

AMENDMENTS TO LB 371

Introduced by Nebraska Retirement Systems.

1           1. Strike original sections 1 to 36 and insert the  
2 following new sections:

3           Section 1. Sections 1 to 32 of this act shall be known  
4 and may be cited as the Nebraska Peace Officer Retirement Act.

5           Sec. 2. For purposes of the Nebraska Peace Officer  
6 Retirement Act:

7           (1) Actuarially equivalent means equality in value of the  
8 aggregate amounts expected to be received under different forms  
9 of payment. The determinations shall be based on the 1994 Group  
10 Annuity Mortality Table reflecting sex-distinct factors blended  
11 using seventy-five percent of the male table and twenty-five  
12 percent of the female table. An interest rate of eight percent per  
13 annum shall be reflected in making the determinations until such  
14 percent is amended by the Legislature;

15           (2) Board means the Public Employees Retirement Board;

16           (3) (a) Compensation means gross wages or salaries payable  
17 to the member for personal services performed during the plan  
18 year. Compensation does not include insurance premiums converted  
19 into cash payments, reimbursement for expenses incurred, fringe  
20 benefits, or bonuses for services not actually rendered, including,  
21 but not limited to, early retirement inducements, cash awards,  
22 and severance pay, except for retroactive salary payments paid  
23 pursuant to court order, arbitration, or litigation and grievance

1 settlements. Compensation includes overtime pay, member retirement  
2 contributions, and amounts contributed by the member to plans under  
3 sections 125 and 457 of the Internal Revenue Code or any other  
4 section of the code which defers or excludes such amounts from  
5 income;

6 (b) Compensation in excess of the limitations set forth  
7 in section 401(a)(17) of the Internal Revenue Code shall be  
8 disregarded. For an employee who was a member of the retirement  
9 system before the first plan year beginning after December 31, the  
10 limitation on compensation shall not be less than the amount which  
11 was allowed to be taken into account under the retirement system as  
12 in effect on January 1, 2009;

13 (4) Creditable service means service granted pursuant  
14 to section 27 of this act and all service rendered while a  
15 contributing member of the retirement system. Creditable service  
16 includes working days, sick days, vacation days, holidays, and  
17 any other leave days for which the peace officer is paid regular  
18 wages. It also includes any years of service granted by virtue of  
19 service purchase under subsection (3) of section 4 of this act.  
20 Creditable service does not include service years for which member  
21 contributions are withdrawn and not repaid;

22 (5) Peace officer means any town marshal, chief of  
23 police, police officer, sheriff, or deputy sheriff and also  
24 includes conservation officers of the Game and Parks Commission.  
25 Peace officer does not mean any individual employed as a police  
26 officer by a city of the metropolitan or primary classes, any  
27 Nebraska State Patrol officer, or any individual employed by a

1 county containing a city of the metropolitan class;

2 (6) Plan year means the twelve-month period beginning on  
3 July 1 and ending on June 30 of the following year;

4 (7) Regular interest means interest fixed at a rate equal  
5 to the daily treasury yield curve for one-year treasury securities,  
6 as published by the Secretary of the Treasury of the United States,  
7 that applies on July 1 of each year, which may be credited monthly,  
8 quarterly, semiannually, or annually as the board may direct;

9 (8) Retirement system or system means the Nebraska Peace  
10 Officer Retirement System as provided in the act;

11 (9) Service means employment as a peace officer in  
12 Nebraska and is not deemed to be interrupted by (a) temporary  
13 or seasonal suspension of service that does not terminate the  
14 employee's employment, (b) leave of absence authorized by the  
15 employer for a period not exceeding twelve months, (c) leave  
16 of absence because of disability, or (d) military service, when  
17 properly authorized by the board. Service does not include any  
18 period of disability for which disability retirement benefits are  
19 received under subsection (1) of section 14 of this act;

