

## LEGISLATIVE BILL 131

Approved by the Governor February 19, 1982

Introduced by Newell, 13

AN ACT to amend sections 79-1032, 79-1045, 79-1047, 79-1048, 79-1049, 79-1051.03, 79-1051.04, and 79-1056, Reissue Revised Statutes of Nebraska, 1943, sections 79-1041, 79-1052, and 79-1057, Revised Statutes Supplement, 1980, and section 79-1043, Revised Statutes Supplement, 1981, relating to the retirement system for Class V school districts; to revise the system as prescribed; to repeal the original sections, and also sections 79-1053, 79-1056.01 to 79-1056.04, and 79-1059, Reissue Revised Statutes of Nebraska, 1943; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 79-1032, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-1032. As used in sections 79-1032 to 79-1060 and section 4 of this act, unless the context otherwise requires:

(1) Retirement system or system shall mean the School Employees' Retirement System of the School District of (name of city) as provided for in sections 79-1032 to 79-1060;

(2) Board shall mean the board of education of the school district;

(3) Trustee shall mean the trustees provided for in section 79-1034;

(4) Employee shall mean the following enumerated persons receiving compensation from the school district: (a) Regular teachers and administrators employed on a written contract basis and (b) regular employees, not teachers, hired upon a full-time basis, which basis shall contemplate a work week of not less than thirty hours;

(5) Member shall mean any employee included in the membership of the retirement system or any former employee who shall have made contributions to the system and shall not have received a refund;

(6) Annuitant shall mean any member receiving an allowance;

(7) Beneficiary shall mean any person entitled to receive or receiving a benefit by reason of the death of a member;

(8) Membership service shall mean service on or after September 1, 1951, as an employee of the school district and a member of the system for which compensation is paid by the district;

(9) Prior service shall mean service rendered prior to September 1, 1951, for which credit is allowed under sections 79-1044 and 79-1045, and service rendered by retired employees receiving benefits under preexisting systems;

(10) Creditable service shall mean the sum of the membership service and the prior service;

(11) Compensation shall mean salary or wages payable by the district; ~~but shall not include bonuses or salary or wages paid on account of overtime employment nor shall it include any salary or wages in excess of five thousand dollars paid in any one fiscal year;~~

(12) Military service shall mean service in the United States Army, Navy, Marine Corps, Air Force, Coast Guard, or any women's auxiliary thereof;

(13) Accumulated contributions shall mean the sum of amounts contributed by a member of the system together with regular interest credited thereon;

(14) Regular interest shall mean interest (a) on the total contributions of the member prior to the close of the last preceding fiscal year, (b) compounded annually, (c) at rates to be determined annually by the board, which shall have the sole, absolute, and final discretionary authority to make such determination; Provided, that the rate for any given year in no event shall exceed the actual percentage of net earnings of the system during such year;

(15) Retirement date shall mean the date of retirement of a member for service or disability as fixed by the board;

(16) Normal retirement date shall mean the end of the fiscal year during which the member attains age sixty-five;

(17) Compulsory retirement date shall mean the end of the fiscal year during which the member attains age seventy;

(18) Permissive Early retirement date shall mean that month and year selected by a member having ~~thirty-five at least ten~~ years creditable service ~~or-by-a member-attaining-age-sixty-and-having--twenty-five--years creditable-service and who has attained age fifty-five;~~

(19) Retirement allowance shall mean the total annual retirement benefit payable to a member for service or disability;

(20) Annuity shall mean annual payments, for both prior service and membership service, for life as provided in sections 79-1032 to 79-1060;

(21) Actuarial tables shall mean such tables as shall have been adopted by the board in accordance with recommendations of the actuary; ~~Provided, that-until--the system-shall-have-been-in-operation-for--at--least--three years-from-the-date-of-establishment,--the--annuity--table for-1949-and-two-per-cent-interest-shall-be-used;~~

(22) Actuarial equivalent shall mean an annuity or benefit of equal value equivalent to the accumulated contributions; annuity; or benefit otherwise available, when computed upon the basis of the actuarial tables in use-by-the-system adopted by the board for such purpose;

(23) Withdrawal from service shall mean complete severance of employment of a member as an employee of the district by resignation, discharge, or dismissal; and

(24) Fiscal year shall mean the period beginning September 1 in any year and ending on August 31 of the next succeeding year.

