

LEGISLATIVE BILL 497

Approved by the Governor March 3, 1998

Introduced by Will, 8; Brown, 6; Hartnett, 45; Hilgert, 7; Kiel, 9;
Dw. Pedersen, 39; Preister, 5; Suttle, 10; Withem, 14

AN ACT relating to retirement; to amend sections 79-940, 79-942, 79-944, 79-947, 79-980, 79-981, 79-984, 79-988.01, 79-994, 79-995, 79-997, 79-998, 79-9,100, 79-9,103, 79-9,107, 79-9,115, and 79-1043, Reissue Revised Statutes of Nebraska, and sections 79-939, 79-978, 79-979, 79-986, 79-988, 79-991, 79-992, 79-9,102, 79-9,104, 79-9,113, and 84-1511, Revised Statutes Supplement, 1997; to change provisions relating to school employee retirement for Class V school districts; to name an act; to change the monthly formula retirement annuity; to provide cost-of-living adjustments; to harmonize provisions; to repeal the original sections; and to declare an emergency.

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

Section 1. Section 79-939, Revised Statutes Supplement, 1997, is amended to read:

79-939. All benefits under the retirement system shall be paid as directed by the retirement board. Except as provided in section 79-916, no member shall receive a retirement benefit from the retirement system covering years for which he or she is being paid a benefit under ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act.

Sec. 2. Section 79-940, Reissue Revised Statutes of Nebraska, is amended to read:

79-940. Commencing September 1, 1980, the retirement board shall determine a supplemental retirement benefit for each person who is retired from the School Retirement System of the State of Nebraska or from the retirement system for Class V districts as provided by ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act with twenty-five or more years of creditable service as of July 1, 1980. The computation and payment to persons shall be determined with the funds available as of January 1, 1981. Any person who would have been eligible for the supplemental retirement benefits provided under this section if this section and sections 79-942 to 79-944 had been operative on January 1, 1981, but who did not, during the months of January and February 1981, receive such benefits shall be entitled to an accumulated payment for such months to be made in March 1981.

Sec. 3. Section 79-942, Reissue Revised Statutes of Nebraska, is amended to read:

79-942. For each person who qualifies under sections 79-940 to 79-946, the retirement board shall determine the value of the total monthly benefit being received from the School Retirement System of the State of Nebraska or from the retirement system for Class V districts as provided by ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act. From one hundred fifty-five dollars, the retirement board shall subtract the total monthly benefit. Such difference, if positive, shall be the supplemental benefit and shall be paid to the retired person each month from the Retired Teachers Supplementary Benefits Fund, except that if this difference is less than five dollars, a minimum payment of five dollars per month shall be made to such person. Such fund shall be separate and not commingled with any other state funds allocated to the School Retirement System of the State of Nebraska or to the retirement system for Class V districts as provided by ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act.

Sec. 4. Section 79-944, Reissue Revised Statutes of Nebraska, is amended to read:

79-944. If a beneficiary is receiving the annuity provided through the School Retirement System of the State of Nebraska or through the retirement system for Class V districts as provided by ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act, the supplemental benefit shall be the benefit that would be computed under section 79-942 had the deceased retired person still been alive. The beneficiary will continue to receive the supplemental benefit until the expiration of the annuity option selected by the member.

Sec. 5. Section 79-947, Reissue Revised Statutes of Nebraska, is amended to read:

79-947. (1) Commencing October 1, 1988, the retirement board shall determine an adjusted supplemental retirement benefit to reflect changes in the cost of living and wage levels that have occurred subsequent to the date

of retirement for each person who is retired from the School Retirement System of the State of Nebraska or from the retirement system for Class V school districts as provided by sections 79-978 to 79-9,116 the Class V School Employees Retirement Act with twenty-five or more years of creditable service as of October 1, 1988.

(2) For each person who qualifies under subsection (1) of this section, the retirement board shall determine the value of the total monthly benefit being received from the School Retirement System of the State of Nebraska or from the retirement system for Class V school districts as provided by sections 79-978 to 79-9,116 the Class V School Employees Retirement Act and the supplemental benefit provided by section 79-942 if applicable. From two hundred fifty dollars, the board shall subtract the total monthly benefit. Such difference, if positive, shall be the adjusted supplemental retirement benefit and shall be paid to the retired person each month, except that if this difference is less than five dollars, a minimum payment of five dollars per month shall be made to such person. The adjusted supplemental retirement benefit shall be paid to a retired person during his or her life.

(3) The retirement board may buy a paid-up annuity for a retired person which guarantees the adjusted supplemental retirement benefit provided under this section.

(4) The adjusted supplemental retirement benefit provided under this section shall be funded from the Contingent Account but only from such income which would be paid to the School Employees Savings Account and the School Employers Deposit Account.

Sec. 6. Section 79-978, Revised Statutes Supplement, 1997, is amended to read:

79-978. For purposes of sections 79-978 to 79-9,116 the Class V School Employees Retirement Act, unless the context otherwise requires:

- (1) Retirement system or system means the School Employees' Retirement System of (corporate name of the school district as described in section 79-405) as provided for by sections 79-978 to 79-9,116 the act;
- (2) Board means the board of education of the school district;
- (3) Trustee means a trustee provided for in section 79-980;
- (4) Employee means 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 included in subdivision (4) (a) of this section, hired upon a full-time basis, which basis shall contemplate a workweek of not less than thirty hours;
- (5) Member means any employee included in the membership of the retirement system or any former employee who has made contributions to the system and has not received a refund;
- (6) Annuitant means any member receiving an allowance;
- (7) Beneficiary means any person entitled to receive or receiving a benefit by reason of the death of a member;
- (8) Membership service means 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 school district;
- (9) Prior service means service rendered prior to September 1, 1951, for which credit is allowed under section 79-999, service rendered by retired employees receiving benefits under preexisting systems, and service for which credit is allowed under sections 79-990, 79-991, 79-994, 79-995, and 79-997;
- (10) Creditable service means the sum of the membership service and the prior service;
- (11) Compensation means salary or wages payable by the school district before reduction for contributions picked up under section 414(h) of the Internal Revenue Code or elective contributions made pursuant to sections 125 or 403(b) of the code, subject to the applicable limitations of section 401(a) (17) of the code;
- (12) Military service means service in the uniformed services as defined in 38 U.S.C. chapter 43, as such provision existed on March 27, 1997;
- (13) Accumulated contributions means the sum of amounts contributed by a member of the system together with regular interest credited thereon;
- (14) Regular interest means interest (a) on the total contributions of the member prior to the close of the last preceding fiscal year, (b) compounded annually, and (c) at rates to be determined annually by the board, which shall have the sole, absolute, and final discretionary authority to make such determination, except that the rate for any given year in no event shall exceed the actual percentage of net earnings of the system during the last preceding fiscal year;
- (15) Retirement date means the date of retirement of a member for service or disability as fixed by the board;