20 (10) Surviving spouse means (a) the spouse married to  
21 the member on the date of the member's death if married for  
22 at least one year prior to death or if married on the date of  
23 the member's retirement or (b) the spouse or former spouse of  
24 the member if survivorship rights are provided under a qualified  
25 domestic relations order filed with the board pursuant to the  
26 Spousal Pension Rights Act. The spouse or former spouse shall  
27 supersede the spouse married to the member on the date of the

1 member's death as provided under a qualified domestic relations  
2 order. If the benefits payable to the spouse or former spouse under  
3 a qualified domestic relations order are less than the value of  
4 benefits entitled to the surviving spouse, the spouse married to  
5 the member on the date of the member's death shall be the surviving  
6 spouse for the balance of the benefits;

7 (11) Termination of employment occurs on the date on  
8 which the political subdivision determines that the peace officer's  
9 employer-employee relationship with the political subdivision is  
10 dissolved. The political subdivision shall notify the board of  
11 the date on which such a termination has occurred. Termination of  
12 employment does not include ceasing employment with the political  
13 subdivision if the peace officer returns to regular employment  
14 with the political subdivision and there are less than one hundred  
15 twenty days between the date when the employee's employer-employee  
16 relationship ceased and the date when the employer-employee  
17 relationship commenced with the political subdivision or another  
18 political subdivision; and

19 (12) Vesting service means years, or a fraction of a  
20 year, during which a member was employed as a peace officer in  
21 this state. It shall also include the years, a fraction of a year,  
22 served in the armed forces pursuant to section 27 of this act and  
23 years of service purchased by a peace officer pursuant to section 4  
24 of this act. Vesting service shall be used to determine the vesting  
25 percentage pursuant to subsection (2) of section 19 of this act and  
26 for purposes of determining eligibility for benefits under the act.

27 Sec. 3. A retirement system is hereby created and

1 established to be known as the Nebraska Peace Officer Retirement  
2 System. It is the legislative intent and purpose of the Nebraska  
3 Peace Officer Retirement Act to provide certain retirement and  
4 other benefits for peace officers throughout Nebraska in the  
5 amounts and under the terms and conditions set forth in the act.

6       Sec. 4. (1) Every peace officer in Nebraska who was  
7 employed by a political subdivision in the State of Nebraska as  
8 such, on January 1, 2009, and every person employed as a peace  
9 officer of such a political subdivision after such date, shall be  
10 a member of the system, except for (a) those members who elected  
11 to remain members of the Retirement System of Nebraska Counties or  
12 the State Employees Retirement System of the State of Nebraska, (b)  
13 those peace officers employed by cities of the first class hired  
14 prior to January 1, 1984, who elect to remain members of their  
15 current system, and (c) those peace officers employed by cities of  
16 the first class who elect to remain members of a retirement system  
17 under sections 16-1001 to 16-1019.

18       (2) Except as provided in subsection (3) of this section,  
19 each peace officer who is employed on December 31, 2008, may either  
20 elect to continue membership in his or her current retirement  
21 system or elect to participate in the Nebraska Peace Officer  
22 Retirement System. The peace officer shall make the election  
23 prior to January 1, 2009. The election shall become effective on  
24 January 1, 2009, if the peace officer is employed by the political  
25 subdivision on such date. If no election is made prior to January  
26 1, 2009, the peace officer shall be treated as though he or she  
27 elected to continue participating in his or her current retirement

1 system.

2 (3) Each peace officer employed by a city of the first  
3 class hired prior to January 1, 1984, may either elect to continue  
4 membership in his or her current retirement system or elect to  
5 participate in the Nebraska Peace Officer Retirement System. The  
6 peace officer shall make the election prior to January 1, 2012.  
7 The election shall become effective on January 1 of the year  
8 immediately following the year in which the election was made.  
9 If no election is made prior to January 1, 2012, the peace  
10 officer shall be treated as though he or she elected to continue  
11 participating in his or her current retirement system.

