

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 33

Introduced by Kolterman, 24.

Read first time January 10, 2019

Committee: Nebraska Retirement Systems

1 A BILL FOR AN ACT relating to retirement; to amend sections 72-1243,
2 72-1277, 72-1278, 73-507, and 84-1502, Reissue Revised Statutes of
3 Nebraska, and sections 79-989, 84-712.05, and 84-1503, Revised
4 Statutes Cumulative Supplement, 2018; to change written plan of
5 action deadlines for the Nebraska Investment Council and the Public
6 Employees Retirement Board; to change findings and comprehensive
7 review provisions relating to the achieving a better life experience
8 program; to provide an exception for contracts for certain auditing
9 services; to provide a public records exception as prescribed under
10 the Class V School Employees Retirement Act; to increase the board
11 member per diem and change duties relating to competitive bidding of
12 the Public Employees Retirement Board; to harmonize provisions; and
13 to repeal the original sections.
14 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 72-1243, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 72-1243 (1) Except as otherwise specifically provided by law, the
4 state investment officer shall direct the investment and reinvestment of
5 money in all state funds not currently needed and all funds described in
6 section 83-133 and order the purchase, sale, or exchange of securities
7 for such funds. He or she shall notify the State Treasurer of any
8 payment, receipt, or delivery that may be required as a result of any
9 investment decision, which notification shall be the authorization and
10 direction for the State Treasurer to make such disbursement, receipt, or
11 delivery from the appropriate fund.

12 (2) The council shall have an analysis made of the investment
13 returns that have been achieved on the assets of each retirement system
14 administered by the Public Employees Retirement Board as provided in
15 section 84-1503 and, beginning January 1, 2017, on the assets of each
16 retirement system provided for under the Class V School Employees
17 Retirement Act. By March 31 of each year, the analysis shall be presented
18 to the board and the Nebraska Retirement Systems Committee of the
19 Legislature. The analysis shall be prepared by an independent
20 organization which has demonstrated expertise to perform this type of
21 analysis and for which there exists no conflict of interest in the
22 analysis being provided. The analysis may be waived by the council for
23 any retirement system with assets of less than one million dollars.

24 (3) By March 31 of each year prior to 2020, and by April 10 of each
25 year beginning in 2020, the council shall prepare a written plan of
26 action and shall present such plan to the Nebraska Retirement Systems
27 Committee of the Legislature at a public hearing. The plan shall include,
28 but not be limited to, the council's investment portfolios, investment
29 strategies, the duties and limitations of the state investment officer,
30 and an organizational structure of the council's office.

31 Sec. 2. Section 72-1277, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 72-1277 The Legislature finds that:

3 (1) The Nebraska Investment Council was created by the Legislature
4 in Laws 1967, LB 335. Additional legislation was passed in Laws 1969, LB
5 1345, which provided for centralization of the investment of state funds
6 and addressed types of authorized investments and since then the
7 statutory framework of the council has been modified periodically by the
8 Legislature;

9 (2) The laws of Nebraska provide that the appointed members of the
10 council and the state investment officer are deemed fiduciaries with
11 respect to investment of the assets (a) in the retirement systems, the
12 achieving a better life experience program pursuant to sections 77-1401
13 to 77-1409, and the Nebraska educational savings plan trust and as
14 fiduciaries are required to discharge their duties with respect to such
15 assets solely in the best interest of the members and beneficiaries of
16 such plans and (b) of other state funds solely in the best interest of
17 the residents of Nebraska;

18 (3) As fiduciaries, the appointed members of the council and the
19 officer must act with the care, skill, prudence, and diligence under the
20 circumstances then prevailing that a prudent person acting in like
21 capacity and familiar with such matters would use in the conduct of an
22 enterprise of like character with like aims by diversifying the
23 investments of assets in the various plans so as to minimize the risk of
24 large losses;