Sec. 2. That section 79-1041, Revised Statutes Supplement, 1980, be amended to read as follows:

79-1041. ~~(1)~~ Any person, who becomes an employee on or after the date of establishment of the system, shall become a member of the retirement system upon employment; Provided, no person employed whose attained age at date of employment is sixty-five or over shall become a member of the system. Contributions by such employee under sections 79-1032 to 79-1060 shall begin with the first payroll period after becoming a member and creditable service shall then begin to accrue.

(z) Any person who is an employee on the date of the establishment of the system shall become a member as of that date, unless during the period of sixty days prior to the establishment he or she shall have filed with the board, on a form prescribed by the system, a duly executed waiver of all present and prospective annuities or benefits which he or she would otherwise have as a member. Any employee who so elects not to become a member by filing such a waiver may nevertheless thereafter apply for and be admitted to membership but, except as hereinafter provided, without credit for service rendered on or after the date of establishment of the system and prior to the time he or she becomes a member. Any employee who shall elect not to become a member shall continue to make contributions upon the same basis as he or she had contributed in any preexisting plan and shall be entitled to all the rights, benefits, and privileges to which he or she might have been entitled under such preexisting plan had it been continued in full force and effect. Any person who was an employee on the date of the establishment of the system and who executed such election and waiver may file with the board a rescission of his or her waiver. Such employee shall become a member as of the date of the rescission of his or her waiver, and if such rescission is made within two years of the effective date of this system, he or she may elect to pay to the system an amount equal to the accumulated contributions which would have been made had he or she not so elected. Upon payment of this amount, the board shall forthwith pay to the system a like amount whereupon the member shall be entitled to past service credits in the same manner and in the same amount as would have been the case had no waiver been executed. If any member withdraws his or her accumulated contributions, he or she shall thereupon cease to be a member of the system.

Sec. 3. That section 79-1043, Revised Statutes Supplement, 1981, be amended to read as follows:

79-1043. (1) Any member who was or shall be drafted or shall have enlisted in the Army, Navy, Marine Corps, Air Force, Coast Guard, or any other armed service of the United States or any women's auxiliary thereof during time of war or who shall have been inducted into the armed forces of the United States during time of peace may pay to the system, within three years from the date of his or her return from active military service, an amount equal to the sum of all deductions which would have been made from the salary which he or she would have received during the first, not to exceed three, years of military service, plus regular interest thereon as defined in section 79-1032 at the rate of two per cent

per-annum from the date such regular deductions would have been made to the date of repayment. If such payment be made, the board shall pay simultaneously to the system a like amount, whereupon the member shall be entitled to credit for membership service for the period for which contributions shall have been made.

(2) Under such rules and regulations as the board may prescribe, any member who was away from his or her position while on a leave of absence from such position authorized by the school board or board of education of the school district by which he or she was employed at the time of such leave of absence or pursuant to any contractual agreement entered into by such school district may receive credit for such time as he or she was on leave of absence. ~~Such credit shall increase--the benefits provided by the retirement system and time~~ shall be included in creditable service when determining eligibility for death, disability, termination, and retirement benefits. The member who receives the credit shall earn benefits during the leave based on salary at the level received immediately prior to the leave of absence. Such credit shall be received if such member shall have paid into the system an amount equal to the sum of the deductions from his or her salary and any contribution which the school district would have been required to make had he or she continued to receive salary at the level received immediately prior to the leave of absence, with such deposits to be paid as the board may direct within three years of the termination of his or her leave of absence. Leave of absence shall be construed to include, but not be limited to, sabbaticals, maternity leave, exchange teaching programs, full-time leave as an elected official of a professional association or collective bargaining unit, or leave of absence to pursue further education or study. A leave of absence granted pursuant to this section shall not exceed four years in length and in order to receive credit for the leave of absence the member must return to employment with the Class V district within one year after termination of the leave of absence.

Sec. 4. In lieu of the retirement annuity provided by section 79-1044 or 79-1056, any member who becomes eligible to receive a retirement annuity after the effective date of this act under the provisions of sections 79-1032 to 79-1060 shall receive a formula retirement annuity based on final average compensation, except that if the monthly formula retirement annuity based on final average compensation is less than the monthly retirement annuity specified in section 79-1044 or section 79-1056, accrued to the date of retirement, or August 31, 1983, whichever first occurs, the member shall

receive the monthly retirement annuity specified in section 79-1044 or 79-1056 accrued to the date of retirement or August 31, 1983, whichever first occurs.

