

LEGISLATIVE BILL 416

Approved by the Governor May 4, 1979

Introduced by Lewis, 45

AN ACT to amend sections 23-2305, 23-2317, and 84-1503, Reissue Revised Statutes of Nebraska, 1943, relating to public employees retirement; to transfer provisions; to revise requirements for lump sum settlements; and to repeal the original sections.

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

Section 1. That section 23-2305, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

23-2305. It shall be the duty of the board: to administer the provisions of sections 23-2301 to 23-2331 as provided in section 84-1503.

~~(1) To select, on the basis of the most sound proposal or proposals received, after written notice of such proposition to all domestic companies, one or more life insurance companies, banks or trust companies authorized to do business in Nebraska, to underwrite or serve as trustee for the retirement system, and to enter into a contract or contracts with such company or companies in the name of the retirement system; Provided, that if a bank or trust company is chosen as the primary carrier the funds shall be invested or reinvested in such securities and investments as are authorized for trustees, guardians, conservators, executors, or administrators under the laws of Nebraska;~~

~~(2) To change underwriters or trustees if, in the judgment of the board, such action would be desirable; Provided, that the board shall give thirty days' notice in writing to the company whose contract is proposed to be canceled and, if such company makes demand therefor before such time has expired, a public hearing shall be held to determine the reasonableness of the proposed cancellation;~~

~~(3) To determine the prior service annuity, if any, for each person who shall be an employee of the county on the date of adoption of the retirement system;~~

~~(4) To determine the eligibility of an individual to be a member of the retirement system and other questions of fact in the event of a dispute between an individual and the county board in his county;~~

~~(5) To adopt rules and regulations for the management of the board;~~

~~(6) To keep a complete record of all proceedings taken at any meeting of the board;~~

~~(7) To employ such actuarial and other assistance as may be necessary in the performance of its duties; and~~

~~(8) To determine, annually in January, the amount to be contributed by each county to the board in order to enable the board to meet its expected expenses for the coming year, which amount shall be a percentage of the employee contribution for the county but not more than three per cent.~~

Sec. 2. That section 23-2317, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

23-2317. The future service retirement benefit shall be an annuity, payable monthly with the first payment made as of the retirement date, which shall be the actuarial equivalent, as determined by the group annuity contract, of the retirement value, except that a retiring employee may elect to receive, in lieu of an annuity, a lump sum settlement equal to the retirement value if the retirement value is less than two eight thousand dollars.

At any time before the retirement date, the retiring employee may choose to receive his annuity either in the form of a straight life annuity or any optional form specified in the group annuity contract. In any case, the amount of the monthly payment shall be such that the annuity chosen shall be the actuarial equivalent of the retirement value.

Sec. 3. That section 84-1503, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

84-1503. (1) It shall be the duty of such board:

~~(1)~~ (a) To administer the retirement systems provided for in sections 24-701 to 24-714, 60-441 to 60-461, 79-1501 to 79-1557, and 84-1301 to 84-1331, and the authority of the board to administer such systems shall commence thirty days after August 27, 1971; and to administer the retirement system provided for in sections 23-2301 to 23-2331, and the authority of the board to administer such system shall commence thirty days after September 2, 1973;

(2) (b) To hire a director to administer the systems under direction of the board. The director shall not be a member of the board. Salaries of the director and his employees shall be set by the board; and

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

(2) In administering the retirement system provided for in sections 23-2301 to 23-2331, it shall be the duty of the board:

(a) To select, on the basis of the most sound proposal or proposals received, after written notice of such proposition to all domestic companies, one or more life insurance companies, banks or trust companies authorized to do business in Nebraska to underwrite or serve as trustee for the retirement system, and to enter into a contract or contracts with such company or companies in the name of the retirement system; Provided, that if a bank or trust company is chosen as the primary carrier the funds shall be invested or reinvested in such securities and investments as are authorized for trustees, guardians, conservators, executors, or administrators under the laws of Nebraska;

(b) To change underwriters or trustees if, in the judgment of the board, such action would be desirable; Provided, that the board shall give thirty days' notice in writing to the company whose contract is proposed to be canceled and, if such company makes demand therefor before such time has expired, a public hearing shall be held to determine the reasonableness of the proposed cancellation;

(c) To determine the prior service annuity, if any, for each person who shall be an employee of the county on the date of adoption of the retirement system;

(d) To determine the eligibility of an individual to be a member of the retirement system and other questions of fact in the event of a dispute between an individual and the county board in his county;

(e) To adopt rules and regulations for the management of the board;

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

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(g) To employ such actuarial and other assistance as may be necessary in the performance of its duties; and

(h) To determine, annually in January, the amount to be contributed by each county to the board in order to enable the board to meet its expected expenses for the coming year, which amount shall be a part of the employee contribution for the county but not more than three per cent.

Sec. 4. That original sections 23-2305, 23-2317, and 84-1503, Reissue Revised Statutes of Nebraska, 1943, are repealed.