25 (4) The council managed over fifteen billion three hundred million
26 dollars of assets as of September 30, 2007. Those assets have quadrupled
27 since 1995. The assets managed by the council produced almost one billion
28 five hundred million dollars in investment earnings in 2006 and almost
29 seven billion dollars of investment earnings since December 31, 1995;

30 (5) The council has the responsibility of the management of
31 portfolios for over thirty state entities. The financial markets and

1 investment strategies that must be employed to achieve satisfactory
2 returns have become more complex and the best practices of similar state
3 government investment agencies have evolved since the creation of the
4 council; and

5 (6) Pursuant to section 72-1249.02, the operating costs of the
6 council are charged to the income of each fund managed by the council,
7 and such charges are transferred to the State Investment Officer's Cash
8 Fund. Management, custodial, and service costs that are a direct expense
9 of state funds are paid from the income of such funds.

10 Sec. 3. Section 72-1278, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 72-1278 The Nebraska Investment Council shall enter into a contract
13 with a qualified independent organization familiar with similar state
14 investment offices to complete a comprehensive review of the current
15 statutory, regulatory, and organizational situation of the council,
16 review best practices of similar state investment offices, and make
17 recommendations to the council, the Governor, and the Legislature for
18 changes needed to ensure that the council has adequate authority to
19 independently execute its fiduciary responsibilities to the members and
20 beneficiaries of the retirement systems, the achieving a better life
21 experience program pursuant to sections 77-1401 to 77-1409, and the
22 Nebraska educational savings plan trust and the residents of Nebraska
23 with regards to other state funds. The recommendations submitted to the
24 Legislature shall be submitted electronically.

25 Sec. 4. Section 73-507, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 73-507 (1) Subject to review by the Director of Administrative
28 Services, the division shall provide procedures to grant limited
29 exceptions from sections 73-504, 73-508, and 73-509 for:

30 (a) Sole source contracts, emergency contracts, and contracts for
31 services when the price has been established by the federal General

1 Services Administration or competitively bid by another state or group of
2 states, a group of states and any political subdivision of any other
3 state, or a cooperative purchasing organization on behalf of a group of
4 states; and

5 (b) Other circumstances or specific contracts when any of the
6 requirements of sections 73-504, 73-508, and 73-509 are not appropriate
7 for or are not compatible with the circumstances or contract. The
8 division shall provide a written rationale which shall be kept on file
9 when granting an exception under this subdivision.

10 (2) The following types of contracts for services are not subject to
11 sections 73-504, 73-508, 73-509, and 73-510:

12 (a) Contracts for services subject to the Nebraska Consultants'
13 Competitive Negotiation Act;

14 (b) Contracts for services subject to federal law, regulation, or
15 policy or state statute, under which a state agency is required to use a
16 different selection process or to contract with an identified contractor
17 or type of contractor;

18 (c) Contracts for professional legal services and services of expert
19 witnesses, hearing officers, or administrative law judges retained by
20 state agencies for administrative or court proceedings;

21 (d) Contracts involving state or federal financial assistance passed
22 through by a state agency to a political subdivision;

23 (e) Contracts with a value of fifteen million dollars or less with
24 direct providers of medical, behavioral, or developmental health
25 services, child care, or child welfare services to an individual;

26 (f) Agreements for services to be performed for a state agency by
27 another state or local government agency or contracts made by a state
28 agency with a local government agency for the direct provision of
29 services to the public;

30 (g) Agreements for services between a state agency and the
31 University of Nebraska, the Nebraska state colleges, the courts, the

1 Legislature, or other officers or state agencies established by the
2 Constitution of Nebraska;

3 (h) Department of Insurance contracts for financial or actuarial
4 examination, for rehabilitation, conservation, reorganization, or
5 liquidation of licensees, and for professional services related to
6 residual pools or excess funds under the agency's control;

7 (i) Department of Transportation contracts for all road and bridge
8 projects;

9 (j) Nebraska Investment Council contracts;~~and~~

10 (k) Contracts under section 57-1503; ~~and~~ -

11 (l) Contracts under subdivision (2)(h) of section 84-1503.