The monthly formula retirement annuity based on final average compensation shall be determined by multiplying the number of years of creditable service up to a maximum of thirty for which such member would otherwise receive the retirement annuity provided by section 79-1044 or 79-1056 by one and one half per cent of his or her final average compensation.

Final average compensation shall be determined by dividing the member's total compensation for the three fiscal years in which such compensation was the highest by thirty-six.

If the annuity begins prior to the sixty-second birthday of the member, the annuity at the date it begins shall be the actuarial equivalent of the annuity deferred to the sixty-second birthday of the member.

The normal form of the formula retirement annuity based on final average compensation shall be an annuity payable monthly during the remainder of the member's life. A member may elect to receive, in lieu of the normal form of annuity, the joint and survivorship annuity provided by section 79-1046 which shall be the actuarial equivalent of the formula retirement annuity based on final average compensation.

Any member receiving a formula retirement annuity based on final average compensation shall also receive in addition thereto the service annuity to be paid by the State of Nebraska as provided in sections 79-1522 to 79-1523.

Sec. 5. That section 79-1045, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-1045. In the event that any employee shall become a member without prior service credit, prior service credit for a period of not to exceed five years may be acquired by furnishing satisfactory proof that the employee has been employed for such period of time by a school district and by the payment by the member of the total amount, which he or she would have contributed to the system had he or she been a member of the system during such period, together with regular interest thereon as defined in section 79-1032, such contribution to be based on his or her current annual salary at the time he or she becomes a member and payable in total for

the period of time, not exceeding five years, for which such member requests such prior service credit, and by the payment into the fund by the school district of an equivalent amount. These amounts may be paid in installments over a period of not to exceed two years from date of membership. Interest on delayed payments shall be at the rate of two-per-cent--per--annum regular interest as defined in section 79-1032.

Sec. 6. That section 79-1047, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-1047. Upon the death of a member, if a joint survivorship annuity be has not been elected, the member's beneficiary, or if no beneficiary has been named, his or her estate shall receive in a lump sum an amount equal to the member's accumulated contributions less any retirement allowance previously made; Provided, that at any time prior to retirement, a member who has twenty years or more of creditable service may elect that his or her designated beneficiary shall receive a survivorship annuity in lieu of a refund of the accumulated contributions for years of membership service upon his or her death prior to retirement. The amount of such survivorship annuity shall be determined as if the member had retired at age sixty-five and had in effect an election of a joint and survivorship annuity in accordance with section 79-1046 based upon the relative ages of the designated beneficiary and the member on his or her sixty-fifth birthday and the annuity credits on account of membership service to the date of death or, if a formula retirement annuity based on final average compensation would have been payable under section 4 of this act, the number of years of creditable service to the date of death up to a maximum of thirty years. The designated beneficiaries shall be the spouse or parent or parents of the member.

Sec. 7. That section 79-1048, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-1048. (1) Any member with ten or more years of creditable service who shall have become totally disabled for further performance of duty may be retired by the board. In the case of such retirement, the amount of annuity payable to the member shall be the annuity earned to date of disability retirement; Provided, that payments for disability shall be reduced by the amount of any periodical payments to such employee under the Nebraska Workmen's Compensation Act. The board shall consider a member to be totally disabled when it shall

have received an application by the member and a statement by at least two licensed and practicing physicians designated by the board certifying that the member is totally and presumably permanently disabled and unable to perform his or her duties as a consequence thereof.

(2) The disability benefit, referred to in subsection (1) of this section, shall begin to accrue from the ~~thirty-first-day-of-absence-from-service-on~~ account-of-disability date of the first of the two examinations by which the member is determined to be totally disabled, shall be payable during the time the member shall not receive any wages or compensation for services, and shall continue until the time any one of the following events first occurs: (a) When disability ceases; (b) the normal retirement date; or (c) the member has been found to be engaged in gainful employment from which he or she has received more than one hundred dollars per month. The board may require periodical proof of disability and nonemployment or permissible employment, but not more frequently than semiannually. Any member whose disability benefits shall cease because of such member having reached the normal retirement date shall upon such date be entitled to the retirement allowance without reduction for amounts paid on account of disability, but without credit for service during the period of disability.