(16) Normal retirement date means the end of the month during which the member attains age sixty-five and has completed at least five years of membership service;

(17) Early retirement date means that month and year selected by a member having at least ten years of creditable service which includes a minimum of five years of membership service and who has attained age fifty-five;

(18) Retirement allowance means the total annual retirement benefit payable to a member for service or disability;

(19) Annuity means annual payments, for both prior service and membership service, for life as provided in ~~sections 79-978 to 79-9,116~~ the act;

(20) Actuarial tables means:

(a) For determining the actuarial equivalent of any annuities other than joint and survivorship annuities, a unisex mortality table using thirty percent of the male mortality and seventy percent of the female mortality from the 1951 Group Annuity Mortality Table with a One Year Setback and using an interest rate of five and seventy-five hundredths percent compounded annually; and

(b) For joint and survivorship annuities, a unisex retiree mortality table using sixty-five percent of the male mortality and thirty-five percent of the female mortality from the 1951 Group Annuity Mortality Table with a One Year Setback and using an interest rate of five and seventy-five hundredths percent compounded annually and a unisex joint annuitant mortality table using thirty-five percent of the male mortality and sixty-five percent of the female mortality from the 1951 Group Annuity Mortality Table with a One Year Setback and using an interest rate of five and seventy-five hundredths percent compounded annually;

(21) Actuarial equivalent means the equality in value of the retirement allowance for early retirement or the retirement allowance for an optional form of annuity, or both, with the normal form of the annuity to be paid, as determined by the application of the appropriate actuarial table, except that use of such actuarial tables shall not effect a reduction in benefits accrued prior to September 1, 1985, as determined by the actuarial tables in use prior to such date;

(22) Fiscal year means the period beginning September 1 in any year and ending on August 31 of the next succeeding year;

(23) Primary beneficiary means the person or persons entitled to receive or receiving a benefit by reason of the death of a member; and

(24) Secondary beneficiary means the person or persons entitled to receive or receiving a benefit by reason of the death of all primary beneficiaries prior to the death of the member. If no primary beneficiary survives the member, secondary beneficiaries shall be treated in the same manner as primary beneficiaries.

Sec. 7. This section and sections 79-978 to 79-9,116 shall be known and may be cited as the Class V School Employees Retirement Act.

Sec. 8. Section 79-979, Revised Statutes Supplement, 1997, is amended to read:

79-979. (1) Prior to September 13, 1997, in each Class V school district in the State of Nebraska there is hereby established a separate retirement system for all regular employees of such school district. Such system shall be for the purpose of providing retirement benefits for all regular employees of the school district as provided in ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act. The system shall be known as School Employees' Retirement System of (corporate name of the school district as described in section 79-405). All of its business shall be transacted, all of its funds shall be invested, and all of its cash and securities and other property shall be held in trust by such name for the purposes set forth in ~~sections 79-978 to 79-9,116~~ the act. Such funds shall be kept separate from all other funds of the school district and shall be used for no other purpose.

(2) If any new Class V school districts are formed after September 13, 1997, such new Class V school district shall elect to become or remain a part of the retirement system established pursuant to the School Employees Retirement Act.

Sec. 9. Section 79-980, Reissue Revised Statutes of Nebraska, is amended to read:

79-980. The general administration of the retirement system is hereby vested in the board of education. The board shall appoint, by a majority of all its members, nine trustees to serve as executive officers to administer ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act. Such trustees shall consist of (1) the superintendent of schools, as ex

officio trustee, (2) three members of the retirement system, two from the certificated staff and one from the classified staff, (3) three members of the board of education, and (4) two trustees who are business persons qualified in financial affairs and who are not members of the retirement system. The first trustees will take office as of the effective date of the retirement system, and the terms of office shall begin as of that date. The trustees shall serve without compensation, but they shall be reimbursed from the funds of the retirement system for expenses that they may incur through service on the board of trustees as provided in sections 81-1174 to 81-1177. A trustee shall serve until a successor qualifies, except that trustees who are members of the retirement system or members of the board of education shall be disqualified as trustees immediately upon ceasing to be a member of the retirement system or of the board of education. Each trustee shall be entitled to one vote on the board of trustees, and five trustees shall constitute a quorum for the transaction of any business. The trustees who are appointed from the board of education and the membership shall be appointed for each fiscal year. The two trustees who are not members of the board of education or of the retirement system shall be appointed for three fiscal years each. The trustees and the administrator of the retirement system shall administer the retirement system in compliance with the tax-qualification requirements applicable to government retirement plans under section 401(a) of the Internal Revenue Code.

Sec. 10. Section 79-981, Reissue Revised Statutes of Nebraska, is amended to read:

79-981. The board of education shall from time to time establish rules and regulations for the administration of the retirement system and for the transaction of its business and shall appoint an administrator of the retirement system. The board may contract for such medical and other services as shall be required to transact the business of the retirement system. Compensation for all persons employed by the board and all other expenses of the board necessary for the proper and efficient operation of the retirement system shall be paid in such amounts as the board determines and approves.

In addition to such duties and other duties arising out of ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act not specifically reserved or assigned to others, the board shall maintain a separate account of each member's contribution, the record of which shall be available to the member upon request, compile such data as may be necessary for the required actuarial valuation, consider and pass on all applications for annuities or other benefits and have examinations made when advisable of persons receiving disability benefits, certify the amount of the tax levy required under section 79-9,112 to the county board of equalization, and direct and determine all policies necessary in the administration of ~~sections 79-978 to 79-9,116~~ the act.

