarially required contribution rate exceeds the rate
23 of all contributions required pursuant to the Judges Retirement Act,
24 there shall be a supplemental appropriation sufficient to pay for the
25 differences between the actuarially required contribution rate and the
26 rate of all contributions required pursuant to the act.

27 (c) Upon the recommendation of the actuary to the board, and after
28 the board notifies the Nebraska Retirement Systems Committee of the
29 Legislature, the board may combine or offset certain amortization bases
30 to reduce future volatility of the actuarial contribution rate. Such
31 notification to the committee shall be in writing and include, at a

1 minimum, the actuary's projection of the contributions to fund the plan
2 if the combination or offset were not implemented, the actuary's
3 projection of the contributions to fund the plan if the combination or
4 offset were implemented, and the actuary's explanation of why the
5 combination or offset is in the best interests of the plan at the
6 proposed time.

7 (d) For purposes of this subsection, the rate of all contributions
8 required pursuant to the Judges Retirement Act includes (i) member
9 contributions, (ii) state contributions pursuant to subsection (6) of
10 this section which shall be considered as a contribution for the plan
11 year ending the prior June 30, (iii) court fees as provided in subsection
12 (3) of this section, and (iv) all fees pursuant to sections 25-2804,
13 33-103, 33-103.01, 33-106.02, 33-123, 33-124, 33-125, 33-126.02,
14 33-126.03, and 33-126.06, as directed to be remitted to the fund.

15 (6)(a) In addition to the contributions otherwise required by this
16 section, beginning July 1, 2023, and on July 1 of each year thereafter,
17 the state shall contribute from the General Fund to the Nebraska
18 Retirement Fund for Judges an amount equal to five percent of the total
19 annual compensation of all members of the retirement system except as
20 otherwise provided in this subsection and as such rate shall be adjusted
21 or terminated by the Legislature. No adjustment may cause the total
22 contribution rate established in this subsection to exceed five percent.
23 For purposes of this subsection, (i) total annual compensation is based
24 on the total member compensation reported in the most recent annual
25 actuarial valuation report for the retirement system produced for the
26 board pursuant to section 84-1503 and (ii) the contribution described in
27 this subsection shall be considered as a contribution for the plan year
28 ending the prior June 30.

29 (b) If the funded ratio on the actuarial value of assets is at or
30 above one hundred percent for two consecutive years as reported in the
31 annual actuarial valuation report, the actuary shall assess whether the

1 percentage of the state contribution rate should be adjusted based on
2 projected annual actuarial valuation report results including the funded
3 ratio, actuarial contribution, and expected revenue sources using several
4 assumed investment return scenarios that the actuary deems to be
5 reasonable, and shall make a recommendation to the board as part of the
6 annual actuarial valuation report.

7 (c) If the state contribution rate has been adjusted to less than
8 five percent and the funded ratio on the actuarial value of assets is
9 below one hundred percent for two consecutive years as reported in the
10 annual actuarial valuation report, the actuary shall assess whether the
11 percentage of the state contribution rate should be adjusted based on
12 projected annual actuarial valuation report results including the funded
13 ratio, actuarial contribution, and expected revenue sources using several
14 assumed investment return scenarios that the actuary deems to be
15 reasonable, and shall make a recommendation to the board as part of the
16 annual actuarial valuation report.

17 (d) If an annual actuarial valuation report includes a
18 recommendation from the actuary to adjust the contribution rate as
19 described in subdivision (b) or (c) of this subsection, the board shall
20 provide written notice electronically to the Nebraska Retirement Systems
21 Committee of the Legislature, to the Governor, and to the Supreme Court
22 of such recommendation within seven business days after voting to approve
23 an annual actuarial valuation report. The notice shall include the
24 actuary's recommendation and analysis regarding such adjustment.

25 (e) Following receipt of the actuary's recommendation and analysis
26 pursuant to this subsection, the Nebraska Retirement Systems Committee of
27 the Legislature shall determine the amount of any adjustment of the
28 contribution rate and, if necessary, shall propose any such adjustment to
29 the Legislature.

30 (7) The state or county shall pick up the member contributions
31 required by this section for all compensation paid on or after January 1,

1 1985, and the contributions so picked up shall be treated as employer
2 contributions pursuant to section 414(h)(2) of the Internal Revenue Code
3 in determining federal tax treatment under the code and shall not be
4 included as gross income of the member until such time as they are
5 distributed or made available. The contributions, although designated as
6 member contributions, shall be paid by the state or county in lieu of
7 member contributions. The state or county shall pay these member
8 contributions from the same source of funds which is used in paying
9 earnings to the member. The state or county shall pick up these
10 contributions by a compensation deduction through a reduction in the
11 compensation of the member. Member contributions picked up shall be
12 treated for all purposes of the Judges Retirement Act in the same manner
13 and to the extent as member contributions made prior to the date picked
14 up.

15 **Sec. 6.** Section 24-703.01, Revised Statutes Supplement, 2025, is
16 amended to read:

17 24-703.01 No judge shall be authorized to participate in the
18 retirement system provided for in the Judges Retirement Act unless the
19 judge is a United States citizen or is lawfully present in the United
20 States. The court and the judge shall:

21 (1) Maintain at least one approved identification document as
22 defined in section 4-108; and

23 (2) Produce any such approved identification document so maintained
24 upon request of the Public Employees Retirement Board or the Nebraska
25 Public Employees Retirement Systems. ~~maintain at least one of the~~
26 ~~following documents, which shall be unexpired if applicable to the~~
27 ~~particular document or which has an expiration date that has been~~
28 ~~extended by the United States Department of Homeland Security or the~~
29 ~~United States Citizenship and Immigration Services so that such document~~
30 ~~is still valid, to demonstrate United States citizenship or lawful~~
31 ~~presence in the United States as of the judge's date of hire and produce~~

- 1 ~~any such document so maintained upon request of the board or the Nebraska~~
2 ~~Public Employees Retirement Systems:~~
- 3 ~~(1) A state-issued driver's license;~~
 - 4 ~~(2) A state-issued identification card;~~
 - 5 ~~(3) A state-issued motor vehicle learner's permit;~~
 - 6 ~~(4) A certified copy of a birth certificate or delayed birth~~
7 ~~certificate issued in any state, territory, or possession of the United~~
8 ~~States;~~
 - 9 ~~(5) A Consular Report of Birth Abroad issued by the United States~~
10 ~~Department of State;~~
 - 11 ~~(6) A United States passport;~~
 - 12 ~~(7) A foreign passport with a United States visa;~~
 - 13 ~~(8) A United States Certificate of Naturalization;~~
 - 14 ~~(9) A United States Certificate of Citizenship;~~
 - 15 ~~(10) A tribal certificate of Native American blood or similar~~
16 ~~document;~~
 - 17 ~~(11) A United States Citizenship and Immigration Services Employment~~
18 ~~Authorization Document, Form I-766;~~
 - 19 ~~(12) A United States Citizenship and Immigration Services Permanent~~
20 ~~Resident Card, Form I-551; or~~
 - 21 ~~(13) Any other document issued by the United States Department of~~
22 ~~Homeland Security or the United States Citizenship and Immigration~~
23 ~~Services granting employment authorization in the United States and~~
24 ~~approved by the board.~~

25 **Sec. 7.** Section 24-704, Revised Statutes Cumulative Supplement,
26 2024, is amended to read:

27 24-704 (1) The general administration of the retirement system for
28 judges provided for in the Judges Retirement Act, except the investment
29 of funds, is hereby vested in the board. The Auditor of Public Accounts
30 shall make an annual audit of the retirement system and electronically
31 file an annual report of its condition with the Clerk of the Legislature.

1 Each member of the Legislature shall receive an electronic copy of the
2 annual report by making a request for such report to the Auditor of
3 Public Accounts. The board may adopt and promulgate rules and regulations
4 as may be necessary to carry out the Judges Retirement Act.

5 (2)(a) The board shall employ an executive a director and such
6 assistants and employees as may be necessary to efficiently discharge the
7 duties imposed by the act. The executive director shall keep a record of
8 all acts and proceedings taken by the board.

9 (b) The executive director shall keep a complete record of all
10 members with respect to name, current address, age, contributions, length
11 of service, compensation, and any other facts as may be necessary in the
12 administration of the act. The information in the records shall be
13 provided by the State Court Administrator in an accurate and verifiable
14 form, as specified by the executive director. The executive director
15 shall, from time to time, carry out testing procedures pursuant to
16 section 84-1512 to verify the accuracy of such information. For the
17 purpose of obtaining such facts and information, the executive director
18 shall have access to the records of the various state departments and
19 agencies and the holder of the records shall comply with a request by the
20 executive director for access by providing such facts and information to
21 the executive director in a timely manner. A certified copy of a birth
22 certificate or delayed birth certificate shall be prima facie evidence of
23 the age of the person named in the certificate.

24 (c) The executive director shall develop and implement an employer
25 education program using principles generally accepted by public employee
26 retirement systems so that all employers have the knowledge and
27 information necessary to prepare and file reports as the board requires.

28 (3) Information necessary to determine membership in the retirement
29 system shall be provided by the State Court Administrator.

30 (4) Any funds of the retirement system available for investment
31 shall be invested by the Nebraska Investment Council pursuant to the

1 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
2 Act. Payment for investment services by the council shall be charged
3 directly against the gross investment returns of the funds. Charges so
4 incurred shall not be a part of the board's annual budget request. The
5 amounts of payment for such services, as of December 31 of each year,
6 shall be reported not later than March 31 of the following year to the
7 council, the board, and the Nebraska Retirement Systems Committee of the
8 Legislature. The report submitted to the committee shall be submitted
9 electronically. The state investment officer shall sell any such
10 securities upon request from the executive director so as to provide
11 money for the payment of benefits or annuities.

12 **Sec. 8.** Section 24-704.01, Revised Statutes Cumulative Supplement,
13 2024, is amended to read:

14 24-704.01 (1)(a) If the board determines that the retirement system
15 has previously received contributions or distributed benefits which for
16 any reason are not in accordance with the Judges Retirement Act, the
17 board shall refund contributions, require additional contributions,
18 adjust benefits, or require repayment of benefits paid. In the event of
19 an overpayment of a benefit, the board may, in addition to other
20 remedies, offset future benefit payments by the amount of the prior
21 overpayment, together with regular interest thereon. In the event of an
22 underpayment of a benefit, the board shall immediately make payment equal
23 to the deficit amount plus regular interest.

24 (b) The board shall have the power, through the executive director
25 of the Nebraska Public Employees Retirement Systems or the executive
26 director's designee, to make a thorough investigation of any overpayment
27 of a benefit, when in the judgment of the retirement system such
28 investigation is necessary, including, but not limited to, circumstances
29 in which benefit payments are made after the death of a member or
30 beneficiary and the retirement system is not made aware of such member's
31 or beneficiary's death. In connection with any such investigation, the

1 board, through the executive director or the executive director's
2 designee, shall have the power to compel the attendance of witnesses and
3 the production of books, papers, records, and documents, whether in
4 hardcopy, electronic form, or otherwise, and issue subpoenas for such
5 purposes. Such subpoenas shall be served in the same manner and have the
6 same effect as subpoenas from district courts.

7 (2) The board may adopt and promulgate rules and regulations
8 implementing this section, which shall include, but not be limited to,
9 the following: (a) The procedures for refunding contributions, adjusting
10 future contributions or benefit payments, and requiring additional
11 contributions or repayment of benefits; (b) the process for a member,
12 member's beneficiary, employee, or employer to dispute an adjustment of
13 contributions or benefits; and (c) notice provided to all affected
14 persons. All notices shall be sent prior to an adjustment and shall
15 describe the process for disputing an adjustment of contributions or
16 benefits.

17 **Sec. 9.** Section 24-705, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 24-705 The board shall have the power to secure and employ the
20 services of such technical and administrative employees as are necessary
21 to carry out the Judges Retirement Act. Pursuant to subdivision (2)(e) of
22 section 84-1503, the board shall have an annual report prepared by a
23 member of the American Academy of Actuaries showing a complete valuation
24 of the present and prospective assets and liabilities of the fund created
25 by the act. Such valuation shall be on the basis of actuarial assumptions
26 recommended by the actuary, approved by the board, and kept on file with
27 the board. The report shall further include a prospectus of the amount of
28 the appropriation that will be required from the Legislature for the
29 succeeding year. This report shall be furnished electronically to the
30 Clerk of the Legislature at each regular session. Each member of the
31 Legislature shall receive an electronic copy of such report by making a

1 request for it to the executive director. The employees of the board
2 shall be paid at such rates as the board shall approve. All
3 administrative expenses shall be paid from the retirement fund.

4 **Sec. 10.** Section 24-710, Revised Statutes Cumulative Supplement,
5 2024, is amended to read:

6 24-710 (1) The retirement annuity of a judge who is an original
7 member, who has not made the election provided for in section 24-710.01,
8 and who retires under section 24-708 or 24-709 shall be computed as
9 follows: Each such judge shall be entitled to receive an annuity, each
10 monthly payment of which shall be in an amount equal to three and one-
11 third percent of his or her final average compensation as such judge,
12 multiplied by the number of his or her years of creditable service. The
13 amount stated in this section shall be supplemental to any benefits
14 received by such judge under the Nebraska and federal old age and
15 survivors' insurance acts at the date of retirement, but the monthly
16 combined benefits received thereunder and by the Judges Retirement Act
17 shall not exceed sixty-five percent of the final average compensation
18 such judge was receiving when he or she last served as such judge. The
19 amount of retirement annuity of a judge who retires under section 24-708
20 or 24-709 shall not be less than twenty-five dollars per month if he or
21 she has four years or more of service credit.

22 (2) The retirement annuity of a judge who is a future member and who
23 retires after July 1, 1986, under section 24-708 or 24-709 shall be
24 computed as follows: Each such judge shall be entitled to receive an
25 annuity, each monthly payment of which shall be in an amount equal to
26 three and one-half percent of his or her final average compensation as
27 such judge, multiplied by the number of his or her years of creditable
28 service, except that prior to an actuarial factor adjustment for purposes
29 of calculating an optional form of annuity benefits under subsection (3)
30 of this section, the monthly benefits received under this subsection
31 shall not exceed seventy percent of the final average compensation such

1 judge was receiving when he or she last served as such judge.

2 (3) Except as provided in section 42-1107, any member may, when
3 filing an application as provided by the retirement system, elect to
4 receive, in lieu of the normal form annuity benefits to which the member
5 or his or her beneficiary may otherwise be entitled under the Judges
6 Retirement Act, an optional form of annuity benefits which the board may
7 by rules and regulations provide, the value of which, determined by
8 accepted actuarial methods and on the basis of actuarial assumptions
9 recommended by the actuary, approved by the board, and kept on file in
10 the office of the executive director, is equal to the value of the
11 benefit replaced. The board may (a) adopt and promulgate appropriate
12 rules and regulations to establish joint and survivorship annuities, with
13 and without reduction on the death of the first annuitant, and such other
14 forms of annuities as may in its judgment be appropriate and establishing
15 benefits as provided in sections 24-707 and 24-707.01, (b) prescribe
16 appropriate forms for making the election by the members, and (c) provide
17 for the necessary actuarial services to make the required valuations.

18 (4) A one-time cost-of-living adjustment shall be made for each
19 retired judge and each surviving beneficiary who is receiving a
20 retirement annuity as provided for in this section. The annuity shall be
21 adjusted by the increase in the cost of living or wage levels between the
22 effective date of retirement and June 30, 1992, except that such
23 increases shall not exceed three percent per year of retirement and the
24 total increase shall not exceed two hundred fifty dollars per month.

25 **Sec. 11.** Section 42-1111, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 42-1111 (1) During the period of time that a determination, by the
28 board, its designee, or a court of competent jurisdiction, is being made
29 as to whether a domestic relations order is a qualified domestic
30 relations order, the executive director of the Nebraska Public Employees
31 Retirement Systems ~~statewide public retirement systems~~ shall separately

1 account for the segregated amounts.

2 (2) If a member of the statewide public retirement systems
3 participates in a defined contribution account, the member shall maintain
4 investment authority over the entire account until the order is
5 determined to be a qualified domestic relations order, but upon such
6 determination, the alternate payee shall receive investment authority
7 over the alternate payee's share of the account.

8 (3) If within the eighteen-month period the order is determined to
9 be a qualified domestic relations order, the executive director of the
10 Nebraska Public Employees Retirement Systems ~~statewide public retirement~~
11 ~~systems~~ shall pay the segregated amounts plus interest to the alternate
12 payee or payees entitled thereto.

13 (4) If within the eighteen-month period the order is determined not
14 to be a qualified domestic relations order or the qualified status of the
15 order is not resolved, the executive director of the Nebraska Public
16 Employees Retirement Systems ~~statewide public retirement systems~~ shall
17 pay the segregated amounts plus interest to the member or other
18 beneficiaries entitled thereto.

19 (5) If the determination that the order is a qualified domestic
20 relations order is made after the eighteen-month period, the order will
21 be applied prospectively only.

22 (6) For purposes of this section, the eighteen-month period begins
23 on the date that the first payment would be required under the domestic
24 relations order.

25 **Sec. 12.** Section 49-617, Revised Statutes Supplement, 2025, is
26 amended to read:

27 49-617 The Revisor of Statutes shall cause the statutes to be
28 printed. The printer shall deliver all completed copies to the Supreme
29 Court. These copies shall be held and disposed of by the court as
30 follows: Sixty copies to the State Library to exchange for statutes of
31 other states; five copies to the State Library to keep for daily use; not

1 to exceed twenty-five copies to the Legislative Council for bill drafting
2 and related services to the Legislature and executive state officers; as
3 many copies to the Attorney General as he or she has attorneys on his or
4 her staff; as many copies to the Commission on Public Advocacy as it has
5 attorneys on its staff; up to sixteen copies to the State Court
6 Administrator; thirteen copies to the Tax Commissioner; eight copies to
7 the Nebraska Publications Clearinghouse; six copies to the Public Service
8 Commission; four copies to the Secretary of State; three copies to the
9 Tax Equalization and Review Commission; four copies to the Clerk of the
10 Legislature for use in his or her office and three copies to be
11 maintained in the legislative chamber, one copy on each side of the
12 chamber and one copy at the desk of the Clerk of the Legislature, under
13 control of the sergeant at arms; three copies to the Department of Health
14 and Human Services; two copies each to the Governor of the state, the
15 Chief Justice and each judge of the Supreme Court, each judge of the
16 Court of Appeals, the Clerk of the Supreme Court, the Reporter of
17 Decisions, the Commissioner of Labor, the Auditor of Public Accounts, and
18 the Revisor of Statutes; one copy each to the Secretary of State of the
19 United States, each Indian tribal court located in the State of Nebraska,
20 the library of the Supreme Court of the United States, the Adjutant
21 General, the Air National Guard, the Commissioner of Education, the State
22 Treasurer, the Board of Educational Lands and Funds, the Director of
23 Agriculture, the Director of Administrative Services, the Director of
24 Economic Development, the executive director of the Nebraska Public
25 Employees Retirement Systems, the Director-State Engineer, the Director
26 of Banking and Finance, the Director of Insurance, the Director of Motor
27 Vehicles, the Director of Veterans' Affairs, the Director of Water,
28 Energy, and Environment, the Director of Correctional Services, the
29 Nebraska Emergency Operating Center, each judge of the Nebraska Workers'
30 Compensation Court, each commissioner of the Commission of Industrial
31 Relations, the Nebraska Liquor Control Commission, the State Real Estate

1 Commission, the secretary of the Game and Parks Commission, the Board of
2 Pardons, each state institution under the Department of Health and Human
3 Services, each state institution under the State Department of Education,
4 the State Surveyor, the Nebraska State Patrol, the materiel division of
5 the Department of Administrative Services, the personnel division of the
6 Department of Administrative Services, the Nebraska Motor Vehicle
7 Industry Licensing Board, the Board of Trustees of the Nebraska State
8 Colleges, each of the Nebraska state colleges, each district judge of the
9 State of Nebraska, each judge of the county court, each judge of a
10 separate juvenile court, the Lieutenant Governor, each United States
11 Senator from Nebraska, each United States Representative from Nebraska,
12 each clerk of the district court for the use of the district court, the
13 clerk of the Nebraska Workers' Compensation Court, each clerk of the
14 county court, each county attorney, each county public defender, each
15 county law library, and the inmate library at all state penal and
16 correctional institutions, and each member of the Legislature shall be
17 entitled to two complete sets, and two complete sets of such volumes as
18 are necessary to update previously issued volumes, but each member of the
19 Legislature and each judge of any court referred to in this section shall
20 be entitled, on request, to an additional complete set. Copies of the
21 statutes distributed without charge, as listed in this section, shall be
22 the property of the state or governmental subdivision of the state and
23 not the personal property of the particular person receiving a copy.
24 Distribution of statutes to the library of the College of Law of the
25 University of Nebraska shall be as provided in sections 85-176 and
26 85-177.