Sec. 3. That section 79-1049, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-1049. A member, who has fifteen ~~ten~~ years or more of creditable service and who shall sever his or her employment, may elect to leave his or her contributions in the system, in which event he or she shall receive a retirement allowance at normal retirement age ~~equal--to~~ the credits based on the annuity earned to the date of such severance. Such member may elect to receive a retirement allowance at early retirement age if such member qualifies for early retirement as defined in section 79-1032. Such annuity shall be adjusted in accordance with section 4 of this act. Upon the severance of employment, except on account of retirement, a member shall be entitled to receive refunds as follows: (1) An amount equal to the accumulated contributions to the system by the member; and (2) any contributions made to a previously existing system which were refundable under the terms of that system. Any member, receiving a refund of contributions, shall thereby forfeit and relinquish all accrued rights in the retirement system including all accumulated creditable service; Provided,



that if any member, who has withdrawn his or her contributions as provided in this section, shall reenter the service of the district within a period of five years from the date of withdrawal and again become a member of the system, he or she may restore all money previously received by him or her as a refund, including the regular interest for the period of his or her absence from the district's service, and he or she shall then again receive credit for service which he or she forfeited by the acceptance of such refund. Such restoration can be made in equal installments over a period of not to exceed two years from the date of reemployment. Interest on delayed payments shall be at the rate of regular interest as defined in section 79-1032.

Sec. 9.. That section 79-1051.03, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-1051.03. Investments may be made in bonds and debt obligations issued or guaranteed by a corporation created or existing under the laws of the United States, ~~or~~ any state, district, or territory of the United States of America, or Canada or any province thereof if the principal and interest on such securities are payable in United States currency as follows: (1) In obligations of the United States, this state, ~~or any~~ federal agency, or instrumentality, or obligations of Canada or any province thereof, bonds; (2) in bonds, notes, and certificates of indebtedness, and other obligations of the state, of any county, township, municipal corporation, school district, any conservancy district, or sanitary district of the state, or any other legally constituted taxing or bond-issuing authority, subdivision, or municipal corporation within the state, (3) in revenue bonds issued by a taxing subdivision of the state, (4) in bonds or other interest-bearing obligations of any other state of the United States which, within twenty years prior to the making of such investment, has not defaulted for more than ninety days in the payment of principal or interest on any of its bonds or other interest-bearing obligations, (5) in savings accounts in a national bank located in this state or a state bank located in and organized under the laws of this state by depositing such funds therein, but no such deposit shall be made unless the deposits of the depository bank are insured by the Federal Deposit Insurance Corporation created under an act of Congress, entitled the Federal Deposit Insurance Act, and amendments thereto, and the deposit of funds in any such savings accounts in any one bank shall not exceed the sum insured under such act and the amendments thereto, (6) in obligations consisting of notes, bonds, debentures, or equipment trust certificates issued under

an indenture which are the direct obligations, or in the case of equipment trust certificates, are secured by direct obligations, of a railroad, ~~or industrial, or financial~~ corporation, or a corporation engaged directly and primarily in the production, transportation, distribution, or sale of electricity or gas, or the operation of telephone or telegraph systems or waterworks, or in some combination of them, but only if the obligor corporation is one which is incorporated under the laws of the United States, or any state thereof, ~~or of the District of Columbia, or of Canada or any province thereof,~~ and such obligations shall be rated at the time of purchase in one of the ~~three~~ four highest classifications established by at least two standard rating services selected from a list of the standard rating services which shall be prescribed by the Director of Banking and Finance, or (7) in notes, bonds, or debentures, secured by mortgages as provided in section 79-1051.05.

Sec. 10. That section 79-1051.04, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-1051.04. Investments may also be made in stock, common or preferred, issued or guaranteed by a corporation created or existing under the laws of the United States, ~~or any state, district, or territory thereof, of the United States, or Canada or any province thereof if the principal and interest on such securities are payable in United States currency,~~ subject to the following: (1) For a period of five fiscal years for which the necessary statistical data are available next preceding the date of investment, such corporation as disclosed by its published annual financial statement shall have had an average annual net income plus its average annual fixed charges at least equal to one and one half times the sum of its average annual dividend requirements for preferred stock and its annual average fixed charges for the same period, and during neither of the last two years of such period shall the sum of its annual net income and its annual fixed charges have been less than one and one half times the sum of its dividend requirements for preferred stock and its fixed charges for the same period, and as used in this subdivision, fixed charges shall mean interest on funded or unfunded debt, contingent interest charges, amortization of debt discount and expense in rentals for leased property and, in the case of consolidated earnings statements of parent and subsidiary corporations, shall include all fixed charges of preferred dividend requirements, if any, of the subsidiaries; (2) such corporation has no arrears of dividends on its preferred stock; ~~(3)-such--common--stock~~