Sec. 11. Section 79-984, Reissue Revised Statutes of Nebraska, is amended to read:

79-984. The board of education shall contract for the services of an actuary who shall be the technical advisor of the board and the trustees on matters regarding the operation of the retirement system. The actuary shall (1) make a general investigation of the operation of the retirement system at least once in every three years, which investigation shall cover mortality, retirement, disability, employment, turnover, interest, and earnable compensation, and (2) recommend tables to be used for all required actuarial calculations. The actuary may be employed to make an annual valuation of the liabilities of the retirement system on the basis of which the board of education may make an annual determination of the amount of the tax levy authorized by ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act. The actuary shall perform such other duties as may be assigned by the board.

Sec. 12. Section 79-986, Revised Statutes Supplement, 1997, is amended to read:

79-986. The school district shall act as the treasurer of the system and the official custodian of the cash and securities belonging to the retirement system, shall provide adequate safe deposit facilities for the preservation of such securities, and shall hold such cash and securities subject to the order of the board of education.

The school district shall receive all items of taxes or cash belonging to the retirement system and shall deposit in banks approved by the board of education all such amounts in trust or custodial accounts. Notwithstanding any limitations elsewhere imposed by statute on the location of the retirement system's depository bank, such limitations shall not apply to the use of depository banks for the custody of the system's cash, securities, and other investments. The school district, as treasurer of the system, shall make payments for purposes specified in ~~sections 79-978 to~~

79-9,416 the Class V School Employees Retirement Act. All banks and custodians which receive and hold securities and investments for the retirement system may hold and evidence such securities by book entry account rather than obtaining and retaining the original certificate, indenture, or governing instrument for such security.

Sec. 13. Section 79-988, Revised Statutes Supplement, 1997, is amended to read:

79-988. (1) Any person who becomes an employee on or after the date of establishment of the retirement system shall become a member of the retirement system upon employment. Contributions by such employee under sections 79-978 to 79-9,416 the Class V School Employees Retirement Act shall begin with the first payroll period after becoming a member, and creditable service shall then begin to accrue.

(2) Any employee who qualifies for membership in the retirement system pursuant to subsection (1) of this section may not be disqualified for membership in the retirement system solely because such employee also maintains separate employment which qualifies the employee for membership in another public retirement system, nor may membership in this retirement system disqualify such an employee from membership in another public retirement system solely by reason of separate employment which qualifies such employee for membership in this retirement system.

Sec. 14. Section 79-988.01, Reissue Revised Statutes of Nebraska, is amended to read:

79-988.01. In addition to the transfers pursuant to section 79-916, the state shall transfer to the funds of each retirement system provided for in sections 79-978 to 79-9,415 the Class V School Employees Retirement Act an amount equal to 14.11604 percent of six million eight hundred ninety-five thousand dollars.

Sec. 15. Section 79-991, Revised Statutes Supplement, 1997, is amended to read:

79-991. (1) If any employee becomes a member without prior service credit, prior service credit for a period of not to exceed ten years may be acquired by furnishing satisfactory proof that the employee has been employed for such period of time by a school district or by a Nebraska educational service unit and by the payment by the member of the total amount which he or she would have contributed to the retirement system had he or she been a member of the retirement system during such period, together with regular interest thereon. Such contribution shall be based on the most recent years' salary the employee earned in another school district or Nebraska educational service unit if the salary is verified by the other school district or Nebraska educational service unit or, if not, 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 ten 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 shall be paid as the trustees may direct, through direct payments to the retirement system or on an installment basis pursuant to a binding irrevocable payroll deduction authorization between the member and the school district over a period not to exceed five years from date of membership. Interest on delayed payments shall be at the rate of regular interest. Creditable service may be purchased only in one-half-year increments, and if payments are made on an installment basis, creditable service will be credited only as payment has been made to the retirement system to purchase each additional one-half-year increment.

(2) Any member having five or more years of creditable service, excluding years of prior service acquired pursuant to sections 79-990, 79-994, 79-995, or 79-997, or subsection (1) of this section, may elect to purchase up to a total of five years of additional creditable service under the retirement system, and upon such purchase the member shall be given the same status as though he or she had been a member of the retirement system for such additional number of years except as otherwise specifically provided in sections 79-978 to 79-9,416 the Class V School Employees Retirement Act. Creditable service may be purchased only in one-half-year increments. The amount to be paid to the retirement system for such creditable service shall be equal to the actuarial cost to the retirement system of the increased benefits attributable to such additional creditable service as determined by the retirement system's actuary at the time of the purchase pursuant to actuarial assumptions and methods adopted by the trustees for this purpose. The election to purchase additional creditable service may be made at any time before the member's termination of employment, and all payments for the purchase of such creditable service must be completed within five years after the election or before the member's termination or retirement, whichever event occurs first. Payment shall be made as the trustees may direct through a

single payment to the system, on an installment basis, including payments pursuant to a binding irrevocable payroll deduction authorization between the member and the school district, or by such other method approved by the trustees and permitted by law. If payments are made on an installment basis, creditable service will be credited only as payment has been made to the system to purchase each additional one-half-year increment. Interest shall be charged on installment payments at the rate of regular interest.

Sec. 16. Section 79-992, Revised Statutes Supplement, 1997, is amended to read:

79-992. (1) A member who has five years or more of creditable service, excluding years of prior service acquired pursuant to section 79-990, 79-991, 79-994, 79-995, or 79-997, and who severs his or her employment may elect to leave his or her contributions in the retirement system, in which event he or she shall receive a retirement allowance at normal retirement age 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 retires at an early retirement date. Such annuity shall be adjusted in accordance with section 79-9,100. Upon the severance of employment, except on account of retirement, a member shall be entitled to receive refunds as follows: (a) An amount equal to the accumulated contributions to the retirement system by the member; and (b) 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, except that if any member who has withdrawn his or her contributions as provided in this section reenters the service of the district and again becomes a member of the retirement system, he or she may restore any or 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 that portion of service which the restored money represents. Such restoration may be made as the trustees may direct through direct payments to the system or on an installment basis pursuant to a binding irrevocable payroll deduction authorized between the member and the school district over a period of not to exceed five years from the date of reemployment. Interest on delayed payments shall be at the rate of regular interest. Creditable service may be purchased only in one-half-year increments, starting with the most recent year's salary.

