

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 110

Introduced by Kolterman, 24.

Read first time January 06, 2017

Committee:

1 A BILL FOR AN ACT relating to retirement; to amend sections 2-3228,
2 12-101, 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037,
3 19-3501, 23-1118, 23-3526, 71-1631.02, 79-987, 84-304, 84-304.02,
4 and 84-1503, Revised Statutes Cumulative Supplement, 2016; to change
5 duties and provisions relating to annual reporting requirements for
6 certain retirement plans as prescribed; to change the duties of the
7 Auditor of Public Accounts and the Public Employees Retirement
8 Board; to eliminate obsolete provisions; to harmonize provisions;
9 and to repeal the original sections.
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 2-3228, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 2-3228 (1) Each district shall have the power and authority to:

4 (a) Receive and accept donations, gifts, grants, bequests,
5 appropriations, or other contributions in money, services, materials, or
6 otherwise from the United States or any of its agencies, from the state
7 or any of its agencies or political subdivisions, or from any person as
8 defined in section 49-801 and use or expend all such contributions in
9 carrying on its operations;

10 (b) Establish advisory groups by appointing persons within the
11 district, pay necessary and proper expenses of such groups as the board
12 shall determine, and dissolve such groups;

13 (c) Employ such persons as are necessary to carry out its authorized
14 purposes and, in addition to other compensation provided, establish and
15 fund a pension plan designed and intended for the benefit of all
16 permanent full-time employees of the district. Any recognized method of
17 funding a pension plan may be employed. Employee contributions shall be
18 required to fund at least fifty percent of the benefits, and past service
19 benefits may be included. The district shall pay all costs of any such
20 past service benefits, which may be retroactive to July 1, 1972, and the
21 plan may be integrated with old age and survivors' insurance, generally
22 known as social security. A uniform pension plan, including the method
23 for jointly funding such plan, shall be established for all districts in
24 the state. A district may elect not to participate in such a plan but
25 shall not establish an independent plan;

26 (d) Purchase liability, property damage, workers' compensation, and
27 other types of insurance as in the judgment of the board are necessary to
28 protect the assets of the district;

29 (e) Borrow money to carry out its authorized purposes;

30 (f) Adopt and promulgate rules and regulations to carry out its
31 authorized purposes; and

1 (g) Invite the local governing body of any municipality or county to
2 designate a representative to advise and counsel with the board on
3 programs and policies that may affect the property, water supply, or
4 other interests of such municipality or county.

5 (2) ~~(2)(a)~~ Beginning December 31, 1998, through ~~and each~~ December
6 31, 2017:

7 (a) ~~The thereafter,~~ the Nebraska Association of Resources Districts
8 as organized under the Interlocal Cooperation Act shall file with the
9 Public Employees Retirement Board an annual report on each retirement
10 plan established pursuant to this section and section 401(a) of the
11 Internal Revenue Code and shall submit copies of such report to the
12 Auditor of Public Accounts. The Auditor of Public Accounts may prepare a
13 review of such report pursuant to section 84-304.02 but is not required
14 to do so. The annual report shall be in a form prescribed by the Public
15 Employees Retirement Board and shall contain the following information
16 for each such retirement plan:

- 17 (i) The number of persons participating in the retirement plan;
- 18 (ii) The contribution rates of participants in the plan;
- 19 (iii) Plan assets and liabilities;
- 20 (iv) The names and positions of persons administering the plan;
- 21 (v) The names and positions of persons investing plan assets;
- 22 (vi) The form and nature of investments;
- 23 (vii) For each defined contribution plan, a full description of
24 investment policies and options available to plan participants; and
- 25 (viii) For each defined benefit plan, the levels of benefits of
26 participants in the plan, the number of members who are eligible for a
27 benefit, and the total present value of such members' benefits, as well
28 as the funding sources which will pay for such benefits.

29 If a plan contains no current active participants, the association
30 may file in place of such report a statement with the Public Employees
31 Retirement Board indicating the number of retirees still drawing

1 benefits, and the sources and amount of funding for such benefits.

2 (b) If such retirement plan is a defined benefit plan which was open
3 to new members on January 1, 2004, in addition to the reports required by
4 section 13-2402, the association shall cause to be prepared an annual
5 report and shall file the same with the Public Employees Retirement Board
6 and the Nebraska Retirement Systems Committee of the Legislature and
7 submit to the Auditor of Public Accounts a copy of such report. The
8 Auditor of Public Accounts may prepare a review of such report pursuant
9 to section 84-304.02 but is not required to do so. If the association
10 does not submit a copy of the report to the Auditor of Public Accounts
11 within six months after the end of the plan year, the Auditor of Public
12 Accounts may audit, or cause to be audited, the association. All costs of
13 the audit shall be paid by the association. The report shall consist of a
14 full actuarial analysis of each such retirement plan established pursuant
15 to this section. The analysis shall be prepared by an independent private
16 organization or public entity employing actuaries who are members in good
17 standing of the American Academy of Actuaries, and which organization or
18 entity has demonstrated expertise to perform this type of analysis and is
19 unrelated to any organization offering investment advice or which
20 provides investment management services to the retirement plan. The
21 report to the Nebraska Retirement Systems Committee shall be submitted
22 electronically.

23 Sec. 2. Section 12-101, Revised Statutes Cumulative Supplement,
24 2016, is amended to read:

25 12-101 (1) The cemetery in Lincoln, Nebraska, known as Wyuka
26 Cemetery, is hereby declared to be a public charitable corporation. The
27 general control and management of the affairs of such cemetery shall be
28 vested in a board of three trustees until July 1, 2009, and thereafter
29 shall be vested in a board of five trustees. The trustees shall serve
30 without compensation and shall be a body corporate to be known as Wyuka
31 Cemetery, with power to sue and be sued, to contract and to be contracted

1 with, and to acquire, hold, and convey both real and personal property
2 for all purposes consistent with the provisions of sections 12-101 to
3 12-105, and shall have the power of eminent domain to be exercised in the
4 manner provided in section 12-201.

5 (2) The trustees of Wyuka Cemetery shall have the power, by
6 resolution duly adopted by a majority vote, to authorize one of their
7 number to sign a petition for paving, repaving, curbing, recurbing,
8 grading, changing grading, guttering, resurfacing, relaying existing
9 pavement, or otherwise improving any street, streets, alley, alleys, or
10 public ways or grounds abutting cemetery property. When such improvements
11 have been ordered, the trustees shall pay, from funds of the cemetery,
12 such special taxes or assessments as may be properly determined.

13 (3) The trustees of Wyuka Cemetery shall be appointed by the
14 Governor of the State of Nebraska at the expiration of each trustee's
15 term of office. The two trustees appointed for their initial terms of
16 office beginning July 1, 2009, shall be appointed by the Governor to
17 serve a five-year term and a six-year term, respectively. Thereafter,
18 each of the five trustees shall be appointed by the Governor for a term
19 of six years. In the event of a vacancy occurring among the members of
20 the board, the vacancy shall be filled by appointment by the Governor,
21 and such appointment shall continue for the unexpired term.

22 (4) The board of trustees of Wyuka Cemetery shall file with the
23 Auditor of Public Accounts, on or before the second Tuesday in June of
24 each year, an itemized report of all the receipts and expenditures in
25 connection with its management and control of the cemetery.

26 (5) The trustees of Wyuka Cemetery shall have the power to provide,
27 in their discretion, retirement benefits for present and future employees
28 of the cemetery, and to establish, participate in, and administer plans
29 for the benefit of its employees or its employees and their dependents,
30 which may provide disability, hospitalization, medical, surgical,
31 accident, sickness and life insurance coverage, or any one or more

1 coverages, and which shall be purchased from a corporation or
2 corporations authorized and licensed by the Department of Insurance.

3 (6) ~~(6)(a)~~ Beginning December 31, 1998, through ~~and each~~ December
4 31, 2017:

5 (a) The ~~thereafter,~~ the trustees shall file with the Public
6 Employees Retirement Board an annual report on each retirement plan
7 established pursuant to this section and section 401(a) of the Internal
8 Revenue Code and shall submit copies of such report to the Auditor of
9 Public Accounts. The Auditor of Public Accounts may prepare a review of
10 such report pursuant to section 84-304.02 but is not required to do so.
11 The annual report shall be in a form prescribed by the Public Employees
12 Retirement Board and shall contain the following information for each
13 such retirement plan:

- 14 (i) The number of persons participating in the retirement plan;
15 (ii) The contribution rates of participants in the plan;
16 (iii) Plan assets and liabilities;
17 (iv) The names and positions of persons administering the plan;
18 (v) The names and positions of persons investing plan assets;
19 (vi) The form and nature of investments;
20 (vii) For each defined contribution plan, a full description of
21 investment policies and options available to plan participants; and
22 (viii) For each defined benefit plan, the levels of benefits of
23 participants in the plan, the number of members who are eligible for a
24 benefit, and the total present value of such members' benefits, as well
25 as the funding sources which will pay for such benefits.

26 If a plan contains no current active participants, the trustees may
27 file in place of such report a statement with the Public Employees
28 Retirement Board indicating the number of retirees still drawing
29 benefits, and the sources and amount of funding for such benefits.

30 (b) If such retirement plan is a defined benefit plan which was open
31 to new members on January 1, 2004, in addition to the reports required by

1 section 13-2402, the trustees shall cause to be prepared an annual report
2 and shall file the same with the Public Employees Retirement Board and
3 the Nebraska Retirement Systems Committee of the Legislature and submit
4 to the Auditor of Public Accounts a copy of such report. The Auditor of
5 Public Accounts may prepare a review of such report pursuant to section
6 84-304.02 but is not required to do so. If the trustees do not submit a
7 copy of the report to the Auditor of Public Accounts within six months
8 after the end of the plan year, the Auditor of Public Accounts may audit,
9 or cause to be audited, Wyuka Cemetery. All costs of the audit shall be
10 paid by Wyuka Cemetery. The report shall consist of a full actuarial
11 analysis of each such retirement plan established pursuant to this
12 section. The analysis shall be prepared by an independent private
13 organization or public entity employing actuaries who are members in good
14 standing of the American Academy of Actuaries, and which organization or
15 entity has demonstrated expertise to perform this type of analysis and is
16 unrelated to any organization offering investment advice or which
17 provides investment management services to the retirement plan. The
18 report to the Nebraska Retirement Systems Committee shall be submitted
19 electronically.

