

LEGISLATIVE BILL 29

Approved by the Governor March 29, 2017

Introduced by Kolterman, 24.

A BILL FOR AN ACT relating to the Class V School Employees Retirement Cash Fund; to amend sections 72-1249 and 79-9,115, Revised Statutes Cumulative Supplement, 2016; to eliminate the fund; to change a provision relating to expenses charged to the Class V School Employees Retirement Fund; and to repeal the original sections.

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

Section 1. Section 72-1249, Revised Statutes Cumulative Supplement, 2016, is amended to read:

72-1249 (1) Any expenses with respect to the purchase, sale, or exchange of any security shall be charged to the fund or funds on behalf of which such purchase, sale, or exchange was made. All other expenses of the state investment officer shall be paid out of appropriations for the office of the state investment officer.

(2) Beginning on March 31, 2016, any expenses with respect to the transfer to and assumption by the council and the state investment officer of the duty and authority to invest the assets of a retirement system provided for under the Class V School Employees Retirement Act shall be charged to the Class V School Employees Retirement Fund established in section 79-9,115. Such expenses shall be paid without the approval of the board of education as defined in section 79-978 or the board of trustees provided for in section 79-980.

~~(3) The Class V School Employees Retirement Cash Fund is created. The fund shall be administered by the council. The fund shall consist of funds received for costs, fees, and expenses incurred by the council and the state investment officer for duties and authority related to the investment and reinvestment of the assets of a retirement system provided for under the Class V School Employees Retirement Act. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.~~

(3) (4) Management, custodial, and service costs which are a direct expense of investing the assets of a retirement system provided for under the Class V School Employees Retirement Act may be paid from the income of such assets when it is not prohibited by statute or the Constitution of Nebraska. For purposes of this section, management, custodial, and service costs include investment counsel fees for managing assets, real estate mortgage loan service fees, real estate management fees, and custody fees for fund securities. All such fees shall be approved by the council and the state investment officer.

Sec. 2. Section 79-9,115, Revised Statutes Cumulative Supplement, 2016, is amended to read:

79-9,115 (1) All allowances, annuities, or other benefits granted under the Class V School Employees Retirement Act, and all expenses incurred in connection with the administration of the act, except clerical work incurred in connection with maintenance of records and payment of benefits, shall be paid from the Class V School Employees Retirement Fund which is hereby established. Such clerical work shall be performed by employees of the school district or districts. The administrator and staff of the retirement system shall be permitted reasonable office and records storage space in the central office building of the Class V school district formed before September 13, 1997. All expenses for the retirement system office accommodations and integrated pension benefit information management systems, including all services, support, furniture, and equipment provided or by any central office department of the school district, shall be charged to the retirement system. The school district or districts shall not be liable for acts or omissions in the administration of the act made at the direction of the board of trustees or its employees.

(2) Beginning on the effective date of this act ~~March 31, 2016~~, any expenses with respect to the transfer to and assumption by the council and the state investment officer of the duty and authority to invest the assets of a retirement system provided for under the Class V School Employees Retirement Act shall be charged to the Class V School Employees Retirement ~~Cash~~ Fund. Such expenses shall be paid without the approval of the board of trustees.

Sec. 3. Original sections 72-1249 and 79-9,115, Revised Statutes Cumulative Supplement, 2016, are repealed.