(2) A retired member who returns to employment as an employee of the school district shall again participate in the retirement system as a new member and shall make contributions to the retirement system commencing upon reemployment. The retirement annuity of a retired member who returns to employment with the school district shall continue to be paid by the retirement system. A retired member who returns to employment as an employee of the school district shall receive creditable service only for service performed after his or her return to employment and in no event shall creditable service which accrues or the compensation paid to the member after such return to employment after retirement increase the amount of the member's original retirement annuity.

(3) Upon termination of the reemployed member, the member shall receive in addition to the retirement annuity which commenced at the time of the previous retirement (a) if the member has accrued five years or more of creditable service after his or her return to employment, excluding years of prior service acquired pursuant to section 79-990, 79-991, 79-994, 79-995, or 79-997, a retirement annuity as provided in section 79-999 or 79-9,100, as applicable, calculated solely on the basis of creditable service and final average compensation accrued and earned after the member's return to employment after his or her original retirement, and as adjusted to reflect any payment in other than the normal form or (b) if the member has not accrued five years or more of creditable service after his or her return to employment, a refund equal to the member's accumulated contributions which were credited to the member after the member's return to employment. In no event shall the member's creditable service which accrued prior to a previous retirement be considered as part of the member's creditable service after his or her return to employment for any purpose of this section and sections ~~79-976 to 79-9,116~~ the Class V School Employees Retirement Act.

Sec. 17. Section 79-994, Reissue Revised Statutes of Nebraska, is amended to read:

79-994. For one year from May 30, 1987, any person who was an employee of another school district prior to May 30, 1987, has joined or rejoined the retirement system, and has not previously paid into the retirement system a total of ten years of service in another school district may elect to pay the retirement system any unpaid portion of such service up

to a total of ten years. Such electing employee shall furnish satisfactory proof that he or she has been employed for such period of time by another school district and shall pay to the retirement system the total amount which he or she would have contributed to the retirement system had he or she been a member of the retirement system plus the regular interest which would have accrued on such amount during such period under the retirement system. Such contribution shall be based on the most recent years' salary the employee earned in another school district if the salary is verified by the other school district or, if not, on his or her annual salary at the time he or she became a member and shall be payable in total for the period of time, not exceeding ten years, for which such member requests such prior service credit. Any person who pays such amount shall be given credit for any number of years of service which he or she has elected to pay for, not to exceed ten years of service rendered as an employee in another school district, and shall be given the same status as though he or she had been a member of the retirement system for such number of years, except as otherwise specifically provided in ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act.

Sec. 18. Section 79-995, Reissue Revised Statutes of Nebraska, is amended to read:

79-995. For one year from May 30, 1987, any person who served in the armed forces as specified in subsection (1) of section 79-990 or who was on a leave of absence as specified in subsection (2) of such section, has again become an employee, and has not previously paid into the system for all of the years of military service or leave of absence permitted by such section may elect to pay into the retirement system for the total number of years of service authorized by such section but not previously paid in. The amount to be paid in by the member shall be calculated as provided in such section. Any person who pays such amount shall be given credit for any number of years of service for which he or she has elected to pay, not to exceed the total number of years authorized by such section, and shall be given the same status as though he or she had been a member of the retirement system for such number of years, except as otherwise specifically provided in ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act.

Sec. 19. Section 79-997, Reissue Revised Statutes of Nebraska, is amended to read:

79-997. On or before May 27, 1988, any person who was an employee of an educational service unit in the State of Nebraska prior to April 7, 1988, has joined or rejoined the retirement system, and has not previously paid into the retirement system a total of ten years of service in another school district or educational service unit may elect to pay the retirement system any unpaid portion of such service up to a total of ten years. Such electing employee shall furnish satisfactory proof that he or she has been employed for such period of time by an educational service unit and shall pay to the retirement system the total amount which he or she would have contributed to the retirement system had he or she been a member of the retirement system plus the regular interest which would have accrued on such amount during such period under the retirement system. Such contribution shall be based on the most recent years' salary the employee earned in the educational service unit if the salary is verified by the educational service unit or, if not, on his or her annual salary at the time he or she became a member and shall be payable in total for the period of time, not exceeding ten years, for which such member requests such prior service credit. Any person who pays such amount shall be given credit for any number of years of service for which he or she has elected to pay, not to exceed ten years of service rendered as an employee in another school district or educational service unit, and shall be given the same status as though he or she had been a member of the retirement system for such number of years except as otherwise specifically provided in ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act. This section shall not apply to employees retiring prior to April 7, 1988.

Sec. 20. Section 79-998, Reissue Revised Statutes of Nebraska, is amended to read:

79-998. The retirement system may accept cash rollover contributions from a member who is making payments for additional service credits pursuant to sections 79-990 to 79-992 if the contributions do not exceed the amount of payment required for the service credits purchased by the member pursuant to such sections and:

(1) The contributions represent all or any portion of the member's interest in a plan of a former employer which is qualified under section 401(a) of the Internal Revenue Code and such interest may be transferred to the system as a qualifying rollover contribution under the Internal Revenue Code; or

(2) The contributions represent the interest of a member from an individual retirement account or individual retirement annuity, the entire amount of which is attributable to a qualified total distribution as defined in the Internal Revenue Code from a source described in subdivision (1) of this section and thus qualified as a tax-free rollover amount, and the interest is transferred to the system within sixty days from the date of distribution of the individual retirement account or individual retirement annuity.

Cash transferred to the system as a rollover contribution shall be deposited as a commingled asset of the system and shall not be separately accounted for or invested for the member's benefit. Rollover contributions made by any member shall be treated as qualifying to payments under sections 79-990 to 79-992 and as employee contributions for all other purposes of this section and sections 79-978 to 79-9,116 the Class V School Employees Retirement Act except in determining federal and state tax treatment of distributions from the system.

