

INTERNAL AUDITING

NEBRASKA PUBLIC EMPLOYEES RETIREMENT SYSTEMS | JUNE 2024

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LB 198 & YOU!

There have been significant law changes this year for the School Plan as of March 19th, 2024 with the passing of LB 198. Changes not only include termination of employment rules, when the 180-day separation period begins and when it is needed, but also the process for determining eligibility based on an employee's immigration status.

The first question we need to ask is, "When did the employee terminate their regular employment?"

If the employee terminated their regular employment **on or before** March 18, 2024, their 180-day separation period begins on their termination date.

If the employee terminated **on or after** March 19, 2024, their 180-day separation period begins the later of: 1) The day they terminate regular employment **OR** 2) The day NPERS receives their distribution application.

For those that terminated **on or before** March 18, 2024, the 180-day separation period is needed to **both** 1) Stop contributions **and** 2) take a distribution.

What does this mean? If you want to take a

distribution **OR** if you change from a regular retirement eligible employee to a retirement ineligible employment classification (substitute or temporary employee), you can only provide up to 8 calendar days of substitute or volunteer service during a calendar month for 180 days following your termination of regular employment to allow for contributions to stop or to be eligible for a distribution.

For members that terminated **on or after** March 19, 2024, the 180-day separation period is only needed to take a distribution.

What does this mean? If you are taking a distribution, you need to incur the 180 day separation of service, only providing up to 8 calendar days of substitute/voluntary service during a calendar month. If you are not taking a distribution, the 180 day separation period does not apply until you want to take a distribution. If you are terminating all retirement eligible regular service and changing employment to provide only ineligible service (temporary or substitute), the restrictions are removed. You can immediately provide unlimited substitute or volunteer service as well as true temporary service (documented as one year or less and not an extension of your regular service).

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What happens when you terminate all regular service on January 1, 2024, and your 180-day separation period is not complete prior to March 19th, 2024? For members that terminate **on or before** March 18, 2024, and **do not** apply for a distribution, but the 180-day separation period extends past March 18th, the member would be able to start unlimited substitute service or temporary service as of March 19th. If the member does apply for a distribution, the 180-day separation will still start from the termination date unless a violation occurs.

	The member terminated all regular service on or before 3/18/24:	The member terminated all regular service on or after 3/19/24:
When does the 180-day separation period start?	The day they terminate regular employment.	The later of 1) The day they terminate regular employment OR 2) The day NPERS receives their distribution application.
What is the 180-day separation period for?	To do both 1) Stop contributions AND 2) To be able to take a distribution.	To be able to take a distribution.
What service is allowed in the 180-day separation period?	No more than 8 calendar days of substitute or volunteer service per calendar month TOTAL at all School Plan employers.	No more than 8 calendar days of substitute or volunteer service per calendar month TOTAL at all School Plan employers.
What if I terminate all my regular service, but I do not want to take a distribution?	It does not matter if you are taking a distribution. You must comply with the 180-day separation period rules to stop contributions. For 180 days following the termination of all regular service, you can only provide up to 8 calendar days of substitute or volunteer service per calendar month in order to stop contributions. If you are not taking a distribution and your 180 days crosses over 3/19/24, you can begin unlimited substitute or voluntary work, as well as provide temporary service, but you must realize that your 180-day separation period would begin again upon NPERS receipt of your distribution application.	If you have not submitted a distribution application, you are allowed to provide unlimited substitute or voluntary service, as well as provide true temporary service immediately following the termination of all regular service. Contributions will cease immediately, and documentation must be in place to include a non-contributing form outlining your termination of all regular service and ensure that any temporary service is not a continuation of your regular service. The 180-day separation period would start as soon as NPERS receives an application for a distribution.

Retirement Defined Term	Definition
Substitute	A temporary employee, filling in for a regular employee, that is temporarily absent.
Temporary	Hired to accomplish a specific task or purpose, not to exceed one year, and when the task or purpose is complete, the employment is terminated.
Regular	Hired in a regular full-time or part-time position on an ongoing basis.

What is the process for determining eligibility based on immigration status?

Employers must review the employee's immigration status upon hire.

- If the employee has a C33 status receiving deferred action (DACA), they **are not eligible**.
- Keep a copy of the document to confirm ineligibility.
- Inform the employee to notify the employer immediately if they have a change in status

If the employee is a U.S. citizen, permanent resident, or any other immigration status, the plan employer must maintain at least one of the approved unexpired documents to demonstrate U.S. citizenship or lawful presences in the U.S. to confirm eligibility.

