

LB 147 Increases Availability of Substitutes

LB 146 was incorporated into the Committee Amendment to LB 147. The provisions of LB 146 impact not only the OPS school district and all OSERS plan members, but it also impacts all school districts throughout the state.

It doubles the number of days that retired or terminated school employees can provide intermittent substitute service in the 180-days following termination or retirement.

It also adds much requested “bright line” definitions to provide clarity and predictability for school districts and former school employees. This means school employees will know exactly how much substitute service they can provide without violating IRS limitations and risking the possibility of paying back retirement benefits.

The limitations on substitute service during the 180-day period is required to comply with IRS requirements for qualified retirement systems, which must ensure that a bona fide separation has taken place after termination or retirement. If too much service is provided during this period, a retiree must pay back any collected retirement benefits and the retiree’s 180-day break in service period will restart.

Specific Language on Amount of Substitute Service Allowed

Under the School Plan – which includes all school districts except OPS -- during the required 180-day break in service period, currently, substitute service is allowed “intermittently,” which is not defined but has been implemented to mean about 4 days a month. OPS currently allows about 6 days a month by board of education policy.

The language incorporated into LB 147 defines “intermittent” and “day of service” for purposes of substitute service as:

8 service days each calendar month – which means 48 days during the 180-day period

A service day is any length of substitute service provided during a single calendar day

NSEA and OEA Support for LB 147

NSEA and OEA support the expansion of days that a retiree or employee who has terminated can provide substitute service during the 180-day period of separation, which has been incorporated into LB 147 in the Committee Amendment.

Senator Kolterman worked with NSEA and OEA and has amended the bill to ensure that after OSERS is transferred to the Public Employees Retirement Board (the PERB), the OSERS member appointed the PERB will be a teacher, and that the new OSERS board of trustees will include a teacher representative.

NSEA and OEA testified in support of LB 147 and in support of the transfer of the OSERS management to the Public Employees Retirement Board.