20 Sec. 3. Section 14-567, Revised Statutes Cumulative Supplement,
21 2016, is amended to read:

22 14-567 (1) Beginning December 31, 1998, through ~~and each~~ December
23 31, 2017 ~~thereafter~~, the pension board of a city of the metropolitan
24 class shall file with the Public Employees Retirement Board an annual
25 report on each retirement plan established by such city pursuant to
26 section 401(a) of the Internal Revenue Code and shall submit copies of
27 such report to the Auditor of Public Accounts. The Auditor of Public
28 Accounts may prepare a review of such report pursuant to section
29 84-304.02 but is not required to do so. The annual report shall be in a
30 form prescribed by the Public Employees Retirement Board and shall
31 contain the following information for each such retirement plan:

- 1 (a) The number of persons participating in the retirement plan;
- 2 (b) The contribution rates of participants in the plan;
- 3 (c) Plan assets and liabilities;
- 4 (d) The names and positions of persons administering the plan;
- 5 (e) The names and positions of persons investing plan assets;
- 6 (f) The form and nature of investments;
- 7 (g) For each defined contribution plan, a full description of
- 8 investment policies and options available to plan participants; and
- 9 (h) For each defined benefit plan, the levels of benefits of
- 10 participants in the plan, the number of members who are eligible for a
- 11 benefit, and the total present value of such members' benefits, as well
- 12 as the funding sources which will pay for such benefits.

13 If a plan contains no current active participants, the pension board
14 may file in place of such report a statement with the Public Employees
15 Retirement Board indicating the number of retirees still drawing
16 benefits, and the sources and amount of funding for such benefits.

17 (2) Through December 31, 2017, if ~~If~~ such retirement plan is a
18 defined benefit plan which was open to new members on January 1, 2004, in
19 addition to the reports required by section 13-2402, the pension board of
20 a city of the metropolitan class shall cause to be prepared an annual
21 report and shall file the same with the Public Employees Retirement Board
22 and the Nebraska Retirement Systems Committee of the Legislature and
23 submit to the Auditor of Public Accounts a copy of such report. The
24 Auditor of Public Accounts may prepare a review of such report pursuant
25 to section 84-304.02 but is not required to do so. If the pension board
26 does not submit a copy of the report to the Auditor of Public Accounts
27 within six months after the end of the plan year, the Auditor of Public
28 Accounts may audit, or cause to be audited, the city. All costs of the
29 audit shall be paid by the city. The report shall consist of a full
30 actuarial analysis of each such retirement plan established by the city.
31 The analysis shall be prepared by an independent private organization or

1 public entity employing actuaries who are members in good standing of the
2 American Academy of Actuaries, and which organization or entity has
3 demonstrated expertise to perform this type of analysis and is unrelated
4 to any organization offering investment advice or which provides
5 investment management services to the retirement plan. The report to the
6 Nebraska Retirement Systems Committee shall be submitted electronically.

7 (3)(a) Beginning December 31, 2018, and each December 31 thereafter,
8 for a defined benefit plan the pension board or its designee shall
9 prepare and electronically file an annual report with the Auditor of
10 Public Accounts and the Nebraska Retirement Systems Committee of the
11 Legislature. If such retirement plan is a defined benefit plan which was
12 open to new members on January 1, 2004, the report shall be in addition
13 to the reports required by section 13-2402. The report shall be on a form
14 prescribed by the Auditor of Public Accounts and shall include, but not
15 be limited to, the following information:

16 (i) The levels of benefits of participants in the plan, the number
17 of members who are eligible for a benefit, the total present value of
18 such members' benefits, and the funding sources which will pay for such
19 benefits; and

20 (ii) A copy of a full actuarial analysis of each such defined
21 benefit plan. The analysis shall be prepared by an independent private
22 organization or public entity employing actuaries who are members in good
23 standing of the American Academy of Actuaries, and which organization or
24 entity has demonstrated expertise to perform this type of analysis and is
25 unrelated to any organization which offers investment advice or provides
26 investment management services to the retirement plan.

27 (b) The Auditor of Public Accounts may prepare a review of such
28 report pursuant to section 84-304.02 but is not required to do so. If the
29 association does not submit a copy of the report to the Auditor of Public
30 Accounts within six months after the end of the plan year, the Auditor of
31 Public Accounts may audit, or cause to be audited, the pension board. All

1 costs of the audit shall be paid by the pension board.

2 Sec. 4. Section 14-1805.01, Revised Statutes Cumulative Supplement,
3 2016, is amended to read:

4 14-1805.01 (1) Beginning December 31, 1998, through and—each
5 December 31, 2017 thereafter, the chairperson of the board shall file
6 with the Public Employees Retirement Board an annual report on each
7 retirement plan established pursuant to section 14-1805 and section
8 401(a) of the Internal Revenue Code and shall submit copies of such
9 report to the Auditor of Public Accounts. The Auditor of Public Accounts
10 may prepare a review of such report pursuant to section 84-304.02 but is
11 not required to do so. The annual report shall be in a form prescribed by
12 the Public Employees Retirement Board and shall contain the following
13 information for each such retirement plan:

- 14 (a) The number of persons participating in the retirement plan;
15 (b) The contribution rates of participants in the plan;
16 (c) Plan assets and liabilities;
17 (d) The names and positions of persons administering the plan;
18 (e) The names and positions of persons investing plan assets;
19 (f) The form and nature of investments;
20 (g) For each defined contribution plan, a full description of
21 investment policies and options available to plan participants; and
22 (h) For each defined benefit plan, the levels of benefits of
23 participants in the plan, the number of members who are eligible for a
24 benefit, and the total present value of such members' benefits, as well
25 as the funding sources which will pay for such benefits.

26 If a plan contains no current active participants, the chairperson
27 may file in place of such report a statement with the Public Employees
28 Retirement Board indicating the number of retirees still drawing
29 benefits, and the sources and amount of funding for such benefits.

30 (2) Through December 31, 2017, if If such retirement plan is a
31 defined benefit plan which was open to new members on January 1, 2004, in

1 addition to the reports required by section 13-2402, the authority shall
2 cause to be prepared an annual report and the chairperson shall file the
3 same with the Public Employees Retirement Board and the Nebraska
4 Retirement Systems Committee of the Legislature and submit to the Auditor
5 of Public Accounts a copy of such report. The Auditor of Public Accounts
6 may prepare a review of such report pursuant to section 84-304.02 but is
7 not required to do so. If the authority does not submit a copy of the
8 report to the Auditor of Public Accounts within six months after the end
9 of the plan year, the Auditor of Public Accounts may audit, or cause to
10 be audited, the authority. All costs of the audit shall be paid by the
11 authority. The report shall consist of a full actuarial analysis of each
12 such retirement plan established pursuant to section 14-1805. The
13 analysis shall be prepared by an independent private organization or
14 public entity employing actuaries who are members in good standing of the
15 American Academy of Actuaries, and which organization or entity has
16 demonstrated expertise to perform this type of analysis and is unrelated
17 to any organization offering investment advice or which provides
18 investment management services to the retirement plan. The report to the
19 Nebraska Retirement Systems Committee shall be submitted electronically.

20 (3)(a) Beginning December 31, 2018, and each December 31 thereafter,
21 for a defined benefit plan the chairperson or his or her designee shall
22 prepare and electronically file an annual report with the Auditor of
23 Public Accounts and the Nebraska Retirement Systems Committee of the
24 Legislature. If such retirement plan is a defined benefit plan which was
25 open to new members on January 1, 2004, the report shall be in addition
26 to the reports required by section 13-2402. The report shall be on a form
27 prescribed by the Auditor of Public Accounts and shall include, but not
28 be limited to, the following information:

29 (i) The levels of benefits of participants in the plan, the number
30 of members who are eligible for a benefit, the total present value of
31 such members' benefits, and the funding sources which will pay for such

1 benefits; and

2 (ii) A copy of a full actuarial analysis of each such defined
3 benefit plan. The analysis shall be prepared by an independent private
4 organization or public entity employing actuaries who are members in good
5 standing of the American Academy of Actuaries, and which organization or
6 entity has demonstrated expertise to perform this type of analysis and is
7 unrelated to any organization which offers investment advice or provides
8 investment management services to the retirement plan.

9 (b) The Auditor of Public Accounts may prepare a review of such
10 report pursuant to section 84-304.02 but is not required to do so. If the
11 association does not submit a copy of the report to the Auditor of Public
12 Accounts within six months after the end of the plan year, the Auditor of
13 Public Accounts may audit, or cause to be audited, the authority. All
14 costs of the audit shall be paid by the authority.

15 Sec. 5. Section 14-2111, Revised Statutes Cumulative Supplement,
16 2016, is amended to read:

17 14-2111 (1) The board of directors of any metropolitan utilities
18 district may also provide benefits for, insurance of, and annuities for
19 the present and future employees and appointees of the district covering
20 accident, disease, death, total and permanent disability, and retirement,
21 all or any of them, under such terms and conditions as the board may deem
22 proper and expedient from time to time. Any retirement plan adopted by
23 the board of directors shall be upon some contributory basis requiring
24 contributions by both the district and the employee or appointee, except
25 that the district may pay the entire cost of the fund necessary to cover
26 service rendered prior to the adoption of any new retirement plan. Any
27 retirement plan shall take into consideration the benefits provided for
28 employees and appointees of metropolitan utilities districts under the
29 Social Security Act, and any benefits provided under a contributory
30 retirement plan shall be supplemental to the benefits provided under the
31 Social Security Act as defined in section 68-602 if the employees

1 entitled to vote in a referendum vote in favor of old age and survivors'
2 insurance coverage. To effectuate any plan adopted pursuant to this
3 authority, the board of directors of the district is empowered to
4 establish and maintain reserves and funds, provide for insurance premiums
5 and costs, and make such delegation as may be necessary to carry into
6 execution the general powers granted by this section. Payments made to
7 employees and appointees, under the authority in this section, shall be
8 exempt from attachment or other legal process and shall not be
9 assignable.