12 (4) A peace officer may, pursuant to rules and  
13 regulations adopted by the system, purchase creditable service for  
14 years of service prior to the effective date of this act.

15 (5) Within the first one hundred eighty days of  
16 employment, a member may apply to the board for vesting service  
17 for years of participation in another Nebraska governmental plan  
18 as defined by section 414(d) of the Internal Revenue Code. During  
19 the years of participation in the other Nebraska governmental plan,  
20 the employee must have been a full-time employee as defined in the  
21 Nebraska governmental plan in which the vesting service was earned.

22 (6) Any peace officer who qualifies for membership  
23 pursuant to subsection (1) of this section may not be disqualified  
24 from membership in the retirement system solely because such peace  
25 officer also maintains separate employment which qualifies the  
26 peace officer for membership in another public retirement system,  
27 nor may membership in this retirement system disqualify such a

1 peace officer from membership in another public retirement system  
2 solely by reason of separate employment which qualifies such peace  
3 officer for membership in this retirement system.

4 (7) Information necessary to determine membership shall  
5 be provided by the political subdivision employing the peace  
6 officers.

7 (8) The board may adopt and promulgate rules and  
8 regulations governing the assessment and granting of vesting  
9 service and for the purchase of creditable service. The rules  
10 and regulations shall not count a year of service more than once  
11 for vesting service or creditable service.

12 Sec. 5. (1) Commencing January 1, 2009, each peace  
13 officer while in the service of a political subdivision of the  
14 State of Nebraska shall pay or have paid on his or her behalf  
15 a sum equal to nine and twenty-five hundredths percent of his or  
16 her monthly compensation. In addition, beginning January 1, 2009,  
17 there shall be transferred from the general fund of the political  
18 subdivision, a sum equal to the amount of nine and twenty-five  
19 hundredths percent. Such compensation deductions shall be credited  
20 to the Peace Officer Retirement Fund. The fund shall further be  
21 supplemented annually by an appropriation in such amount, if any,  
22 as may be determined by the Legislature.

23 (2) For the fiscal year beginning on July 1, 2010,  
24 and each fiscal year thereafter, the actuary for the board shall  
25 perform an actuarial valuation of the system using the entry  
26 age actuarial cost method. Under this method, the actuarially  
27 required funding rate is equal to the normal cost rate, plus

1 the contribution rate necessary to amortize the unfunded actuarial  
2 accrued liability on a level percentage of payroll basis. The  
3 normal cost under this method shall be determined for each  
4 individual member on a level percentage of salary basis. The  
5 normal cost amount is then summed for all members. The initial  
6 unfunded actual accrued liability as of July 1, 2010, if any, shall  
7 be amortized over a thirty-year period. During each subsequent  
8 actuarial valuation, changes in the funded actuarial accrued  
9 liability due to changes in benefits, actuarial assumptions, the  
10 asset valuation method, or actuarial gains or losses shall be  
11 measured and amortized over a thirty-year period beginning on the  
12 valuation date of such change. If the unfunded actuarial accrued  
13 liability under the entry age actuarial cost method is zero or less  
14 than zero on an actuarial valuation date, then all prior unfunded  
15 actuarial accrued liabilities shall be considered fully funded and  
16 the unfunded actuarial accrued liability shall be reinitialized and  
17 amortized over a thirty-year period as of the actuarial valuation  
18 date. If the actuarially required contribution rate exceeds the  
19 rate of all contributions required pursuant to the Nebraska Peace  
20 Officer Retirement Act, there shall be a supplemental appropriation  
21 by political subdivisions sufficient to pay for the differences  
22 between the actuarially required contribution rate and the rate of  
23 all contributions required pursuant to the Nebraska Peace Officer  
24 Retirement Act except that the additional contribution rate shall  
25 not increase more than five-tenths percent per year. Such valuation  
26 shall be on the basis of actuarial assumptions recommended by the  
27 actuary, approved by the board, and kept on file with the board.