The system, the board, the trustees, and their respective members, officers, and employees shall have no responsibility or liability with respect to the federal and state income tax consequences of any transfer made to the system pursuant to this section, and the trustees may require as a condition to the system's acceptance of any rollover contribution satisfactory evidence that the proposed transfer is a qualifying rollover contribution under the Internal Revenue Code and reasonable releases or indemnifications from the member against any and all liabilities which may in any way be connected with such transfer.

Effective January 1, 1993, any member who is to receive an eligible rollover distribution, as defined in the Internal Revenue Code, from the system may, in accordance with such rules, regulations, and limitations as may be established by the trustees, elect to have such distribution made in the form of a direct transfer to a retirement plan eligible to receive such transfer under the provisions of the Internal Revenue Code. Any such election shall be made in the form and within the time periods established by the trustees.

All distributions from the system shall be subject to all withholdings required by federal or state tax laws.

Sec. 21. Section 79-9,100, Reissue Revised Statutes of Nebraska, is amended to read:

79-9,100. In lieu of the retirement annuity provided by section 79-999 or 79-9,113, any member who becomes eligible to receive a retirement annuity after February 20, 1982, under sections 79-978 to 79-9,116 the Class V School Employees Retirement Act 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 79-999 or 79-9,113, accrued to the date of retirement or August 31, 1983, whichever first occurs, the member shall receive the monthly retirement annuity specified in section 79-999 or 79-9,113 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 for which such member would otherwise receive the retirement annuity provided by section 79-999 or 79-9,113 by one and one-half percent of his or her final average compensation. For retirements after June 15, 1989, and before April 18, 1992, the applicable percentage shall be one and sixty-five hundredths percent of his or her final average compensation. For retirements on or after April 18, 1992, and before June 7, 1995, the applicable percentage shall be one and seventy-hundredths percent of his or her final average compensation. For retirements on or after June 7, 1995, and before the effective date of this act, the applicable percentage shall be one and eighty-hundredths percent of his or her final average compensation. For retirements on or after the effective date of this act, the applicable percentage shall be one and eighty-five hundredths percent 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.

For retirements before June 7, 1995, if the annuity begins prior to the sixty-second birthday of the member and the member has not completed thirty-five or more years of creditable service, the annuity at the date it begins shall be the actuarial equivalent of the annuity deferred to the sixty-second birthday of the member. If the annuity begins prior to the sixty-second birthday of the member and the member has completed thirty-five

or more years of creditable service, the annuity shall not be reduced. For retirements on or after June 7, 1995, any retirement annuity which begins prior to the sixty-second birthday of the member shall be reduced by twenty-five hundredths percent for each month or partial month between the date the annuity begins and the member's sixty-second birthday. If the annuity begins at a time when:

(1) The sum of the member's attained age and creditable service is eighty-five or more, the annuity shall not be reduced;

(2) The sum of the member's attained age and creditable service totals eighty-four, the annuity shall not be reduced by an amount greater than three percent of the unreduced annuity;

(3) The sum of the member's attained age and creditable service totals eighty-three, the annuity shall not be reduced by an amount greater than six percent of the unreduced annuity; and

(4) The sum of the member's attained age and creditable service totals eighty-two, the annuity shall not be reduced by an amount greater than nine percent of the unreduced annuity.

For purposes of this section, a member's creditable service and attained age shall be measured in one-half-year increments.

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 with the provision that in the event of his or her death before sixty monthly payments have been made the monthly payments will be continued to his or her estate or to the beneficiary he or she has designated until a total of sixty monthly payments have been made. A member may elect to receive, in lieu of the normal form of annuity, an actuarially equivalent annuity in any optional form provided by section 79-9,101.

Any member receiving a formula retirement annuity based on final average compensation shall also receive the service annuity to be paid by the State of Nebraska as provided in sections 79-933 to 79-937 and 79-951.

Sec. 22. Section 79-9,102, Revised Statutes Supplement, 1997, is amended to read:

79-9,102. (1) Notwithstanding any other provision of ~~sections 79-970 to 79-9,116~~ the Class V School Employees Retirement Act, no member of the retirement system shall receive in any calendar year an annuity benefit derived from contributions of the board which if received in the form of a straight life annuity with no ancillary benefits would exceed a dollar limitation of ninety thousand dollars, adjusted as of January 1 of each calendar year to the dollar limitation as determined for such year by the Commissioner of Internal Revenue pursuant to section 415(d) of the Internal Revenue Code.

(2) The limitation provided in this section shall be adjusted as follows:

(a) If the annuity begins prior to the sixty-second birthday of the member, the dollar limitation shall be equal to an annual annuity benefit which is equal to the actuarial equivalent of an annuity benefit commencing on the sixty-second birthday of the member, but not less than seventy-five thousand dollars if the member's annuity benefit begins at or after age fifty-five and not less than the actuarial equivalent of seventy-five thousand dollars if the annuity benefit begins before age fifty-five;

(b) If the annuity begins after the sixty-fifth birthday of the member, the dollar limitation shall be equal to an annual annuity benefit which is equal to the actuarial equivalent of an annuity benefit commencing on the sixty-fifth birthday of the member;

(c) If the annuity begins prior to the member having ten years of creditable service, the dollar limitation shall be reduced by a fraction, the numerator of which is the total full fractional parts of years of creditable service and the denominator of which is ten; and

(d) The adjustments provided in subdivisions (a) and (c) of this subsection shall not apply to the disability retirement annuity under section 79-9,105 or to any annuity paid to a beneficiary as the result of the death of a member.

(3) For purposes of the limitations provided in this section, the actuarial equivalent shall be determined from the actuarial tables used for the retirement allowance for early retirement, except that in the case of the adjustment for an annuity which begins (a) before the sixty-second birthday of a member, the rate to be used in determining actuarial equivalency shall not be less than five percent, and (b) after the sixty-fifth birthday of a member, the interest rate to be used in determining the actuarial equivalency shall not be greater than five percent. The value of the joint and survivorship feature of an annuity shall not be taken into account in applying the limitations provided in this section.