10 (2) Any retirement plan adopted by the board of directors of any
11 metropolitan utilities district may allow the district to pick up the
12 employee contribution required by this section for all compensation paid
13 on or after January 1, 1986, and the contributions so picked up shall be
14 treated as employer contributions in determining federal tax treatment
15 under the Internal Revenue Code, except that the employer shall continue
16 to withhold federal income taxes based upon such contributions until the
17 Internal Revenue Service or the federal courts rule that, pursuant to
18 section 414(h) of the Internal Revenue Code, such contributions shall not
19 be included as gross income of the employee until such time as they are
20 distributed or made available. The employer shall pay the employee
21 contributions from the same source of funds which is used in paying
22 earnings to the employees. The employer shall pick up the contributions
23 by a salary deduction either through a reduction in the cash salary of
24 the employee or a combination of a reduction in salary and offset against
25 a future salary increase. Employee contributions picked up shall be
26 treated in the same manner and to the same extent as employee
27 contributions made prior to the date picked up.

28 (3) ~~(3)(a)~~ Beginning December 31, 1998, through and ~~each~~ December
29 31, 2017;

30 (a) ~~The thereafter,~~ the chairperson of the board shall file with the
31 Public Employees Retirement Board an annual report on each retirement

1 plan established pursuant to this section and section 401(a) of the
2 Internal Revenue Code and shall submit copies of such report to the
3 Auditor of Public Accounts. The Auditor of Public Accounts may prepare a
4 review of such report pursuant to section 84-304.02 but is not required
5 to do so. The annual report shall be in a form prescribed by the Public
6 Employees Retirement Board and shall contain the following information
7 for each such retirement plan:

- 8 (i) The number of persons participating in the retirement plan;
- 9 (ii) The contribution rates of participants in the plan;
- 10 (iii) Plan assets and liabilities;
- 11 (iv) The names and positions of persons administering the plan;
- 12 (v) The names and positions of persons investing plan assets;
- 13 (vi) The form and nature of investments;
- 14 (vii) For each defined contribution plan, a full description of
15 investment policies and options available to plan participants; and
- 16 (viii) For each defined benefit plan, the levels of benefits of
17 participants in the plan, the number of members who are eligible for a
18 benefit, and the total present value of such members' benefits, as well
19 as the funding sources which will pay for such benefits.

20 If a plan contains no current active participants, the chairperson
21 may file in place of such report a statement with the Public Employees
22 Retirement Board indicating the number of retirees still drawing
23 benefits, and the sources and amount of funding for such benefits.

24 (b) Through December 31, 2017, if ~~If~~ such retirement plan is a
25 defined benefit plan which was open to new members on January 1, 2004, in
26 addition to the reports required by section 13-2402, the board of
27 directors of any metropolitan utilities district shall cause to be
28 prepared an annual report and shall file the same with the Public
29 Employees Retirement Board and the Nebraska Retirement Systems Committee
30 of the Legislature and submit to the Auditor of Public Accounts a copy of
31 such report. The Auditor of Public Accounts may prepare a review of such

1 report pursuant to section 84-304.02 but is not required to do so. If the
2 board of directors does not submit a copy of the report to the Auditor of
3 Public Accounts within six months after the end of the plan year, the
4 Auditor of Public Accounts may audit, or cause to be audited, the
5 metropolitan utilities district. All costs of the audit shall be paid by
6 the metropolitan utilities district. The report shall consist of a full
7 actuarial analysis of each such retirement plan established pursuant to
8 this section. The analysis shall be prepared by an independent private
9 organization or public entity employing actuaries who are members in good
10 standing of the American Academy of Actuaries, and which organization or
11 entity has demonstrated expertise to perform this type of analysis and is
12 unrelated to any organization offering investment advice or which
13 provides investment management services to the retirement plan. The
14 report to the Nebraska Retirement Systems Committee shall be submitted
15 electronically.

16 (4)(a) Beginning December 31, 2018, and each December 31 thereafter,
17 for a defined benefit plan the chairperson or his or her designee shall
18 prepare and electronically file an annual report with the Auditor of
19 Public Accounts and the Nebraska Retirement Systems Committee of the
20 Legislature. If such retirement plan is a defined benefit plan which was
21 open to new members on January 1, 2004, the report shall be in addition
22 to the reports required by section 13-2402. The report shall be on a form
23 prescribed by the Auditor of Public Accounts and shall include, but not
24 be limited to, the following information:

25 (i) The levels of benefits of participants in the plan, the number
26 of members who are eligible for a benefit, the total present value of
27 such members' benefits, and the funding sources which will pay for such
28 benefits; and

29 (ii) A copy of a full actuarial analysis of each such defined
30 benefit plan. The analysis shall be prepared by an independent private
31 organization or public entity employing actuaries who are members in good

1 standing of the American Academy of Actuaries, and which organization or
2 entity has demonstrated expertise to perform this type of analysis and is
3 unrelated to any organization which offers investment advice or provides
4 investment management services to the retirement plan.

5 (b) The Auditor of Public Accounts may prepare a review of such
6 report pursuant to section 84-304.02 but is not required to do so. If the
7 association does not submit a copy of the report to the Auditor of Public
8 Accounts within six months after the end of the plan year, the Auditor of
9 Public Accounts may audit, or cause to be audited, the district. All
10 costs of the audit shall be paid by the district.

11 Sec. 6. Section 15-1017, Revised Statutes Cumulative Supplement,
12 2016, is amended to read:

13 15-1017 (1) A city of the primary class which has a city pension and
14 retirement plan or fund, or a city fire and police pension plan or fund,
15 or both, may provide by ordinance as authorized by its home rule charter,
16 and not prohibited by the Constitution of Nebraska, for the investment of
17 any plan or fund, and it may provide that (a) such a city shall place in
18 trust any part of such plan or fund, (b) it shall place in trust any part
19 of any such plan or fund with a corporate trustee in Nebraska, or (c) it
20 shall purchase any part of any such plan from a life insurance company
21 licensed to do business in the State of Nebraska. The powers conferred by
22 this section shall be independent of and in addition and supplemental to
23 any other provisions of the laws of the State of Nebraska with reference
24 to the matters covered hereby and this section shall be considered as a
25 complete and independent act and not as amendatory of or limited by any
26 other provision of the laws of the State of Nebraska.

27 (2) ~~(2)(a)~~ Beginning December 31, 1998, through and ~~each~~ December
28 31, 2017:

29 (a) ~~The~~ thereafter, the clerk of a city of the primary class shall
30 file with the Public Employees Retirement Board an annual report on each
31 retirement plan established pursuant to this section, section 15-1026,

1 and section 401(a) of the Internal Revenue Code and shall submit copies
2 of such report to the Auditor of Public Accounts. The Auditor of Public
3 Accounts may prepare a review of such report pursuant to section
4 84-304.02 but is not required to do so. The annual report shall be in a
5 form prescribed by the Public Employees Retirement Board and shall
6 contain the following information for each such retirement plan:

- 7 (i) The number of persons participating in the retirement plan;
- 8 (ii) The contribution rates of participants in the plan;
- 9 (iii) Plan assets and liabilities;
- 10 (iv) The names and positions of persons administering the plan;
- 11 (v) The names and positions of persons investing plan assets;
- 12 (vi) The form and nature of investments;
- 13 (vii) For each defined contribution plan, a full description of
14 investment policies and options available to plan participants; and
- 15 (viii) For each defined benefit plan, the levels of benefits of
16 participants in the plan, the number of members who are eligible for a
17 benefit, and the total present value of such members' benefits, as well
18 as the funding sources which will pay for such benefits.

19 If a plan contains no current active participants, the city clerk
20 may file in place of such report a statement with the Public Employees
21 Retirement Board indicating the number of retirees still drawing
22 benefits, and the sources and amount of funding for such benefits.

23 (b) Through December 31, 2017, if ~~If~~ such retirement plan is a
24 defined benefit plan which was open to new members on January 1, 2004, in
25 addition to the reports required by section 13-2402, the city council of
26 a city of the primary class shall cause to be prepared an annual report
27 and shall file the same with the Public Employees Retirement Board and
28 the Nebraska Retirement Systems Committee of the Legislature and submit
29 to the Auditor of Public Accounts a copy of such report. The Auditor of
30 Public Accounts may prepare a review of such report pursuant to section
31 84-304.02 but is not required to do so. If the city council does not

1 submit a copy of the report to the Auditor of Public Accounts within six
2 months after the end of the plan year, the Auditor of Public Accounts may
3 audit, or cause to be audited, the city. All costs of the audit shall be
4 paid by the city. The report shall consist of a full actuarial analysis
5 of each such retirement plan established pursuant to this section and
6 section 15-1026. The analysis shall be prepared by an independent private
7 organization or public entity employing actuaries who are members in good
8 standing of the American Academy of Actuaries, and which organization or
9 entity has demonstrated expertise to perform this type of analysis and is
10 unrelated to any organization offering investment advice or which
11 provides investment management services to the retirement plan. The
12 report to the Nebraska Retirement Systems Committee shall be submitted
13 electronically.

14 (3)(a) Beginning December 31, 2018, and each December 31 thereafter,
15 for a defined benefit plan, the clerk of a city of the primary class or
16 his or her designee shall prepare and electronically file an annual
17 report with the Auditor of Public Accounts and the Nebraska Retirement
18 Systems Committee of the Legislature. If such retirement plan is a
19 defined benefit plan which was open to new members on January 1, 2004,
20 the report shall be in addition to the reports required by section
21 13-2402. The report shall be on a form prescribed by the Auditor of
22 Public Accounts and shall include, but not be limited to, the following
23 information:

24 (i) The levels of benefits of participants in the plan, the number
25 of members who are eligible for a benefit, the total present value of
26 such members' benefits, and the funding sources which will pay for such
27 benefits; and

28 (ii) A copy of a full actuarial analysis of each such defined
29 benefit plan. The analysis shall be prepared by an independent private
30 organization or public entity employing actuaries who are members in good
31 standing of the American Academy of Actuaries, and which organization or

1 entity has demonstrated expertise to perform this type of analysis and is
2 unrelated to any organization which offers investment advice or provides
3 investment management services to the retirement plan.

4 (b) The Auditor of Public Accounts may prepare a review of such
5 report pursuant to section 84-304.02 but is not required to do so. If the
6 association does not submit a copy of the report to the Auditor of Public
7 Accounts within six months after the end of the plan year, the Auditor of
8 Public Accounts may audit, or cause to be audited, the city. All costs of
9 the audit shall be paid by the city.