27 **Sec. 13.** Section 72-1237, Revised Statutes Cumulative Supplement,
28 2024, is amended to read:

29 72-1237 (1) ~~(1)(a)~~ The Nebraska Investment Council is created. For
30 purposes of the Nebraska State Funds Investment Act, council means the
31 Nebraska Investment Council. The council shall consist of five members,

1 appointed by the Governor with the approval of the Legislature. The State
2 Treasurer and ~~7~~ the executive director of the Nebraska Public Employees
3 Retirement Systems ~~7~~ ~~and except as provided in subdivision (1)(b) of this~~
4 ~~section, beginning January 1, 2017, the administrator of each retirement~~
5 ~~system provided for under the Class V School Employees Retirement Act~~
6 shall serve as nonvoting, ex officio members. One of the appointed
7 members shall be designated chairperson by the Governor.

8 ~~(b) Beginning September 1, 2024, the director of the Nebraska Public~~
9 ~~Employees Retirement Systems shall also represent each retirement system~~
10 ~~provided for under the Class V School Employees Retirement Act.~~

11 (2) Each of the appointed members of the council shall serve for a
12 term of five years that begins on January 1 and may be removed by the
13 Governor for cause after notice and an opportunity to be heard. A member
14 may serve until his or her successor's appointment is effective. A member
15 may be reappointed. A successor shall be appointed in the same manner as
16 provided for the members first appointed, and in case of a vacancy caused
17 by death, resignation, or otherwise, the Governor shall appoint a
18 qualified person to fill the vacancy for the unexpired term.

19 (3) No member of the council shall be personally liable, except in
20 cases of willful dishonesty, gross negligence, or intentional violation
21 of law, for actions relating to his or her duties as a member of the
22 council.

23 **Sec. 14.** Section 72-1239, Revised Statutes Cumulative Supplement,
24 2024, is amended to read:

25 72-1239 The purpose of the council is to formulate and establish
26 such policies as it may deem necessary and proper which shall govern the
27 methods, practices, and procedures followed by the state investment
28 officer for the investment or reinvestment of state funds and funds
29 described in section 83-133 and the purchase, sale, or exchange of
30 securities as provided by the Nebraska State Funds Investment Act. The
31 council shall meet from time to time as directed by the Governor or the

1 chairperson or as requested by the state investment officer. The members
2 of the council, except the State Treasurer and ~~the~~ executive director
3 of the Nebraska Public Employees Retirement Systems, ~~and beginning~~
4 ~~January 1, 2017, each administrator of a retirement system provided for~~
5 ~~under the Class V School Employees Retirement Act,~~ shall be paid seventy-
6 five dollars per diem. The members shall be reimbursed for expenses
7 incurred in connection with the performance of their duties as members as
8 provided in sections 81-1174 to 81-1177.

9 **Sec. 15.** Section 79-904.01, Revised Statutes Supplement, 2025, is
10 amended to read:

11 79-904.01 (1)(a) If the board determines that the retirement system
12 has previously received contributions or distributed benefits which for
13 any reason are not in accordance with the statutory provisions of the
14 School Employees Retirement Act, the board may refund contributions,
15 require additional contributions, adjust benefits, or require repayment
16 of benefits paid. In the event of an overpayment of a benefit, the board
17 may, in addition to other remedies, offset future benefit payments by the
18 amount of the prior overpayment, together with regular interest thereon.
19 In the event of a material underpayment of a benefit, the board shall
20 immediately make payment equal to the deficit amount plus regular
21 interest.

22 (b) The board shall have the power, through the executive director
23 of the Nebraska Public Employees Retirement Systems or the executive
24 director's designee, to make a thorough investigation of any overpayment
25 of a benefit, when in the judgment of the retirement system such
26 investigation is necessary, including, but not limited to, circumstances
27 in which benefit payments are made after the death of a member or
28 beneficiary and the retirement system is not made aware of such member's
29 or beneficiary's death. In connection with any such investigation, the
30 board, through the executive director or the executive director's
31 designee, shall have the power to compel the attendance of witnesses and

1 the production of books, papers, records, and documents, whether in
2 hardcopy, electronic form, or otherwise, and issue subpoenas for such
3 purposes. Such subpoenas shall be served in the same manner and have the
4 same effect as subpoenas from district courts.

5 (2) If the board determines that termination of employment has not
6 occurred and a retirement benefit has been paid to a member of the
7 retirement system pursuant to section 79-933, such member shall repay the
8 benefit to the retirement system unless the board determines that all or
9 any portion of such benefit was the result of an inadvertent benefit
10 overpayment and repayment of such benefit would create a significant
11 hardship.

12 (3) The board may adopt and promulgate rules and regulations
13 implementing this section, which shall include, but not be limited to,
14 the following: (a) The procedures for refunding contributions, adjusting
15 future contributions or benefit payments, and requiring additional
16 contributions or repayment of benefits; (b) the process for a member,
17 member's beneficiary, employee, or employer to dispute an adjustment of
18 contributions or benefits; and (c) notice provided to all affected
19 persons. All notices shall be sent at the time of or prior to an
20 adjustment and shall describe the process for disputing an adjustment of
21 contributions or benefits.

22 (4) The board shall not refund contributions made on compensation in
23 excess of the limitations imposed by subdivision (4) of section 79-902 or
24 subsection (9) of section 79-934.

25 **Sec. 16.** Section 79-905, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 79-905 It shall be the duty of the retirement board to:

28 (1) Determine the eligibility of an individual to be a member of the
29 retirement system and other questions of fact in the event of dispute
30 between an individual and a department;

31 (2) Adopt rules and regulations, as the board may deem necessary,

1 for the management of the board;

2 (3) Prescribe the form in which employers report contributions,
3 hours worked by school employees, payroll information, and other
4 information necessary to carry out the board's duties;

5 (4) Keep a complete record of all proceedings taken at any meeting
6 of the board;

7 (5) Employ an executive a director and such assistants and employees
8 as may be necessary in the performance of its duties; and

9 (6) Obtain actuarial services pursuant to subdivision (2)(e) of
10 section 84-1503.

11 **Sec. 17.** Section 79-906, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 79-906 (1) The executive director in charge of the retirement system
14 shall keep a complete record of all members with respect to name, current
15 address, age, contributions, and any other facts as may be necessary in
16 the administration of the School Employees Retirement Act. The
17 information in the records shall be provided by the employer in an
18 accurate and verifiable form, as specified by the executive director. The
19 executive director shall, from time to time, carry out testing procedures
20 pursuant to section 84-1512 to verify the accuracy of such information.
21 For the purpose of obtaining such facts and information, the executive
22 director shall have access to the records of the various employers and
23 state departments and agencies and the holder of the records shall comply
24 with a request by the executive director for access by providing such
25 facts and information to the executive director in a timely manner. A
26 certified copy of a birth certificate or delayed birth certificate shall
27 be prima facie evidence of the age of the person named in the
28 certificate.

29 (2) The executive director shall develop and implement an employer
30 education program using principles generally accepted by public employee
31 retirement systems so that all employers have the knowledge and

1 information necessary to prepare and file reports as the board requires.

2 **Sec. 18.** Section 79-907, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 79-907 (1)(a) On or before October 1, 2001, and at least every two
5 years thereafter, the retirement board shall send to each contributing
6 member of the retirement system by first-class mail, a statement of
7 creditable service, reported salary, and other such information as is
8 determined by the executive director of the Nebraska Public Employees
9 Retirement Systems to be necessary in calculating the member's retirement
10 benefit.

11 (b) If the member requests a modification or correction of his or
12 her statement of information, the member shall provide documentation to
13 the board supporting such modification or correction and provide clear
14 and convincing evidence that the statement is in error. The board shall,
15 within sixty days after receipt of the documentation supporting the
16 modification or correction, determine whether the member has proven by
17 clear and convincing evidence that the statement shall be modified or
18 corrected. If the board determines that the member has provided clear and
19 convincing evidence, the board shall modify or correct the statement. If
20 the board determines that the member has not provided clear and
21 convincing evidence, the board shall deny the modification or correction.
22 In either case, the board shall notify the member. The member may appeal
23 the decision of the board pursuant to section 79-950.

24 (c) The board has an ongoing fiduciary duty to modify or correct a
25 member's statement if the board discovers an error in the information it
26 has on record. A modification or correction shall be made within sixty
27 days after the error is brought to the attention of the board.

28 (2) The board may adopt and promulgate rules and regulations and
29 prescribe the necessary forms to carry out this section.

30 **Sec. 19.** Section 79-915, Revised Statutes Supplement, 2025, is
31 amended to read:

1 79-915 (1) Persons residing outside of the United States and engaged
2 temporarily as school employees in the State of Nebraska shall not become
3 members of the retirement system.

4 (2) No school employee shall be authorized to participate in the
5 retirement system provided for in the School Employees Retirement Act
6 unless the employee is a United States citizen or is lawfully present in
7 the United States. The employing public school and the school employee
8 shall:

9 (a) Maintain at least one approved identification document as
10 defined in section 4-108; and

11 (b) Produce any such approved identification document so maintained
12 upon request of the Public Employees Retirement Board or the Nebraska
13 Public Employees Retirement Systems. maintain at least one of the
14 following documents, which shall be unexpired if applicable to the
15 particular document or which has an expiration date that has been
16 extended by the United States Department of Homeland Security or the
17 United States Citizenship and Immigration Services so that such document
18 is still valid, to demonstrate United States citizenship or lawful
19 presence in the United States as of the employee's date of hire and
20 produce any such document so maintained upon request of the retirement
21 board or the Nebraska Public Employees Retirement Systems:

22 ~~(a) A state-issued driver's license;~~

23 ~~(b) A state-issued identification card;~~

24 ~~(c) A state-issued motor vehicle learner's permit;~~

25 ~~(d) A certified copy of a birth certificate or delayed birth~~
26 ~~certificate issued in any state, territory, or possession of the United~~
27 ~~States;~~

28 ~~(e) A Consular Report of Birth Abroad issued by the United States~~
29 ~~Department of State;~~

30 ~~(f) A United States passport;~~

31 ~~(g) A foreign passport with a United States visa;~~

- 1 ~~(h) A United States Certificate of Naturalization;~~
2 ~~(i) A United States Certificate of Citizenship;~~
3 ~~(j) A tribal certificate of Native American blood or similar~~
4 ~~document;~~
5 ~~(k) A United States Citizenship and Immigration Services Employment~~
6 ~~Authorization Document, Form I-766;~~
7 ~~(l) A United States Citizenship and Immigration Services Permanent~~
8 ~~Resident Card, Form I-551; or~~
9 ~~(m) Any other document issued by the United States Department of~~
10 ~~Homeland Security or the United States Citizenship and Immigration~~
11 ~~Services granting employment authorization in the United States and~~
12 ~~approved by the retirement board.~~

13 (3)(a) The board may determine that a governmental entity currently
14 participating in the retirement system no longer qualifies, in whole or
15 in part, under section 414(d) of the Internal Revenue Code as a
16 participating employer in a governmental plan.

17 (b)(i) To aid governmental entities in their business decisionmaking
18 process, any governmental entity currently participating in the
19 retirement system contemplating a business transaction that may result in
20 such entity no longer qualifying, in whole or in part, under section
21 414(d) of the Internal Revenue Code may notify the board in writing as
22 soon as reasonably practicable, but no later than one hundred eighty days
23 before the transaction is to occur.

24 (ii) The board when timely notified shall, as soon as is reasonably
25 practicable, obtain from its contracted actuary the cost of any actuarial
26 study necessary to determine the potential funding obligation. The board
27 will notify the entity of such cost.

28 (iii) If such entity pays the board's contracted actuary pursuant to
29 subdivision (3)(c)(vi) of this section for any actuarial study necessary
30 to determine the potential funding obligation, the board shall, as soon
31 as reasonably practicable following its receipt of the actuarial study,

1 (A) determine whether the entity's contemplated business transaction will
2 cause the entity to no longer qualify under section 414(d) of the
3 Internal Revenue Code, (B) determine whether the contemplated business
4 transaction constitutes a plan termination by the entity, (C) determine
5 the potential funding obligation, (D) determine the administrative costs
6 that will be incurred by the board or the Nebraska Public Employees
7 Retirement Systems in connection with the entity's removal from the
8 retirement system, and (E) notify the entity of such determinations.

9 (iv) Failure to timely notify the board pursuant to subdivision (3)
10 (b)(i) of this section may result in the entity being treated as though
11 the board made a decision pursuant to subdivision (3)(a) of this section.

12 (c) If the board makes a determination pursuant to subdivision (3)
13 (a) of this section, or if the entity engages in the contemplated
14 business transaction reviewed under subdivision (3)(b) of this section
15 that results in the entity no longer qualifying under section 414(d) of
16 the Internal Revenue Code:

17 (i) The board shall notify the entity that it no longer qualifies
18 under section 414(d) of the Internal Revenue Code within ten business
19 days after the determination;

20 (ii) The affected plan members shall be immediately considered fully
21 vested;

22 (iii) The affected plan members shall become inactive within ninety
23 days after the board's determination;

24 (iv) The entity shall pay to the School Retirement Fund an amount
25 equal to any funding obligation;

26 (v) The entity shall pay to the Expense Fund an amount equal to any
27 administrative costs incurred by the board or the Nebraska Public
28 Employees Retirement Systems in connection with the entity's removal from
29 the retirement system; and

30 (vi) The entity shall pay directly to the board's contracted actuary
31 an amount equal to the cost of any actuarial study necessary to aid the

1 board in determining the amount of such funding obligation, if not
2 previously paid.

3 (d) For purposes of this subsection:

4 (i) Business transaction means a merger; consolidation; sale of
5 assets, equipment, or facilities; termination of a division, department,
6 section, or subgroup of the entity; or any other business transaction
7 that results in termination of some or all of the entity's workforce; and

8 (ii) Funding obligation means the financial liability of the
9 retirement system to provide benefits for the affected plan members
10 incurred by the retirement system due to the entity's business
11 transaction calculated using the methodology and assumptions recommended
12 by the board's contracted actuary and approved by the board. The
13 methodology and assumptions used must be structured in a way that ensures
14 the entity is financially liable for all the costs of the entity's
15 business transaction, and the retirement system is not financially liable
16 for any of the cost of the entity's business transaction.

17 (e) The board may adopt and promulgate rules and regulations to
18 carry out this subsection including, but not limited to, the methods of
19 notifying the board of pending business transactions, the acceptable
20 methods of payment, and the timing of such payment.

21 **Sec. 20.** Section 79-916, Revised Statutes Supplement, 2025, is
22 amended to read:

23 79-916 (1)(a) On July 1, 2004, the board shall transfer from the
24 School Retirement Fund to the Service Annuity Fund an amount equal to the
25 funded ratio of the retirement system which is equal to the market value
26 of the retirement system assets divided by the actuarial accrued
27 liability of the retirement system, times the actuarial accrued liability
28 of the service annuity, as determined pursuant to section 79-966.01, of
29 the employees who are members of the retirement system established
30 pursuant to the Class V School Employees Retirement Act. Beginning July
31 1, 2013, such actuarial accrued liability shall be determined for each

1 employee on a level percentage of salary basis. On or before July 1 of
2 each fiscal year, the state shall contribute to ~~transfer into~~ the Service
3 Annuity Fund such amounts as may be necessary to pay the normal cost and
4 amortize the unfunded actuarial accrued liability of the service annuity,
5 as determined pursuant to section 79-966.01, as of the end of the
6 previous fiscal year of the employees who are members of the retirement
7 system established pursuant to the Class V School Employees Retirement
8 Act. Based on the fiscal year of the retirement system established
9 pursuant to the Class V School Employees Retirement Act, the
10 administrator of such system shall provide all membership information
11 needed for the actuary engaged by the retirement board to determine the
12 normal cost and the amortization payment of the unfunded actuarial
13 accrued liability, as determined pursuant to section 79-966.01, to be
14 paid by the state to the Service Annuity Fund each fiscal year as
15 required by this subdivision.

16 (b) At the time of retirement of any employee who is a member of the
17 retirement system established pursuant to the Class V School Employees
18 Retirement Act and who was hired prior to July 1, 2016, the retirement
19 board shall, upon receipt of a certification of the administrator of such
20 retirement system of the name, identification number, date of birth,
21 retirement date, last date of employment, type of retirement, and number
22 of years of service credited to such eligible employee at the date of
23 retirement, transfer from the Service Annuity Fund to the Class V school
24 district for transfer to the retirement system the actuarial accrued
25 liability of the service annuity to be paid to the Class V school
26 district by the state for transfer to the eligible employee for the years
27 of service thus certified as provided for members of the School Employees
28 Retirement System of the State of Nebraska under sections 79-933 and
29 79-952. Such transfer of the actuarial accrued liability to the Class V
30 school district for transfer to the retirement system established
31 pursuant to the Class V School Employees Retirement Act shall be in lieu

1 of the payment of the service annuity to which the employee would be
2 entitled.

3 (c) The Service Annuity Fund is created. The fund shall consist of
4 the amounts paid by the state and transferred from the School Retirement
5 Fund to the Class V school district for transfer to the retirement system
6 pursuant to this section to pay the service annuity to the Class V school
7 district for transfer to employees who are members of the retirement
8 system established pursuant to the Class V School Employees Retirement
9 Act. Any money in the Service Annuity Fund available for investment shall
10 be invested by the state investment officer pursuant to the Nebraska
11 Capital Expansion Act and the Nebraska State Funds Investment Act.