12 Sec. 5. Section 79-989, Revised Statutes Cumulative Supplement,
13 2018, is amended to read:

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

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

1 Sec. 6. Section 84-712.05, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 84-712.05 The following records, unless publicly disclosed in an
4 open court, open administrative proceeding, or open meeting or disclosed
5 by a public entity pursuant to its duties, may be withheld from the
6 public by the lawful custodian of the records:

7 (1) Personal information in records regarding a student, prospective
8 student, or former student of any educational institution or exempt
9 school that has effectuated an election not to meet state approval or
10 accreditation requirements pursuant to section 79-1601 when such records
11 are maintained by and in the possession of a public entity, other than
12 routine directory information specified and made public consistent with
13 20 U.S.C. 1232g, as such section existed on February 1, 2013, and
14 regulations adopted thereunder;

15 (2) Medical records, other than records of births and deaths and
16 except as provided in subdivision (5) of this section, in any form
17 concerning any person; records of elections filed under section 44-2821;
18 and patient safety work product under the Patient Safety Improvement Act;

19 (3) Trade secrets, academic and scientific research work which is in
20 progress and unpublished, and other proprietary or commercial information
21 which if released would give advantage to business competitors and serve
22 no public purpose;

23 (4) Records which represent the work product of an attorney and the
24 public body involved which are related to preparation for litigation,
25 labor negotiations, or claims made by or against the public body or which
26 are confidential communications as defined in section 27-503;

27 (5) Records developed or received by law enforcement agencies and
28 other public bodies charged with duties of investigation or examination
29 of persons, institutions, or businesses, when the records constitute a
30 part of the examination, investigation, intelligence information, citizen
31 complaints or inquiries, informant identification, or strategic or

1 tactical information used in law enforcement training, except that this
2 subdivision shall not apply to records so developed or received:

3 (a) Relating to the presence of and amount or concentration of
4 alcohol or drugs in any body fluid of any person; or

5 (b) Relating to the cause of or circumstances surrounding the death
6 of an employee arising from or related to his or her employment if, after
7 an investigation is concluded, a family member of the deceased employee
8 makes a request for access to or copies of such records. This subdivision
9 does not require access to or copies of informant identification, the
10 names or identifying information of citizens making complaints or
11 inquiries, other information which would compromise an ongoing criminal
12 investigation, or information which may be withheld from the public under
13 another provision of law. For purposes of this subdivision, family member
14 means a spouse, child, parent, sibling ~~brother, sister~~, grandchild, or
15 grandparent by blood, marriage, or adoption;

16 (6) Appraisals or appraisal information and negotiation records
17 concerning the purchase or sale, by a public body, of any interest in
18 real or personal property, prior to completion of the purchase or sale;

19 (7) Personal information in records regarding personnel of public
20 bodies other than salaries and routine directory information;

21 (8) Information solely pertaining to protection of the security of
22 public property and persons on or within public property, such as
23 specific, unique vulnerability assessments or specific, unique response
24 plans, either of which is intended to prevent or mitigate criminal acts
25 the public disclosure of which would create a substantial likelihood of
26 endangering public safety or property; computer or communications network
27 schema, passwords, and user identification names; guard schedules; lock
28 combinations; or public utility infrastructure specifications or design
29 drawings the public disclosure of which would create a substantial
30 likelihood of endangering public safety or property, unless otherwise
31 provided by state or federal law;

1 (9) The security standards, procedures, policies, plans,
2 specifications, diagrams, access lists, and other security-related
3 records of the Lottery Division of the Department of Revenue and those
4 persons or entities with which the division has entered into contractual
5 relationships. Nothing in this subdivision shall allow the division to
6 withhold from the public any information relating to amounts paid persons
7 or entities with which the division has entered into contractual
8 relationships, amounts of prizes paid, the name of the prize winner, and
9 the city, village, or county where the prize winner resides;