10 Sec. 7. Section 16-1017, Revised Statutes Cumulative Supplement,
11 2016, is amended to read:

12 16-1017 (1) It shall be the duty of the retirement committee to:

13 (a) Provide each employee a summary of plan eligibility requirements
14 and benefit provisions;

15 (b) Provide, within thirty days after a request is made by a
16 participant, a statement describing the amount of benefits such
17 participant is eligible to receive; and

18 (c) Make available for review an annual report of the retirement
19 system's operations describing both (i) the amount of contributions to
20 the retirement system from both employee and employer sources and (ii) an
21 identification of the total assets of the retirement system.

22 (2) ~~(2)(a)~~ Beginning December 31, 1998, through ~~and each~~ December
23 31, 2017:

24 (a) The thereafter, ~~the~~ chairperson of the retirement committee
25 shall file with the Public Employees Retirement Board a report on each
26 retirement plan established pursuant to section 401(a) of the Internal
27 Revenue Code and administered by a retirement system established pursuant
28 to the Police Officers Retirement Act and shall submit copies of such
29 report to the Auditor of Public Accounts. The Auditor of Public Accounts
30 may prepare a review of such report pursuant to section 84-304.02 but is
31 not required to do so. The annual report shall be in a form prescribed by

1 the Public Employees Retirement Board and shall contain the following
2 information for each such retirement plan:

- 3 (i) The number of persons participating in the retirement plan;
- 4 (ii) The contribution rates of participants in the plan;
- 5 (iii) Plan assets and liabilities;
- 6 (iv) The names and positions of persons administering the plan;
- 7 (v) The names and positions of persons investing plan assets;
- 8 (vi) The form and nature of investments;
- 9 (vii) For each defined contribution plan, a full description of
10 investment policies and options available to plan participants; and
- 11 (viii) For each defined benefit plan, the levels of benefits of
12 participants in the plan, the number of members who are eligible for a
13 benefit, and the total present value of such members' benefits, as well
14 as the funding sources which will pay for such benefits.

15 If a plan contains no current active participants, the chairperson
16 may file in place of such report a statement with the Public Employees
17 Retirement Board indicating the number of retirees still drawing benefits
18 and the sources and amount of funding for such benefits.

19 (b) Through December 31, 2017, if If such retirement plan is a
20 defined benefit plan which was open to new members on January 1, 2004, in
21 addition to the reports required by section 13-2402, the retirement
22 committee shall cause to be prepared an annual report and the chairperson
23 shall file the same with the Public Employees Retirement Board and the
24 Nebraska Retirement Systems Committee of the Legislature and submit to
25 the Auditor of Public Accounts a copy of such report. The Auditor of
26 Public Accounts may prepare a review of such report pursuant to section
27 84-304.02 but is not required to do so. If the retirement committee does
28 not submit a copy of the report to the Auditor of Public Accounts within
29 six months after the end of the plan year, the Auditor of Public Accounts
30 may audit, or cause to be audited, the city. All costs of the audit shall
31 be paid by the city. The report shall consist of a full actuarial

1 analysis of each such retirement plan administered by a retirement system
2 established pursuant to the act. The analysis shall be prepared by an
3 independent private organization or public entity employing actuaries who
4 are members in good standing of the American Academy of Actuaries, and
5 which organization or entity has demonstrated expertise to perform this
6 type of analysis and is unrelated to any organization offering investment
7 advice or which provides investment management services to the retirement
8 plan. The report to the Nebraska Retirement Systems Committee shall be
9 submitted electronically.

10 (3)(a) Beginning December 31, 2018, and each December 31 thereafter,
11 for a defined benefit plan the chairperson of the retirement committee or
12 his or her designee shall prepare and electronically file an annual
13 report with the Auditor of Public Accounts and the Nebraska Retirement
14 Systems Committee of the Legislature. If such retirement plan is a
15 defined benefit plan which was open to new members on January 1, 2004,
16 the report shall be in addition to the reports required by section
17 13-2402. The report shall be on a form prescribed by the Auditor of
18 Public Accounts and shall include, but not be limited to, the following
19 information:

20 (i) The levels of benefits of participants in the plan, the number
21 of members who are eligible for a benefit, the total present value of
22 such members' benefits, and the funding sources which will pay for such
23 benefits; and

24 (ii) A copy of a full actuarial analysis of each such defined
25 benefit plan. The analysis shall be prepared by an independent private
26 organization or public entity employing actuaries who are members in good
27 standing of the American Academy of Actuaries, and which organization or
28 entity has demonstrated expertise to perform this type of analysis and is
29 unrelated to any organization which offers investment advice or provides
30 investment management services to the retirement plan.

31 (b) The Auditor of Public Accounts may prepare a review of such

1 report pursuant to section 84-304.02 but is not required to do so. If the
2 association does not submit a copy of the report to the Auditor of Public
3 Accounts within six months after the end of the plan year, the Auditor of
4 Public Accounts may audit, or cause to be audited, the retirement
5 committee. All costs of the audit shall be paid by the retirement
6 committee.

7 Sec. 8. Section 16-1037, Revised Statutes Cumulative Supplement,
8 2016, is amended to read:

9 16-1037 (1) It shall be the duty of the retirement committee to:

10 (a) Elect a chairperson, a vice-chairperson, and such other officers
11 as the committee deems appropriate;

12 (b) Hold regular quarterly meetings and special meetings upon the
13 call of the chairperson;

14 (c) Conduct meetings pursuant to the Open Meetings Act;

15 (d) Provide each employee a summary of plan eligibility
16 requirements, benefit provisions, and investment options available to
17 such employee;

18 (e) Provide, within thirty days after a request is made by a
19 participant, a statement describing the amount of benefits such
20 participant is eligible to receive; and

21 (f) Make available for review an annual report of the system's
22 operations describing both (i) the amount of contributions to the system
23 from both employee and employer sources and (ii) an identification of the
24 total assets of the retirement system.

25 (2) ~~(2)(a)~~ Beginning December 31, 1998, through and each December
26 31, 2017:

27 (a) The thereafter, the chairperson of the retirement committee
28 shall file with the Public Employees Retirement Board an annual report on
29 each retirement plan established pursuant to section 401(a) of the
30 Internal Revenue Code and administered by a retirement system established
31 pursuant to sections 16-1020 to 16-1042 and shall submit copies of such

1 report to the Auditor of Public Accounts. The Auditor of Public Accounts
2 may prepare a review of such report pursuant to section 84-304.02 but is
3 not required to do so. The annual report shall be in a form prescribed by
4 the Public Employees Retirement Board and shall contain the following
5 information for each such retirement plan:

- 6 (i) The number of persons participating in the retirement plan;
- 7 (ii) The contribution rates of participants in the plan;
- 8 (iii) Plan assets and liabilities;
- 9 (iv) The names and positions of persons administering the plan;
- 10 (v) The names and positions of persons investing plan assets;
- 11 (vi) The form and nature of investments;
- 12 (vii) For each defined contribution plan, a full description of
13 investment policies and options available to plan participants; and
- 14 (viii) For each defined benefit plan, the levels of benefits of
15 participants in the plan, the number of members who are eligible for a
16 benefit, and the total present value of such members' benefits, as well
17 as the funding sources which will pay for such benefits.

18 If a plan contains no current active participants, the chairperson
19 may file in place of such report a statement with the Public Employees
20 Retirement Board indicating the number of retirees still drawing
21 benefits, and the sources and amount of funding for such benefits.

22 (b) Through December 31, 2017, if ~~If~~ such retirement plan is a
23 defined benefit plan which was open to new members on January 1, 2004, in
24 addition to the reports required by section 13-2402, the retirement
25 committee shall cause to be prepared an annual report and the chairperson
26 shall file the same with the Public Employees Retirement Board and the
27 Nebraska Retirement Systems Committee of the Legislature and submit to
28 the Auditor of Public Accounts a copy of such report. The Auditor of
29 Public Accounts may prepare a review of such report pursuant to section
30 84-304.02 but is not required to do so. If the retirement committee does
31 not submit a copy of the report to the Auditor of Public Accounts within

1 six months after the end of the plan year, the Auditor of Public Accounts
2 may audit, or cause to be audited, the city. All costs of the audit shall
3 be paid by the city. The report shall consist of a full actuarial
4 analysis of each such retirement plan administered by a system
5 established pursuant to sections 16-1020 to 16-1042. The analysis shall
6 be prepared by an independent private organization or public entity
7 employing actuaries who are members in good standing of the American
8 Academy of Actuaries, and which organization or entity has demonstrated
9 expertise to perform this type of analysis and is unrelated to any
10 organization offering investment advice or which provides investment
11 management services to the retirement plan. The report to the Nebraska
12 Retirement Systems Committee shall be submitted electronically.

13 (3)(a) Beginning December 31, 2018, and each December 31 thereafter,
14 for a defined benefit plan the chairperson of the retirement committee or
15 his or her designee shall prepare and electronically file an annual
16 report with the Auditor of Public Accounts and the Nebraska Retirement
17 Systems Committee of the Legislature. If such retirement plan is a
18 defined benefit plan which was open to new members on January 1, 2004,
19 the report shall be in addition to the reports required by section
20 13-2402. The report shall be on a form prescribed by the Auditor of
21 Public Accounts and shall include, but not be limited to, the following
22 information:

23 (i) The levels of benefits of participants in the plan, the number
24 of members who are eligible for a benefit, the total present value of
25 such members' benefits, and the funding sources which will pay for such
26 benefits; and

27 (ii) A copy of a full actuarial analysis of each such defined
28 benefit plan. The analysis shall be prepared by an independent private
29 organization or public entity employing actuaries who are members in good
30 standing of the American Academy of Actuaries, and which organization or
31 entity has demonstrated expertise to perform this type of analysis and is

1 unrelated to any organization which offers investment advice or provides
2 investment management services to the retirement plan.

3 (b) The Auditor of Public Accounts may prepare a review of such
4 report pursuant to section 84-304.02 but is not required to do so. If the
5 association does not submit a copy of the report to the Auditor of Public
6 Accounts within six months after the end of the plan year, the Auditor of
7 Public Accounts may audit, or cause to be audited, the retirement
8 committee. All costs of the audit shall be paid by the retirement
9 committee.