1           (3) The political subdivisions shall pick up the member  
2 contributions required by this section for all compensation paid  
3 on or after January 1, 2009, and the contributions so picked up  
4 shall be treated as employer contributions in determining federal  
5 tax treatment under the Internal Revenue Code, except that the  
6 political subdivision shall continue to withhold federal income  
7 taxes based upon these contributions until the Internal Revenue  
8 Service or the federal courts rule that, pursuant to section 414(h)  
9 of the code, these contributions shall not be included as gross  
10 income of the member until such time as they are distributed or  
11 made available. The political subdivision shall pay these member  
12 contributions from the same source of funds which is used in paying  
13 earnings to the member. The political subdivision shall pick up  
14 these contributions by a compensation deduction through a reduction  
15 in the cash compensation of the member. Member contributions picked  
16 up shall be treated for all purposes of the Nebraska Peace Officer  
17 Retirement Act in the same manner and to the extent as member  
18 contributions made prior to the date picked up.

19           Sec. 6. (1) Except as provided in subsection (2) of  
20 this section, all money received by the retirement system shall be  
21 remitted to the State Treasurer for credit to the Peace Officer  
22 Retirement Fund which is hereby created. Out of the fund shall be  
23 paid the benefits and annuities as provided in the Nebraska Peace  
24 Officer Retirement Act.

25           (2) The Peace Officer Retirement Act Expense Fund is  
26 created. The fund shall be credited with money from the retirement  
27 system assets and income sufficient to pay the pro rata share of

1 administrative expenses incurred as directed by the board for the  
2 proper administration of the Nebraska Peace Officer Retirement Act  
3 and necessary in connection with the administration and operation  
4 of the retirement system.

5       Sec. 7. The general administration of the retirement  
6 system, except the investment of funds, is hereby vested in the  
7 board. The board shall adopt and promulgate rules and regulations  
8 as may be necessary to carry out the Nebraska Peace Officer  
9 Retirement Act. The board shall employ a director and such  
10 assistants and employees as may be necessary to efficiently  
11 discharge the duties imposed by the act.

12       Sec. 8. (1) If the board determines that the retirement  
13 system has previously received contributions or distributed  
14 benefits which for any reason are not in accordance with the  
15 Nebraska Peace Officer Retirement Act, the board shall refund  
16 contributions, require additional contributions, adjust benefits,  
17 or require repayment of benefits paid. In the event of an  
18 overpayment of a benefit, the board may, in addition to other  
19 remedies, offset future benefit payments by the amount of the prior  
20 overpayment, together with regular interest thereon. In the event  
21 of an underpayment of a benefit, the board shall immediately make  
22 payment equal to the deficit amount plus regular interest.

23       (2) The board shall adopt and promulgate rules and  
24 regulations implementing this section, which shall include, but not  
25 be limited to, the following: (a) The procedures for refunding  
26 contributions, adjusting future contributions or benefit payments,  
27 and requiring additional contributions or repayment of benefits;

1 (b) the process for a member, member's beneficiary, employee, or  
2 employer to dispute an adjustment of contributions or benefits;  
3 and (c) notice provided to all affected persons. All notices shall  
4 be sent prior to an adjustment and shall describe the process for  
5 disputing an adjustment of contributions or benefits.

6           Sec. 9. The State Treasurer shall be the custodian of  
7 the funds and securities of the retirement system and may deposit  
8 the funds and securities in any financial institution approved by  
9 the Nebraska Investment Council. The State Treasurer shall transmit  
10 monthly to the board a detailed statement showing all credits to  
11 and disbursements from the Peace Officer Retirement Fund. The State  
12 Treasurer shall disburse money from such fund only on warrants  
13 issued by the Director of Administrative Services upon vouchers  
14 signed by a person authorized by the retirement board.