12 (2)(a) For each fiscal year prior to July 1, 2025, in addition to
13 the contribution ~~transfer~~ of the actuarial accrued liability of the
14 service annuity pursuant to subsection (1) of this section, the state
15 shall also contribute ~~transfer~~ to the funds of the Class V school
16 district for transfer to the district's retirement system an amount
17 determined by multiplying the compensation of all members of such
18 retirement system by the percent specified in subsection (2) of section
19 79-966 for determining the amount of the state's payment to the School
20 Retirement Fund plus the amount determined under subdivision (1)(b) of
21 section 79-966. The transfer shall be made annually on or before July 1
22 of each fiscal year.

23 (b) For each fiscal year beginning July 1, 2025, in addition to the
24 contribution ~~transfer~~ pursuant to subsection (1) of this section, the
25 state shall also contribute ~~transfer~~ to the funds of the Class V school
26 district for transfer to the district's retirement system an amount equal
27 to two percent of the compensation of all members of such retirement
28 system plus the amount determined under subdivision (1)(b) of section
29 79-966. The contribution ~~transfer~~ shall be made annually on or before
30 July 1 of each fiscal year.

31 (c) It is the intent of the Legislature that the state contribution

1 ~~transfer~~ of two percent of the compensation of all members of the
2 district's retirement system does not mean that the state assumes any
3 additional financial responsibility or liability for funding obligations
4 of the retirement system that remain the responsibility of the district
5 as described in the Class V School Employees Retirement Act.

6 **Sec. 21.** Section 79-930, Reissue Revised Statutes of Nebraska, is
7 amended to read:

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

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

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

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

27 (b)(i) A member as described in subdivision (1)(a) of this section
28 who becomes a regular employee for an employer participating in the
29 retirement system shall immediately begin making contributions pursuant
30 to section 79-958 on all compensation paid by such employer and accrue
31 service credit pursuant to section 79-927 for all such service performed

1 for such employer, including any work as a temporary employee or
2 substitute employee.

3 (ii) A member as described in subdivision (1)(a) of this section who
4 has not established eligibility as a regular employee at another employer
5 shall not make contributions pursuant to section 79-958 on all
6 compensation paid by such employer nor accrue service credit pursuant to
7 section 79-927 for work performed by the member as a temporary employee
8 or substitute employee for such employer.

9 (c) Work performed while the member is not contributing to the
10 retirement system pursuant to subdivision (1)(a) of this section shall
11 not accrue service credit in the retirement system pursuant to section
12 79-927 and cannot be purchased as service credit under sections 79-933.03
13 to 79-933.06 and 79-933.08.

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

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

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

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

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

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

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

4 (ii) The date the Nebraska Public Employees Retirement Systems
5 receives the member's retirement application or request for distribution
6 pursuant to section 79-955.

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

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

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

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

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

24 **Sec. 22.** Section 79-958, Revised Statutes Supplement, 2025, is
25 amended to read:

26 79-958 (1)(a) Beginning on September 1, 2012, and prior to July 1,
27 2025, for the purpose of providing the funds to pay for formula
28 annuities, every employee shall be required to deposit in the School
29 Retirement Fund nine and seventy-eight hundredths of one percent of
30 compensation.

31 (b) Beginning in 2025 and each year thereafter, the employee

1 contribution rate shall be calculated as of July 1 and based on the
2 funded ratio of the actuarial value of assets in the School Retirement
3 Fund in the most recent previous year as reported in the annual actuarial
4 valuation report for the retirement system prepared for the retirement
5 board pursuant to section 84-1503.

6 (c)(i) The employee contribution rate that is calculated as of July
7 1, 2025, shall apply beginning July 1, 2025, and prior to July 1, 2026.

8 (ii) The employee contribution rate that is calculated as of July 1,
9 2026, shall apply beginning July 1, 2026, and prior to September 1, 2027.

10 (iii) Beginning in 2027 and each year thereafter, the employee
11 contribution rate that is calculated as of July 1 of such year shall
12 apply beginning September 1 of such year and prior to September 1 of the
13 next year after such year.

14 (d) Beginning on July 1, 2025, for the purpose of providing the
15 funds to pay for formula annuities, every employee shall deposit the
16 following amounts into the School Retirement Fund:

17 (i) If the funded ratio on the actuarial value of assets in the
18 School Retirement Fund is less than ninety-six percent, nine and three-
19 quarters of one percent of compensation;

20 (ii) If the funded ratio on the actuarial value of assets in the
21 School Retirement Fund is ninety-six percent or greater and less than
22 ninety-eight percent, eight and three-quarters of one percent of
23 compensation;

24 (iii) If the funded ratio on the actuarial value of assets in the
25 School Retirement Fund is ninety-eight percent or greater and less than
26 one hundred percent, eight percent of compensation; and

27 (iv) If the funded ratio on the actuarial value of assets in the
28 School Retirement Fund is one hundred percent or greater, seven and one-
29 quarter of one percent of compensation.

30 (e) ~~(c)~~ Deposits under this subsection shall be transmitted at the
31 same time and in the same manner as required employer contributions.

1 (2) For the purpose of providing the funds to pay for formula
2 annuities, every employer shall be required to deposit in the School
3 Retirement Fund one hundred one percent of the required contributions of
4 the school employees of each employer. Such deposits shall be transmitted
5 to the retirement board at the same time and in the same manner as such
6 required employee contributions.

7 (3) The employer shall pick up the member contributions required by
8 this section for all compensation paid on or after January 1, 1986, and
9 the contributions so picked up shall be treated as employer contributions
10 pursuant to section 414(h)(2) of the Internal Revenue Code in determining
11 federal tax treatment under the code and shall not be included as gross
12 income of the member until such time as they are distributed or made
13 available. The contributions, although designated as member
14 contributions, shall be paid by the employer in lieu of member
15 contributions. The employer shall pay these member contributions from the
16 same source of funds which is used in paying earnings to the member. The
17 employer shall pick up these contributions by a compensation deduction
18 through a reduction in the cash compensation of the member. Member
19 contributions picked up shall be treated for all purposes of the School
20 Employees Retirement Act in the same manner and to the same extent as
21 member contributions made prior to the date picked up.

22 (4) The employer shall pick up the member contributions made through
23 irrevocable payroll deduction authorizations pursuant to sections 79-921
24 and 79-933.03 to 79-933.06, and the contributions so picked up shall be
25 treated as employer contributions in the same manner as contributions
26 picked up under subsection (3) of this section.

27 **Sec. 23.** Section 79-963, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 79-963 Every employer and school employee shall send to the
30 executive director of the Nebraska Public Employees Retirement Systems,
31 as specified in section 79-906, upon request and in the manner required

1 by the executive director, such information as he or she may require (1)
2 for the identification of school employees and (2) for the determination
3 of the membership of the retirement system and the obligations of the
4 employer and school employee to the retirement system.

5 **Sec. 24.** Section 79-966, Revised Statutes Supplement, 2025, is
6 amended to read:

7 79-966 (1)(a) On the basis of all data in the possession of the
8 retirement board, including such mortality and other tables as are
9 recommended by the actuary engaged by the retirement board and adopted by
10 the retirement board, the retirement board shall annually, on or before
11 July 1, determine the state deposit to be made by the state in the School
12 Retirement Fund for that fiscal year. The amount of such state deposit
13 shall be determined pursuant to section 79-966.01. The retirement board
14 shall thereupon certify the amount of such state deposit, and on the
15 warrant of the Director of Administrative Services, the State Treasurer
16 shall, as of July 1 of such year, transfer from funds appropriated by the
17 state for that purpose to the School Retirement Fund the amount of such
18 state deposit.

19 (b) Beginning July 1, 2016, the contingent state contribution
20 ~~transfer~~ described in this subsection shall be calculated as a percent of
21 compensation of all members of the retirement system. For any year in
22 which a contribution deposit is made to the School Retirement Fund under
23 this subsection, if the actuary for a retirement system provided for
24 under the Class V School Employees Retirement Act determines that the
25 actuarially required contribution rate, for the fiscal year of the
26 retirement system that begins before the state deposit, exceeds the rate
27 of all contributions required pursuant to the Class V School Employees
28 Retirement Act, using the amortization period specified in section
29 79-966.01, the Class V district school board may request a public hearing
30 of the Appropriations Committee of the Legislature to ask the state to
31 contribute ~~transfer~~ to the Class V school district for contribution

1 ~~transfer~~ to the funds of the retirement system provided for under the
2 Class V School Employees Retirement Act an amount determined by
3 multiplying the compensation of all members of such retirement system by
4 the lesser of the percent of compensation transferred into the School
5 Retirement Fund under this subsection or the percent of compensation of
6 the members of the retirement system provided for under the Class V
7 School Employees Retirement Act needed to meet the actuarially required
8 contribution rate for such system, using the amortization period
9 specified in section 79-966.01. Any additional amount of contribution
10 ~~transfer~~ so calculated, recommended by the Appropriations Committee of
11 the Legislature, and approved by the Legislature, shall be added to the
12 percent specified in subsection (2) of this section for the amount
13 required by subsection (2) of section 79-916 to be contributed
14 ~~transferred~~ to the Class V school district, which shall contribute
15 ~~transfer~~ such amount to the funds of the retirement system provided for
16 under the Class V School Employees Retirement Act.

17 (2)(a) For each fiscal year beginning July 1, 2014, and prior to
18 July 1, 2025, in addition to the state contributions ~~transfers~~ required
19 by subsections (1) and (3) of this section, the state shall contribute
20 ~~transfer~~ into the School Retirement Fund an amount equal to two percent
21 of the compensation of all members of the retirement system.

22 (b) Beginning in 2025 and each year thereafter, the state
23 contribution rate under this subsection shall be calculated as of July 1
24 and based on the funded ratio of the actuarial value of assets in the
25 School Retirement Fund in the most recent previous year as reported in
26 the annual actuarial valuation report for the retirement system produced
27 for the retirement board pursuant to section 84-1503. In addition to the
28 state contributions ~~transfers~~ required by subsections (1) and (3) of this
29 section, the state shall contribute ~~deposit~~ the following amounts into
30 the School Retirement Fund:

31 (i) If the funded ratio on the actuarial value of assets in the

1 School Retirement Fund is less than ninety-six percent, an amount equal
2 to two percent of the compensation of all members of the retirement
3 system;

4 (ii) If the funded ratio on the actuarial value of assets in the
5 School Retirement Fund is ninety-six percent or greater and less than one
6 hundred percent, an amount equal to seven-tenths of one percent of the
7 compensation of all members of the retirement system; and

8 (iii) If the funded ratio on the actuarial value of assets in the
9 School Retirement Fund is one hundred percent or greater, no contribution
10 ~~transfer~~ shall be made under this subsection.

11 (3) In addition to the state deposits and contributions ~~transfers~~
12 required by subsections (1) and (2) of this section, beginning on July 1,
13 2005, and each fiscal year thereafter for employees who become members
14 prior to July 1, 2016, the state shall contribute ~~transfer~~ into the
15 Service Annuity Fund such amounts as may be necessary to pay the normal
16 cost and amortize the unfunded actuarial accrued liability of the service
17 annuity benefit established pursuant to sections 79-933 and 79-952 as
18 accrued through the end of the previous fiscal year of the school
19 employees who are members of the retirement system established pursuant
20 to the Class V School Employees Retirement Act.

21 **Sec. 25.** Section 79-978, Revised Statutes Supplement, 2025, is
22 amended to read:

23 79-978 For purposes of the Class V School Employees Retirement Act,
24 unless the context otherwise requires:

25 (1) Accumulated contributions means the sum of amounts contributed
26 by a member of the system together with regular interest credited
27 thereon;

28 (2) Actuarial equivalent means the equality in value of the
29 retirement allowance for early retirement or the retirement allowance for
30 an optional form of annuity, or both, with the normal form of the annuity
31 to be paid, as determined by the application of the appropriate actuarial

1 table, except that use of such actuarial tables shall not effect a
2 reduction in benefits accrued prior to September 1, 1985, as determined
3 by the actuarial tables in use prior to such date;

4 (3) Actuarial tables means:

5 (a) For determining the actuarial equivalent of any annuities other
6 than joint and survivorship annuities:

7 (i) For members hired before July 1, 2018, a unisex mortality table
8 using twenty-five percent of the male mortality and seventy-five percent
9 of the female mortality from the 1994 Group Annuity Mortality Table with
10 a One Year Setback and using an interest rate of eight percent compounded
11 annually; and

12 (ii) For members hired on or after July 1, 2018, or rehired on or
13 after July 1, 2018, after termination of employment and being paid a
14 retirement benefit, the determinations shall be based on a unisex
15 mortality table and an interest rate specified by (A) the board until
16 September 1, 2024, or (B) the retirement board beginning on September 1,
17 2024. Both the mortality table and the interest rate shall be recommended
18 by the actuary retained pursuant to section 79-984 following an actuarial
19 experience study, a benefit adequacy study, or a plan valuation. The
20 mortality table, interest rate, and actuarial factors in effect on the
21 member's retirement date shall be used to calculate the actuarial
22 equivalency of any retirement benefit. Such interest rate may be, but is
23 not required to be, equal to the assumed rate; and

24 (b) For joint and survivorship annuities:

25 (i) For members hired before July 1, 2018, a unisex retiree
26 mortality table using sixty-five percent of the male mortality and
27 thirty-five percent of the female mortality from the 1994 Group Annuity
28 Mortality Table with a One Year Setback and using an interest rate of
29 eight percent compounded annually and a unisex joint annuitant mortality
30 table using thirty-five percent of the male mortality and sixty-five
31 percent of the female mortality from the 1994 Group Annuity Mortality

1 Table with a One Year Setback and using an interest rate of eight percent
2 compounded annually; and

3 (ii) For members hired on or after July 1, 2018, or rehired on or
4 after July 1, 2018, after termination of employment and being paid a
5 retirement benefit, the determinations shall be based on a unisex
6 mortality table and an interest rate specified by (A) the board until
7 September 1, 2024, or (B) the retirement board beginning on September 1,
8 2024. Both the mortality table and the interest rate shall be recommended
9 by the actuary retained pursuant to section 79-984 following an actuarial
10 experience study, a benefit adequacy study, or a plan valuation. The
11 mortality table, interest rate, and actuarial factors in effect on the
12 member's retirement date shall be used to calculate the actuarial
13 equivalency of any retirement benefit. Such interest rate may be, but is
14 not required to be, equal to the assumed rate;

15 (4) Administrator of the retirement system or administrator means
16 ~~(a) until September 1, 2024, the person administering the retirement~~
17 ~~system who is appointed by the board or (b) beginning on September 1,~~
18 ~~2024, the executive director appointed by the retirement board pursuant~~
19 ~~to section 84-1503;~~

20 (5) Annuitant means any member receiving an allowance;

21 (6) Annuity means annual payments, for both prior service and
22 membership service, for life as provided in the Class V School Employees
23 Retirement Act;

24 (7) Audit year means the period beginning January 1 in any year and
25 ending on December 31 of that same year, which is the period of time used
26 in the preparation of (a) the annual actuarial analysis and valuation and
27 (b) a financial audit of the retirement system, including the investments
28 of the retirement system;

29 (8) Beneficiary means any person entitled to receive or receiving a
30 benefit by reason of the death of a member;

31 ~~(9) Board means the board of trustees until July 1, 2021, and the~~

1 ~~board of education beginning July 1, 2021, and until September 1, 2024;~~

2 (9) ~~(10)~~ Board of education means the board or boards of education
3 of a school district or districts;

4 (10) ~~(11)~~ Board of trustees means:

5 (a) Until September 1, 2024, the entity established pursuant to
6 section 79-980; and

7 (b) Beginning September 1, 2024, the board of education shall be
8 deemed to be the successor in interest for all liability associated with
9 the actions or inactions of the entity identified under subdivision (10)
10 (a) ~~(11)(a)~~ of this section and as specified in the Class V School
11 Employees Retirement Act;

12 (11)(a) ~~(12)(a)~~ Compensation means gross wages or salaries payable
13 to the member during a fiscal year and includes (i) overtime pay, (ii)
14 member contributions to the retirement system that are picked up under
15 section 414(h) of the Internal Revenue Code, as defined in section
16 49-801.01, (iii) retroactive salary payments paid pursuant to court
17 order, arbitration, or litigation and grievance settlements, and (iv)
18 amounts contributed by the member to plans under sections 125, 403(b),
19 and 457 of the Internal Revenue Code, as defined in section 49-801.01, or
20 any other section of the code which defers or excludes such amounts from
21 income.

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

31 (c) Compensation in excess of the limitations set forth in section

1 401(a)(17) of the Internal Revenue Code, as defined in section 49-801.01,
2 shall be disregarded;

3 (12) ~~(13)~~ Council means the Nebraska Investment Council created and
4 acting pursuant to section 72-1237;

5 (13) ~~(14)~~ Creditable service means the sum of the membership service
6 and the prior service, measured in one-tenth-year increments;

7 (14) ~~(15)~~ Early retirement date means, for members hired prior to
8 July 1, 2016, who have attained age fifty-five, that month and year
9 selected by a member having at least ten years of creditable service
10 which includes a minimum of five years of membership service. Early
11 retirement date means, for members hired on or after July 1, 2016, that
12 month and year selected by a member having at least five years of
13 membership service and who has attained age sixty;

14 (15) ~~(16)~~ Early retirement inducement means, but is not limited to:

15 (a) A benefit, bonus, or payment to a member by an employer in
16 exchange for an agreement by the member to retire with a reduced
17 retirement benefit;

18 (b) A benefit, bonus, or payment paid to a member by an employer in
19 addition to the member's retirement benefit;

20 (c) Lump-sum or installment cash payments by an employer, except
21 payments for accrued unused leave converted to cash payments;

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

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

31 (f) Any other form of separation payments made by an employer to a

1 member at termination, including, but not limited to, purchasing
2 retirement contracts for the member pursuant to section 79-514, or
3 depositing money for the member in an account established under section
4 403(b) of the Internal Revenue Code except for payments for accrued
5 unused leave;

6 (16) ~~(17)~~ Employee means the following enumerated persons receiving
7 compensation from the school district: (a) Teachers, other than
8 substitutes, employed on a written contract basis; (b) administrators
9 employed on a written contract, agreement, or document basis; and (c)
10 regular employees;

11 (17) ~~(18)~~ Employer means a school district participating in a
12 retirement system established pursuant to the Class V School Employees
13 Retirement Act;

14 (18) ~~(19)~~ Fiscal year means the period beginning September 1 in any
15 year and ending on August 31 of the next succeeding year;

16 (19) ~~(20)~~ Hire date or date of hire means the first day of
17 compensated service subject to retirement contributions;

18 (20) ~~(21)~~ Interest means, for the purchase of service credit, the
19 purchase of prior service credit, restored refunds, and delayed payments,
20 the investment return assumption used in the most recent actuarial
21 valuation;

22 (21) ~~(22)~~ Member means any employee included in the membership of
23 the retirement system or any former employee who has made contributions
24 to the system and has not received a refund;

25 (22) ~~(23)~~ Membership service means service on or after September 1,
26 1951, as an employee of the school district and a member of the system
27 for which compensation is paid by the school district. Credit for more
28 than one year of membership service shall not be allowed for service
29 rendered in any fiscal year. Beginning September 1, 2005, a member shall
30 be credited with a year of membership service for each fiscal year in
31 which the member performs one thousand or more hours of compensated

1 service as an employee of the school district. For an employee who
2 becomes a member prior to July 1, 2018, an hour of compensated service
3 shall include any hour for which the member is compensated by the school
4 district during periods when no service is performed due to vacation or
5 approved leave. For an employee who becomes a member on or after July 1,
6 2018, an hour of compensated service shall include any hour for which the
7 member is compensated by the school district during periods when no
8 service is performed due to used accrued sick days, used accrued vacation
9 days, federal and state holidays, and jury duty leave for which the
10 member is paid full compensation by an employer. If a member performs
11 less than one thousand hours of compensated service during a fiscal year,
12 one-tenth of a year of membership service shall be credited for each one
13 hundred hours of compensated service by the member in such fiscal year.
14 In determining a member's total membership service, all periods of
15 membership service, including fractional years of membership service in
16 one-tenth-year increments, shall be aggregated;

17 ~~(23)~~ ~~(24)~~ Military service means service in the uniformed services
18 as defined in 38 U.S.C. 4301 et seq., as such provision existed on March
19 27, 1997;

20 ~~(24)~~ ~~(25)~~ Normal retirement date means the end of the month during
21 which the member attains age sixty-five and has completed at least five
22 years of membership service;

23 ~~(25)~~ ~~(26)~~ Participation means qualifying for and making required
24 deposits to the retirement system during the course of a fiscal year;

25 ~~(26)~~ ~~(27)~~ Primary beneficiary means the person or persons entitled
26 to receive or receiving a benefit by reason of the death of a member;

27 ~~(27)~~ ~~(28)~~ Prior service means service rendered prior to September 1,
28 1951, for which credit is allowed under section 79-999, service rendered
29 by retired employees receiving benefits under preexisting systems, and
30 service for which credit is allowed under sections 79-990, 79-991,
31 79-994, 79-995, and 79-997;

1 ~~(28)(a)~~ ~~(29)(a)~~ Regular employee means a person hired on a full-time
2 basis, which basis shall contemplate a work week of not less than thirty
3 hours, and who is not (i) a teacher employed on a written contract basis
4 or (ii) an administrator employed on a written contract, agreement, or
5 document basis.