10 Sec. 9. Section 19-3501, Revised Statutes Cumulative Supplement,
11 2016, is amended to read:

12 19-3501 (1) The governing body of cities of the first and second
13 classes and villages may, by appropriate ordinance or proper resolution,
14 establish a pension plan designed and intended for the benefit of the
15 regularly employed or appointed full-time employees of the city. Any
16 recognized method of funding a pension plan may be employed. The plan
17 shall be established by appropriate ordinance or proper resolution, which
18 may provide for mandatory contribution by the employee. The city may also
19 contribute, in addition to any amounts contributed by the employee,
20 amounts to be used for the purpose of funding employee past service
21 benefits. Any two or more cities of the first and second classes and
22 villages may jointly establish such a pension plan by adoption of
23 appropriate ordinances or resolutions. Such a pension plan may be
24 integrated with old age and survivors insurance, otherwise generally
25 known as social security.

26 (2) (2)(a) Beginning December 31, 1998, through and each December
27 31, 2017:

28 (a) The thereafter, the clerk of a city or village with a retirement
29 plan established pursuant to this section and section 401(a) of the
30 Internal Revenue Code shall file with the Public Employees Retirement
31 Board an annual report on such plan and shall submit copies of such

1 report to the Auditor of Public Accounts. The Auditor of Public Accounts
2 may prepare a review of such report pursuant to section 84-304.02 but is
3 not required to do so. The annual report shall be in a form prescribed by
4 the Public Employees Retirement Board and shall contain the following
5 information for each such retirement plan:

- 6 (i) The number of persons participating in the retirement plan;
- 7 (ii) The contribution rates of participants in the plan;
- 8 (iii) Plan assets and liabilities;
- 9 (iv) The names and positions of persons administering the plan;
- 10 (v) The names and positions of persons investing plan assets;
- 11 (vi) The form and nature of investments;
- 12 (vii) For each defined contribution plan, a full description of
13 investment policies and options available to plan participants; and
- 14 (viii) For each defined benefit plan, the levels of benefits of
15 participants in the plan, the number of members who are eligible for a
16 benefit, and the total present value of such members' benefits, as well
17 as the funding sources which will pay for such benefits.

18 If a plan contains no current active participants, the city or
19 village clerk may file in place of such report a statement with the
20 Public Employees Retirement Board indicating the number of retirees still
21 drawing benefits, and the sources and amount of funding for such
22 benefits.

23 (b) If such retirement plan is a defined benefit plan which was open
24 to new members on January 1, 2004, in addition to the reports required by
25 section 13-2402, the city council or village board shall cause to be
26 prepared an annual report and shall file the same with the Public
27 Employees Retirement Board and the Nebraska Retirement Systems Committee
28 of the Legislature and submit to the Auditor of Public Accounts a copy of
29 each report. The Auditor of Public Accounts may prepare a review of such
30 report pursuant to section 84-304.02 but is not required to do so. If the
31 city council or village board does not submit a copy of the report to the

1 Auditor of Public Accounts within six months after the end of the plan
2 year, the Auditor of Public Accounts may audit, or cause to be audited,
3 the city or village. All costs of the audit shall be paid by the city or
4 village. The report shall consist of a full actuarial analysis of each
5 such retirement plan established pursuant to this section. The analysis
6 shall be prepared by an independent private organization or public entity
7 employing actuaries who are members in good standing of the American
8 Academy of Actuaries, and which organization or entity has demonstrated
9 expertise to perform this type of analysis and is unrelated to any
10 organization offering investment advice or which provides investment
11 management services to the retirement plan. The report to the Nebraska
12 Retirement Systems Committee shall be submitted electronically.

13 (3) Subsection (1) of this section shall not apply to firefighters
14 or police officers who are included under an existing pension or
15 retirement system established by the municipality employing such
16 firefighters or police officers or the Legislature. If a city of the
17 first class decreases in population to less than five thousand, as
18 determined by the latest federal census, any police officer or
19 firefighter employed by such city on or prior to the date such city
20 becomes a city of the second class shall retain the level of benefits
21 established by the Legislature for police officers or firefighters
22 employed by a city of the first class on the date such city becomes a
23 city of the second class.

24 Sec. 10. Section 23-1118, Revised Statutes Cumulative Supplement,
25 2016, is amended to read:

26 23-1118 (1)(a) Unless the county has adopted a retirement system
27 pursuant to section 23-2329, the county board of any county having a
28 population of one hundred fifty thousand inhabitants or more, as
29 determined by the most recent federal decennial census, may, in its
30 discretion and with the approval of the voters, provide retirement
31 benefits for present and future employees of the county. The cost of such

1 retirement benefits shall be funded in accordance with sound actuarial
2 principles with the necessary cost being treated in the county budget in
3 the same way as any other operating expense.

4 (b) Except as provided in subdivision (c) of this subsection, each
5 employee shall be required to contribute, or have contributed on his or
6 her behalf, an amount at least equal to the county's contribution to the
7 cost of any such retirement program as to service performed after the
8 adoption of such retirement program, but the cost of any benefits based
9 on prior service shall be borne solely by the county.

10 (c) In a county or municipal county having a population of two
11 hundred fifty thousand or more inhabitants but not more than five hundred
12 thousand inhabitants, as determined by the most recent federal decennial
13 census, the county or municipal county shall establish the employee and
14 employer contribution rates to the retirement program for each year after
15 July 15, 1992. The county or municipal county shall contribute one
16 hundred fifty percent of each employee's mandatory contribution, and for
17 an employee hired on or after July 1, 2012, the county or municipal
18 county shall contribute at least one hundred percent of each such
19 employee's mandatory contribution, except that an employee receiving a
20 one hundred fifty percent employer contribution under this subdivision
21 may irrevocably elect to switch to a one hundred percent contribution for
22 all future contributions. The combined contributions of the county or
23 municipal county and its employees to the cost of any such retirement
24 program shall not exceed sixteen percent of the employees' salaries.

25 (2) Before the county board or council provides retirement benefits
26 for the employees of the county or municipal county, such question shall
27 be submitted at a regular general or primary election held within the
28 county or municipal county, and in which election all persons eligible to
29 vote for the officials of the county or municipal county shall be
30 entitled to vote on such question, which shall be submitted in the
31 following language: Shall the county board or council provide retirement

1 benefits for present and future employees of the county or municipal
2 county? If a majority of the votes cast upon such question are in favor
3 of such question, then the county board or council shall be empowered to
4 provide retirement benefits for present and future employees as provided
5 in this section. If such retirement benefits for present and future
6 county and municipal county employees are approved by the voters and
7 authorized by the county board or council, then the funds of such
8 retirement system, in excess of the amount required for current
9 operations as determined by the county board or council, may be invested
10 and reinvested in the class of securities and investments described in
11 section 30-3209.

12 (3) As used in this section, employees shall mean all persons or
13 officers devoting more than twenty hours per week to employment by the
14 county or municipal county, all elected officers of the county or
15 municipal county, and such other persons or officers as are classified
16 from time to time as permanent employees by the county board or council.

17 (4) The county or municipal county may pick up the member
18 contributions required by this section for all compensation paid on or
19 after January 1, 1985, and the contributions so picked up shall be
20 treated as employer contributions in determining federal tax treatment
21 under the Internal Revenue Code, except that the county or municipal
22 county shall continue to withhold federal income taxes based upon these
23 contributions until the Internal Revenue Service or the federal courts
24 rule that, pursuant to section 414(h) of the Internal Revenue Code, these
25 contributions shall not be included as gross income of the member until
26 such time as they are distributed or made available. The county or
27 municipal county shall pay these member contributions from the same
28 source of funds which is used in paying earnings to the member. The
29 county or municipal county shall pick up these contributions by a salary
30 deduction either through a reduction in the cash salary of the member or
31 a combination of a reduction in salary and offset against a future salary

1 increase. Member contributions picked up shall be treated in the same
2 manner and to the same extent as member contributions made prior to the
3 date picked up.

4 (5) ~~(5)(a)~~ Beginning December 31, 1998, through and ~~each~~ December
5 31, 2017:

6 (a) ~~The thereafter,~~ the chairperson of the county board or council
7 with a retirement plan established pursuant to this section and section
8 401(a) of the Internal Revenue Code shall file with the Public Employees
9 Retirement Board a report on such plan and shall submit copies of such
10 report to the Auditor of Public Accounts. The Auditor of Public Accounts
11 may prepare a review of such report pursuant to section 84-304.02 but is
12 not required to do so. The report shall be in a form prescribed by the
13 Public Employees Retirement Board and shall contain the following
14 information for each such retirement plan:

- 15 (i) The number of persons participating in the retirement plan;
- 16 (ii) The contribution rates of participants in the plan;
- 17 (iii) Plan assets and liabilities;
- 18 (iv) The names and positions of persons administering the plan;
- 19 (v) The names and positions of persons investing plan assets;
- 20 (vi) The form and nature of investments;
- 21 (vii) For each defined contribution plan, a full description of
22 investment policies and options available to plan participants; and
- 23 (viii) For each defined benefit plan, the levels of benefits of
24 participants in the plan, the number of members who are eligible for a
25 benefit, and the total present value of such members' benefits, as well
26 as the funding sources which will pay for such benefits.

27 If a plan contains no current active participants, the chairperson
28 may file in place of such report a statement with the Public Employees
29 Retirement Board indicating the number of retirees still drawing
30 benefits, and the sources and amount of funding for such benefits.

31 (b) If such retirement plan is a defined benefit plan which was open

1 to new members on January 1, 2004, in addition to the reports required by
2 section 13-2402, the county board of a county or council of the municipal
3 county with a retirement plan established pursuant to this section shall
4 cause to be prepared an annual report and the chairperson shall file the
5 same with the Public Employees Retirement Board and the Nebraska
6 Retirement Systems Committee of the Legislature and submit to the Auditor
7 of Public Accounts a copy of such report. The Auditor of Public Accounts
8 may prepare a review of such report pursuant to section 84-304.02 but is
9 not required to do so. If the county board or council does not submit a
10 copy of the report to the Auditor of Public Accounts within six months
11 after the end of the plan year, the Auditor of Public Accounts may audit,
12 or cause to be audited, the county or municipal county. All costs of the
13 audit shall be paid by the county or municipal county. The report shall
14 consist of a full actuarial analysis of each such retirement plan
15 established pursuant to this section. The analysis shall be prepared by
16 an independent private organization or public entity employing actuaries
17 who are members in good standing of the American Academy of Actuaries,
18 and which organization or entity has demonstrated expertise to perform
19 this type of analysis and is unrelated to any organization offering
20 investment advice or which provides investment management services to the
21 retirement plan. The report to the Nebraska Retirement Systems Committee
22 shall be submitted electronically.