(4) Any payments provided for by sections 79-990, 79-991, and 79-992 for the purchase or restoration of creditable service shall be subject to the limitations of section 415 of the Internal Revenue Code on annual additions to the system, and the trustees may suspend payments, alter installment periods, or, if such suspension or alteration is not possible, deny the purchase of all or a portion of the creditable service desired to be purchased, as necessary to comply with the requirements of section 415 of the Internal Revenue Code.

(5) This section is intended to meet the requirements of section 415 of the Internal Revenue Code and shall be construed in accordance with such section and shall, by this reference, incorporate any subsequent changes made to such section as the same may apply to the retirement system.

Sec. 23. Section 79-9,103, Reissue Revised Statutes of Nebraska, is amended to read:

79-9,103. (1) Any annuity paid on or after September 1, 1983, to a member who retired prior to February 21, 1982, pursuant to sections 79-978 to 79-9,116 the Class V School Employees Retirement Act, or to such member's beneficiary, or to a person who retired under the provisions of the retirement system established by statute for employees of Class V school districts 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 79-9,113 pursuant to Laws 1983, LB 488. 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.

(2) In addition to the cost-of-living adjustment provided in subsection (1) of this section, any annuity paid on or after September 1, 1986, pursuant to ~~sections 79-978 to 79-9,116~~ the act or pursuant to the provisions of the retirement system established by statute for employees of Class V school districts in effect prior to September 1, 1951, and on which the first payment was dated on or before September 1, 1985, shall be adjusted by the increase in the cost of living or wage levels between the effective date of retirement and June 30, 1986, except that such increase shall not exceed (a) three and one-half percent for annuities first paid on or after September 1, 1984, (b) seven percent for annuities first paid on or after September 1, 1983, but before September 1, 1984, or (c) ten and one-half percent for all other annuities.

(3) In addition to the cost-of-living adjustment provided in subsections (1) and (2) of this section, any annuity paid on or after September 1, 1989, pursuant to ~~sections 79-978 to 79-9,116~~ the act or pursuant to the provisions of the retirement system established by statute for employees of Class V school districts in effect prior to September 1, 1951, and on which the first payment was dated on or before September 1, 1988, shall be adjusted by the increase in the cost of living or wage levels between the effective date of retirement and June 30, 1989, except that such increase shall not exceed (a) three percent for annuities first paid on or after September 1, 1987, (b) six percent for annuities first paid on or after September 1, 1986, but before September 1, 1987, or (c) nine percent for all other annuities.

(4) In addition to the cost-of-living adjustment provided in subsections (1), (2), and (3) of this section, any annuity paid on or after September 1, 1992, pursuant to ~~sections 79-978 to 79-9,116~~ the act or pursuant to the provisions of the retirement system established by statute for employees of Class V school districts in effect prior to September 1, 1951, and on which the first payment was dated on or before October 1, 1991, shall be adjusted by the increase in the cost of living or wage levels between the effective date of retirement and June 30, 1992, except that such increase shall not exceed (a) three percent for annuities first paid after October 1, 1990, (b) six percent for annuities first paid after October 1, 1989, but on or before October 1, 1990, or (c) nine percent for all other annuities.

(5) In addition to the cost-of-living adjustment provided in subsections (1), (2), (3), and (4) of this section, any annuity paid on or after September 1, 1995, pursuant to ~~sections 79-978 to 79-9,116~~ the act or pursuant to the provisions of the retirement system established by statute for employees of Class V school districts in effect prior to September 1, 1951, and on which the first payment was dated on or before October 1, 1994, shall be adjusted by the increase in the ~~cost-of-living~~ cost of living or wage levels between the effective date of retirement and June 30, 1995, except that

such increase shall not exceed (a) three percent for annuities first paid after October 1, 1993, (b) six percent for annuities first paid after October 1, 1992, but on or before October 1, 1993, or (c) nine percent for all other annuities.

(6) In addition to the cost-of-living adjustment provided in subsections (1), (2), (3), (4), and (5) of this section, any annuity paid pursuant to sections 79-978 to 79-9,116 the act or pursuant to the provisions of the retirement system established by statute for employees of Class V school districts in effect prior to September 1, 1951, and on which the first payment was dated on or before October 1, 1994, shall be subject to adjustment to equal the greater of (a) the annuity payable to the member or beneficiary as adjusted, if applicable, under the provisions of subsection (1), (2), (3), (4), or (5) of this section or (b) ninety percent of the annuity which results when the original annuity that was paid to the member or beneficiary (before any cost-of-living adjustments under this section), is adjusted by the increase in the cost of living or wage levels between the commencement date of the annuity and June 30, 1995.

(7) In addition to the cost-of-living adjustment provided in subsections (1), (2), (3), (4), (5), and (6) of this section, any annuity paid on or after September 1, 1998, pursuant to the act or pursuant to the provisions of the retirement system established by statute for employees of Class V school districts in effect prior to September 1, 1951, and on which the first payment was dated on or before October 3, 1997, shall be adjusted by the increase in the cost of living or wage levels between the effective date of retirement and June 30, 1998, except that such increase shall not exceed (a) three percent for annuities first paid after October 1, 1996, (b) six percent for annuities first paid after October 1, 1995, but on or before October 1, 1996, or (c) nine percent for all other annuities.

(8) Beginning January 1, 2000, and on January 1 of every year thereafter, a cost-of-living adjustment shall be made for any annuity being paid pursuant to the act, or pursuant to the provisions of the retirement system established by statute for employees of Class V school districts in effect prior to September 1, 1951, and on which the first payment was dated on or before October 3 preceding such January 1 adjustment date. The cost-of-living adjustment for any such annuity shall be the lesser of (a) one and one-half percent or (b) the increase in the consumer price index from the date such annuity first became payable through the August 31 preceding the January 1 adjustment date as reduced by the aggregate cost-of-living adjustments previously made to the annuity pursuant to section 79-9,103 and pursuant to subsections (8) and (9) of this section.