Documents that adequately prove citizenship or lawful presence for this purpose are:

- State-issued driver's license.
- State-issued identification card.
- Certified copy of a birth certificate or delayed birth certificate issued in any state, territory, or possession of the United States.
- Consular Report of Birth Abroad issued by the United States Department of State.
- United States passport.
- Foreign passport with a United States visa.
- United States Certificate of Naturalization.
- United States Certificate of Citizenship.
- Tribal certificate of Native American blood or similar document.
- United States Citizenship and Immigration Services Employment Authorization Document, Form I-766.
- United States Citizenship and Immigration Services Permanent Resident Card, Form I-551.
- Any other document issued by the United States Department of Homeland Security, or the United States Citizenship and Immigration Services granting employment authorization in the United States and approved by the Public Employees Retirement Board.

NOTE: With every law change brings the responsibility to ensure the law is being followed. That means that Internal Audit will need to test the compliance of the law before and after LB 198 took effect. With the FYE24 audits, March 2024 will be tested, including a number of participating members, but also all of the non-contributing employees for the month.

If you have further questions on the law change, please reach out to NPERS for assistance. In order to provide guidance for the law change and for the Plan itself, we send out mass emails in conjunction with updating our website. We have received several emails bouncing back because the email is not set up to receive mass emails. Please make sure your settings allow for emails from NPERS and that you are checking the website for updates!

Employers are responsible for reviewing all current employees to ensure compliance with the new law.

It's Employer Reporting Workshop Season!

Believe it or not, time flies and the school year is already over and that means it's time once again for the [NPERS Employer Reporting Workshops](#).

These workshops cover topics such as: changes in laws, forms, and procedures, and reporting through the Nebraska Public Retirement Information System (NPRIS).

This year, we're offering in-person workshops and an online webinar workshop. We're excited to be bringing both representatives from our accounting

team as well as a member of our internal audit team, who will be joining us again this year!

There is no fee for our Workshops, but preregistration is required!

Registration is on a first come, first served basis for the in-person events, so sending in a registration at your earliest convenience is encouraged.

To register for one of these upcoming workshops, please follow the steps listed on the registration brochure, please [click here](#).

2024 WEBINAR - ATTEND THE WORKSHOP ONLINE!

JULY 18TH: 1^{PM} – 4^{PM}

Web room opens 15 minutes prior.



REGISTRATION DEADLINE:
JULY 17, 2024

NPERS is excited to announce the return of our School Reporting Workshop Webinar!

Get the same presentation from our team of accountants, internal auditors, and trainers, in an online learning format.

REGISTERING FOR THE WEBINAR WORKSHOP

Send an email to NPERS.seminars@nebraska.gov, with the subject line: ERWebinar.

Tell us:

- Your name
- School for which you report
- NPERS county # and district #
- Your preferred email address

2024 IN-PERSON WORKSHOPS

NO FEE

There is no fee for the workshop. ***Pre-registration is required.***

WHAT TO BRING

Materials will be provided. You may wish to bring a pen or pencil. No food or drink will be provided.

AM SESSION: 8:30^{AM} – 11:30^{AM} (LINCOLN ONLY)

Check-in begins at 8:00 AM. Session starts at 8:30 AM and ends by 11:30 AM.

PM SESSIONS: 1:00^{PM} – 4:00^{PM} (ALL LOCATIONS)

Check-in begins at 12:30 PM. Session starts at 1 PM and ends by 4 PM.

[CLICK HERE TO REGISTER!](#)



REGISTRATION DEADLINE: JULY 5, 2024

JULY 9TH
KEARNEY (PM)

Educational Service
Unit #10
76 Plaza Blvd.

JULY 11TH
LAVISTA (PM)

Educational Service
Unit #3
6949 S. 110th St.

JULY 16TH
LINCOLN (AM)

SCC Continuing
Education Center
301 S. 68th Street Place

JULY 16TH
LINCOLN (PM)

SCC Continuing
Education Center
301 S. 68th Street Place

JULY 17TH
NORFOLK (PM)

NECC Lifelong
Learning Center
701 E. Benjamin Ave.

Spots go fast! Make sure to check availability on [NPERS.NE.GOV](https://npers.ne.gov)