

LEGISLATIVE BILL 488

Approved by the Governor March 7, 1983

Introduced by Newell, 13

AN ACT to amend sections 79-1056 and 79-1057, Revised Statutes Supplement, 1982, relating to schools; to change retirement benefits as prescribed; to change provisions relating to the age of retirement; to provide an operative date; to repeal the original sections; and to declare an emergency.

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

Section 1. That section 79-1056, Revised Statutes Supplement, 1982, 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, 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 receive 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. 2. Any annuity paid on or after the operative date of this act to a member who retired prior to February 21, 1982, pursuant to sections 79-1032 to 79-1060, or to such member's beneficiary, or to a person who retired under the provisions of the retirement system established in Chapter 79, article 10, in effect prior to September 1, 1951, or to such person's beneficiary, shall be adjusted by the increase in the cost-of-living or wage levels between the effective date of retirement and June 30, 1983, except that such increase shall not exceed the sum of one dollar and fifty cents per month for each year of creditable service and one dollar per month for each completed year of retirement as measured from the effective date of retirement to June 30, 1983. No separate adjustment in such annuity shall be made as a result of the changes made in section 79-1056 pursuant to this act. If a joint and survivor annuity was elected, the increase shall be actuarially adjusted so that the joint and survivor annuity remains the actuarial equivalent of the life annuity otherwise payable.

Sec. 3. That section 79-1057, Revised Statutes Supplement, 1982, 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, except that, with the annual approval of the board and member, such member may continue his or her employment beyond such compulsory retirement date. in the 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. 4. This act shall become operative on September 1, 1983.

Sec. 5. That original sections 79-1056 and 79-1057, Revised Statutes Supplement, 1982, are repealed.

Sec. 6. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.