6 (b) Effective September 1, 2021, a person hired by an employer or
7 under contract to provide service for less than thirty hours per week but
8 who provides service for an average of thirty hours or more per week in
9 each calendar month of any three calendar months of a fiscal year shall,
10 beginning with the next full payroll period:

11 (i) Commence contributions;

12 (ii) Be deemed a regular employee; and

13 (iii) Remain a deemed regular employee regardless of hours worked
14 thereafter;

15 ~~(29)~~ ~~(30)~~ Regular interest means interest (a) on the total
16 contributions of the member prior to the close of the last preceding
17 fiscal year, (b) compounded annually, and (c)(i) beginning September 1,
18 2016, at a rate equal to the daily treasury yield curve for one-year
19 treasury securities, as published by the Secretary of the Treasury of the
20 United States, that applies on September 1 of each year and (ii) prior to
21 September 1, 2016, at rates to be determined annually by the board, which
22 shall have the sole, absolute, and final discretionary authority to make
23 such determination, except that the rate for any given year in no event
24 shall exceed the actual percentage of net earnings of the system during
25 the last preceding fiscal year;

26 ~~(30)~~ ~~(31)~~ Retirement allowance means the total annual retirement
27 benefit payable to a member for service or disability;

28 ~~(31)~~ ~~(32)~~ Retirement application means beginning on and after
29 September 1, 2024, the form approved and provided by the retirement
30 system for acceptance of a member's request for either regular or
31 disability retirement;

1 ~~(32)~~ ~~(33)~~ Retirement board means the Public Employees Retirement
2 Board created and acting pursuant to section 84-1501;

3 (33) Retirement date means (a) the first day of the month following
4 the date upon which a member's request for retirement is received on a
5 retirement application if the member is eligible for retirement and has
6 terminated employment or (b) the first day of the month following
7 termination of employment if the member is eligible for retirement and
8 has filed an application but has not yet terminated employment; ~~(34)~~
9 ~~Retirement date means the date of retirement of a member for service or~~
10 ~~disability as fixed by (a) the board for retirements occurring prior to~~
11 ~~September 1, 2024, or (b) the retirement board for retirements occurring~~
12 ~~on or after September 1, 2024;~~

13 ~~(34)~~ ~~(35)~~ Retirement system or system means the School Employees'
14 Retirement System of (corporate name of the school district as described
15 in section 79-405) as provided for by the act;

16 ~~(35)~~ ~~(36)~~ School district means an employer participating in a
17 retirement system established pursuant to the Class V School Employees
18 Retirement Act;

19 ~~(36)~~ ~~(37)~~ Secondary beneficiary means the person or persons entitled
20 to receive or receiving a benefit by reason of the death of all primary
21 beneficiaries prior to the death of the member. If no primary beneficiary
22 survives the member, secondary beneficiaries shall be treated in the same
23 manner as primary beneficiaries;

24 ~~(37)~~ ~~(38)~~ Solvency means the rate of all contributions required
25 pursuant to the Class V School Employees Retirement Act is equal to or
26 greater than the actuarially required contribution rate as annotated in
27 the most recent valuation report prepared by the actuary retained for the
28 retirement system as provided in section 79-984;

29 ~~(38)~~ ~~(39)~~ State investment officer means the person appointed by the
30 council pursuant to section 72-1240 and acting pursuant to the Nebraska
31 State Funds Investment Act;

1 ~~(39)~~ ~~(40)~~ Substitute employee means a person hired by an employer as
2 a temporary employee to assume the duties of an employee due to a
3 temporary absence of any employee. Substitute employee does not mean a
4 person hired as an employee on an ongoing basis to assume the duties of
5 other employees who are temporarily absent;

6 ~~(40)~~ ~~(41)~~ Temporary employee means a person hired by an employer who
7 is not an employee and who is hired to provide service for a limited
8 period of time to accomplish a specific purpose or task. When such
9 specific purpose or task is complete, the employment of such temporary
10 employee shall terminate and in no case shall the temporary employment
11 period exceed one year in duration;

12 ~~(41)(a)~~ ~~(42)(a)~~ Termination of employment or termination occurs on
13 the date the member experiences a bona fide separation from service of
14 employment with the member's employer, the date of which separation is
15 the last day of service under the member's contractual agreement or, if
16 there is no contract or only partial fulfillment of a contract, as
17 determined by an employer. A member who experiences a separation from
18 service shall comply with the return-to-work provisions of section 79-992
19 if the member returns to work for an employer.

20 (b) A member shall not be deemed to have incurred a termination of
21 employment if the board determines that, based on the facts and
22 circumstances, (i) a claimed termination of employment was not a bona
23 fide separation from service with the employer; (ii) a member was
24 compensated for a full contractual period when the member stopped working
25 prior to the end date of the member's employment as determined by the
26 member's contract or labor agreement; or (iii) a member prearranged a
27 return to work that violates the Class V School Employees Retirement Act.

28 (c) Nothing in this subdivision ~~(41)~~ ~~(42)~~ precludes an employer from
29 adopting a policy which limits or denies employees who have experienced a
30 separation from service from working as a volunteer or substitute
31 employee within one hundred eighty days after the employee experiences a

1 separation from service;

2 (42) ~~(43)~~ Transfer of management means the transition and transfer
3 of the general management, administration, and operation of the
4 retirement system from the board of trustees, board of education, and
5 school district to the retirement board as described in the Class V
6 School Employees Retirement Act. Transfer of management does not include:

7 (a) Transfer of the school district's funding obligations described
8 in the Class V School Employees Retirement Act or assumption of financial
9 liability for such funding obligations by (i) the State of Nebraska, (ii)
10 the retirement board, (iii) the Nebraska Public Employees Retirement
11 Systems, (iv) any other state entity with duties related to
12 administration of the retirement system, or (v) the council for its
13 investment duties regarding the assets of the retirement system; or

14 (b) Merger or consolidation of any Class V school employees
15 retirement system established under the Class V School Employees
16 Retirement Act with the School Employees Retirement System of the State
17 of Nebraska or any other retirement system administered by the retirement
18 board;

19 (43) ~~(44)~~ Trustee means a trustee provided for in section 79-980;
20 and

21 (44) ~~(45)~~ Voluntary service or volunteer means providing bona fide
22 unpaid service to an employer.

23 **Sec. 26.** Section 79-978.01, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 79-978.01 Sections 79-978 to 79-9,124 and section 27 of this act
26 shall be known and may be cited as the Class V School Employees
27 Retirement Act.

28 **Sec. 27.** For any retirement allowance of a member under the Class V
29 School Employees Retirement Act:

30 (1) Monthly payments become effective on the first day of a calendar
31 month and shall be paid to the member on the last business day of such

1 month;

2 (2) The first such payment shall include all amounts of money that
3 accrued since the effective date of the award of the annuity; and

4 (3) The last such payment shall be paid:

5 (a) On the last business day of the calendar month in which the
6 member dies; or

7 (b) In accordance with the payment option chosen by the member.

8 **Sec. 28.** Section 79-979.01, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 79-979.01 (1)(a) The board of trustees or its designee, the school
11 district, the board of education or its designee, and the retirement
12 board shall enter into a plan for the transition and transfer of
13 management and general administration of the retirement system from the
14 board of trustees, the school district, and board of education to the
15 retirement board.

16 (b) The plan shall be consistent with the applicable requirements
17 and recommendations of the work plan submitted to the Clerk of the
18 Legislature as required by section 79-9,121. The plan shall be completed
19 no later than December 31, 2021, and shall also address additional
20 duties, obligations, and examinations related to the transition and
21 transfer of management of the retirement system to the retirement board
22 as described in the Class V School Employees Retirement Act as amended by
23 Laws 2021, LB147. A copy of the plan described in this section shall be
24 filed with the Nebraska Retirement Systems Committee of the Legislature
25 and the Governor upon completion.

26 (2) The board of trustees, the school district, and the board of
27 education shall timely provide to the retirement board all records,
28 documents, member and annuitant data, agreements, accounting and record-
29 keeping systems, information technology, and other information related to
30 the administration of the retirement system as may be necessary or
31 appropriate for the performance and completion of the work plan required

1 by section 79-9,121, the plan described in subsection (1) of this
2 section, and any other duties and obligations related to the transition
3 and transfer of management and general administration of the retirement
4 system requested by the executive director of the Nebraska Public
5 Employees Retirement Systems.

6 (3)(a) All costs, fees, and expenses incurred by the retirement
7 board on or after May 27, 2021, until September 1, 2025, related to the
8 transition and transfer of management and general administration of the
9 retirement system to the retirement board shall be paid by an employer of
10 the retirement system.

11 (b) The retirement board may bill an employer of the retirement
12 system monthly for all services and expenses relating to the work
13 performed as required in the Class V School Employees Retirement Act by
14 the retirement board and the Nebraska Public Employees Retirement Systems
15 staff, consultants, and contractors. An employer shall remit payment as
16 provided in section 79-9,122 and within the time period and in the manner
17 negotiated in the transition and transfer of management and
18 administration plan entered into pursuant to this section.

19 (4) No later than September 1, 2024, except for information
20 technology stabilization work performed until September 1, 2025, the
21 retirement board or its designee shall complete the applicable
22 requirements and carry out recommendations consistent with the work plan
23 and the plan entered into as described in subsection (1) of this section
24 for the transition and transfer of management and general administration
25 of the retirement system to the retirement board that was submitted to
26 the Clerk of the Legislature as required by section 79-9,121. The
27 retirement board is authorized to perform such tasks, enter into
28 contracts for services, access and copy administrative and computer
29 systems and records of the retirement system, and generally perform and
30 take all other action it determines necessary or appropriate to transfer
31 the management and general administration of the retirement system to the

1 retirement board.

2 (5)(a) Beginning September 1, 2024, the school district and board of
3 education shall not have any duty or authority for management, operation,
4 or general administration of the retirement system except for reporting
5 requirements and funding obligations as described in the Class V School
6 Employees Retirement Act.

7 (b) On and after such date, the retirement board, acting through the
8 executive director of the Nebraska Public Employees Retirement Systems,
9 shall have the duty and authority for the management, operation, and
10 general administration of the retirement system. Such duty and authority
11 of the retirement board and its officers, employees, or assigns does not
12 include financial responsibility or liability for funding obligations of
13 the retirement system which remain the responsibility of the school
14 district as described in the Class V School Employees Retirement Act.

15 **Sec. 29.** Section 79-983, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 79-983 (1) Until July 1, 2021, the administrator of the retirement
18 system shall be appointed by the board of trustees and approved by the
19 board of education and shall serve at the pleasure of the board of
20 trustees. Beginning July 1, 2021, the administrator of the retirement
21 system shall be appointed by the board of education. The administrator
22 shall hire, dismiss, and otherwise supervise the other staff of the
23 retirement system as approved and directed by the board, shall keep the
24 minutes and records of the retirement system, shall be the executive
25 officer in charge of the administration of the detailed affairs of the
26 retirement system, and shall perform such other duties as may be assigned
27 by the board. The administrator and retirement system staff shall be
28 employees of the Class V school district, with compensation and the
29 benefits as available to school district employees determined by the
30 board. The retirement system shall reimburse the Class V school district
31 for all employee costs of salary, employment taxes, and benefits provided

1 to the administrator and retirement system staff. The administrator shall
2 serve as a nonvoting, ex officio member of the council and shall not be
3 deemed a fiduciary of the council.

4 (2) Effective September 1, 2024, the position of the administrator
5 and all retirement system staff positions shall terminate. The
6 administrator duties shall be assumed by the executive director appointed
7 by the retirement board pursuant to section 84-1503.

8 **Sec. 30.** Section 79-989, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 79-989 (1) The board of education shall have available records
11 showing the name, address, title, social security number, beneficiary
12 records, annual compensation, sex, date of birth, length of creditable
13 and noncreditable service in hours, standard hours, and contract days,
14 bargaining unit, and annual contributions of each employee entitled to
15 membership in the retirement system and such other information as may be
16 reasonably requested by the board of trustees until September 1, 2024,
17 and by the retirement board beginning September 1, 2024, regarding such
18 member as may be necessary for actuarial study and valuation and the
19 administration of the retirement system. This information shall be
20 available in a timely manner to the board or retirement board, as
21 applicable, upon request.

22 (2) Beginning September 1, 2024:

23 (a)(i) The administrator of the retirement system shall keep a
24 complete record of all members with respect to name, current address,
25 age, contributions, and any other facts and information as may be
26 necessary in the administration of the Class V School Employees
27 Retirement Act. The information in the records shall be provided by an
28 employer in an accurate and verifiable form, as specified by the
29 administrator; and

30 (ii) The administrator shall, from time to time, carry out testing
31 procedures pursuant to section 84-1512 to verify the accuracy of such

1 facts and information. For the purpose of obtaining such facts and
2 information, the administrator shall have access to the records of an
3 employer and the holder of the records shall comply with a request by the
4 administrator for access by providing such facts and information to the
5 administrator in a timely manner. A certified copy of a birth certificate
6 or delayed birth certificate shall be prima facie evidence of the age of
7 the person named in the certificate;

8 (b) An employer and every employee shall send to the executive
9 director of the Nebraska Public Employees Retirement Systems, as
10 specified in this section, upon request and in the manner required by the
11 executive director, such information as he or she may require (i) for the
12 identification of employees and (ii) for the determination of the
13 membership of the retirement system and the obligations of an employer
14 and employee to the retirement system; and

15 (c) The administrator shall develop and implement an employer
16 education program using principles generally accepted by public employee
17 retirement systems so an employer has the knowledge and information
18 necessary to prepare and file reports as the retirement board requires.

19 (3) The information maintained by the board of education and
20 obtained from the board by the board of trustees or information obtained
21 and maintained by the retirement board for the administration of the
22 retirement system pursuant to this section shall not be considered public
23 records subject to sections 84-712 to 84-712.09, except that the
24 following information shall be considered public records: The member's
25 name, the date the member's participation in the retirement system
26 commenced, and the date the member's participation in the retirement
27 system ended, if applicable.

28 **Sec. 31.** Section 79-992, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 79-992 (1) A member who has five years or more of creditable
31 service, excluding years of prior service acquired pursuant to section

1 79-990, 79-991, 79-994, 79-995, or 79-997, and who terminates his or her
2 employment may elect to leave his or her contributions in the retirement
3 system, in which event he or she shall receive a retirement allowance at
4 normal retirement age based on the annuity earned to the date of such
5 termination of employment. Such member may elect to receive a retirement
6 allowance at early retirement age if such member retires at an early
7 retirement date. Such annuity shall be adjusted in accordance with
8 section 79-9,100. Upon termination of employment, except on account of
9 retirement, a member shall be entitled to receive refunds as follows: (a)
10 An amount equal to the accumulated contributions to the retirement system
11 by the member; and (b) any contributions made to a previously existing
12 system which were refundable under the terms of that system. Any member
13 receiving a refund of contributions shall thereby forfeit and relinquish
14 all accrued rights in the retirement system including all accumulated
15 creditable service, except that if any member who has withdrawn his or
16 her contributions as provided in this section reenters the service of the
17 district and again becomes a member of the retirement system, he or she
18 may restore any or all money previously received by him or her as a
19 refund, including the interest on the amount of the restored refund for
20 the period of his or her absence from the district's service as
21 determined using the interest rate for interest on such restored refunds,
22 and he or she shall then again receive credit for that portion of service
23 which the restored money represents. Such restoration may be made as the
24 board may direct until September 1, 2024, and as the retirement board may
25 direct beginning September 1, 2024, through direct payments to the system
26 or on an installment basis pursuant to a binding irrevocable payroll
27 deduction authorized between the member and the school district over a
28 period of not to exceed five years from the date of reemployment.
29 Interest on delayed payments shall be at the rate of interest for
30 determining interest on delayed payments by members to the retirement
31 system. Creditable service may be purchased only in one-tenth-year

1 increments, starting with the most recent years' salary.