15           Sec. 10. (1) The director in charge of the retirement  
16 system shall keep a record of all acts and proceedings taken by  
17 the board. He or she shall keep a complete record of all members  
18 with respect to name, current address, age, contributions, length  
19 of service, compensation, and any other facts as may be necessary  
20 in the administration of the Nebraska Peace Officer Retirement  
21 Act. The board shall prescribe the form in which such information  
22 shall be reported by the political subdivision to the board. The  
23 information in the records shall be provided by the political  
24 subdivision in an accurate and verifiable form, as specified by the  
25 director. The director shall, from time to time, carry out testing  
26 procedures pursuant to section 84-1512 to verify the accuracy of  
27 such information. For the purpose of obtaining such facts and

1 information, the director shall have access to the records of the  
2 various political subdivisions and the holder of the records shall  
3 comply with a request by the director for access by providing  
4 such facts and information to the director in a timely manner. A  
5 certified copy of a birth certificate or delayed birth certificate  
6 shall be prima facie evidence of the age of the person named in the  
7 certificate.

8 (2) The director shall develop and implement an employer  
9 education program using principles generally accepted by public  
10 employee retirement systems so that all employers have the  
11 knowledge and information necessary to prepare and file reports  
12 as the board requires.

13 Sec. 11. Any funds of the retirement system available  
14 for investment shall be invested by the Nebraska Investment Council  
15 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
16 State Funds Investment Act. Payment for investment services by  
17 the council shall be charged directly against the gross investment  
18 returns of the funds. Charges so incurred shall not be a part  
19 of the board's annual budget request. The amounts of payment for  
20 such services, as of December 31 of each year, shall be reported  
21 not later than March 31 of the following year to the council, the  
22 board, and the Nebraska Retirement Systems Committee.

23 The state investment officer shall sell any securities  
24 upon request from the director in charge of the retirement system  
25 so as to provide money for the payment of benefits or annuities.

26 Sec. 12. It shall be the duty of the Auditor of Public  
27 Accounts to make an annual audit of the retirement system and an

1 annual report to the Clerk of the Legislature of its condition.  
2 Each member of the Legislature shall receive a copy of such report  
3 by making a request for it to the Auditor of Public Accounts.

4       Sec. 13. The retirement system may sue or be sued in the  
5 name of the system, and in all actions brought by or against it the  
6 retirement system shall be represented by the Attorney General.

7       Sec. 14. (1) Every peace officer who has been in the  
8 employ of a political subdivision as such and who becomes disabled  
9 and physically unfit to perform the duties of a peace officer shall  
10 be entitled to retire and receive an annuity as provided by the  
11 Nebraska Peace Officer Retirement Act.

12       (2) Every peace officer who has twenty years or more of  
13 vesting service and has attained the age of fifty-five years or  
14 more shall be entitled to retire and receive an annuity as provided  
15 by the act. The right to retire at the age of fifty-five years  
16 shall be at the option of the peace officer but such retirement  
17 shall be mandatory upon the peace officer attaining the age of  
18 sixty-two years.

19       (3) Any peace officer who has attained the age of  
20 sixty-two years upon his or her separation from service but who  
21 does not have twenty years of vesting service shall be entitled to  
22 the annuity as provided by the act.

23       (4) Payment of any benefit provided under the act may  
24 not be deferred later than April 1 of the year following the year  
25 in which the peace officer has both attained at least age seventy  
26 and one-half years and terminated his or her employment with a  
27 political subdivision.

1           (5) The effective date of retirement payments shall be  
2 the first day of the month following (a) the date a member  
3 qualifies for retirement as provided in this section or (b) the  
4 date upon which a member's request for retirement is received on  
5 an application form provided by the system, whichever is later. An  
6 application may be filed no more than ninety days in advance of  
7 qualifying for retirement.