10 (10) With respect to public utilities and except as provided in
11 sections 43-512.06 and 70-101, personally identified private citizen
12 account payment and customer use information, credit information on
13 others supplied in confidence, and customer lists;

14 (11) Records or portions of records kept by a publicly funded
15 library which, when examined with or without other records, reveal the
16 identity of any library patron using the library's materials or services;

17 (12) Correspondence, memoranda, and records of telephone calls
18 related to the performance of duties by a member of the Legislature in
19 whatever form. The lawful custodian of the correspondence, memoranda, and
20 records of telephone calls, upon approval of the Executive Board of the
21 Legislative Council, shall release the correspondence, memoranda, and
22 records of telephone calls which are not designated as sensitive or
23 confidential in nature to any person performing an audit of the
24 Legislature. A member's correspondence, memoranda, and records of
25 confidential telephone calls related to the performance of his or her
26 legislative duties shall only be released to any other person with the
27 explicit approval of the member;

28 (13) Records or portions of records kept by public bodies which
29 would reveal the location, character, or ownership of any known
30 archaeological, historical, or paleontological site in Nebraska when
31 necessary to protect the site from a reasonably held fear of theft,

1 vandalism, or trespass. This section shall not apply to the release of
2 information for the purpose of scholarly research, examination by other
3 public bodies for the protection of the resource or by recognized tribes,
4 the Unmarked Human Burial Sites and Skeletal Remains Protection Act, or
5 the federal Native American Graves Protection and Repatriation Act;

6 (14) Records or portions of records kept by public bodies which
7 maintain collections of archaeological, historical, or paleontological
8 significance which reveal the names and addresses of donors of such
9 articles of archaeological, historical, or paleontological significance
10 unless the donor approves disclosure, except as the records or portions
11 thereof may be needed to carry out the purposes of the Unmarked Human
12 Burial Sites and Skeletal Remains Protection Act or the federal Native
13 American Graves Protection and Repatriation Act;

14 (15) Job application materials submitted by applicants, other than
15 finalists or a priority candidate for a position described in section
16 85-106.06 selected using the enhanced public scrutiny process in section
17 85-106.06, who have applied for employment by any public body as defined
18 in section 84-1409. For purposes of this subdivision, (a) job application
19 materials means employment applications, resumes, reference letters, and
20 school transcripts and (b) finalist means any applicant who is not an
21 applicant for a position described in section 85-106.06 and (i) who
22 reaches the final pool of applicants, numbering four or more, from which
23 the successful applicant is to be selected, (ii) who is an original
24 applicant when the final pool of applicants numbers less than four, or
25 (iii) who is an original applicant and there are four or fewer original
26 applicants;

27 (16)(a) ~~(16)~~ Records obtained by the Public Employees Retirement
28 Board pursuant to section 84-1512 and (b) records maintained by the board
29 of education of a Class V school district and obtained by the board of
30 trustees for the administration of a retirement system provided for under
31 the Class V School Employees Retirement Act pursuant to section 79-989;

1 (17) Social security numbers; credit card, charge card, or debit
2 card numbers and expiration dates; and financial account numbers supplied
3 to state and local governments by citizens;

4 (18) Information exchanged between a jurisdictional utility and city
5 pursuant to section 66-1867;

6 (19) Draft records obtained by the Nebraska Retirement Systems
7 Committee of the Legislature and the Governor from Nebraska Public
8 Employees Retirement Systems pursuant to subsection (4) of section
9 84-1503;

10 (20) All prescription drug information submitted pursuant to section
11 71-2454, all data contained in the prescription drug monitoring system,
12 and any report obtained from data contained in the prescription drug
13 monitoring system; and

14 (21) Information obtained by any government entity, whether federal,
15 state, county, or local, regarding firearm registration, possession,
16 sale, or use that is obtained for purposes of an application permitted or
17 required by law or contained in a permit or license issued by such
18 entity. Such information shall be available upon request to any federal,
19 state, county, or local law enforcement agency.