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

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

8 (ii) The retirement annuity of a retired member who returns to
9 employment with the school district shall continue to be paid by the
10 retirement system. A retired member who returns to employment as an
11 employee of the school district shall receive creditable service only for
12 service performed after his or her return to employment and in no event
13 shall creditable service which accrues or the compensation paid to the
14 member after such return to employment after retirement increase the
15 amount of the member's original retirement annuity;

16 (b) Upon termination of employment of the reemployed member, the
17 member shall receive in addition to the retirement annuity which
18 commenced at the time of the previous retirement (i) if the member has
19 accrued five years or more of creditable service after his or her return
20 to employment, excluding years of prior service acquired pursuant to
21 section 79-990, 79-991, 79-994, 79-995, or 79-997, a retirement annuity
22 as provided in section 79-999 or 79-9,100, as applicable, calculated
23 solely on the basis of creditable service and final average compensation
24 accrued and earned after the member's return to employment after his or
25 her original retirement, and as adjusted to reflect any payment in other
26 than the normal form or (ii) if the member has not accrued five years or
27 more of creditable service after his or her return to employment, a
28 refund equal to the member's accumulated contributions which were
29 credited to the member after the member's return to employment. In no
30 event shall the member's creditable service which accrued prior to a
31 previous retirement be considered as part of the member's creditable

1 service after his or her return to employment for any purpose of the
2 Class V School Employees Retirement Act;

3 (c) A member who experiences a separation from service but has not
4 submitted a retirement application or request for distribution pursuant
5 to this section or as described in subdivision ~~(31)~~ ~~(32)~~ of section
6 79-978, or received a retirement benefit, disability retirement benefit,
7 or refund may return to work as a temporary employee, substitute
8 employee, or volunteer. Such a temporary employee, substitute employee,
9 or volunteer:

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

12 (ii) Shall not be deemed to have incurred a termination of
13 employment for purposes of this section or section 79-992.01, 79-9,105,
14 or 79-9,106, or for any other purposes under the Class V School Employees
15 Retirement Act, and shall not be eligible to receive a retirement
16 benefit, disability retirement benefit, or distribution pursuant to this
17 section, until the member incurs a termination of employment as described
18 in subdivision ~~(41)~~ ~~(42)~~ of section 79-978; and

19 (iii) Except as provided in subdivision (2)(a)(i) of this section,
20 shall not be eligible to contribute to the retirement system pursuant to
21 section 79-9,113 or earn membership service credit in the retirement
22 system as described in subdivision ~~(22)~~ ~~(23)~~ of section 79-978; and

23 (d)(i) A member who experiences a separation from service and has
24 submitted a retirement application or request for distribution pursuant
25 to this section or as described in subdivision ~~(31)~~ ~~(32)~~ of section
26 79-978, or received a retirement benefit, disability retirement benefit,
27 or distribution, shall not be deemed to have incurred a termination of
28 employment if the member subsequently returns to work for the district
29 within one hundred eighty days after separating from service, unless such
30 work is limited to:

31 (A) Bona fide unpaid voluntary service;

1 (B) Work performed as a substitute employee on an intermittent
2 basis; or

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

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

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

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

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

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

16 (B) The date the board receives the member's retirement application
17 or request for distribution as described in subdivision (31) ~~(32)~~ of
18 section 79-978.

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

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

27 (B) The date the board receives the member's retirement application
28 or request for distribution as described in subdivision (31) ~~(32)~~ of
29 section 79-978.

30 (v) A member may appeal the administrator's determination to the
31 board within thirty days after the determination by the administrator.

1 The board's determination on appeal shall be final and shall not be
2 appealable to any court.

3 (3) In the event a member is entitled to receive a refund of
4 contributions pursuant to subsection (1) or subdivision (2)(b)(ii) of
5 this section in an amount greater than one thousand dollars, if the
6 member does not elect to have the refund paid directly to himself or
7 herself or transferred to an eligible retirement plan designated by the
8 member as a direct rollover pursuant to section 79-998, then the refund
9 of contributions shall be paid in a direct rollover to an individual
10 retirement plan as designated by the board until September 1, 2024, and
11 as designated by the retirement board beginning September 1, 2024.

12 **Sec. 32.** Section 79-9,103, Revised Statutes Supplement, 2025, is
13 amended to read:

14 79-9,103 (1) Any annuity paid on or after September 1, 1983, to a
15 member who retired prior to February 21, 1982, pursuant to the Class V
16 School Employees Retirement Act, or to such member's beneficiary, or to a
17 person who retired under the provisions of the retirement system
18 established by statute for employees of Class V school districts in
19 effect prior to September 1, 1951, or to such person's beneficiary, shall
20 be adjusted by the increase in the cost of living or wage levels between
21 the effective date of retirement and June 30, 1983, except that such
22 increase shall not exceed the sum of one dollar and fifty cents per month
23 for each year of creditable service and one dollar per month for each
24 completed year of retirement as measured from the effective date of
25 retirement to June 30, 1983. No separate adjustment in such annuity shall
26 be made as a result of the changes made in section 79-9,113 pursuant to
27 Laws 1983, LB 488. If a joint and survivor annuity was elected, the
28 increase shall be actuarially adjusted so that the joint and survivor
29 annuity remains the actuarial equivalent of the life annuity otherwise
30 payable.

31 (2) In addition to the cost-of-living adjustment provided in

1 subsection (1) of this section, any annuity paid on or after September 1,
2 1986, pursuant to the act or pursuant to the provisions of the retirement
3 system established by statute for employees of Class V school districts
4 in effect prior to September 1, 1951, and on which the first payment was
5 dated on or before September 1, 1985, shall be adjusted by the increase
6 in the cost of living or wage levels between the effective date of
7 retirement and June 30, 1986, except that such increase shall not exceed
8 (a) three and one-half percent for annuities first paid on or after
9 September 1, 1984, (b) seven percent for annuities first paid on or after
10 September 1, 1983, but before September 1, 1984, or (c) ten and one-half
11 percent for all other annuities.

12 (3) In addition to the cost-of-living adjustments provided in
13 subsections (1) and (2) of this section, any annuity paid on or after
14 September 1, 1989, pursuant to the act or pursuant to the provisions of
15 the retirement system established by statute for employees of Class V
16 school districts in effect prior to September 1, 1951, and on which the
17 first payment was dated on or before September 1, 1988, shall be adjusted
18 by the increase in the cost of living or wage levels between the
19 effective date of retirement and June 30, 1989, except that such increase
20 shall not exceed (a) three percent for annuities first paid on or after
21 September 1, 1987, (b) six percent for annuities first paid on or after
22 September 1, 1986, but before September 1, 1987, or (c) nine percent for
23 all other annuities.

24 (4) In addition to the cost-of-living adjustments provided in
25 subsections (1), (2), and (3) of this section, any annuity paid on or
26 after September 1, 1992, pursuant to the act or pursuant to the
27 provisions of the retirement system established by statute for employees
28 of Class V school districts in effect prior to September 1, 1951, and on
29 which the first payment was dated on or before October 1, 1991, shall be
30 adjusted by the increase in the cost of living or wage levels between the
31 effective date of retirement and June 30, 1992, except that such increase

1 shall not exceed (a) three percent for annuities first paid after October
2 1, 1990, (b) six percent for annuities first paid after October 1, 1989,
3 but on or before October 1, 1990, or (c) nine percent for all other
4 annuities.

5 (5) In addition to the cost-of-living adjustments provided in
6 subsections (1), (2), (3), and (4) of this section, any annuity paid on
7 or after September 1, 1995, pursuant to the act or pursuant to the
8 provisions of the retirement system established by statute for employees
9 of Class V school districts in effect prior to September 1, 1951, and on
10 which the first payment was dated on or before October 1, 1994, shall be
11 adjusted by the increase in the cost of living or wage levels between the
12 effective date of retirement and June 30, 1995, except that such increase
13 shall not exceed (a) three percent for annuities first paid after October
14 1, 1993, (b) six percent for annuities first paid after October 1, 1992,
15 but on or before October 1, 1993, or (c) nine percent for all other
16 annuities.

17 (6) In addition to the cost-of-living adjustments provided in
18 subsections (1), (2), (3), (4), and (5) of this section, any annuity paid
19 pursuant to the act or pursuant to the provisions of the retirement
20 system established by statute for employees of Class V school districts
21 in effect prior to September 1, 1951, and on which the first payment was
22 dated on or before October 1, 1994, shall be subject to adjustment to
23 equal the greater of (a) the annuity payable to the member or beneficiary
24 as adjusted, if applicable, under the provisions of subsection (1), (2),
25 (3), (4), or (5) of this section or (b) ninety percent of the annuity
26 which results when the original annuity that was paid to the member or
27 beneficiary (before any cost-of-living adjustments under this section),
28 is adjusted by the increase in the cost of living or wage levels between
29 the commencement date of the annuity and June 30, 1995.

30 (7) In addition to the cost-of-living adjustments provided in
31 subsections (1), (2), (3), (4), (5), and (6) of this section, any annuity

1 paid on or after September 1, 1998, pursuant to the act or pursuant to
2 the provisions of the retirement system established by statute for
3 employees of Class V school districts in effect prior to September 1,
4 1951, and on which the first payment was dated on or before October 3,
5 1997, shall be adjusted by the increase in the cost of living or wage
6 levels between the effective date of retirement and June 30, 1998, except
7 that such increase shall not exceed (a) three percent for annuities first
8 paid after October 1, 1996, (b) six percent for annuities first paid
9 after October 1, 1995, but on or before October 1, 1996, or (c) nine
10 percent for all other annuities.

11 (8)(a) (8) Beginning January 1, 2000, and on January 1 of every year
12 thereafter, for employees of Class V school districts who were members
13 prior to July 1, 2013, a cost-of-living adjustment shall be made for any
14 formula annuity being paid pursuant to the act, or pursuant to the
15 provisions of the retirement system established by statute for employees
16 of Class V school districts in effect prior to September 1, 1951, and on
17 which the first payment was dated on or before October 3 preceding the
18 such January 1 adjustment date.

19 (b)(i) Beginning January 1, 2000, and on and before January 1, 2026,
20 such adjustment shall occur on January 1 of each year.

21 (ii) Beginning September 1, 2026, such adjustment shall occur on
22 September 1 of each year.

23 (c) The cost-of-living adjustment for any such annuity shall be the
24 lesser of:

25 (i) One (a) one and one-half percent; or

26 (ii) The (b) the increase in the consumer price index from the date
27 such annuity first became payable through the August 31 preceding the
28 January 1 adjustment date as reduced by the aggregate cost-of-living
29 adjustments previously made to the annuity pursuant to this section.

30 (9)(a) (9) Beginning January 1, 2014, and on January 1 of every year
31 thereafter, for employees of Class V school districts who became members

1 on or after July 1, 2013, a cost-of-living adjustment shall be made for
2 any formula annuity being paid pursuant to the act and on which the first
3 payment was dated on or before October 3 preceding ~~the such January 1~~
4 adjustment date.

5 (b)(i) Beginning January 1, 2014, and on and before January 1, 2026,
6 such adjustment shall occur on January 1 of each year.

7 (ii) Beginning September 1, 2026, such adjustment shall occur on
8 September 1 of each year.

9 (c) The cost-of-living adjustment for any such annuity shall be the
10 lesser of:

11 (i) One ~~(a) one~~ percent; or

12 (ii) The ~~(b) the~~ increase in the consumer price index from the date
13 such annuity first became payable through the August 31 preceding the
14 ~~January 1~~ adjustment date as reduced by the aggregate cost-of-living
15 adjustments previously made to the annuity pursuant to this section.

16 (10) Beginning September 1, 1999, the actuary shall make an annual
17 valuation of the assets and liabilities of the system. If the annual
18 valuation made by the actuary, as approved by the board of trustees,
19 indicates that the system has sufficient actuarial surplus to provide for
20 a cost-of-living adjustment in addition to the adjustment made pursuant
21 to subsection (8) or (9) of this section, the board of trustees may, in
22 its discretion, declare by resolution that each annuity being paid
23 pursuant to the act, or pursuant to the provisions of the retirement
24 system established by statute for employees of Class V school districts
25 in effect prior to September 1, 1951, and on which the first payment was
26 dated on or before October 3 of the year such resolution is adopted,
27 shall be increased beginning as of the January 1 following the date of
28 the board of trustees' resolution by such percentage as may be declared
29 by the board of trustees, except that such increase for any such annuity
30 shall not exceed the increase in the consumer price index from the date
31 such annuity first became payable through the applicable valuation date

1 as reduced by the aggregate cost-of-living adjustments previously made to
2 the annuity pursuant to this section.

3 (11) Except for the adjustments pursuant to subsection (13) of this
4 section, the consumer price index to be used for determining any cost-of-
5 living adjustment under this section shall be the Consumer Price Index -
6 All Urban Consumers, as published by the Bureau of Labor Statistics of
7 the United States Department of Labor. If this consumer price index is
8 discontinued or replaced, a substitute index published by the United
9 States Department of Labor shall be selected by the board if before
10 September 1, 2024, or by the retirement board if on or after September 1,
11 2024. Any substitute index selected shall be a reasonable representative
12 measurement of the cost of living for retired employees. An annuity as
13 increased by any cost-of-living adjustment made under this section shall
14 be considered the base annuity amount for the purpose of future
15 adjustments pursuant to this section. In no event shall any cost-of-
16 living adjustment be deemed to affect or increase the amount of the base
17 retirement annuity of a member as determined under section 79-999 or
18 79-9,100.

19 (12) Any decision or determination by the board or retirement board,
20 as applicable, (a) to declare or not declare a cost-of-living adjustment,
21 (b) as to whether the annual valuation indicates a sufficient actuarial
22 surplus to provide for a cost-of-living adjustment, or (c) pursuant to
23 the selection of a substitute index shall be made in the sole, absolute,
24 and final discretion of the board or retirement board, as applicable, and
25 shall not be subject to challenge by any member or beneficiary. In no
26 event shall the Legislature be constrained or limited in amending the
27 system or increasing the benefits of members under the system, nor shall
28 the board or retirement board, as applicable, be constrained from
29 supporting any such change to the system, notwithstanding the effect of
30 any such change upon the actuarial surplus of the system and the ability
31 of the board or retirement board, as applicable, to declare future cost-

1 of-living adjustments.

2 ~~(13)(a) (13)~~ The Legislature finds and declares that:

3 (i) There ~~there~~ exists in this state a pressing need to attract and
4 retain qualified and dedicated public school employees and that one of
5 the factors prospective public school employees consider when seeking or
6 continuing public school employment is the retirement system and benefits
7 the employment provides; ~~;~~

8 (ii) Over ~~The Legislature further finds that over~~ the past decades,
9 as reflected by the Medical Price Index published by the United States
10 Department of Labor, the cost of medical care, including the cost of
11 medications and insurance coverages, has increased at a rate in excess of
12 that by which the Consumer Price Index - All Urban Consumers has
13 increased; ~~and~~ ~~;~~

14 (iii) There ~~The Legislature further finds and declares that there~~
15 accordingly exists a need to adjust the amount of retirement benefits
16 paid to retired public school employees in order to assist them in
17 meeting the increased cost of medical care.

18 (b) Therefor, in addition to the cost-of-living adjustments provided
19 in subsections (1) through (12) of this section; ~~;~~

20 (i) Commencing ~~commencing~~ on October 3, 2001, and on October 3 of
21 every year thereafter until cost-of-living adjustments under subdivision
22 (13)(b)(ii) of this section apply, a medical cost-of-living adjustment
23 shall be paid to any annuitant who became a member prior to July 1, 2016,
24 and has been paid an annuity from the retirement system for at least ten
25 years through the ~~October 3~~ adjustment date.

26 (ii) On September 1, 2026, and on September 1 of every year
27 thereafter, a medical cost-of-living adjustment shall be paid to any
28 annuitant who became a member prior to July 1, 2016, and has been paid an
29 annuity from the retirement system for at least ten years through the
30 September 1 adjustment date.

31 (c)(i) The medical cost-of-living adjustment shall be paid in the

1 form of a supplemental annuity providing monthly payments equal to the
2 amount that ~~which~~ results when (A) ~~(a)~~ the fraction, not to exceed one,
3 that results when the annuitant's years of creditable service at his or
4 her retirement date is divided by twenty, is multiplied by (B) ~~(b)~~ the
5 product of ten dollars times the number of years, including attained one-
6 half years, that such annuitant has received annuity payments from the
7 retirement system through the medical cost-of-living ~~October-3~~ adjustment
8 date.

9 (ii) The supplemental annuity being paid to an annuitant shall
10 increase by ten dollars on the medical cost-of-living adjustment date
11 ~~October-3~~ of each subsequent year to reflect the additional year of
12 annuity payments to the annuitant until the total amount of the
13 supplemental annuity is two hundred fifty dollars.

14 (iii) In no event shall the medical cost-of-living adjustment for
15 any annuitant pursuant to this subsection result in the payment of a
16 supplemental annuity exceeding two hundred fifty dollars per month.

17 (d) The supplemental annuity paid to an annuitant pursuant to this
18 subsection shall cease at the death of the annuitant regardless of the
19 form of retirement annuity being paid to the annuitant at the time of his
20 or her death.

21 **Sec. 33.** Section 79-9,113, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 79-9,113 (1)(a) Commencing September 1, 1969, all employees of the
24 school district shall contribute an amount equal to the membership
25 contribution which shall be two and three-fourths percent of the first
26 seven thousand eight hundred dollars of salary or wages earned each
27 fiscal year and five percent of salary or wages earned above that amount
28 in the same fiscal year. Commencing September 1, 1976, all employees of
29 the school district shall contribute an amount equal to the membership
30 contribution which shall be two and nine-tenths percent of the first
31 seven thousand eight hundred dollars of salary or wages earned each

1 fiscal year and five and twenty-five hundredths percent of salary or
2 wages earned above that amount in the same fiscal year. Commencing on
3 September 1, 1982, all employees of the school district shall contribute
4 an amount equal to the membership contribution which shall be four and
5 nine-tenths percent of the compensation earned in each fiscal year.
6 Commencing September 1, 1989, all employees of the school district shall
7 contribute an amount equal to the membership contribution which shall be
8 five and eight-tenths percent of the compensation earned in each fiscal
9 year. Commencing September 1, 1995, all employees of the school district
10 shall contribute an amount equal to the membership contribution which
11 shall be six and three-tenths percent of the compensation earned in each
12 fiscal year. Commencing September 1, 2007, all employees of the school
13 district shall contribute an amount equal to the membership contribution
14 which shall be seven and three-tenths percent of the compensation paid in
15 each fiscal year. Commencing September 1, 2009, all employees of the
16 school district shall contribute an amount equal to the membership
17 contribution which shall be eight and three-tenths percent of the
18 compensation paid in each fiscal year. Commencing September 1, 2011, all
19 employees of the school district shall contribute an amount equal to the
20 membership contribution which shall be nine and three-tenths percent of
21 the compensation paid in each fiscal year. Commencing September 1, 2013,
22 all employees of the school district shall contribute an amount equal to
23 the membership contribution which shall be nine and seventy-eight
24 hundredths percent of the compensation paid in each fiscal year.

25 (b) The contributions by the school district in any fiscal year
26 beginning on or after September 1, 1999, shall be the greater of (i) one
27 hundred percent of the contributions by the employees for such fiscal
28 year or (ii) such amount as may be necessary to maintain the solvency of
29 the system, as determined annually by the board of education upon
30 recommendation of the actuary and the board of trustees.

31 (c) The contributions by the school district in any fiscal year

1 beginning on or after September 1, 2007, and prior to September 1, 2018,
2 shall be the greater of (i) one hundred one percent of the contributions
3 by the employees for such fiscal year or (ii) such amount as may be
4 necessary to maintain the solvency of the system, as determined annually
5 by the board of education upon recommendation of the actuary retained by
6 the board of trustees and after considering any amounts that will be, or
7 are expected to be, contributed ~~transferred~~ to the system pursuant to
8 subdivision (1)(b) of section 79-966. The amount necessary to maintain
9 the solvency of the system as determined in subdivision (ii) of this
10 subdivision (c) shall be transmitted by the school district to the
11 account of the retirement system no later than August 31, 2018. The
12 school district contributions specified in subdivision (i) of this
13 subdivision (c) shall be made monthly and shall be immediately
14 transmitted to the account of the retirement system.