8           (6) The board shall make reasonable efforts to locate  
9 the peace officer or the peace officer's beneficiary and distribute  
10 benefits by the required beginning date as specified by section  
11 401(a)(9) of the Internal Revenue Code and the regulations issued  
12 thereunder. If the board is unable to make such a distribution, the  
13 account shall be distributed pursuant to the Uniform Disposition of  
14 Unclaimed Property Act and no amounts may be applied to increase  
15 the benefits any peace officer would otherwise receive under the  
16 Nebraska Peace Officer Retirement Act.

17           Sec. 15. (1) Any peace officer qualified for an  
18 annuity as provided in section 14 of this act for reasons other  
19 than disability shall be entitled to receive a monthly annuity  
20 for the remainder of the peace officer's life. The amount of  
21 the annuity shall be two and twenty-five hundredths percent  
22 multiplied by the number of years of creditable service, but not  
23 greater than seventy-two percent, times the final average monthly  
24 compensation. For purposes of this computation, final average  
25 monthly compensation means the sum of the peace officer's total  
26 compensation during the three twelve-month periods of service as  
27 a peace officer in which compensation was the greatest divided by

1 thirty-six.

2 (2) Any peace officer qualified for an annuity as  
3 provided in section 14 of this act for reasons of disability shall  
4 be entitled to receive a monthly annuity for the remainder of the  
5 period of disablement. The amount of the annuity shall be sixty-two  
6 and one-half percent of the monthly compensation at the date of  
7 disablement if the peace officer was injured in a job-related  
8 incident. If the peace officer was injured in a non-job-related  
9 incident, the amount of the annuity shall be fifty percent of the  
10 final monthly compensation at the date of disablement. The date of  
11 disablement shall be the date on which the benefits as provided in  
12 section 16 of this act have been exhausted.

13 (3) Any time prior to receiving the first annuity  
14 payment, the peace officer may elect to receive in lieu of the  
15 annuity, but payable in the same manner, an actuarially equivalent  
16 joint and survivorship annuity which shall continue payments to the  
17 peace officer's surviving spouse after the peace officer's death in  
18 the amount of fifty percent, seventy-five percent, or one hundred  
19 percent of the benefit amount payable prior to the peace officer's  
20 death.

21 (4) Upon the death of a peace officer after retirement  
22 for reasons of disability or upon the death of a peace officer in a  
23 job-related incident before retirement, benefits shall be provided  
24 as follows:

25 (a) If there is a surviving spouse but no dependent child  
26 or children of the peace officer under nineteen years of age, the  
27 surviving spouse shall receive a benefit equal to sixty-two and

1 one-half percent of the amount of the peace officer's annuity for  
2 the remainder of the surviving spouse's life or until the surviving  
3 spouse remarries;

4 (b) If there is a surviving spouse and the surviving  
5 spouse has in his or her care a dependent child or children of the  
6 peace officer under nineteen years of age and there is no other  
7 dependent child or children of the peace officer under nineteen  
8 years of age not in the care of the surviving spouse, the benefit  
9 shall be equal to sixty-two and one-half percent to the spouse  
10 and six percent to each of the dependent children of the peace  
11 officer's annuity. When there is no remaining dependent child of  
12 the peace officer under nineteen years of age, the benefit shall be  
13 sixty-two and one-half percent of the amount of the peace officer's  
14 annuity to the surviving spouse for the remainder of the surviving  
15 spouse's life or until the surviving spouse remarries;

16 (c) If there is a surviving spouse and the surviving  
17 spouse has in his or her care a dependent child or children of  
18 the peace officer under nineteen years of age and there is another  
19 dependent child or children of the peace officer under nineteen  
20 years of age not in the care of the surviving spouse, the benefit  
21 shall be twenty-five percent of the amount of the peace officer's  
22 annuity to the surviving spouse and six percent of the amount of  
23 the peace officer's annuity to each of the dependent children of  
24 the peace officer under nineteen years of age but, in no case shall  
25 the benefit received by a surviving spouse and dependent children  
26 residing with such spouse be less than sixty-two and one-half  
27 percent of the amount of the peace officer's annuity. At such