20 Sec. 7. Section 84-1502, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 84-1502 (1) Within thirty days after its appointment, the Public
23 Employees Retirement Board shall meet and select a chairperson and
24 secretary. Thereafter, the chairperson and the secretary shall be elected
25 in January of each year.

26 (2) The board shall meet upon call of the chairperson or upon the
27 request of three members of the board filed with the board office.
28 Meetings of the board shall be held in this state and may be held by
29 telecommunication equipment if the requirements of the Open Meetings Act
30 are met.

31 (3) The members of the board, except the state investment officer,

1 shall be paid ~~seventy-five~~ fifty dollars per diem, and all members shall
2 be reimbursed for their actual and necessary expenses incurred in
3 connection with the performance of their duties as board members as
4 provided in sections 81-1174 to 81-1177.

5 Sec. 8. Section 84-1503, Revised Statutes Cumulative Supplement,
6 2018, is amended to read:

7 84-1503 (1) It shall be the duty of the Public Employees Retirement
8 Board:

9 (a) To administer the retirement systems provided for in the County
10 Employees Retirement Act, the Judges Retirement Act, the Nebraska State
11 Patrol Retirement Act, the School Employees Retirement Act, and the State
12 Employees Retirement Act. The agency for the administration of the
13 retirement systems and under the direction of the board shall be known
14 and may be cited as the Nebraska Public Employees Retirement Systems;

15 (b) To appoint a director to administer the systems under the
16 direction of the board. The appointment shall be subject to the approval
17 of the Governor and a majority of the Legislature. The director shall be
18 qualified by training and have at least five years of experience in the
19 administration of a qualified public or private employee retirement plan.
20 The director shall not be a member of the board. The salary of the
21 director shall be set by the board. The director shall serve without term
22 and may be removed by the board;

23 (c) To provide for an equitable allocation of expenses among the
24 retirement systems administered by the board, and all expenses shall be
25 provided from the investment income earned by the various retirement
26 funds unless alternative sources of funds to pay expenses are specified
27 by law;

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

30 (e) To hire an attorney, admitted to the Nebraska State Bar
31 Association, to advise the board in the administration of the retirement

1 systems listed in subdivision (a) of this subsection;

2 (f) To hire an internal auditor to perform the duties described in
3 section 84-1503.04 who meets the minimum standards as described in
4 section 84-304.03;

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

15 (h) To prescribe and furnish forms for the public retirement system
16 plan reports required to be filed pursuant to sections 2-3228, 12-101,
17 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 19-3501, 23-1118,
18 23-3526, 71-1631.02, and 79-987 through December 31, 2017.

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

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

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

27 (c) To adopt and promulgate rules and regulations, as the board may
28 deem necessary, for the management of the board;

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

31 (e) To obtain, by a competitive, formal, and sealed bidding process

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

28 (f) To direct the State Treasurer to transfer funds, as an expense
29 of the retirement systems, to the Legislative Council Retirement Study
30 Fund. Such transfer shall occur beginning on or after July 1, 2005, and
31 at intervals of not less than five years and not more than fifteen years

1 and shall be in such amounts as the Legislature shall direct;

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

7 ~~(h) To obtain, by a competitive, formal, and sealed bidding process~~
8 ~~through the materiel division of the Department of Administrative~~
9 ~~Services,~~ auditing services for a separate compliance audit of the
10 retirement systems to be completed by December 31, 2020, and from time to
11 time thereafter at the request of the Nebraska Retirement Systems
12 Committee of the Legislature, to be completed not more than every four
13 years but not less than every ten years. The compliance audit shall be in
14 addition to the annual audit conducted by the Auditor of Public Accounts.
15 The compliance audit shall include, but not be limited to, an examination
16 of records, files, and other documents and an evaluation of all policies
17 and procedures to determine compliance with all state and federal laws. A
18 copy of the compliance audit shall be given to the Governor, the board,
19 and the Nebraska Retirement Systems Committee of the Legislature and
20 shall be presented to the committee at a public hearing;

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

1 contributions or benefits;