15 (d) The contributions by the school district in any fiscal year
16 beginning on or after September 1, 2018, and prior to September 1, 2024,
17 shall be the greater of (i) one hundred one percent of the contributions
18 by the employees for such fiscal year or (ii) such amount as may be
19 necessary to maintain the solvency of the system, as determined annually
20 by the board of education upon recommendation of the actuary retained by
21 the board of trustees and after considering any amounts contributed by
22 the state pursuant to subdivision (1)(b) of section 79-966 that will be,
23 or are expected to be, contributed ~~transferred~~ to the school district by
24 the State Treasurer. The amount necessary to maintain the solvency of the
25 system as determined in subdivision (ii) of this subdivision (d) shall be
26 transmitted by the school district to the account of the retirement
27 system no later than August 31, 2019, and each August 31 thereafter. The
28 school district contributions specified in subdivision (i) of this
29 subdivision (d) shall be made monthly and shall be immediately
30 transmitted to the account of the retirement system.

31 (e) The contributions by the school district in any fiscal year

1 beginning on or after September 1, 2024, shall be the greater of:

2 (i) One hundred one percent of the contributions by the employees
3 for such fiscal year; or

4 (ii) Such amount as may be necessary to maintain the solvency of the
5 system, as determined annually by the board of education upon
6 recommendation of the actuary retained by the retirement board pursuant
7 to section 79-984 and after considering any amounts contributed by the
8 state pursuant to subdivision (1)(b) of section 79-966 that will be, or
9 are expected to be, transferred to the school district by the State
10 Treasurer for contribution transfer by the school district to the
11 retirement system.

12 (f) The amount necessary to maintain the solvency of the system as
13 determined in subdivision (1)(e)(ii) of this section shall be transmitted
14 by the school district to the Class V School Employees Retirement Fund no
15 later than August 31, 2025, and each August 31 thereafter.

16 (g) The school district contributions specified in subdivision (1)
17 (e)(i) of this section shall be made monthly and shall be immediately
18 transmitted to the Class V School Employees Retirement Fund.

19 (h) Nothing in this section prohibits the school district from
20 making other contributions in addition to the contributions required
21 pursuant to this section.

22 (i) The employee's contribution shall be made in the form of a
23 monthly deduction from compensation as provided in subsection (2) of this
24 section and shall be immediately transmitted to the account of the
25 retirement system. Every employee who is a member of the system shall be
26 deemed to consent and agree to such deductions and shall receipt in full
27 for compensation, and payment to such employee of compensation less such
28 deduction shall constitute a full and complete discharge of all claims
29 and demands whatsoever for services rendered by such employee during the
30 period covered by such payment except as to benefits provided under the
31 Class V School Employees Retirement Act.

1 (j) After September 1, 1963, and prior to September 1, 1969, all
2 employees shall be credited with a membership service annuity which shall
3 be nine-tenths of one percent of salary or wage covered by old age and
4 survivors insurance and one and one-half percent of salary or wages above
5 that amount, except that those employees who retire on or after August
6 31, 1969, shall be credited with a membership service annuity which shall
7 be one percent of salary or wages covered by old age and survivors
8 insurance and one and sixty-five hundredths percent of salary or wages
9 above that amount for service performed after September 1, 1963, and
10 prior to September 1, 1969. Commencing September 1, 1969, all employees
11 shall be credited with a membership service annuity which shall be one
12 percent of the first seven thousand eight hundred dollars of salary or
13 wages earned by the employee during each fiscal year and one and sixty-
14 five hundredths percent of salary or wages earned above that amount in
15 the same fiscal year, except that all employees retiring on or after
16 August 31, 1976, shall be credited with a membership service annuity
17 which shall be one and forty-four hundredths percent of the first seven
18 thousand eight hundred dollars of salary or wages earned by the employee
19 during such fiscal year and two and four-tenths percent of salary or
20 wages earned above that amount in the same fiscal year, and the
21 retirement annuities of employees who have not retired prior to September
22 1, 1963, and who elected under the provisions of section 79-988 as such
23 section existed immediately prior to February 20, 1982, not to become
24 members of the system shall not be less than they would have been had
25 they remained under any preexisting system to date of retirement.

26 (k) Members of this system having the service qualifications of
27 members of the School Employees Retirement System of the State of
28 Nebraska, as provided by section 79-926, who are members of the
29 retirement system established pursuant to the Class V School Employees
30 Retirement Act prior to July 1, 2016, shall receive the state service
31 annuity provided by sections 79-933 to 79-935 and 79-951.

1 (2) The school district shall pick up the employee contributions
2 required by this section for all compensation paid on or after January 1,
3 1985, and the contributions so picked up shall be treated as employer
4 contributions in determining federal tax treatment under the Internal
5 Revenue Code, except that the school district shall continue to withhold
6 federal income taxes based upon these contributions until the Internal
7 Revenue Service or the federal courts rule that, pursuant to section
8 414(h) of the Internal Revenue Code, these contributions shall not be
9 included as gross income of the employee until such time as they are
10 distributed or made available. The school district shall pay these
11 employee contributions from the same source of funds which is used in
12 paying earnings to the employee. The school district shall pick up these
13 contributions by a salary deduction either through a reduction in the
14 cash salary of the employee or a combination of a reduction in salary and
15 offset against a future salary increase. Beginning September 1, 1995, the
16 school district shall also pick up any contributions required by sections
17 79-990, 79-991, and 79-992 which are made under an irrevocable payroll
18 deduction authorization between the member and the school district, and
19 the contributions so picked up shall be treated as employer contributions
20 in determining federal tax treatment under the Internal Revenue Code,
21 except that the school district shall continue to withhold federal and
22 state income taxes based upon these contributions until the Internal
23 Revenue Service rules that, pursuant to section 414(h) of the Internal
24 Revenue Code, these contributions shall not be included as gross income
25 of the employee until such time as they are distributed from the system.
26 Employee contributions picked up shall be treated for all purposes of the
27 Class V School Employees Retirement Act in the same manner and to the
28 extent as employee contributions made prior to the date picked up.

29 **Sec. 34.** Section 79-9,115, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 79-9,115 (1) The Class V School Employees Retirement Fund is

1 created.

2 ~~(2) Until September 1, 2024, except as provided in this section:~~

3 ~~(a) All allowances, annuities, or other benefits granted under the~~
4 ~~Class V School Employees Retirement Act, and all expenses incurred in~~
5 ~~connection with the administration of the act, except clerical work~~
6 ~~incurred in connection with maintenance of records and payment of~~
7 ~~benefits, shall be paid from the Class V School Employees Retirement~~
8 ~~Fund;~~

9 ~~(b) Such clerical work shall be performed by employees of the school~~
10 ~~district or districts;~~

11 ~~(c) The administrator and staff of the retirement system shall be~~
12 ~~permitted reasonable office and records storage space in the central~~
13 ~~office building of the Class V school district formed before September~~
14 ~~13, 1997; and~~

15 ~~(d) All expenses for the retirement system office accommodations and~~
16 ~~integrated pension benefit information management systems, including all~~
17 ~~services, support, furniture, and equipment provided to or by any central~~
18 ~~office department of the school district, shall be charged to the~~
19 ~~retirement system.~~

20 ~~(2)(a) The (3)(a) Beginning September 1, 2024, the required deposits~~
21 ~~of the school district and the state contributions amounts transferred to~~
22 ~~the school district by the State Treasurer for transmission to the~~
23 ~~retirement system and required deposits of the employees shall be~~
24 ~~credited to the Class V School Employees Retirement Fund and all~~
25 ~~allowances, annuities, and other benefits shall be paid from such fund as~~
26 ~~directed by the retirement board as provided in the Class V School~~
27 ~~Employees Retirement Act.~~

28 ~~(b) The account of each member in the Class V School Employees~~
29 ~~Retirement Fund shall be credited with regular interest earned monthly,~~
30 ~~quarterly, semiannually, or annually as the retirement board may direct.~~

31 ~~(3) Any (4) Beginning on August 24, 2017, any expenses with respect~~

1 to the transfer to and assumption by the council and the state investment
2 officer of the duty and authority to invest the assets of a retirement
3 system provided for under the Class V School Employees Retirement Act
4 shall be charged to the Class V School Employees Retirement Fund. Such
5 expenses shall be paid without the approval of the board of trustees or
6 the retirement board, as applicable.

7 **Sec. 35.** Section 79-9,118, Revised Statutes Supplement, 2025, is
8 amended to read:

9 79-9,118 No employee shall be authorized to participate in the
10 retirement system unless the employee is a United States citizen or is
11 lawfully present in the United States. The employing public school and
12 the school employee shall:

13 (1) Maintain at least one approved identification document as
14 defined in section 4-108; and

15 (2) Produce any such approved identification document so maintained
16 upon request of the Public Employees Retirement Board or the Nebraska
17 Public Employees Retirement Systems. ~~maintain at least one of the~~
18 ~~following documents, which shall be unexpired if applicable to the~~
19 ~~particular document or which has an expiration date that has been~~
20 ~~extended by the United States Department of Homeland Security or the~~
21 ~~United States Citizenship and Immigration Services so that such document~~
22 ~~is still valid, to demonstrate United States citizenship or lawful~~
23 ~~presence in the United States as of the employee's date of hire, and,~~
24 ~~beginning September 1, 2024, produce any such document so maintained upon~~
25 ~~request of the retirement board or the Nebraska Public Employees~~
26 ~~Retirement Systems:~~

27 ~~(1) A state-issued driver's license;~~

28 ~~(2) A state-issued identification card;~~

29 ~~(3) A state-issued motor vehicle learner's permit;~~

30 ~~(4) A certified copy of a birth certificate or delayed birth~~
31 ~~certificate issued in any state, territory, or possession of the United~~

1 States;

2 ~~(5) A Consular Report of Birth Abroad issued by the United States~~
3 ~~Department of State;~~

4 ~~(6) A United States passport;~~

5 ~~(7) A foreign passport with a United States visa;~~

6 ~~(8) A United States Certificate of Naturalization;~~

7 ~~(9) A United States Certificate of Citizenship;~~

8 ~~(10) A tribal certificate of Native American blood or similar~~
9 ~~document;~~

10 ~~(11) A United States Citizenship and Immigration Services Employment~~
11 ~~Authorization Document, Form I-766;~~

12 ~~(12) A United States Citizenship and Immigration Services Permanent~~
13 ~~Resident Card, Form I-551; or~~

14 ~~(13) Any other document issued by the United States Department of~~
15 ~~Homeland Security or the United States Citizenship and Immigration~~
16 ~~Services granting employment authorization in the United States and~~
17 ~~approved (a) until September 1, 2024, by the board of trustees and (b)~~
18 ~~beginning September 1, 2024, by the retirement board.~~

19 **Sec. 36.** Section 79-9,121, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 79-9,121 (1)(a) The Public Employees Retirement Board, in
22 consultation with stakeholders including, but not limited to, the
23 Nebraska Retirement Systems Committee of the Legislature and the board of
24 trustees and employer of any Class V school employees retirement system
25 established under the Class V School Employees Retirement Act and which
26 existed on January 1, 2019, shall develop a work plan for the transfer of
27 management and actuarial services of any such Class V school employees
28 retirement system to the Public Employees Retirement Board.

29 (b) The work plan shall include, but not be limited to, a detailed
30 analysis and recommendations regarding (i) management, administration,
31 actuarial service, information technology, computer infrastructure,

1 accounting, and member data and record transfer; (ii) necessary statutory
2 changes to achieve the transfer of management and actuarial services;
3 (iii) staff training and assessment of staffing needs; (iv) educational
4 and communication plans to fully inform all system stakeholders and
5 affected governmental entities regarding management changes; (v)
6 sufficient timeframes for an orderly transition and implementation of
7 management and actuarial changes; (vi) cost estimates associated with the
8 tasks necessary to carry out the management transition; and (vii) a
9 comparison of the current annual cost to administer any Class V school
10 employees retirement system established under the Class V School
11 Employees Retirement Act and which existed on January 1, 2019, with an
12 estimate of the annual cost for the Public Employees Retirement Board to
13 administer such system after a management transfer occurs.

14 (c) The employer of any Class V school employees retirement system
15 established under the Class V School Employees Retirement Act and which
16 existed on January 1, 2019, shall provide all records, documents, data,
17 or other information to the Public Employees Retirement Board within
18 thirty calendar days after receiving a written request from the executive
19 director of the Nebraska Public Employees Retirement Systems, or from the
20 executive director's representative on behalf of the Public Employees
21 Retirement Board, for such records, documents, data, or other
22 information.

23 (d) The Public Employees Retirement Board shall electronically
24 report the work plan, including any recommendations, cost estimates, and
25 cost comparisons, to the Clerk of the Legislature no later than June 30,
26 2020.

27 (2) For purposes of this section, management does not include:

28 (a) A merger or consolidation of any Class V school employees
29 retirement system established under the Class V School Employees
30 Retirement Act and which existed on January 1, 2019, with the School
31 Employees Retirement System of the State of Nebraska or any other

1 retirement system administered by the Public Employees Retirement Board;
2 or

3 (b) An assumption of any of the liability for any such Class V
4 school employees retirement system by the State of Nebraska, the Public
5 Employees Retirement Board, or the Nebraska Public Employees Retirement
6 Systems.

7 (3) The Public Employees Retirement Board may quarterly bill the
8 employer of any Class V school employees retirement system established
9 under the Class V School Employees Retirement Act and which existed on
10 January 1, 2019, for all work performed by the Public Employees
11 Retirement Board for services and related expenses in completion of the
12 work plan described in this section. Such employer shall remit payment as
13 provided in section 79-9,122 within forty-five calendar days after
14 receipt of each bill.

15 **Sec. 37.** Section 81-2016, Revised Statutes Supplement, 2025, is
16 amended to read:

17 81-2016 (1) Every member of the Nebraska State Patrol who was
18 employed by the State of Nebraska as such, on September 7, 1947, and
19 every person employed as a member of such patrol thereafter, shall be a
20 member of the system, except for those members of the Nebraska State
21 Patrol who elected pursuant to section 60-1304 to remain members of the
22 State Employees Retirement System of the State of Nebraska.

23 (2) No employee shall be authorized to participate in the retirement
24 system provided for in the Nebraska State Patrol Retirement Act unless
25 the employee is a United States citizen or is lawfully present in the
26 United States. The employing state agency and the employee shall:

27 (a) Maintain at least one approved identification document as
28 defined in section 4-108; and

29 (b) Produce any such approved identification document so maintained
30 upon request of the Public Employees Retirement Board or the Nebraska
31 Public Employees Retirement Systems. ~~maintain at least one of the~~

1 ~~following documents, which shall be unexpired if applicable to the~~
2 ~~particular document or which has an expiration date that has been~~
3 ~~extended by the United States Department of Homeland Security or the~~
4 ~~United States Citizenship and Immigration Services so that such document~~
5 ~~is still valid, to demonstrate United States citizenship or lawful~~
6 ~~presence in the United States as of the employee's date of hire and~~
7 ~~produce any such document so maintained upon request of the board or the~~
8 ~~Nebraska Public Employees Retirement Systems:~~

9 ~~(a) A state-issued driver's license;~~

10 ~~(b) A state-issued identification card;~~

11 ~~(c) A state-issued motor vehicle learner's permit;~~

12 ~~(d) A certified copy of a birth certificate or delayed birth~~
13 ~~certificate issued in any state, territory, or possession of the United~~
14 ~~States;~~

15 ~~(e) A Consular Report of Birth Abroad issued by the United States~~
16 ~~Department of State;~~

17 ~~(f) A United States passport;~~

18 ~~(g) A foreign passport with a United States visa;~~

19 ~~(h) A United States Certificate of Naturalization;~~

20 ~~(i) A United States Certificate of Citizenship;~~

21 ~~(j) A tribal certificate of Native American blood or similar~~
22 ~~document;~~

23 ~~(k) A United States Citizenship and Immigration Services Employment~~
24 ~~Authorization Document, Form I-766;~~

25 ~~(l) A United States Citizenship and Immigration Services Permanent~~
26 ~~Resident Card, Form I-551; or~~

27 ~~(m) Any other document issued by the United States Department of~~
28 ~~Homeland Security or the United States Citizenship and Immigration~~
29 ~~Services granting employment authorization in the United States and~~
30 ~~approved by the board.~~

31 ~~(3) Within the first one hundred eighty days of employment, a member~~

1 may apply to the board for eligibility and vesting credit for years of
2 participation in another Nebraska governmental plan, as defined by
3 section 414(d) of the Internal Revenue Code. During the years of
4 participation in the other Nebraska governmental plan, the employee must
5 have been a full-time employee, as defined in the Nebraska governmental
6 plan in which the credit was earned.

7 (4) Any officer who qualifies for membership pursuant to subsection
8 (1) of this section may not be disqualified from membership in the
9 retirement system solely because such officer also maintains separate
10 employment which qualifies the officer for membership in another public
11 retirement system, nor may membership in this retirement system
12 disqualify such an officer from membership in another public retirement
13 system solely by reason of separate employment which qualifies such
14 officer for membership in this retirement system.

15 (5) Information necessary to determine membership shall be provided
16 by the Nebraska State Patrol.

17 (6) The board may adopt and promulgate rules and regulations
18 governing the assessment and granting of eligibility and vesting credit.

19 **Sec. 38.** Section 81-2019, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 81-2019 The general administration of the Nebraska State Patrol
22 Retirement System, except the investment of funds, is hereby vested in
23 the board. The board may adopt and promulgate rules and regulations as
24 may be necessary to carry out the Nebraska State Patrol Retirement Act.
25 The board shall employ an executive a director and such assistants and
26 employees as may be necessary to efficiently discharge the duties imposed
27 by the act.

28 **Sec. 39.** Section 81-2019.01, Reissue Revised Statutes of Nebraska,
29 is amended to read:

30 81-2019.01 (1)(a) If the board determines that the retirement system
31 has previously received contributions or distributed benefits which for

1 any reason are not in accordance with the statutory provisions of
2 sections 81-2014 to 81-2036, the board shall refund contributions,
3 require additional contributions, adjust benefits, or require repayment
4 of benefits paid. In the event of an overpayment of a benefit, the board
5 may, in addition to other remedies, offset future benefit payments by the
6 amount of the prior overpayment, together with regular interest thereon.
7 In the event of an underpayment of a benefit, the board shall immediately
8 make payment equal to the deficit amount plus regular interest.

9 (b) The board shall have the power, through the executive director
10 of the Nebraska Public Employees Retirement Systems or the executive
11 director's designee, to make a thorough investigation of any overpayment
12 of a benefit, when in the judgment of the retirement system such
13 investigation is necessary, including, but not limited to, circumstances
14 in which benefit payments are made after the death of a member or
15 beneficiary and the retirement system is not made aware of such member's
16 or beneficiary's death. In connection with any such investigation, the
17 board, through the executive director or the executive director's
18 designee, shall have the power to compel the attendance of witnesses and
19 the production of books, papers, records, and documents, whether in
20 hardcopy, electronic form, or otherwise, and issue subpoenas for such
21 purposes. Such subpoenas shall be served in the same manner and have the
22 same effect as subpoenas from district courts.

23 (2) The board may adopt and promulgate rules and regulations
24 implementing this section, which shall include, but not be limited to,
25 the following: (a) The procedures for refunding contributions, adjusting
26 future contributions or benefit payments, and requiring additional
27 contributions or repayment of benefits; (b) the process for a member,
28 member's beneficiary, employee, or employer to dispute an adjustment of
29 contributions or benefits; and (c) notice provided to all affected
30 persons. All notices shall be sent prior to an adjustment and shall
31 describe the process for disputing an adjustment of contributions or

1 benefits.