1 time as any dependent child of the peace officer attains nineteen  
2 years of age, the benefit shall lapse. When there is no remaining  
3 dependent child of the peace officer under nineteen years of age,  
4 the benefit shall be sixty-two and one-half percent of the amount  
5 of the peace officer's annuity to the surviving spouse for the  
6 remainder of the surviving spouse's life or until the surviving  
7 spouse remarries;

8 (d) If there is no surviving spouse and a dependent child  
9 or children of the peace officer under nineteen years of age, the  
10 benefit shall be equal to sixty-two and one-half percent of the  
11 peace officer's annuity to the dependent children of the peace  
12 officer under nineteen years of age to be divided equally among  
13 such dependent children. At such time as any dependent child of the  
14 peace officer attains nineteen years of age, the benefit shall be  
15 divided equally among the remaining dependent children of the peace  
16 officer who have not yet attained nineteen years of age; and

17 (e) If no benefits are paid to a surviving spouse or  
18 dependent child or children of the peace officer, benefits will be  
19 paid as described in subsection (1) of section 19 of this act.

20 (5) Upon the death of a peace officer not yet eligible  
21 to retire in a non-job-related incident before retirement, benefits  
22 shall be provided as follows:

23 (a) If there is a surviving spouse but no dependent child  
24 or children of the peace officer under nineteen years of age, the  
25 surviving spouse shall receive a benefit equal to fifty percent of  
26 the amount of the peace officer's annuity for the remainder of the  
27 surviving spouse's life or until the surviving spouse remarries;

1           (b) If there is a surviving spouse and the surviving  
2 spouse has in his or her care a dependent child or children of the  
3 peace officer under nineteen years of age and there is no other  
4 dependent child or children of the peace officer not in the care  
5 of the surviving spouse under nineteen years of age, the benefit  
6 shall be equal to fifty percent to the spouse and six percent to  
7 each dependent child of the peace officer's annuity. When there is  
8 no remaining dependent child of the peace officer under nineteen  
9 years of age, the benefit shall be fifty percent of the amount  
10 of the peace officer's annuity to the surviving spouse for the  
11 remainder of the surviving spouse's life or until the surviving  
12 spouse remarries;

13           (c) If there is a surviving spouse and the surviving  
14 spouse has in his or her care a dependent child or children of  
15 the peace officer under nineteen years of age and there is another  
16 dependent child or children of the peace officer under nineteen  
17 years of age not in the care of the surviving spouse, the benefit  
18 shall be twenty-five percent of the amount of the peace officer's  
19 annuity to the surviving spouse and six percent of the amount of  
20 the peace officer's annuity to each of the dependent children of  
21 the peace officer under nineteen years of age. But, in no case  
22 shall the benefit received by a surviving spouse and dependent  
23 children residing with such spouse be less than fifty percent of  
24 the amount of the peace officer's annuity. At such time as any  
25 dependent child of the peace officer attains nineteen years of age,  
26 the benefit shall lapse. When there is no remaining dependent child  
27 for the peace officer under nineteen years of age, the benefit

1 shall be fifty percent of the amount of the peace officer's annuity  
2 to the surviving spouse for the remainder of the surviving spouse's  
3 life or until the surviving spouse remarries;

4 (d) If there is no surviving spouse and a dependent child  
5 or children of the peace officer under nineteen years of age, the  
6 benefit shall be equal to fifty percent of the peace officer's  
7 annuity to the dependent children of the peace officer under  
8 nineteen years of age to be divided equally among such dependent  
9 children. At such time as any dependent child of the peace officer  
10 attains nineteen years of age, the benefit shall be divided equally  
11 among the remaining dependent children of the peace officer who  
12 have not yet attained nineteen years of age; and

13 (e) If no benefits are paid to a surviving spouse or  
14 dependent child or children of the peace officer, benefits will be  
15 paid as described in subsection (1) of section 19 of this act.