23 Sec. 11. Section 23-3526, Revised Statutes Cumulative Supplement,
24 2016, is amended to read:

25 23-3526 (1) The board of trustees of each facility, as provided by
26 section 23-3501, shall, upon approval of the county board, have the power
27 and authority to establish and fund a retirement plan for the benefit of
28 its full-time employees. The plan may be funded by any actuarially
29 recognized method approved by the county board. Employees participating
30 in the plan may be required to contribute toward funding the benefits.
31 The facility shall pay all costs of establishing and maintaining the

1 plan. The plan may be integrated with old age and survivor's insurance.

2 (2) ~~(2)(a)~~ Beginning December 31, 1998, through and ~~each~~ December
3 31, 2017:

4 (a) ~~The thereafter,~~ the chairperson of the board of trustees of a
5 facility with a retirement plan established pursuant to this section and
6 section 401(a) of the Internal Revenue Code shall file with the Public
7 Employees Retirement Board an annual report on such plan and shall submit
8 copies of such report to the Auditor of Public Accounts. The Auditor of
9 Public Accounts may prepare a review of such report pursuant to section
10 84-304.02 but is not required to do so. The annual report shall be in a
11 form prescribed by the Public Employees Retirement Board and shall
12 contain the following information for each such retirement plan:

- 13 (i) The number of persons participating in the retirement plan;
- 14 (ii) The contribution rates of participants in the plan;
- 15 (iii) Plan assets and liabilities;
- 16 (iv) The names and positions of persons administering the plan;
- 17 (v) The names and positions of persons investing plan assets;
- 18 (vi) The form and nature of investments;
- 19 (vii) For each defined contribution plan which is not administered
20 by a retirement system under the County Employees Retirement Act, a full
21 description of investment policies and options available to plan
22 participants; and

23 (viii) For each defined benefit plan which is not administered by a
24 retirement system under the County Employees Retirement Act, the levels
25 of benefits of participants in the plan, the number of members who are
26 eligible for a benefit, and the total present value of such members'
27 benefits, as well as the funding sources which will pay for such
28 benefits.

29 If a plan which is not administered by a retirement system under the
30 County Employees Retirement Act contains no current active participants,
31 the chairperson may file in place of such report a statement with the

1 Public Employees Retirement Board indicating the number of retirees still
2 drawing benefits, and the sources and amount of funding for such
3 benefits.

4 (b) If such retirement plan is a defined benefit plan which was open
5 to new members on January 1, 2004, in addition to the reports required by
6 section 13-2402, the board of trustees shall cause to be prepared an
7 annual report for each retirement plan which is not administered by a
8 retirement system under the County Employees Retirement Act, and the
9 chairperson shall file the same with the Public Employees Retirement
10 Board and the Nebraska Retirement Systems Committee of the Legislature
11 and submit to the Auditor of Public Accounts a copy of such report. The
12 Auditor of Public Accounts may prepare a review of such report pursuant
13 to section 84-304.02 but is not required to do so. If the board of
14 trustees does not submit a copy of the report to the Auditor of Public
15 Accounts within six months after the end of the plan year, the Auditor of
16 Public Accounts may audit, or cause to be audited, the facility. All
17 costs of the audit shall be paid by the facility. The report shall
18 consist of a full actuarial analysis of each such retirement plan
19 established pursuant to this section which is not administered by a
20 retirement system under the County Employees Retirement Act. The analysis
21 shall be prepared by an independent private organization or public entity
22 employing actuaries who are members in good standing of the American
23 Academy of Actuaries, and which organization or entity has demonstrated
24 expertise to perform this type of analysis and is unrelated to any
25 organization offering investment advice or which provides investment
26 management services to the retirement plan. The report to the Nebraska
27 Retirement Systems Committee shall be submitted electronically.

28 Sec. 12. Section 71-1631.02, Revised Statutes Cumulative Supplement,
29 2016, is amended to read:

30 71-1631.02 (1) Beginning December 31, 1998, through December 31,
31 2017 and ~~each year thereafter~~, the health director of a board of health

1 with an independent retirement plan established pursuant to section
2 71-1631 and section 401(a) of the Internal Revenue Code shall file with
3 the Public Employees Retirement Board an annual report on such plan and
4 shall submit copies of such report to the Auditor of Public Accounts. The
5 Auditor of Public Accounts may prepare a review of such report pursuant
6 to section 84-304.02 but is not required to do so. The annual report
7 shall be in a form prescribed by the Public Employees Retirement Board
8 and shall contain the following information for each such retirement
9 plan:

- 10 (a) The number of persons participating in the retirement plan;
- 11 (b) The contribution rates of participants in the plan;
- 12 (c) Plan assets and liabilities;
- 13 (d) The names and positions of persons administering the plan;
- 14 (e) The names and positions of persons investing plan assets;
- 15 (f) The form and nature of investments;
- 16 (g) For each independent defined contribution plan, a full
17 description of investment policies and options available to plan
18 participants; and
- 19 (h) For each independent defined benefit plan, the levels of
20 benefits of participants in the plan, the number of members who are
21 eligible for a benefit, and the total present value of such members'
22 benefits, as well as the funding sources which will pay for such
23 benefits.

24 If an independent plan contains no current active participants, the
25 health director may file in place of such report a statement with the
26 Public Employees Retirement Board indicating the number of retirees still
27 drawing benefits, and the sources and amount of funding for such
28 benefits.

29 (2) Through December 31, 2017, if ~~If~~ such retirement plan is a
30 defined benefit plan which was open to new members on January 1, 2004, in
31 addition to the reports required by section 13-2402, a board of health

1 with an independent retirement plan established pursuant to section
2 71-1631 shall cause to be prepared an annual report and the health
3 director shall file the same with the Public Employees Retirement Board
4 and the Nebraska Retirement Systems Committee of the Legislature and
5 submit to the Auditor of Public Accounts a copy of such report. The
6 Auditor of Public Accounts may prepare a review of such report pursuant
7 to section 84-304.02 but is not required to do so. If the board of health
8 does not submit a copy of the report to the Auditor of Public Accounts
9 within six months after the end of the plan year, the Auditor of Public
10 Accounts may audit, or cause to be audited, the local public health
11 department. All costs of the audit shall be paid by the local public
12 health department. The report shall consist of a full actuarial analysis
13 of each such independent retirement plan established pursuant to section
14 71-1631. The analysis shall be prepared by an independent private
15 organization or public entity employing actuaries who are members in good
16 standing of the American Academy of Actuaries, and which organization or
17 entity has demonstrated expertise to perform this type of analysis and is
18 unrelated to any organization offering investment advice or which
19 provides investment management services to the retirement plan. The
20 report to the Nebraska Retirement Systems Committee shall be submitted
21 electronically.

22 (3)(a) Beginning December 31, 2018, and each December 31 thereafter,
23 for a defined benefit plan the health director of a board of health with
24 an independent retirement plan established pursuant to section 71-1631
25 and section 401(a) of the Internal Revenue Code or his or her designee
26 shall prepare and electronically file an annual report with the Auditor
27 of Public Accounts and the Nebraska Retirement Systems Committee of the
28 Legislature. If such retirement plan is a defined benefit plan which was
29 open to new members on January 1, 2004, the report shall be in addition
30 to the reports required by section 13-2402. The report shall be on a form
31 prescribed by the Auditor of Public Accounts and shall include, but not

1 be limited to, the following information:

2 (i) The levels of benefits of participants in the plan, the number
3 of members who are eligible for a benefit, the total present value of
4 such members' benefits, and the funding sources which will pay for such
5 benefits; and

6 (ii) A copy of a full actuarial analysis of each such defined
7 benefit plan. The analysis shall be prepared by an independent private
8 organization or public entity employing actuaries who are members in good
9 standing of the American Academy of Actuaries, and which organization or
10 entity has demonstrated expertise to perform this type of analysis and is
11 unrelated to any organization which offers investment advice or provides
12 investment management services to the retirement plan.

13 (b) The Auditor of Public Accounts may prepare a review of such
14 report pursuant to section 84-304.02 but is not required to do so. If the
15 association does not submit a copy of the report to the Auditor of Public
16 Accounts within six months after the end of the plan year, the Auditor of
17 Public Accounts may audit, or cause to be audited, the board of health.
18 All costs of the audit shall be paid by the board of health.

19 Sec. 13. Section 79-987, Revised Statutes Cumulative Supplement,
20 2016, is amended to read:

21 79-987 (1) An annual audit of the affairs of the retirement system
22 shall be conducted in each fiscal year. At the option of the board of
23 trustees, such audit may be conducted by a certified public accountant or
24 the Auditor of Public Accounts. The costs of such audit shall be paid
25 from funds of the retirement system. A copy of such audit shall be filed
26 with the Auditor of Public Accounts.

27 (2) Each audit year an annual financial audit of the investments of
28 the retirement system shall be conducted. At the option of the council,
29 such audit may be conducted by a certified public accountant or the
30 Auditor of Public Accounts. The costs of such audit shall be paid from
31 funds of the retirement system. A copy of such audit shall be filed with

1 the board of trustees and the Auditor of Public Accounts.

2 (3) Beginning May 1, 2017, and until May 1, 2018 each ~~May 1~~
3 ~~thereafter~~, if such retirement plan is a defined benefit plan, the board
4 of trustees shall cause to be prepared an annual report and the
5 administrator shall file the same with the Public Employees Retirement
6 Board and submit to the members of the Nebraska Retirement Systems
7 Committee of the Legislature a copy of such report. Beginning May 1,
8 2018, the board of trustees shall cause to be prepared an annual report
9 and the administrator shall file the same with the Auditor of Public
10 Accounts and submit to the members of the Nebraska Retirement Systems
11 Committee of the Legislature a copy of such report. The report submitted
12 to the committee and the Auditor of Public Accounts shall be submitted
13 electronically. The report shall consist of a full actuarial analysis of
14 each such retirement plan established pursuant to section 79-979. The
15 analysis shall be prepared by an independent private organization or
16 public entity employing actuaries who are members of the American Academy
17 of Actuaries and meet the academy's qualification standards to render a
18 statement of actuarial opinion, and which organization or entity has
19 demonstrated expertise to perform this type of analysis and is unrelated
20 to any organization offering investment advice or which provides
21 investment management services to the retirement plan. The report shall
22 be presented to the Nebraska Retirement Systems Committee of the
23 Legislature at a public hearing.

