NEBRASKA ADMINISTRATIVE CODE

TITLE 303, NEBRASKA ADMINISTRATIVE CODE, CHAPTER 19

RETIREMENT SYSTEMS, PUBLIC EMPLOYEES
PUBLIC EMPLOYEES RETIREMENT BOARD

RULES AND REGULATIONS FOR
EMPLOYER AUDIT REQUIREMENTS

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TITLE 303 – PUBLIC EMPLOYEES RETIREMENT BOARD

CHAPTER 19 – EMPLOYER AUDIT REQUIREMENTS

NUMERICAL TABLE OF CONTENTS

SUBJECT	STATUTORY AUTHORITY	SECTION
Scope of the Rule	§ 84-1503	001
Definitions	§ 84-1503	002
Audit Requirements	§ 84-1503	003
Audit Report	§ 84-1503	004
Annual List of Employees	§ 84-1503	005

NEBRASKA ADMINISTRATIVE CODE

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ALPHABETICAL TABLE OF CONTENTS

SUBJECT	STATUTORY AUTHORITY	SECTION
Annual List of Employees	§ 84-1503	005
Audit Report	§ 84-1503	004
Audit Requirements	§ 84-1503	003
Definitions	§ 84-1503	002
Scope of the Rule	§ 84-1503	001

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001 Scope of Rule

The provisions of this regulation apply to the public entities whose employees are eligible for membership in the Nebraska School Retirement System, the Nebraska State Employees Retirement System, the Retirement System for Nebraska Counties, the Nebraska Judges Retirement System, and the Nebraska State Patrol Retirement System. This regulation requires that compliance with certain statutory retirement plan provisions be reviewed during any regularly scheduled audit of the public entity, and that a copy of any audit report reflecting a finding of non-compliance be filed with the Nebraska Public Employees Retirement Systems. This regulation also requires employers to file annually a list of all employees employed the previous calendar year.

002 Definitions

002.01 Employee Contribution means the dollar amount statutorily required to be deducted from an employee's compensation for deposit into a retirement system.

002.02 Employer means the public entity required to contribute to the Nebraska School Retirement System, the Nebraska State Employees Retirement System, the Retirement System for Nebraska Counties, the Nebraska Judges Retirement System, or the Nebraska State Patrol Retirement System on behalf of its employees who are covered by such retirement system.

002.03 Employer Contribution means the dollar amount required to be deposited into a retirement system by an employer to fund member benefits.

002.04 Excess Contribution means an employee contribution or employer contribution, or both, that is (a) greater than the statutorily mandated deduction from compensation, (b) greater than the statutorily mandated matching contribution required of an employer, (c) submitted on behalf of an employee that is ineligible to participate in the retirement system, or (d) improperly calculated on wages or salary representing compensation for unused sick leave or unused vacation leave converted to cash payments (School, Judges and Patrol Retirement Systems only), insurance premiums converted into cash payments, reimbursement for expenses incurred, fringe benefits, or bonuses for services not actually rendered, including, but not limited to, early retirement inducements, cash awards, and severance pay, except for retroactive salary payments paid pursuant to court order, arbitration, or litigation and grievance settlements.

002.05 Insufficient Contribution means an employee contribution or employer contribution, or both, which is (a) less than the statutorily mandated deduction from compensation, (b) less than the statutorily mandated matching contribution required of an employer, (c) not timely remitted, (d) not remitted due to administrative errors on the part of the employer, (e) not remitted due to the failure of the employer to enroll the employee in the retirement system when such employee was required to be enrolled, or

(f) due because of a retroactive salary payment paid pursuant to court order, arbitration, or litigation and grievance settlements.

002.06 Retirement System means the Nebraska School Retirement System, the Nebraska State Employees Retirement System, the Retirement System for Nebraska Counties, the Nebraska Judges Retirement System, or the Nebraska State Patrol Retirement System, as appropriate under the circumstances.

003 Audit Requirements

003.01 During the course of any regularly scheduled, statutorily required audit of an employer, as defined in this regulation, the auditor shall check for compliance with the statutory retirement system membership and contribution provisions applicable to that employer. The employer's internal control structure for determining retirement system membership and contribution compliance shall be considered significant internal control systems to be audited and covered by the report on internal controls.

003.02 The audit shall include an examination of the employer's personnel records on current employees who are not enrolled as members in the retirement system to verify that such employees do not meet the requirements for mandatory membership. The audit shall also include an examination of the employer's personnel records on current employees who are members in the retirement system to verify that such employees meet all applicable requirements for membership.

003.03 The audit shall include an examination of the employer's payroll records to determine whether the employer has made any insufficient contributions or any excess contributions.

004 Audit Report

004.01 All compliance deviations relative to the applicable statutory retirement system provisions shall be included by the auditor in the audit report or a written letter to management.

004.02 The employer shall submit a copy of the letter to management or that portion of the audit report pertaining to retirement system issues to the Nebraska Public Employees Retirement Systems office within thirty (30) days of receipt of the letter or audit report by the employer.

005 Annual List of Employees

005.01 Except as provided in regulation 005.03, on or before January 31st of each year, each employer shall compile a list of all employees that were on the employer's payroll during the prior calendar year. The list shall include each employee's name, social security number, current address, annual salary, date of hire, whether such employee was employed on a full-time or part-time basis, and whether such employee was employed on a permanent or temporary basis. With respect to employees who are not currently members of the retirement system, the employer shall provide a brief explanation of why such employee is not required to be enrolled.

005.02 The list required by this regulation shall be filed with the Nebraska Public Employees Retirement Systems on or before February 15th of each year in such format as the Retirement Systems office shall establish. The Retirement Systems office may require the employer to submit the list on electronic media.

005.03 The provisions of regulations 005.01 and 005.02 shall not apply to an employer utilizing the Nebraska Employees Information System (NEIS), its successor system, or to an employer utilizing a computerized personnel database to which the Nebraska Public Employees Retirement Systems has access and the ability to monitor additions and deletions of employees.

ENABLING LEGISLATION:

NEB. REV. STAT. § 84-1503.