(9) Beginning September 1, 1999, the actuary shall make an annual valuation of the assets and liabilities of the system. If the annual valuation made by the actuary, as approved by the trustees, indicates that the system has sufficient actuarial surplus to provide for a cost-of-living adjustment in addition to the adjustment made pursuant to subsection (8) of this section, the board may, in its discretion, declare by resolution that each annuity being paid pursuant to the act, or pursuant to the provisions of the retirement system established by statute for employees of Class V school districts in effect prior to September 1, 1951, and on which the first payment was dated on or before October 3 of the year such resolution is adopted, shall be increased beginning as of the January 1 following the date of the board's resolution by such percentage as may be declared by the board, except that such increase for any such annuity shall not exceed the increase in the consumer price index from the date such annuity first became payable through the applicable valuation date as reduced by the aggregate cost-of-living adjustments previously made to the annuity pursuant to section 79-9,103 and pursuant to subsections (8) and (9) of this section.

(10) The consumer price index to be used for determining any cost-of-living adjustment under this section shall be the Consumer Price Index for All Urban Consumers, as published by the Bureau of Labor Statistics of the United States Department of Labor. If this consumer price index is discontinued or replaced, a substitute index published by the United States Department of Labor shall be selected by the board, upon recommendation of the trustees, which shall be a reasonable representative measurement of the cost of living for retired employees. An annuity as increased by any cost-of-living adjustment made under this section shall be considered the base annuity amount for the purpose of future adjustments pursuant to this section. In no event shall any cost-of-living adjustment be deemed to affect or increase the amount of the base retirement annuity of a member as determined under section 79-999 or 79-9,100.

(11) Any decision or determination by the board (a) to declare or not declare a cost-of-living adjustment, (b) as to whether the annual

valuation indicates a sufficient actuarial surplus to provide for a cost-of-living adjustment, or (c) pursuant to the selection of a substitute index shall be made in the sole, absolute, and final discretion of the board and shall not be subject to challenge by any member or beneficiary. In no event shall the Legislature be constrained or limited in amending the system or increasing the benefits of members under the system, nor shall the board or trustees be constrained from supporting any such change to the system, notwithstanding the effect of any such change upon the actuarial surplus of the system and the ability of the board to declare future cost-of-living adjustments.

Sec. 24. Section 79-9,104, Revised Statutes Supplement, 1997, is amended to read:

79-9,104. (1) All annuities and other benefits payable under ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act and all accumulated credits of members of the retirement system shall not be assignable or subject to execution, garnishment, or attachment except to the extent that such annuity or benefit is subject to a qualified domestic relations order as such term is defined in and which meets the requirements of section 414(p) of the Internal Revenue Code. Payments under such a qualified domestic relations order shall be made only after the administrator of the retirement system receives written notice of such order and such additional information and documentation as the administrator may require.

(2) The retirement system shall permit the spouse of a member to receive a single sum payment of the actuarial equivalent value of the interest assigned to such spouse under a qualified domestic relations order on the condition that upon the payment of such amount the spouse shall have no further interest in the retirement system or in the remaining benefit of the member under the retirement system. A member's interest and benefits under the retirement system shall be reduced, either at termination of employment, retirement, disability, or death, by the benefit assigned to the member's spouse or other dependents under a qualified domestic relations order.

Sec. 25. Section 79-9,107, Reissue Revised Statutes of Nebraska, is amended to read:

79-9,107. The funds of the retirement system which are not required for current operations shall be invested and reinvested by the trustees subject to the approval of the board of education as provided in sections 79-9,108 to 79-9,111. Except as otherwise provided in ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act, no trustee and no member of the board shall have any direct interest in the income, gains, or profits of any investment made by the trustees, nor shall any such person receive any pay or emolument for services in connection with any such investment. No trustee or member of the board shall become an endorser or surety or in any manner an obligor for money loaned by or borrowed from the retirement system. Any person who violates any of these restrictions shall be guilty of a Class II misdemeanor.

Sec. 26. Section 79-9,113, Revised Statutes Supplement, 1997, is amended to read:

79-9,113. (1) If, at any future time, a majority of the eligible members of the retirement system votes 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 school 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 percent but not less than three percent of the member's salary per annum, and the credits for membership service under this system, as provided in section 79-999, shall thereafter be reduced from one and one-half percent to nine-tenths of one percent and not less than nine-tenths of one percent of salary or wage earned by the member during each fiscal year, and from one and sixty-five hundredths percent to one percent and not less than one percent of salary or wage earned by the member during each fiscal year and from two percent to one and two-tenths percent of salary or wage earned by the member during each fiscal year, and from two and four-tenths percent to one and forty-four hundredths percent of salary or wage earned by the member during each fiscal year, except that after September 1, 1963, and prior to September 1, 1969, all employees of the school district shall contribute an amount equal to the membership contribution which shall be two and three-fourths percent of salary covered by old age and survivors insurance, and five percent above that amount. Commencing September 1, 1969, all employees of the school district shall contribute an amount equal to the membership contribution which shall be two and three-fourths percent of the first seven thousand eight hundred dollars of salary or wages earned each fiscal year and five percent of salary or wages earned above that amount in

the same fiscal year. Commencing September 1, 1976, all employees of the school district shall contribute an amount equal to the membership contribution which shall be two and nine-tenths percent of the first seven thousand eight hundred dollars of salary or wages earned each fiscal year and five and twenty-five hundredths percent of salary or wages earned above that amount in the same fiscal year. Commencing on September 1, 1982, all employees of the school district shall contribute an amount equal to the membership contribution which shall be four and nine-tenths percent of the compensation earned in each fiscal year. Commencing September 1, 1989, all employees of the school district shall contribute an amount equal to the membership contribution which shall be five and eight-tenths percent of the compensation earned in each fiscal year. Commencing September 1, 1995, all employees of the school district shall contribute an amount equal to the membership contribution which shall be six and three-tenths percent of the compensation earned in each fiscal year. The contributions by the school 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 as provided in subsection (2) of this section. 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 79-978 to 79-9,116~~ the Class V School Employees Retirement Act. 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 percent of salary or wage covered by old age and survivors insurance and one and one-half percent 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 percent of salary or wages covered by old age and survivors insurance and one and sixty-five hundredths percent 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 percent 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 percent of salary or wages earned above that amount in the same fiscal year, except 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 percent 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 percent of salary or wages earned above that amount in the same fiscal year and the retirement annuities of employees who have not retired prior to September 1, 1963, and who elected under the provisions of section 79-988 as such section existed immediately prior to February 20, 1982, 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 School Retirement System of the State of Nebraska, as provided by section 79-926, shall receive the state service annuity provided by sections 79-933 to 79-937 and 79-951.