24 Sec. 14. Section 84-304, Revised Statutes Cumulative Supplement,
25 2016, is amended to read:

26 84-304 It shall be the duty of the Auditor of Public Accounts:

27 (1) To give information electronically to the Legislature, whenever
28 required, upon any subject relating to the fiscal affairs of the state or
29 with regard to any duty of his or her office;

30 (2) To furnish offices for himself or herself and all fuel, lights,
31 books, blanks, forms, paper, and stationery required for the proper

1 discharge of the duties of his or her office;

2 (3) To examine or cause to be examined, at such time as he or she
3 shall determine, books, accounts, vouchers, records, and expenditures of
4 all state officers, state bureaus, state boards, state commissioners, the
5 state library, societies and associations supported by the state, state
6 institutions, state colleges, and the University of Nebraska, except when
7 required to be performed by other officers or persons. Such examinations
8 shall be done in accordance with generally accepted government auditing
9 standards for financial audits and attestation engagements set forth in
10 Government Auditing Standards (2011 Revision), published by the
11 Comptroller General of the United States, Government Accountability
12 Office, and except as provided in subdivision (11) of this section,
13 subdivision (16) of section 50-1205, and section 84-322, shall not
14 include performance audits, whether conducted pursuant to attestation
15 engagements or performance audit standards as set forth in Government
16 Auditing Standards (2011 Revision), published by the Comptroller General
17 of the United States, Government Accountability Office;

18 (4)(a) To examine or cause to be examined, at the expense of the
19 political subdivision, when the Auditor of Public Accounts determines
20 such examination necessary or when requested by the political
21 subdivision, the books, accounts, vouchers, records, and expenditures of
22 any agricultural association formed under Chapter 2, article 20, any
23 county agricultural society, any joint airport authority formed under the
24 Joint Airport Authorities Act, any city or county airport authority, any
25 bridge commission created pursuant to section 39-868, any cemetery
26 district, any community redevelopment authority or limited community
27 redevelopment authority established under the Community Development Law,
28 any development district, any drainage district, any health district, any
29 local public health department as defined in section 71-1626, any
30 historical society, any hospital authority or district, any county
31 hospital, any housing agency as defined in section 71-1575, any

1 irrigation district, any county or municipal library, any community
2 mental health center, any railroad transportation safety district, any
3 rural water district, any township, Wyuka Cemetery, the Educational
4 Service Unit Coordinating Council, any entity created pursuant to the
5 Interlocal Cooperation Act, any educational service unit, any village,
6 any service contractor or subrecipient of state or federal funds, any
7 political subdivision with the authority to levy a property tax or a
8 toll, or any entity created pursuant to the Joint Public Agency Act.

9 For purposes of this subdivision, service contractor or subrecipient
10 means any nonprofit entity that expends state or federal funds to carry
11 out a state or federal program or function, but it does not include an
12 individual who is a direct beneficiary of such a program or function or a
13 licensed health care provider or facility receiving direct payment for
14 medical services provided for a specific individual.

15 (b) The Auditor of Public Accounts may waive the audit requirement
16 of subdivision (4)(a) of this section upon the submission by the
17 political subdivision of a written request in a form prescribed by the
18 auditor. The auditor shall notify the political subdivision in writing of
19 the approval or denial of the request for a waiver.

20 (c) Through December 31, 2017, the The Auditor of Public Accounts
21 may conduct audits under this subdivision for purposes of sections
22 2-3228, 12-101, 13-2402, 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017,
23 16-1037, 19-3501, 23-1118, 23-3526, ~~and~~ 71-1631.02, and 79-987. ÷

24 (d) Beginning on the effective date of this act, the Auditor of
25 Public Accounts may conduct audits under this subdivision for purposes of
26 sections 13-2402, 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037,
27 71-1631.02, and 79-987 and shall prescribe the form for the annual
28 reports required in each of these sections. Such annual reports shall be
29 published annually on the web site of the Auditor of Public Accounts;

30 (5) To report promptly to the Governor and the appropriate standing
31 committee of the Legislature the fiscal condition shown by such

1 examinations conducted by the auditor, including any irregularities or
2 misconduct of officers or employees, any misappropriation or misuse of
3 public funds or property, and any improper system or method of
4 bookkeeping or condition of accounts. The report submitted to the
5 committee shall be submitted electronically. In addition, if, in the
6 normal course of conducting an audit in accordance with subdivision (3)
7 of this section, the auditor discovers any potential problems related to
8 the effectiveness, efficiency, or performance of state programs, he or
9 she shall immediately report them electronically to the Legislative
10 Performance Audit Committee which may investigate the issue further,
11 report it electronically to the appropriate standing committee of the
12 Legislature, or both;

13 (6)(a) To examine or cause to be examined the books, accounts,
14 vouchers, records, and expenditures of a fire protection district. The
15 expense of the examination shall be paid by the political subdivision.

16 (b) Whenever the expenditures of a fire protection district are one
17 hundred fifty thousand dollars or less per fiscal year, the fire
18 protection district shall be audited no more than once every five years
19 except as directed by the board of directors of the fire protection
20 district or unless the auditor receives a verifiable report from a third
21 party indicating any irregularities or misconduct of officers or
22 employees of the fire protection district, any misappropriation or misuse
23 of public funds or property, or any improper system or method of
24 bookkeeping or condition of accounts of the fire protection district. In
25 the absence of such a report, the auditor may waive the five-year audit
26 requirement upon the submission of a written request by the fire
27 protection district in a form prescribed by the auditor. The auditor
28 shall notify the fire protection district in writing of the approval or
29 denial of a request for waiver of the five-year audit requirement. Upon
30 approval of the request for waiver of the five-year audit requirement, a
31 new five-year audit period shall begin.

1 (c) Whenever the expenditures of a fire protection district exceed
2 one hundred fifty thousand dollars in a fiscal year, the auditor may
3 waive the audit requirement upon the submission of a written request by
4 the fire protection district in a form prescribed by the auditor. The
5 auditor shall notify the fire protection district in writing of the
6 approval or denial of a request for waiver. Upon approval of the request
7 for waiver, a new five-year audit period shall begin for the fire
8 protection district if its expenditures are one hundred fifty thousand
9 dollars or less per fiscal year in subsequent years;

10 (7) To appoint two assistant deputies (a) whose entire time shall be
11 devoted to the service of the state as directed by the auditor, (b) who
12 shall be certified public accountants with at least five years'
13 experience, (c) who shall be selected without regard to party affiliation
14 or to place of residence at the time of appointment, (d) who shall
15 promptly report in duplicate to the auditor the fiscal condition shown by
16 each examination, including any irregularities or misconduct of officers
17 or employees, any misappropriation or misuse of public funds or property,
18 and any improper system or method of bookkeeping or condition of
19 accounts, and it shall be the duty of the auditor to file promptly with
20 the Governor a duplicate of such report, and (e) who shall qualify by
21 taking an oath which shall be filed in the office of the Secretary of
22 State;

23 (8) To conduct audits and related activities for state agencies,
24 political subdivisions of this state, or grantees of federal funds
25 disbursed by a receiving agency on a contractual or other basis for
26 reimbursement to assure proper accounting by all such agencies, political
27 subdivisions, and grantees for funds appropriated by the Legislature and
28 federal funds disbursed by any receiving agency. The auditor may contract
29 with any political subdivision to perform the audit of such political
30 subdivision required by or provided for in section 23-1608 or 79-1229 or
31 this section and charge the political subdivision for conducting the

1 audit. The fees charged by the auditor for conducting audits on a
2 contractual basis shall be in an amount sufficient to pay the cost of the
3 audit. The fees remitted to the auditor for such audits and services
4 shall be deposited in the Auditor of Public Accounts Cash Fund;

5 (9) To conduct all audits and examinations in a timely manner and in
6 accordance with the standards for audits of governmental organizations,
7 programs, activities, and functions published by the Comptroller General
8 of the United States;

9 (10) To develop and maintain an annual budget and actual financial
10 information reporting system for political subdivisions that is
11 accessible online by the public; and

12 (11) When authorized, to conduct joint audits with the Legislative
13 Performance Audit Committee as described in section 50-1205.

14 Sec. 15. Section 84-304.02, Revised Statutes Cumulative Supplement,
15 2016, is amended to read:

16 84-304.02 The Auditor of Public Accounts, or a person designated by
17 him or her, may prepare a written review of all audit, accounting, or
18 financial reports required to be filed by a political subdivision of the
19 state with the Auditor of Public Accounts and of public retirement system
20 plan reports required to be submitted to the Auditor of Public Accounts
21 pursuant to sections 2-3228, 12-101, 14-567, 14-1805.01, 14-2111,
22 15-1017, 16-1017, 16-1037, 19-3501, 23-1118, 23-3526, ~~and~~ 71-1631.02,
23 79-987, and 84-304 and cause one copy of such written review to be mailed
24 to the political subdivision involved and one copy to the accountant who
25 prepared the report. Such written review shall specifically set forth
26 wherein the audit, accounting, financial, or retirement system plan
27 report fails to comply with the applicable minimum standards and the
28 necessary action to be taken to bring the report into compliance with
29 such standards. The Auditor of Public Accounts may, upon continued
30 failure to comply with such standards, refuse to accept for filing an
31 audit, accounting, financial, or retirement system plan report or any

1 future report submitted for filing by any political subdivision.

