

ONE HUNDRED SEVENTH LEGISLATURE - SECOND SESSION - 2022
COMMITTEE STATEMENT (CORRECTED)
LB700

Hearing Date: Wednesday February 02, 2022
Committee On: Nebraska Retirement Systems
Introducer: Kolterman
One Liner: Change provisions relating to public retirement systems

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 6 Senators Clements, Kolterman, Lindstrom, McDonnell, Slama, Stinner
Nay:
Absent:
Present Not Voting:

Oral Testimony:

Proponents:

Senator Mark Kolterman
Orron Hill

Jason Hayes
Blair MacDonald

Opponents:

Neutral:

Representing:

Introducer
Public Employees Retirement Board and Nebraska Public
Employees Retirement Systems
Nebraska State Education Association
Omaha Public Schools

Representing:

Representing:

Summary of purpose and/or changes:

LB 700 as introduced, strikes a number of obsolete provisions, inserts language that was inadvertently omitted in a previous bill, amends the Nebraska Public Employees Retirement Systems (NPERS) director qualifications and requirements for the NPERS and Public Employees Retirement Board (PERB) attorney, eliminates the mandated early retirement incentive reporting to NPERS, and broadens the retirement education and training opportunities provided by NPERS to plan members.

Explanation of amendments:

Amendment AM 1704 becomes the bill. It incorporates LB 700 as amended and LB 1043 as amended. The Committee voted to adopt AM 1704 on a 6-0 vote.

As amended by AM 1583, LB 700 also eliminates the mandated early retirement incentive reporting to the Omaha School Employees Retirement System (OSERS) and re-alphabetizes the definition sections in the School Employees Retirement Act and the Class V School Employees Retirement Act.

LB 1043

The Committee voted to include LB 1043 as amended by AM 1667, as part of the Committee Amendment, AM 1704 to LB 700.

Vote Results: 6-0

Voting Aye: Clements, Kolterman, Lindstrom, McDonnell, Slama and Stinner

Voting Nay: NONE

Present Not Voting: NONE

The Public Hearing on LB 1043 was held February 2, 2022.

Testifiers

Proponents:

Senator Mark Kolterman, Legislative District 24

Orron Hill, Legal Counsel to Nebraska Public Employees Retirement Systems and the Public Employees Retirement Board

Jason Hayes, Nebraska State Education Association

Opponents: NONE

Neutral: NONE

Summary of LB 1043 as amended:

LB 1043 codifies the current practices and rules for certificated teachers covered by the State Code Agency Teachers Association (SCATA) contract who are employed by either the Department of Health and Human Services (DHHS) or the Department of Correction Services (DCS) and for state school officials employed by the Nebraska Department of Education (NDE). In addition, it addresses rules for NDE state school officials as well as DHHS and DCS certificated teachers covered by the SCATA contract who previously or subsequently are employed by a school district, educational service unit, or any other state agency. It also eliminates the election option for a state school official employed by the NDE to remain in, or become a member of the School Plan or the State Plan upon employment by NDE.

LB 1043 provisions appear in section 6, which amends 79-920 and in section 11, which amends 84-1301.

SECTION-BY-SECTION SUMMARY OF COMMITTEE AMENDMENT, AM 1704

COUNTY EMPLOYEES RETIREMENT ACT

Section 1 [amends 23-2309.01] Strikes obsolete defined contribution investment options

Section 2 [amends 23-2310.05] Internal reference and technical revisor changes

Section 3 [amends 23-2317.01] Adds template investment language referencing the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act to the County Equal Retirement Benefit Fund

STATE INVESTMENT OFFICER DUTIES

Section 4 [amends 72-1243] Strikes obsolete language

SCHOOL EMPLOYEES RETIREMENT ACT

Section 5 [amends 79-902] Re-alphabetizes the definition section; revisor internal reference change to reflect change in 79-920; no substantive changes

Section 6 [LB 1043][amends 79-920]

- (1) (a) Adds definitions of "association", "eligible school plan state employee", "school plan", "state agency school plan employer" and "state plan" for purposes of this section.
- (2) (a) Outlines who is eligible to become or remain a member of the school plan, except as provided in subdivision (3).
- (b) Specifies termination and subsequent service requirements for individuals covered under subdivision (2)(a).
- (3) (a) Specifies individuals who shall become a member of the state plan
- (b) Specifies termination and subsequent service requirements for individuals covered in s subdivision (3)(a)
- (4) Specifies termination and subsequent service requirements for individuals who elected to participate in the school plan prior to July 1, 2022 as a state school official with NDE or in a SCATA covered position with a state agency with SCATA positions.

The current language in section 79-920 is completely stricken which eliminates the option for state school officials employed by the NDE to elect whether to participate in the school or state plan.

Section 7 [amends 79-921] Strikes notification and reporting requirement for employer and member to certify whether the member received an early retirement inducement

CLASS V SCHOOL EMPLOYEES RETIREMENT ACT

Section 8 [amends 79-978] Re-alphabetizes the definition section -- no substantive changes

Section 9 [amends 79-992.01] Strikes notification and reporting requirement for the employer and member to certify whether the member received an early retirement inducement

Section 10 [amends 79-9,117] Amends preretirement planning program beginning September 1, 2024. After transfer of the OSERS plan to NPERS, the PERB will establish preretirement sessions as provided in section 84-1511 for OSERS members

STATE EMPLOYEE RETIREMENT ACT

Section 11 [LB 1043] [amends 84-1301] Amends definitions to correspond with language changes in 79-920 regarding eligibility for State and School plan membership; technical revisor changes

Section 12 [amends 84-1310.01] Strikes obsolete defined contribution investment options

Section 13 [amends 84-1311.03] Internal reference and technical revisor changes

Section 14 [amends 84-1319.01] Adds template investment language referencing the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act to the State Equal Retirement Benefit Fund

Section 15 [amends 84-1322] Inserts language regarding vesting that was inadvertently omitted in the passage of LB 34 in 2019

PUBLIC EMPLOYEES RETIREMENT BOARD

Section 16 [amends 84-1503] Broadens NPERS director job qualifications

Strikes requirement for the NPERS attorney to be a dues-paying member in the Nebraska Bar Association. Authorizes the PERB to hire an attorney for a 6-month probationary period pending authorization to practice law in Nebraska

Strikes obsolete requirement for NPERS to prescribe and furnish forms for annual political subdivision plan reports

Strikes obsolete language related to the Legislative Council Retirement Study Fund

Strikes obsolete language concerning the Compliance Audit and inserts the deadline of December 31, 2028 for the next Compliance Audit

Strikes obsolete date concerning presentation NPERS' annual report to the Nebraska Retirement Systems Committee

Section 17 [amends 84-1511] Inserts definitions for the retirement education sessions provided by PERB to members of each of the retirement systems under its jurisdiction to provide information prior to retirement.

Sessions are available to all vested members. Strikes age eligibility requirement for type of retirement education; also strikes requirement for member to be within 5 years of qualifying for early retirement to participate in certain education sessions.

Beginning September 1, 2024, PERB will also provide retirement education sessions to OSERS members

Employers of County and State plan members shall provide each member paid leave to attend up to 3 days of in-person or live webinar sessions offered during the member's normal work day, rather than 4 days

Employers of Judges, State Patrol or School plan members shall provide each member paid leave to attend up to 2 days of in-person or live webinar sessions offered during the member's normal work day

Rearranges language regarding funding to cover expenses and members ability to attend additional sessions at the expense of the member

Sec 13 & 14 Repeals original sections

Section 15 Emergency clause

Mark Kolterman, Chairperson