(2) The school district shall pick up the employee contributions required by this section for all compensation paid on or after January 1, 1985, and the contributions so picked up shall be treated as employer contributions in determining federal tax treatment under the Internal Revenue Code, except that the school district shall continue to withhold federal income taxes based upon these contributions until the Internal Revenue Service or the federal courts rule that, pursuant to section 414(h) of the Internal Revenue Code, these contributions shall not be included as gross income of the employee until such time as they are distributed or made available. The school district shall pay these employee contributions from the same source of funds which is used in paying earnings to the employee. The school district shall pick up these contributions by a salary deduction either through a reduction in the cash salary of the employee or a combination of a reduction in salary and offset against a future salary increase. Beginning September 1, 1995, the school district shall also pick up any contributions required by sections 79-990, 79-991, and 79-992 which are made under an irrevocable payroll deduction authorization between the member and the school district, and the contributions so picked up shall be treated as employer contributions in determining federal tax treatment under the Internal Revenue Code, except that the school district shall continue to withhold federal and state income

taxes based upon these contributions until the Internal Revenue Service rules that, pursuant to section 414(h) of the Internal Revenue Code, these contributions shall not be included as gross income of the employee until such time as they are distributed from the system. Employee contributions picked up shall be treated for all purposes of ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act in the same manner and to the extent as employee contributions made prior to the date picked up.

Sec. 27. Section 79-9,115, Reissue Revised Statutes of Nebraska, is amended to read:

79-9,115. All allowances, annuities, or other benefits granted under the ~~provisions of sections 79-978 to 79-9,116~~ Class V School Employees Retirement Act, and all expenses incurred in connection with the administration of ~~such sections the act~~, except clerical work incurred in connection with maintenance of records and payment of benefits, shall be paid from the retirement fund hereby established. Such clerical work shall be performed by employees of the school district and paid for out of the general fund.

Sec. 28. Section 79-1043, Reissue Revised Statutes of Nebraska, is amended to read:

79-1043. (1) Any school district may, by and with the consent of the school board or board of education of the school district, invest the funds of the school district in securities the nature of which individuals of prudence, discretion, and intelligence acquire or retain in dealing with the property of another. Every school district having invested in such securities shall deliver the same as funds of the office. The interest received on any investments authorized by this section shall be credited to the fund from which the money was taken to make the investment.

(2) The securities referred to in subsection (1) of this section may be invested in through repurchase agreements. Each repurchase agreement shall require that the items purchased through the repurchase agreement be subject to repurchase from the school district upon demand by the treasurer of the school district. No such repurchase agreement shall be entered into until the treasurer of the school district who proposes to enter into the repurchase agreement has received a perfected security interest in the securities as collateral for their prompt repurchase.

(3) All securities referred to in this section or in ~~sections 79-978 to 79-9,116~~ the Class V School Employees Retirement Act may be held and evidenced by book entry account rather than through the holding and retaining of original certificates, indentures, or governing instruments for such securities.

Sec. 29. Section 84-1511, Revised Statutes Supplement, 1997, is amended to read:

84-1511. (1) The Public Employees Retirement Board shall establish a comprehensive preretirement planning program for state patrol officers, state employees, judges, county employees, and school employees who are members of the retirement systems established pursuant to the Class V School Employees Retirement Act, the County Employees Retirement Act, the Judges Retirement Act, the School Employees Retirement Act, the Nebraska State Patrol Retirement Act, and the State Employees Retirement Act, and ~~sections 79-978 to 79-9,116~~. The program shall provide information and advice regarding the many changes employees face upon retirement including, but not limited to, changes in physical and mental health, housing, family life, leisure activity, and retirement income.

(2) The preretirement planning program shall be available to all employees who have attained the age of fifty or are within five years of qualifying for retirement or early retirement under their retirement systems.

(3) The preretirement planning program shall include information on the federal and state income tax consequences of the various annuity or retirement benefit options available to the employee, information on social security benefits, information on various local, state, and federal government programs and programs in the private sector designed to assist elderly persons, and information and advice the board deems valuable in assisting public employees in the transition from public employment to retirement.

(4) The board shall work with the Department of Health and Human Services, the personnel division of the Department of Administrative Services, employee groups, and any other governmental agency, including political subdivisions or bodies whose services or expertise may enhance the development or implementation of the preretirement planning program.

(5) Funding to cover the expense of the preretirement planning program shall be charged back to each retirement fund on a pro rata share based on the number of employees in each plan.

(6) The employer shall provide each eligible employee leave with pay

to attend up to two preretirement planning programs. For purposes of this subsection, leave with pay shall mean a day off paid by the employer and shall not mean vacation, sick, personal, or compensatory time. An employee may choose to attend a program more than twice, but such leave shall be at the expense of the employee and shall be at the discretion of the employer. An eligible employee shall not be entitled to attend more than one preretirement planning program per fiscal year prior to actual election of retirement.

(7) A nominal registration fee shall be charged each person attending a preretirement planning program to cover the costs for meals, meeting rooms, or other expenses incurred under such program.

Sec. 30. Original sections 79-940, 79-942, 79-944, 79-947, 79-980, 79-981, 79-984, 79-988.01, 79-994, 79-995, 79-997, 79-998, 79-9,100, 79-9,103, 79-9,107, 79-9,115, and 79-1043, Reissue Revised Statutes of Nebraska, and sections 79-939, 79-978, 79-979, 79-986, 79-988, 79-991, 79-992, 79-9,102, 79-9,104, 79-9,113, and 84-1511, Revised Statutes Supplement, 1997, are repealed.

Sec. 31. Since an emergency exists, this act takes effect when passed and approved according to law.