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

14 (k) To administer all retirement system plans in a manner which will
15 maintain each plan's status as a qualified plan pursuant to the Internal
16 Revenue Code, as defined in section 49-801.01, including: Section 401(a)
17 (9) of the Internal Revenue Code relating to the time and manner in which
18 benefits are required to be distributed, including the incidental death
19 benefit distribution requirement of section 401(a)(9)(G) of the Internal
20 Revenue Code; section 401(a)(25) of the Internal Revenue Code relating to
21 the specification of actuarial assumptions; section 401(a)(31) of the
22 Internal Revenue Code relating to direct rollover distributions from
23 eligible retirement plans; section 401(a)(37) of the Internal Revenue
24 Code relating to the death benefit of a member whose death occurs while
25 performing qualified military service; and section 401(a) of the Internal
26 Revenue Code by meeting the requirements of section 414(d) of the
27 Internal Revenue Code relating to the establishment of retirement plans
28 for governmental employees of a state or political subdivision thereof.
29 The board may adopt and promulgate rules and regulations necessary or
30 appropriate to maintain such status including, but not limited to, rules
31 or regulations which restrict discretionary or optional contributions to

1 a plan or which limit distributions from a plan.

2 (3) By March 31 of each year prior to 2020, and by April 10 of each
3 year beginning in 2020, the board shall prepare a written plan of action
4 and shall present such plan to the Nebraska Retirement Systems Committee
5 of the Legislature at a public hearing. The plan shall include, but not
6 be limited to, the board's funding policy, the administrative costs and
7 other fees associated with each fund and plan overseen by the board,
8 member education and informational programs, the director's duties and
9 limitations, an organizational structure of the office of the Nebraska
10 Public Employees Retirement Systems, and the internal control structure
11 of such office to ensure compliance with state and federal laws.

12 (4)(a) Beginning in 2016, and at least every four years thereafter
13 in even-numbered years or at the request of the Nebraska Retirement
14 Systems Committee of the Legislature, the board shall obtain an
15 experience study. Within thirty business days after presentation of the
16 experience study to the board, the actuary shall present the study to the
17 Nebraska Retirement Systems Committee at a public hearing. If the board
18 does not adopt all of the recommendations in the experience study, the
19 board shall provide a written explanation of its decision to the Nebraska
20 Retirement Systems Committee and the Governor. The explanation shall be
21 delivered within ten business days after formal action by the board to
22 not adopt one or more of the recommendations.

23 (b) The director shall provide an electronic copy of the first draft
24 and a final draft of the experience study and annual valuation reports to
25 the Nebraska Retirement Systems Committee and the Governor when the
26 director receives the drafts from the actuary. The drafts shall be deemed
27 confidential information. The draft copies obtained by the Nebraska
28 Retirement Systems Committee and the Governor pursuant to this section
29 shall not be considered public records subject to sections 84-712 to
30 84-712.09.

31 (c) For purposes of this subsection, business days shall be computed

1 by excluding the day the request is received, after which the designated
2 period of time begins to run. A business day shall not include a Saturday
3 or a Sunday or a day during which the Nebraska Public Employees
4 Retirement Systems office is closed.

5 (5) It shall be the duty of the board to direct the State Treasurer
6 to transfer funds, as an expense of the retirement system provided for
7 under the Class V School Employees Retirement Act, to and from the Class
8 V Retirement System Payment Processing Fund and the Class V School
9 Employees Retirement Fund for the benefit of a retirement system provided
10 for under the Class V School Employees Retirement Act to implement the
11 provisions of section 79-986. The agency for the administration of this
12 provision and under the direction of the board shall be known and may be
13 cited as the Nebraska Public Employees Retirement Systems.

14 Sec. 9. Original sections 72-1243, 72-1277, 72-1278, 73-507, and
15 84-1502, Reissue Revised Statutes of Nebraska, and sections 79-989,
16 84-712.05, and 84-1503, Revised Statutes Cumulative Supplement, 2018, are
17 repealed.