is registered on a national securities exchange as provided in the Federal Securities Exchange Act but such registration shall not be required of the following stocks: The common stock of a bank which is a member of the Federal Deposit Insurance Corporation and has capital funds, represented by capital, surplus, and undivided profits of at least twenty million dollars; the common stock of a life insurance company which has capital funds, represented by capital, special surplus funds, and unassigned surplus of at least fifty million dollars; the common stock of a fire or casualty insurance company, or a combination thereof, which has capital funds represented by capital, net surplus, and voluntary reserves of at least fifty million dollars, but only if such corporation has at least three hundred shareholders at the time of purchase; (4) (3) the preferred stock of such corporation, if any be outstanding, shall qualify for investment under this section; (5) (4) such corporation, having no preferred stock outstanding, shall have had earnings for the five fiscal years next preceding the date of investment of at least twice the interest on all mortgages, bonds, debentures, and funded debts, if any, after deduction of the proper charges for replacements, depreciation, and obsolescence; and (6) (5) such corporation shall have paid a cash dividend on its common stock in each year of the ten-year had earnings available for payment of dividends on common stock of not less than one hundred thousand dollars per annum for at least three years of the five-year period next preceding the date of investment, and the aggregate net earnings available for dividends on the common stock of such corporation for the whole of such period shall have been at least equal to the amount of such dividends paid.

In applying any earnings test under the provisions of this section to any issuing, assuming, or guaranteeing corporation, where when such corporation has acquired its property or any substantial part thereof within a five-year period immediately preceding the date of investment by consolidation or merger, or by the purchase of all or a substantial portion of the property of any other corporation or corporations, or has acquired the assets of any unincorporated business enterprise by purchase or otherwise, net income, fixed charges, and preferred dividend of predecessor or constituent corporations or enterprises shall be consolidated and adjusted so as to ascertain whether or not the applicable requirements of this section have been complied with. The total value of common stocks shall not exceed twenty-five fifty per cent and the total value of all preferred stocks shall not exceed ten per cent of the total value of all funds of the system, and not more than five per cent of the total value of such funds shall be

invested in the common stock of a single corporation. The total number of common shares purchased in a single corporation shall not exceed one per cent of the issued and outstanding common stock of such corporation.

Sec. 11. That section 79-1052, Revised Statutes Supplement, 1980, be amended to read as follows:

79-1052. The trustees shall annually estimate the total amount of annuities and refunds to be paid retired members during the ensuing fiscal year on account of prior service. They shall timely submit to the board of education, ~~during the month of July in each year~~, the estimated amount required to cover such liabilities, taking into account any accumulated excesses or deficiencies on account of variations between estimated and actual payments for past service credits. Upon the recommendation of the trustees, the board of education shall certify to the county clerk, before the county board of equalization shall make its levy in each year, the rate of tax upon the actual value of all the taxable property in such district, except intangible property, which it deems necessary to be levied to provide for such prior service annuities less the amount of such credits, and refunds on account of prior service. It shall be the duty of the county board of equalization to make the levy demanded by the board of education in the same manner as other taxes are levied and collected. Such special levy shall not in any one year exceed seven cents on each one hundred dollars upon the actual value of all the taxable property in such district, except intangible property. The proceeds of such special tax levy shall be in addition to the aggregate school tax certified by the board of education for all other school purposes.

Sec. 12. That section 79-1056, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

79-1056. If, at any future time, a majority of the eligible members of the system shall vote to be included under an agreement providing old age and survivors insurance under the Social Security Act of the United States, the contributions to be made by the member and the district for membership service, from and after the effective date of the agreement with respect to services performed subsequent to December 31, 1954, shall each be reduced from five to three per cent but not less than three per cent of the member's salary per annum, and the credits for membership service under this system, as provided in section 79-1044, shall thereafter be reduced from one and one half per cent to nine-tenths of one per cent and not less than nine-tenths of one per cent of