2 Sec. 16. Section 84-1503, Revised Statutes Cumulative Supplement,
3 2016, is amended to read:

4 84-1503 (1) It shall be the duty of the Public Employees Retirement
5 Board:

6 (a) To administer the retirement systems provided for in the County
7 Employees Retirement Act, the Judges Retirement Act, the Nebraska State
8 Patrol Retirement Act, the School Employees Retirement Act, and the State
9 Employees Retirement Act. The agency for the administration of the
10 retirement systems and under the direction of the board shall be known
11 and may be cited as the Nebraska Public Employees Retirement Systems;

12 (b) To appoint a director to administer the systems under the
13 direction of the board. The appointment shall be subject to the approval
14 of the Governor and a majority of the Legislature. The director shall be
15 qualified by training and have at least five years of experience in the
16 administration of a qualified public or private employee retirement plan.
17 The director shall not be a member of the board. The salary of the
18 director shall be set by the board. The director shall serve without term
19 and may be removed by the board;

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

25 (d) To administer the deferred compensation program authorized in
26 section 84-1504;

27 (e) To hire an attorney, admitted to the Nebraska State Bar
28 Association, to advise the board in the administration of the retirement
29 systems listed in subdivision (a) of this subsection;

30 (f) To hire an internal auditor to perform the duties described in
31 section 84-1503.04 who meets the minimum standards as described in

1 section 84-304.03;

2 (g) To adopt and implement procedures for reporting information by
3 employers, as well as testing and monitoring procedures in order to
4 verify the accuracy of such information. The information necessary to
5 determine membership shall be provided by the employer. The board shall
6 adopt and promulgate rules and regulations and prescribe such forms
7 necessary to carry out this subdivision. Nothing in this subdivision
8 shall be construed to require the board to conduct onsite audits of
9 political subdivisions for compliance with statutes, rules, and
10 regulations governing the retirement systems listed in subdivision (1)(a)
11 of this section regarding membership and contributions; and

12 (h) To prescribe and furnish forms for the public retirement system
13 plan reports required to be filed pursuant to sections 2-3228, 12-101,
14 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 19-3501, 23-1118,
15 23-3526, 71-1631.02, and 79-987 through December 31, 2017.

16 (2) In administering the retirement systems listed in subdivision
17 (1)(a) of this section, it shall be the duty of the board:

18 (a) To determine, based on information provided by the employer, the
19 prior service annuity, if any, for each person who is an employee of the
20 county on the date of adoption of the retirement system;

21 (b) To determine the eligibility of an individual to be a member of
22 the retirement system and other questions of fact in the event of a
23 dispute between an individual and the individual's employer;

24 (c) To adopt and promulgate rules and regulations for the management
25 of the board;

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

28 (e) To obtain, by a competitive, formal, and sealed bidding process
29 through the materiel division of the Department of Administrative
30 Services, actuarial services on behalf of the State of Nebraska as may be
31 necessary in the administration and development of the retirement

1 systems, including, but not limited to, preparation of an annual
2 actuarial valuation report of each of the defined benefit and cash
3 balance plans administered by the board. Such annual valuation reports
4 shall be presented by the actuary to the Nebraska Retirement Systems
5 Committee of the Legislature at a public hearing or hearings. Any
6 contract for actuarial services shall contain a provision allowing the
7 actuary, without prior approval of the board, to perform actuarial
8 studies of the systems as requested by entities other than the board, if
9 notice, which does not identify the entity or substance of the request,
10 is given to the board, all costs are paid by the requesting entity,
11 results are provided to the board, the Nebraska Retirement Systems
12 Committee of the Legislature, and the Legislative Fiscal Analyst upon
13 being made public, and such actuarial studies do not interfere with the
14 actuary's ongoing responsibility to the board. The term of the contract
15 shall be for up to three years. A competitive, formal, and sealed bidding
16 process shall be completed at least once every three years, unless the
17 board determines that such a process would not be cost effective under
18 the circumstances and that the actuarial services performed have been
19 satisfactory, in which case the contract may also contain an option for
20 renewal without a competitive, formal, and sealed bidding process for up
21 to three additional years. An actuary under contract for the State of
22 Nebraska shall be a member of the American Academy of Actuaries and meet
23 the academy's qualification standards to render a statement of actuarial
24 opinion;

25 (f) To direct the State Treasurer to transfer funds, as an expense
26 of the retirement systems, to the Legislative Council Retirement Study
27 Fund. Such transfer shall occur beginning on or after July 1, 2005, and
28 at intervals of not less than five years and not more than fifteen years
29 and shall be in such amounts as the Legislature shall direct;

30 (g) To adopt and promulgate rules and regulations to carry out the
31 provisions of each retirement system described in subdivision (1)(a) of

1 this section, which includes, but is not limited to, the crediting of
2 military service, direct rollover distributions, and the acceptance of
3 rollovers;

4 (h) To obtain, by a competitive, formal, and sealed bidding process
5 through the materiel division of the Department of Administrative
6 Services, auditing services for a separate compliance audit of the
7 retirement systems to be completed by December 31, 2020, and from time to
8 time thereafter at the request of the Nebraska Retirement Systems
9 Committee of the Legislature, to be completed not more than every four
10 years but not less than every ten years. The compliance audit shall be in
11 addition to the annual audit conducted by the Auditor of Public Accounts.
12 The compliance audit shall include, but not be limited to, an examination
13 of records, files, and other documents and an evaluation of all policies
14 and procedures to determine compliance with all state and federal laws. A
15 copy of the compliance audit shall be given to the Governor, the board,
16 and the Nebraska Retirement Systems Committee of the Legislature and
17 shall be presented to the committee at a public hearing;

18 (i) To adopt and promulgate rules and regulations for the adjustment
19 of contributions or benefits, which includes, but is not limited to: (i)
20 The procedures for refunding contributions, adjusting future
21 contributions or benefit payments, and requiring additional contributions
22 or repayment of benefits; (ii) the process for a member, member's
23 beneficiary, employee, or employer to dispute an adjustment to
24 contributions or benefits; (iii) establishing materiality and de minimus
25 amounts for agency transactions, adjustments, and inactive account
26 closures; and (iv) notice provided to all affected persons. Following an
27 adjustment, a timely notice shall be sent that describes the adjustment
28 and the process for disputing an adjustment to contributions or benefits;

29 (j) To make a thorough investigation through the director or the
30 director's designee, of any overpayment of a benefit, when in the
31 judgment of the director such investigation is necessary, including, but

1 not limited to, circumstances in which benefit payments are made after
2 the death of a member or beneficiary and the retirement system is not
3 made aware of such member's or beneficiary's death. In connection with
4 any such investigation, the board, through the director or the director's
5 designee, shall have the power to compel the attendance of witnesses and
6 the production of books, papers, records, and documents, whether in
7 hardcopy, electronic form, or otherwise, and issue subpoenas for such
8 purposes. Such subpoenas shall be served in the same manner and have the
9 same effect as subpoenas from district courts; and

10 (k) To administer all retirement system plans in a manner which will
11 maintain each plan's status as a qualified plan pursuant to the Internal
12 Revenue Code, as defined in section 49-801.01, including: Section 401(a)
13 (9) of the Internal Revenue Code relating to the time and manner in which
14 benefits are required to be distributed, including the incidental death
15 benefit distribution requirement of section 401(a)(9)(G) of the Internal
16 Revenue Code; section 401(a)(25) of the Internal Revenue Code relating to
17 the specification of actuarial assumptions; section 401(a)(31) of the
18 Internal Revenue Code relating to direct rollover distributions from
19 eligible retirement plans; section 401(a)(37) of the Internal Revenue
20 Code relating to the death benefit of a member whose death occurs while
21 performing qualified military service; and section 401(a) of the Internal
22 Revenue Code by meeting the requirements of section 414(d) of the
23 Internal Revenue Code relating to the establishment of retirement plans
24 for governmental employees of a state or political subdivision thereof.
25 The board shall adopt and promulgate rules and regulations necessary or
26 appropriate to maintain such status including, but not limited to, rules
27 or regulations which restrict discretionary or optional contributions to
28 a plan or which limit distributions from a plan.

29 (3) By March 31 of each year, the board shall prepare a written plan
30 of action and shall present such plan to the Nebraska Retirement Systems
31 Committee of the Legislature at a public hearing. The plan shall include,

1 but not be limited to, the board's funding policy, the administrative
2 costs and other fees associated with each fund and plan overseen by the
3 board, member education and informational programs, the director's duties
4 and limitations, an organizational structure of the office of the
5 Nebraska Public Employees Retirement Systems, and the internal control
6 structure of such office to ensure compliance with state and federal
7 laws.

8 (4)(a) Beginning in 2016, and at least every four years thereafter
9 in even-numbered years or at the request of the Nebraska Retirement
10 Systems Committee of the Legislature, the board shall obtain an
11 experience study. Within thirty business days after presentation of the
12 experience study to the board, the actuary shall present the study to the
13 Nebraska Retirement Systems Committee at a public hearing. If the board
14 does not adopt all of the recommendations in the experience study, the
15 board shall provide a written explanation of its decision to the Nebraska
16 Retirement Systems Committee and the Governor. The explanation shall be
17 delivered within ten business days after formal action by the board to
18 not adopt one or more of the recommendations.

19 (b) The director shall provide an electronic copy of the first draft
20 and a final draft of the experience study and annual valuation reports to
21 the Nebraska Retirement Systems Committee and the Governor when the
22 director receives the drafts from the actuary. The drafts shall be deemed
23 confidential information. The draft copies obtained by the Nebraska
24 Retirement Systems Committee and the Governor pursuant to this section
25 shall not be considered public records subject to sections 84-712 to
26 84-712.09.

27 (c) For purposes of this subsection, business days shall be computed
28 by excluding the day the request is received, after which the designated
29 period of time begins to run. A business day shall not include a Saturday
30 or a Sunday or a day during which the Nebraska Public Employees
31 Retirement Systems office is closed.

1 (5) It shall be the duty of the board to direct the State Treasurer
2 to transfer funds, as an expense of the retirement system provided for
3 under the Class V School Employees Retirement Act, to and from the Class
4 V Retirement System Payment Processing Fund and the Class V School
5 Employees Retirement Fund for the benefit of a retirement system provided
6 for under the Class V School Employees Retirement Act to implement the
7 provisions of section 79-986. The agency for the administration of this
8 provision and under the direction of the board shall be known and may be
9 cited as the Nebraska Public Employees Retirement Systems.

10 Sec. 17. Original sections 2-3228, 12-101, 14-567, 14-1805.01,
11 14-2111, 15-1017, 16-1017, 16-1037, 19-3501, 23-1118, 23-3526,
12 71-1631.02, 79-987, 84-304, 84-304.02, and 84-1503, Revised Statutes
13 Cumulative Supplement, 2016, are repealed.