2 **Sec. 40.** Section 81-2021, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 81-2021 (1) The executive director in charge of the system shall
5 keep a record of all acts and proceedings taken by the board. He or she
6 shall keep a complete record of all members with respect to name, current
7 address, age, contributions, length of service, compensation, and any
8 other facts as may be necessary in the administration of the Nebraska
9 State Patrol Retirement Act. The board shall prescribe the form in which
10 such information shall be reported by the Nebraska State Patrol to the
11 board. The information in the records shall be provided by the Nebraska
12 State Patrol in an accurate and verifiable form, as specified by the
13 executive director. The executive director shall, from time to time,
14 carry out testing procedures pursuant to section 84-1512 to verify the
15 accuracy of such information. For the purpose of obtaining such facts and
16 information, the executive director shall have access to the records of
17 the various state departments and agencies and the holder of the records
18 shall comply with a request by the executive director for access by
19 providing such facts and information to the executive director in a
20 timely manner. A certified copy of a birth certificate or delayed birth
21 certificate shall be prima facie evidence of the age of the person named
22 in the certificate.

23 (2) The executive director shall develop and implement an employer
24 education program using principles generally accepted by public employee
25 retirement systems so that all employers have the knowledge and
26 information necessary to prepare and file reports as the board requires.

27 **Sec. 41.** Section 81-2022, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 81-2022 Any funds of the Nebraska State Patrol Retirement System
30 available for investment shall be invested by the Nebraska Investment
31 Council pursuant to the Nebraska Capital Expansion Act and the Nebraska

1 State Funds Investment Act. Payment for investment services by the
2 council shall be charged directly against the gross investment returns of
3 the funds. Charges so incurred shall not be a part of the board's annual
4 budget request. The amounts of payment for such services, as of December
5 31 of each year, shall be reported not later than March 31 of the
6 following year to the council, the board, and the Nebraska Retirement
7 Systems Committee of the Legislature. The report submitted to the
8 committee shall be submitted electronically.

9 The state investment officer shall sell any securities upon request
10 from the executive director so as to provide money for the payment of
11 benefits or annuities.

12 **Sec. 42.** Section 81-2025, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 81-2025 (1) Every officer who has been in the employ of the state as
15 such and who becomes disabled and physically unfit to perform the duties
16 of an officer shall be entitled to retire and receive an annuity as
17 provided by law.

18 (2) Every officer who has been in the employ of the state as such
19 for ten years or more, as calculated in section 81-2033, and has attained
20 the age of fifty years or more shall be entitled to retire and receive an
21 annuity as provided by law. The right to retire at the age of fifty years
22 shall be at the option of the officer but such retirement shall be
23 mandatory upon the officer attaining the age of sixty-five ~~sixty~~ years.

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

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

1 years with twenty-five years or more of creditable service shall be at
2 the option of the officer but such retirement shall be mandatory upon the
3 officer attaining the age of sixty-five ~~sixty~~ years.

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

10 (6) Payment of any benefit provided under the act shall not be
11 deferred later than the required beginning date.

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

18 (8) The board shall make reasonable efforts to locate the officer or
19 the officer's beneficiary and distribute benefits by the required
20 beginning date. If the board is unable to make such a distribution, the
21 account shall be distributed pursuant to the Uniform Disposition of
22 Unclaimed Property Act and no amounts may be applied to increase the
23 benefits any officer would otherwise receive under the Nebraska State
24 Patrol Retirement Act.

25 **Sec. 43.** Section 81-2041, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 81-2041 (1) Any officer ~~who became a member prior to July 1, 2016,~~
28 ~~and~~ who meets the participation requirements of subsection (2) of this
29 section may participate in DROP. DROP provides that subsequent to
30 attaining normal age and service retirement eligibility, a member may
31 voluntarily choose to participate in DROP upon its adoption which, for

1 purposes of this section, shall be the earlier of September 1, 2008, or
2 the first of the month following a favorable letter determination by the
3 Internal Revenue Service. If the member chooses to participate in DROP,
4 the member shall be deemed to have retired but shall not be deemed to be
5 terminated, and the member may continue in active employment for up to a
6 five-year period. During the DROP period, the member's retirement benefit
7 payments shall be deposited into the DROP account for the benefit of the
8 member until the member actually retires from active employment at or
9 before the expiration of the DROP period. Thereafter, future retirement
10 benefit payments shall be made directly to the member, and the member
11 shall have access to all funds in the DROP account designated for the
12 benefit of the member. DROP funds shall be held and invested in a defined
13 contribution account under section 414(k) of the Internal Revenue Code
14 and shall meet the limitations in section 415 of the code.

15 (2) To participate in the DROP program, a member shall meet the
16 following requirements:

17 (a) A member shall be eligible to enter DROP at any time subsequent
18 to the date when the member has (i) attained normal retirement age and
19 (ii) completed twenty-five years of service. Members having attained
20 normal retirement age and completed twenty-five years of service on or
21 before the date of adoption of DROP shall be eligible to enter DROP at
22 any future date;

23 (b) A member who elects to enter DROP shall be entitled to receive
24 regular age and service retirement benefits in accordance with section
25 81-2026. A member is entitled to remain in DROP for a maximum of five
26 years subsequent to the date of the member's DROP election. A member may
27 separate from service and thereby exit DROP at any time during the DROP
28 period. On or before the completion of the DROP period, the member must
29 separate from active employment and exit DROP. During the DROP period, a
30 member's retirement benefit shall be payable to the DROP account vendor
31 designated in the member's name. Amounts transferred or paid to a

1 participating member's DROP account shall not constitute annual additions
2 under section 415 of the Internal Revenue Code;

3 (c) A member electing to enter DROP shall choose an annuity payment
4 option. After the option is chosen, the member shall not be entitled to
5 any retirement benefit changes, for reasons including, but not limited
6 to, wage increases, promotions, and demotions, except that the
7 restriction on retirement benefit changes shall not apply in the event of
8 duty-related death or duty-related disability. The benefit amount shall
9 be fixed as of the date of election and shall be payable as if the
10 employee retired on that date and separated from active employment. Upon
11 the death of a member during the DROP period, monthly benefits shall be
12 provided as a percentage of the amount of the member's annuity as set
13 forth in subsection (3) of section 81-2026 based upon the annuity benefit
14 calculation made at commencement of the DROP period. In addition, the
15 balance of the DROP account, if any, shall be provided to the beneficiary
16 or beneficiaries of the member in accordance with subsection (6) of
17 section 81-2026 or, if no beneficiary is provided, to the estate of the
18 member. Upon the disability of a member during the DROP period, the
19 member shall be deemed to have completed the DROP period, shall begin
20 receiving the annuity benefit as calculated at the commencement of the
21 DROP period, and shall be paid the balance of the DROP account, if any;

22 (d) No member shall be allowed to continue making the required
23 contributions while the member is enrolled in DROP;

24 (e) During the DROP period, the Nebraska State Patrol shall not be
25 assessed the amount required under subsection (2) of section 81-2017 nor
26 shall such amount be credited to the State Patrol Retirement Fund;

27 (f) The member shall be paid the balance of the DROP account upon
28 the member's separation from active employment or at the expiration of
29 the DROP period thereby ending the member's participation in DROP. If a
30 member has not voluntarily separated from active employment on or before
31 the completion of the DROP period, the member's retirement benefit shall

1 be paid directly to the member thereby ending the member's active
2 employment. The member's DROP account shall consist of accrued retirement
3 benefits and interest on such benefits;

4 (g) Any member that is enrolled in DROP shall be responsible for
5 directing the DROP account designated for the benefit of the member by
6 investing the account in any DROP investment options. There shall be no
7 guaranteed rate of investment return on DROP account assets. Any losses,
8 charges, or expenses incurred by the participating DROP member in such
9 member's DROP account by virtue of the investment options selected by the
10 participating DROP member shall not be made up by the retirement system
11 but all of the same shall be borne by the participating DROP member. The
12 retirement system, the state, the board, and the state investment officer
13 shall not be responsible for any investment results under the DROP
14 agreement. Transfers between investment options shall be in accordance
15 with the rules and regulations of DROP. A DROP account shall be
16 established for each participating DROP member. Such DROP account shall
17 be adjusted no less frequently than annually for the member's retirement
18 benefit distributions and net investment earnings and losses;

19 (h) If the DROP account is subject to administrative or other fees
20 or charges, such fees or charges shall be charged to the participating
21 DROP member's DROP account; and

22 (i) Cost-of-living adjustments or payments as provided for in
23 section 81-2027.08 or 81-2027.09 and 81-2027.10 shall not be applied to
24 retirement benefits during the DROP period. ~~;~~ and

25 ~~(j) Any officer who became a member on or after July 1, 2016, is~~
26 ~~specifically prohibited from participating in DROP.~~

27 **Sec. 44.** Section 84-1305.01, Reissue Revised Statutes of Nebraska,
28 is amended to read:

29 84-1305.01 (1) The executive director of the Nebraska Public
30 Employees Retirement Systems shall keep a complete record of all members
31 with respect to name, current address, age, contributions, and any other

1 facts as may be necessary in the administration of the State Employees
2 Retirement Act. The information in the records shall be provided by the
3 employer in an accurate and verifiable form, as specified by the
4 executive director. The executive director shall, from time to time,
5 carry out testing procedures pursuant to section 84-1512 to verify the
6 accuracy of such information. For the purpose of obtaining such facts and
7 information, the executive director shall have access to the records of
8 the various state departments and agencies and the holder of the records
9 shall comply with a request by the executive director for access by
10 providing such facts and information to the executive director in a
11 timely manner. A certified copy of a birth certificate or delayed birth
12 certificate shall be prima facie evidence of the age of the person named
13 in the certificate.

14 (2) The executive director shall develop and implement an employer
15 education program using principles generally accepted by public employee
16 retirement systems so that all employers have the knowledge and
17 information necessary to prepare and file reports as the board requires.

18 **Sec. 45.** Section 84-1305.02, Reissue Revised Statutes of Nebraska,
19 is amended to read:

20 84-1305.02 (1)(a) If the board determines that the retirement system
21 has previously received contributions or distributed benefits which for
22 any reason are not in accordance with the statutory provisions of the
23 State Employees Retirement Act, the board shall refund contributions,
24 require additional contributions, adjust benefits, credit dividend
25 amounts, or require repayment of benefits paid. In the event of an
26 overpayment of a benefit, the board may, in addition to other remedies,
27 offset future benefit payments by the amount of the prior overpayment,
28 together with regular interest or interest credits, whichever is
29 appropriate, thereon. In the event of an underpayment of a benefit, the
30 board shall immediately make payment equal to the deficit amount plus
31 regular interest or interest credits, whichever is appropriate.

1 (b) The board shall have the power, through the executive director
2 of the Nebraska Public Employees Retirement Systems or the executive
3 director's designee, to make a thorough investigation of any overpayment
4 of a benefit, when in the judgment of the retirement system such
5 investigation is necessary, including, but not limited to, circumstances
6 in which benefit payments are made after the death of a member or
7 beneficiary and the retirement system is not made aware of such member's
8 or beneficiary's death. In connection with any such investigation, the
9 board, through the executive director or the executive director's
10 designee, shall have the power to compel the attendance of witnesses and
11 the production of books, papers, records, and documents, whether in
12 hardcopy, electronic form, or otherwise, and issue subpoenas for such
13 purposes. Such subpoenas shall be served in the same manner and have the
14 same effect as subpoenas from district courts.

15 (2) The board may adopt and promulgate rules and regulations
16 implementing this section, which shall include, but not be limited to,
17 the following: (a) The procedures for refunding contributions, adjusting
18 future contributions or benefit payments, and requiring additional
19 contributions or repayment of benefits; (b) the process for a member,
20 member's beneficiary, employee, or employer to dispute an adjustment of
21 contributions or benefits; and (c) notice provided to all affected
22 persons. All notices shall be sent prior to an adjustment and shall
23 describe the process for disputing an adjustment of contributions or
24 benefits.

25 **Sec. 46.** Section 84-1307, Revised Statutes Supplement, 2025, is
26 amended to read:

27 84-1307 (1) The membership of the retirement system shall be
28 composed of all persons who are or were employed by the State of Nebraska
29 and who maintain an account balance with the retirement system.

30 (2)(a) ~~(2)~~ The following employees of the State of Nebraska are
31 authorized to participate in the retirement system:

1 ~~(i) (a)~~ All permanent full-time employees who have attained the age
2 of eighteen years shall begin participation in the retirement system upon
3 employment;

4 ~~(ii) All and (b) all~~ permanent part-time employees who have attained
5 the age of eighteen years may exercise the option to begin participation
6 in the retirement system within the first thirty days of employment
7 except as provided in section 84-1322; and -

8 (iii) All temporary employees who were prior contributing members of
9 the retirement system and who are returning to service with the state
10 prior to having a one-hundred-twenty-day break in service pursuant to
11 subsection (5) of section 84-1322 shall begin participation in the
12 retirement system within the first thirty days of employment as a
13 temporary employee.

14 (b) An employee who exercises the option to begin participation in
15 the retirement system pursuant to this section shall remain in the
16 retirement system until his or her termination of employment or
17 retirement, regardless of any change of status as a permanent or
18 temporary employee.

19 (3) No employee shall be authorized to participate in the retirement
20 system provided for in the State Employees Retirement Act unless the
21 employee is a United States citizen or is lawfully present in the United
22 States. The employing state agency and the employee shall:

23 (a) Maintain at least one approved identification document as
24 defined in section 4-108; and

25 (b) Produce any such approved identification document so maintained
26 upon request of the Public Employees Retirement Board or the Nebraska
27 Public Employees Retirement Systems. ~~maintain at least one of the~~
28 following documents, which shall be unexpired if applicable to the
29 particular document or which has an expiration date that has been
30 extended by the United States Department of Homeland Security or the
31 United States Citizenship and Immigration Services so that such document

1 ~~is still valid, to demonstrate United States citizenship or lawful~~
2 ~~presence in the United States as of the employee's date of hire and~~
3 ~~produce any such document so maintained upon request of the retirement~~
4 ~~board or the Nebraska Public Employees Retirement Systems:~~

5 ~~(a) A state-issued driver's license;~~

6 ~~(b) A state-issued identification card;~~

7 ~~(c) A state-issued motor vehicle learner's permit;~~

8 ~~(d) A certified copy of a birth certificate or delayed birth~~
9 ~~certificate issued in any state, territory, or possession of the United~~
10 ~~States;~~

11 ~~(e) A Consular Report of Birth Abroad issued by the United States~~
12 ~~Department of State;~~

13 ~~(f) A United States passport;~~

14 ~~(g) A foreign passport with a United States visa;~~

15 ~~(h) A United States Certificate of Naturalization;~~

16 ~~(i) A United States Certificate of Citizenship;~~

17 ~~(j) A tribal certificate of Native American blood or similar~~
18 ~~document;~~

19 ~~(k) A United States Citizenship and Immigration Services Employment~~
20 ~~Authorization Document, Form I-766;~~

21 ~~(l) A United States Citizenship and Immigration Services Permanent~~
22 ~~Resident Card, Form I-551; or~~

23 ~~(m) Any other document issued by the United States Department of~~
24 ~~Homeland Security or the United States Citizenship and Immigration~~
25 ~~Services granting employment authorization in the United States and~~
26 ~~approved by the retirement board.~~

27 (4) For purposes of this section: τ

28 (a) Permanent permanent full-time employees includes employees of
29 the Legislature or Legislative Council who work one-half or more of the
30 regularly scheduled hours during each pay period of the legislative
31 session; and

1 (b) Permanent ~~permanent~~ part-time employees includes employees of
2 the Legislature or Legislative Council who work less than one-half of the
3 regularly scheduled hours during each pay period of the legislative
4 session; and -

5 (c) Temporary employees includes employees of the Legislature or
6 Legislative Council who are hired for (i) a limited period of time of
7 less than six months or six months or more and less than or equal to
8 twelve months or two thousand eighty hours or (ii) a grant-funded
9 position or a special project.

10 (5)(a) Within the first one hundred eighty days of employment, a
11 full-time employee may apply to the board for vesting credit for years of
12 participation in another Nebraska governmental plan, as defined by
13 section 414(d) of the Internal Revenue Code. During the years of
14 participation in the other Nebraska governmental plan, the employee must
15 have been a full-time employee, as defined in the Nebraska governmental
16 plan in which the credit was earned. The board may adopt and promulgate
17 rules and regulations governing the assessment and granting of vesting
18 credit.

19 (b) If the contributory retirement plan or contract let pursuant to
20 section 48-609, as such section existed prior to January 1, 2018, is
21 terminated, employees of the Department of Labor who are active
22 participants in such contributory retirement plan or contract on the date
23 of termination of such plan or contract shall be granted vesting credit
24 for their years of participation in such plan or contract.

25 (6) Any employee who qualifies for membership in the retirement
26 system pursuant to this section may not be disqualified for membership in
27 the retirement system solely because such employee also maintains
28 separate employment which qualifies the employee for membership in
29 another public retirement system, nor may membership in this retirement
30 system disqualify such an employee from membership in another public
31 retirement system solely by reason of separate employment which qualifies

1 such employee for membership in this retirement system.

2 (7) State agencies shall ensure that employees authorized to
3 participate in the retirement system pursuant to this section shall
4 enroll and make required contributions to the retirement system
5 immediately upon becoming an employee. Information necessary to determine
6 membership in the retirement system shall be provided by the employer.

7 **Sec. 47.** Section 84-1503, Reissue Revised Statutes of Nebraska, is
8 amended to read:

9 84-1503 (1) It shall be the duty of the Public Employees Retirement
10 Board:

11 (a) To administer the retirement systems provided for in the County
12 Employees Retirement Act, the Judges Retirement Act, the Nebraska State
13 Patrol Retirement Act, the School Employees Retirement Act, the State
14 Employees Retirement Act, and ~~, beginning September 1, 2024,~~ the Class V
15 School Employees Retirement Act. The agency for the administration of the
16 retirement systems and under the direction of the board shall be known
17 and may be cited as the Nebraska Public Employees Retirement Systems;

18 (b) To appoint an executive a director to administer the systems
19 under the direction of the board. The appointment shall be subject to the
20 approval of the Governor and a majority of the Legislature. Executive
21 director ~~Director~~ qualifications shall include, but not be limited to,
22 (i) supervisory or management experience and (ii) training in, experience
23 with, or a demonstrated knowledge of qualified public employee retirement
24 plan administration. The executive director shall not be a member of the
25 board. The salary of the executive director shall be set by the board.
26 The executive director shall serve without term and may be removed by the
27 board;

28 (c) To provide for an equitable allocation of expenses among the
29 retirement systems administered by the board, and all expenses shall be
30 provided from the investment income earned by the various retirement
31 funds unless alternative sources of funds to pay expenses are specified

1 by law;

2 (d) To administer the deferred compensation program authorized in
3 section 84-1504;

4 (e) To hire an attorney to advise the board in the administration of
5 the retirement systems listed in subdivision (a) of this subsection. The
6 attorney shall be admitted to practice law in Nebraska, except that the
7 board shall have the discretion to hire an attorney for a probationary
8 period not to exceed six months pending such attorney's admission to
9 practice law in Nebraska;

10 (f) To hire an internal auditor to perform the duties described in
11 section 84-1503.04 who meets the minimum standards as described in
12 section 84-304.03; and

13 (g) To adopt and implement procedures for reporting information by
14 employers, as well as testing and monitoring procedures in order to
15 verify the accuracy of such information. The information necessary to
16 determine membership shall be provided by the employer. The board may
17 adopt and promulgate rules and regulations and prescribe such forms
18 necessary to carry out this subdivision. Nothing in this subdivision
19 shall be construed to require the board to conduct onsite audits of
20 political subdivisions for compliance with statutes, rules, and
21 regulations governing the retirement systems listed in subdivision (1)(a)
22 of this section regarding membership and contributions.