salary or wage earned by the member during each fiscal year, and from one and sixty-five hundredths per cent to one per cent and not less than one per cent of salary or wage earned by the member during each fiscal year and from two per cent to one and two-tenths per cent of salary or wage earned by the member during each fiscal year, and from two and four-tenths per cent to one and forty-four hundredths per cent of salary or wage earned by the member during each fiscal year; Provided, that after September 1, 1963, and prior to September 1, 1969, all employees of the district shall contribute an amount equal to the membership contribution which shall be two and three-fourths per cent of salary covered by old age and survivors insurance, and five per cent above that amount. Commencing September 1, 1969, all employees of the district shall contribute an amount equal to the membership contribution which shall be two and three-fourths per cent of the first seven thousand eight hundred dollars of salary or wages earned each fiscal year and five per cent of salary or wages earned above that amount in the same fiscal year. Commencing September 1, 1976, all employees of the district shall contribute an amount equal to the membership contribution which shall be two and nine-tenths per cent of the first seven thousand eight hundred dollars of salary or wages earned each fiscal year and five and twenty-five hundredths per cent of salary or wages earned above that amount in the same fiscal year. Commencing on September 1, 1982, all employees of the district shall contribute an amount equal to the membership contribution which shall be four and nine-tenths per cent of the compensation earned in each fiscal year, and the contributions by the district shall be such amount as may be necessary to maintain the solvency of the system, including refunds to the general fund provided by section 79-4059, as determined annually by the board upon recommendation of the actuary and the trustees. The employee's contribution shall be made in the form of a monthly deduction from compensation. Every employee who is a member of the system shall be deemed to consent and agree to such deductions, and shall receipt in full for compensation, and payment to such employee of compensation less such deduction shall constitute a full and complete discharge of all claims and demands whatsoever for services rendered by such employee during the period covered by such payment, except as to benefits provided under sections 79-1032 to 79-1060. After September 1, 1963, and prior to September 1, 1969, all employees shall be credited with a membership service annuity which shall be nine-tenths of one per cent of salary or wage covered by old age and survivors insurance, and one and one half per cent of salary or wages above that amount, except that those employees who

retire on or after August 31, 1969, shall be credited with a membership service annuity which shall be one per cent of salary or wages covered by old age and survivors insurance, and one and sixty-five hundredths per cent of salary or wages above that amount for service performed after September 1, 1963, and prior to September 1, 1969. Commencing September 1, 1969, all employees shall be credited with a membership service annuity which shall be one per cent of the first seven thousand eight hundred dollars of salary or wages earned by the employee during each fiscal year and one and sixty-five hundredths per cent of salary or wages earned above that amount in the same fiscal year; provided further, that all employees retiring on or after August 31, 1976, shall be credited with a membership service annuity which shall be one and forty-four hundredths per cent of the first seven thousand eight hundred dollars of salary or wages earned by the employee during such fiscal year and two and four-tenths per cent of salary or wages earned above that amount in the same fiscal year; and provided further, that the retirement annuities of employees who have not retired prior to September 1, 1963, and who elected under the provisions of section 79-1041 not to become members of the system, shall not be less than they would have been had they remained under any preexisting system to date of retirement. Members of this system having the service qualifications of members of the state school retirement system, as provided by section 79-1515, shall have included in the membership service annuity credit for each successive year the state service annuity provided by sections 79-1522 to 79-1523, but not in excess of one and one half dollars per month for each year of service. If the state service annuity provided by sections 79-1522 to 79-1523 should exceed one and one half dollars per month, any excess state service annuity credit shall be paid as an additional membership service annuity credit under this system. Credits under the state school retirement system for service prior to September 1, 1951, shall not be offset against credits for membership service under the school employees' retirement system.

Sec. 13. That section 79-1057, Revised Statutes Supplement, 1980, be amended to read as follows:

~~79-1057. Members who would have been eligible to retire at an earlier date under a previously existing system may retire at the normal retirement date, the permissive retirement date, or such earlier date. All members shall be retired at the compulsory retirement date. In event of retirement other than at normal retirement date, the member's annuity on account of membership service shall be calculated as of his or her~~

~~age-at-retirement-and-shall-be-the-actuarial-equivalent of-the-annuity-to-which-he-or-she-would-otherwise-have been-entitled-on-account-of-membership-service-at-normal retirement-date.~~

Sec. 14. For purposes of subdivision (2) of section 77-3424, new program shall include any additional amount a Class V school district contributes to a retirement system established pursuant to Chapter 79, article 10, if the funding by the school district is increased as a result of the provisions of this act.

Sec. 15. That original sections 79-1032, 79-1045, 79-1047, 79-1048, 79-1049, 79-1051.03, 79-1051.04, and 79-1056, Reissue Revised Statutes of Nebraska, 1943, sections 79-1041, 79-1052, and 79-1057, Revised Statutes Supplement, 1980, and section 79-1043, Revised Statutes Supplement, 1981, and also sections 79-1053, 79-1056.01 to 79-1056.04, and 79-1059, Reissue Revised Statutes of Nebraska, 1943, are repealed.

Sec. 16. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.