23 (2) In administering the retirement systems listed in subdivision
24 (1)(a) of this section, it shall be the duty of the board:

25 (a) To determine, based on information provided by the employer, the
26 prior service annuity, if any, for each person who is an employee of the
27 county on the date of adoption of the retirement system;

28 (b) To determine the eligibility of an individual to be a member of
29 the retirement system and other questions of fact in the event of a
30 dispute between an individual and the individual's employer;

31 (c) To adopt and promulgate rules and regulations, as the board may

1 deem necessary, for the management of the board;

2 (d) To keep a complete record of all proceedings taken at any
3 meeting of the board;

4 (e) To obtain, by a competitive, formal, and sealed bidding process
5 through the materiel division of the Department of Administrative
6 Services, actuarial services on behalf of the State of Nebraska as may be
7 necessary in the administration and development of the retirement
8 systems, including, but not limited to, preparation of an annual
9 actuarial valuation report of each of the defined benefit and cash
10 balance plans administered by the board. Such annual valuation reports
11 shall be presented by the actuary to the Nebraska Retirement Systems
12 Committee of the Legislature at a public hearing or hearings. Any
13 contract for actuarial services shall contain a provision allowing the
14 actuary, without prior approval of the board, to perform actuarial
15 studies of the systems as requested by entities other than the board, if
16 notice, which does not identify the entity or substance of the request,
17 is given to the board, all costs are paid by the requesting entity,
18 results are provided to the board, the Nebraska Retirement Systems
19 Committee of the Legislature, and the Legislative Fiscal Analyst upon
20 being made public, and such actuarial studies do not interfere with the
21 actuary's ongoing responsibility to the board. The term of the contract
22 shall be for up to three years. A competitive, formal, and sealed bidding
23 process shall be completed at least once every three years, unless the
24 board determines that such a process would not be cost effective under
25 the circumstances and that the actuarial services performed have been
26 satisfactory, in which case the contract may also contain an option for
27 renewal without a competitive, formal, and sealed bidding process for up
28 to two additional three-year periods. An actuary under contract for the
29 State of Nebraska shall be a member of the American Academy of Actuaries
30 and meet the academy's qualification standards to render a statement of
31 actuarial opinion;

1 (f) To direct the State Treasurer to transfer funds, as an expense
2 of the retirement systems, to the Legislative Council Retirement Study
3 Fund. Such transfer shall be in such amounts as the Legislature shall
4 direct;

5 (g) To adopt and promulgate rules and regulations, as the board may
6 deem necessary, to carry out the provisions of each retirement system
7 described in subdivision (1)(a) of this section, which includes, but is
8 not limited to, the crediting of military service, direct rollover
9 distributions, and the acceptance of rollovers;

10 (h) To obtain auditing services for a separate compliance audit of
11 the retirement systems to be completed by December 31, 2028, and from
12 time to time at the request of the Nebraska Retirement Systems Committee
13 of the Legislature, to be completed not more than every four years but
14 not less than every ten years. The compliance audit shall be in addition
15 to the annual audit conducted by the Auditor of Public Accounts. The
16 compliance audit shall include, but not be limited to, an examination of
17 records, files, and other documents and an evaluation of all policies and
18 procedures to determine compliance with all state and federal laws. A
19 copy of the compliance audit shall be given to the Governor, the board,
20 and the Nebraska Retirement Systems Committee of the Legislature and
21 shall be presented to the committee at a public hearing;

22 (i) To adopt and promulgate rules and regulations, as the board may
23 deem necessary, for the adjustment of contributions or benefits, which
24 includes, but is not limited to: (i) The procedures for refunding
25 contributions, adjusting future contributions or benefit payments, and
26 requiring additional contributions or repayment of benefits; (ii) the
27 process for a member, member's beneficiary, employee, or employer to
28 dispute an adjustment to contributions or benefits; (iii) establishing
29 materiality and de minimus amounts for agency transactions, adjustments,
30 and inactive account closures; and (iv) notice provided to all affected
31 persons. Following an adjustment, a timely notice shall be sent that

1 describes the adjustment and the process for disputing an adjustment to
2 contributions or benefits;

3 (j)(i) To amend the deferred compensation plan to require that in
4 the event of a member's death, except as provided in section 42-1107, the
5 death benefit shall be paid to the following, in order of priority:

6 (A) To the member's surviving designated beneficiary on file with
7 the board;

8 (B) To the spouse married to the member on the member's date of
9 death if there is no surviving designated beneficiary on file with the
10 board; or

11 (C) To the member's estate if the member is not married on the
12 member's date of death and there is no surviving designated beneficiary
13 on file with the board; and

14 (ii) The priority designations described in subdivision (2)(j)(i) of
15 this section shall not apply if the member has retired under a joint and
16 survivor benefit option;

17 (k) To make a thorough investigation through the executive director
18 or the executive director's designee, of any overpayment of a benefit,
19 when in the judgment of the executive director such investigation is
20 necessary, including, but not limited to, circumstances in which benefit
21 payments are made after the death of a member or beneficiary and the
22 retirement system is not made aware of such member's or beneficiary's
23 death. In connection with any such investigation, the board, through the
24 executive director or the executive director's designee, shall have the
25 power to compel the attendance of witnesses and the production of books,
26 papers, records, and documents, whether in hardcopy, electronic form, or
27 otherwise, and issue subpoenas for such purposes. Such subpoenas shall be
28 served in the same manner and have the same effect as subpoenas from
29 district courts; and

30 (l) To administer all retirement system plans in a manner which will
31 maintain each plan's status as a qualified plan pursuant to the Internal

1 Revenue Code, as defined in section 49-801.01, including: Section 401(a)
2 (9) of the Internal Revenue Code relating to the time and manner in which
3 benefits are required to be distributed, including the incidental death
4 benefit distribution requirement of section 401(a)(9)(G) of the Internal
5 Revenue Code; section 401(a)(25) of the Internal Revenue Code relating to
6 the specification of actuarial assumptions; section 401(a)(31) of the
7 Internal Revenue Code relating to direct rollover distributions from
8 eligible retirement plans; section 401(a)(37) of the Internal Revenue
9 Code relating to the death benefit of a member whose death occurs while
10 performing qualified military service; and section 401(a) of the Internal
11 Revenue Code by meeting the requirements of section 414(d) of the
12 Internal Revenue Code relating to the establishment of retirement plans
13 for governmental employees of a state or political subdivision thereof.
14 The board may adopt and promulgate rules and regulations necessary or
15 appropriate to maintain such status including, but not limited to, rules
16 or regulations which restrict discretionary or optional contributions to
17 a plan or which limit distributions from a plan.

18 (3) By April 10 of each year, the board shall prepare a written plan
19 of action and shall present such plan to the Nebraska Retirement Systems
20 Committee of the Legislature at a public hearing. The plan shall include,
21 but not be limited to, the board's funding policy, the administrative
22 costs and other fees associated with each fund and plan overseen by the
23 board, member education and informational programs, the executive
24 director's duties and limitations, an organizational structure of the
25 office of the Nebraska Public Employees Retirement Systems, and the
26 internal control structure of such office to ensure compliance with state
27 and federal laws.

28 (4)(a) Beginning in 2016, and at least every four years thereafter
29 in even-numbered years or at the request of the Nebraska Retirement
30 Systems Committee of the Legislature, the board shall obtain an
31 experience study. Within thirty business days after presentation of the

1 experience study to the board, the actuary shall present the study to the
2 Nebraska Retirement Systems Committee at a public hearing. If the board
3 does not adopt all of the recommendations in the experience study, the
4 board shall provide a written explanation of its decision to the Nebraska
5 Retirement Systems Committee and the Governor. The explanation shall be
6 delivered within ten business days after formal action by the board to
7 not adopt one or more of the recommendations.

8 (b) The executive director shall provide an electronic copy of the
9 first draft and a final draft of the experience study and annual
10 valuation reports to the Nebraska Retirement Systems Committee and the
11 Governor when the executive director receives the drafts from the
12 actuary. The drafts shall be deemed confidential information. The draft
13 copies obtained by the Nebraska Retirement Systems Committee and the
14 Governor pursuant to this section shall not be considered public records
15 subject to sections 84-712 to 84-712.09.

16 (c) For purposes of this subsection, business days shall be computed
17 by excluding the day the request is received, after which the designated
18 period of time begins to run. A business day shall not include a Saturday
19 or a Sunday or a day during which the Nebraska Public Employees
20 Retirement Systems office is closed.

21 (5) It shall be the duty of the board to direct the State Treasurer
22 to transfer funds, as an expense of the retirement system provided for
23 under the Class V School Employees Retirement Act, to and from the Class
24 V Retirement System Payment Processing Fund and the Class V School
25 Employees Retirement Fund for the benefit of a retirement system provided
26 for under the Class V School Employees Retirement Act to implement
27 section 79-986. The agency for the administration of this provision and
28 under the direction of the board shall be known and may be cited as the
29 Nebraska Public Employees Retirement Systems.

30 (6) Pursuant to section 79-9,121, it shall be the duty of the board
31 to carry out the work plan, file the report, and contract with, bill, and

1 receive payment from an employer of any Class V school employees
2 retirement system established under the Class V School Employees
3 Retirement Act for all services performed in the conduct, completion, and
4 report of such work plan regarding the transfer of management of any such
5 Class V school employees retirement system.

6 (7) It shall be the duty of the board to complete the additional
7 identification and examination of issues pursuant to section 79-9,124, to
8 enter and carry out the plan for the transfer and transition of the
9 management and administration of any Class V school employees retirement
10 system established under the Class V School Employees Retirement Act
11 pursuant to section 79-979.01, and to bill and receive payment from an
12 employer of any such retirement system for the costs and expenses of the
13 board in carrying out the plan and the transfer of the management and
14 administration of the Class V school employees retirement system to the
15 board.

16 **Sec. 48.** Section 84-1503.03, Reissue Revised Statutes of Nebraska,
17 is amended to read:

18 84-1503.03 (1) The executive director of the Nebraska Public
19 Employees Retirement Systems shall employ qualified personnel as may be
20 required to carry out the duties and responsibilities required under
21 sections 84-1501 to 84-1513. Except for the personnel described in
22 subsection (2) of this section, such employees shall be deemed state
23 employees and covered by the State Personnel System pursuant to sections
24 81-1301 to 81-1368 and other personnel rules or regulations. The
25 positions of the internal auditor and the attorney hired by the board
26 pursuant to section 84-1503 shall be classified positions covered by the
27 State Personnel System and shall not be noncovered positions under
28 subsection (2) of section 81-1316.

29 (2) The executive director may hire assistant directors and deputies
30 to assist the executive director in administering the Nebraska Public
31 Employee Retirement Systems. Each assistant director and deputy shall be

1 exempt from the State Personnel System and shall receive a salary as set
2 by the executive director.

3 (3) The executive director shall be exempt from the State Personnel
4 System.

5 (4) All employees shall comply with state accounting regulations and
6 applicable state and federal laws in the discharge of their duties.

7 **Sec. 49.** Section 84-1504, Revised Statutes Supplement, 2025, is
8 amended to read:

9 84-1504 (1) The Public Employees Retirement Board, on behalf of the
10 state, may contract with any individual to defer a portion of such
11 individual's compensation or with the Legislative Council to defer any
12 other amount that the Legislative Council agrees to credit to an
13 individual's account pursuant to section 457 of the Internal Revenue
14 Code.

15 (2) The compensation to be deferred at the election of the
16 individual and any other amount credited on behalf of such individual by
17 the Legislative Council shall not exceed the total compensation to be
18 received by the individual from the employer or exceed the limits
19 established by the Internal Revenue Code for such a plan.

20 (3) The deferred compensation program shall serve in addition to but
21 not be a part of any existing retirement or pension system provided for
22 state or county employees or any other benefit program.

23 (4) Any compensation deferred at the election of the individual
24 under such a deferred compensation plan shall continue to be included as
25 regular compensation for the purpose of computing the retirement,
26 pension, or social security contributions made or benefits earned by any
27 employee.

28 (5) Any sum so deferred shall:

29 (a) Except as provided in subdivision (b) of this subsection, not be
30 included in the computation of any federal or state taxes withheld on
31 behalf of any such individual; and -

1 (b) Be included in the computation of any federal or state taxes
2 withheld on behalf of any such individual if such sum was placed in a
3 type of designated Roth account, under the Internal Revenue Code, where
4 designated Roth contributions and deferrals are irrevocably designated as
5 after-tax contributions.

6 (6) The state, the board, the state investment officer, the agency,
7 or the county shall not be responsible for any investment results entered
8 into by the individual in the deferred compensation agreement.

9 (7) Nothing in this section shall in any way limit, restrict, alter,
10 amend, invalidate, or nullify any deferred compensation plan previously
11 instituted by any instrumentality or agency of the State of Nebraska, and
12 any such plan is hereby authorized and approved.

13 (8) No employee of the state or any political subdivision of the
14 state shall be authorized to participate in a deferred compensation plan
15 unless the employee is a United States citizen or is lawfully present in
16 the United States. The employing state agency or political subdivision of
17 the State of Nebraska and the employee shall:

18 (a) Maintain at least one approved identification document as
19 defined in section 4-108; and

20 (b) Produce any such approved identification document so maintained
21 upon request of the Public Employees Retirement Board or the Nebraska
22 Public Employees Retirement Systems. ~~maintain at least one of the~~
23 ~~following documents, which shall be unexpired if applicable to the~~
24 ~~particular document or which has an expiration date that has been~~
25 ~~extended by the United States Department of Homeland Security or the~~
26 ~~United States Citizenship and Immigration Services so that such document~~
27 ~~is still valid, to demonstrate United States citizenship or lawful~~
28 ~~presence in the United States as of the employee's date of hire and~~
29 ~~produce any such document so maintained upon request of the Public~~
30 ~~Employees Retirement Board or the Nebraska Public Employees Retirement~~
31 ~~Systems:~~

- 1 ~~(a) A state-issued driver's license;~~
- 2 ~~(b) A state-issued identification card;~~
- 3 ~~(c) A state-issued motor vehicle learner's permit;~~
- 4 ~~(d) A certified copy of a birth certificate or delayed birth~~
5 ~~certificate issued in any state, territory, or possession of the United~~
6 ~~States;~~
- 7 ~~(e) A Consular Report of Birth Abroad issued by the United States~~
8 ~~Department of State;~~
- 9 ~~(f) A United States passport;~~
- 10 ~~(g) A foreign passport with a United States visa;~~
- 11 ~~(h) A United States Certificate of Naturalization;~~
- 12 ~~(i) A United States Certificate of Citizenship;~~
- 13 ~~(j) A tribal certificate of Native American blood or similar~~
14 ~~document;~~
- 15 ~~(k) A United States Citizenship and Immigration Services Employment~~
16 ~~Authorization Document, Form I-766;~~
- 17 ~~(l) A United States Citizenship and Immigration Services Permanent~~
18 ~~Resident Card, Form I-551; or~~
- 19 ~~(m) Any other document issued by the United States Department of~~
20 ~~Homeland Security or the United States Citizenship and Immigration~~
21 ~~Services granting employment authorization in the United States and~~
22 ~~approved by the Public Employees Retirement Board.~~
- 23 (9) For purposes of this section, individual means (a) any state
24 employee, whether employed on a permanent or temporary basis, full-time
25 or part-time, (b) a person under contract providing services to the state
26 who is not employed by the University of Nebraska or any of the state
27 colleges or community colleges and who has entered into a contract with
28 the state to have compensation deferred prior to August 28, 1999, and (c)
29 any county employee designated as a permanent part-time or full-time
30 employee or elected official whose employer does not offer a deferred
31 compensation plan and who has entered into an agreement pursuant to

1 section 48-1401.

2 **Sec. 50.** Section 84-1512, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 84-1512 (1) The Public Employees Retirement Board, for purposes of
5 administering the various retirement systems under its jurisdiction,
6 shall receive from the Department of Administrative Services and other
7 employers such information as is necessary for the efficient and accurate
8 administration of the systems and shall consult with the Department of
9 Administrative Services and other employers as to the form in which the
10 information is to be presented and received by the board. The information
11 in the records shall be provided by the employers in an accurate and
12 verifiable form, as specified by the executive director of the Nebraska
13 Public Employees Retirement Systems. The executive director shall, from
14 time to time, carry out testing procedures to verify the accuracy of such
15 information. The executive director shall have access to records
16 maintained by the Department of Administrative Services on the Nebraska
17 employees information system database for the purpose of obtaining any
18 information which may be necessary to verify the accuracy of information
19 and administer the systems and the holder of the records shall comply
20 with a request by the executive director for access by providing such
21 facts and information to the executive director in a timely manner.

22 (2) The executive director shall develop and implement an employer
23 education program using principles generally accepted by public employee
24 retirement systems so that all employers have the knowledge and
25 information necessary to prepare and file reports as the board requires.

26 (3) The information obtained by the board pursuant to this section
27 shall not be considered public records subject to sections 84-712 to
28 84-712.09, except that the following information shall be considered
29 public records: The member's name, the retirement system in which the
30 member is a participant, the date the member's participation in the
31 retirement system commenced, and the date the member's participation in

1 the retirement system ended, if applicable.

2 **Sec. 51.** Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14,
3 15, 16, 17, 18, 19, 20, 21, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33,
4 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, and
5 52 of this act become operative three calendar months after the
6 adjournment of this legislative session. The other sections of this act
7 become operative on their effective date.

8 **Sec. 52.** Original sections 23-2305.01, 23-2312, 24-705, 42-1111,
9 79-905, 79-906, 79-907, 79-930, 79-963, 79-978.01, 79-979.01, 79-983,
10 79-989, 79-992, 79-9,113, 79-9,115, 79-9,121, 81-2019, 81-2019.01,
11 81-2021, 81-2022, 81-2025, 81-2041, 84-1305.01, 84-1305.02, 84-1503,
12 84-1503.03, and 84-1512, Reissue Revised Statutes of Nebraska, sections
13 24-704, 24-704.01, 24-710, 72-1237, and 72-1239, Revised Statutes
14 Cumulative Supplement, 2024, and sections 4-108, 23-2306, 24-703,
15 24-703.01, 49-617, 79-904.01, 79-915, 79-916, 79-966, 79-978, 79-9,103,
16 79-9,118, 81-2016, 84-1307, and 84-1504, Revised Statutes Supplement,
17 2025, are repealed.

18 **Sec. 53.** Original section 79-958, Revised Statutes Supplement,
19 2025, is repealed.

20 **Sec. 54.** Since an emergency exists, this act takes effect when
21 passed and approved according to law.