16 (6) Upon the death of a peace officer eligible to retire  
17 in a non-job-related incident before retirement, benefits shall be  
18 provided as if the peace officer had retired on the date of such  
19 peace officer's death calculated in the same manner as provided  
20 under subsection (3) of this section for the one-hundred-percent  
21 joint and survivorship annuity.

22 Sec. 16. A peace officer shall not receive any disability  
23 benefit payments when there remains to his or her credit unused  
24 annual leave or sick leave or under any other circumstances if  
25 during the period of disability there has been no impairment of his  
26 or her compensation.

27 Sec. 17. Disability benefit payments shall not be made

1 except upon adequate proof furnished to the retirement system of  
2 the existence of such disability, and during the time when any  
3 such benefits are being paid, the retirement system shall have the  
4 right, at reasonable times, to require the disabled peace officer  
5 to submit proof of the continuance of the disability claimed.  
6 Disability is defined to be the complete inability of the peace  
7 officer, for reasons of accident or sickness, to perform the duties  
8 of a peace officer.

9           Sec. 18. The board shall have the right to demand a  
10 physical examination of the member by a disinterested physician  
11 legally authorized to practice medicine under the laws of the state  
12 in which he or she practices, chosen by the retirement system and  
13 at the expense of the retirement system.

14           Sec. 19. (1) Upon termination of employment prior to  
15 becoming eligible to retire as provided in section 14 of this act  
16 and for reasons other than death or disability, a peace officer  
17 shall be entitled to receive all payments which have been made by  
18 compensation deductions into the Peace Officer Retirement Fund plus  
19 regular interest. The return of such contributions and interest  
20 to such peace officer shall preclude such peace officer from any  
21 benefits under the Nebraska Peace Officer Retirement Act unless and  
22 until such peace officer is reemployed in such capacity and repays  
23 such withdrawals pursuant to section 24 of this act. If the peace  
24 officer chooses not to repay such withdrawals with interest, the  
25 peace officer shall enter the retirement system as a new member  
26 with no prior rights.

27           (2) In lieu of the benefit described in subsection (1)

1 of this section, the peace officer may elect to receive a deferred  
2 annuity to commence at age sixty-two. If this election is made, the  
3 contributions made to the retirement system by the peace officer  
4 may not be withdrawn from the retirement system. The deferred  
5 annuity shall be computed as a percentage of the retirement  
6 annuity, as computed in subsection (1) of section 15 of this act.

7 The percentage shall be:

8 (a) Zero percent for the first seven completed years of  
9 vesting service;

10 (b) Twenty percent for each completed year for the next  
11 three years of vesting service; and

12 (c) One hundred percent after ten completed years of  
13 vesting service.

14 In the event of the death of any peace officer during  
15 the deferred period, the accumulated value of the peace officer's  
16 contributions at the date of termination plus regular interest to  
17 the date of his or her death shall be paid to such peace officer's  
18 beneficiary.

19 Sec. 20. Any person who withdraws his or her accumulated  
20 contributions pursuant to subsection (1) of section 19 of this  
21 act prior to their eligibility for retirement under the Nebraska  
22 Peace Officer Retirement Act and again becomes a peace officer may  
23 elect to repay the retirement system for any number of years of  
24 service which he or she accumulated prior to withdrawing his or her  
25 accumulated contributions. The amount to be repaid shall not exceed  
26 the amount of the withdrawal for the years of service for which the  
27 repayment is being made plus the interest which would have accrued

1 on that amount under the retirement system. Any person who repays  
2 such amount shall be restored to the same status for the years  
3 of creditable service and vesting service for which repayment is  
4 made as he or she had prior to the withdrawal of the accumulated  
5 contributions.

6           Sec. 21. (1) For purposes of this section and section 22  
7 of this act:

8           (a) Distributee means the member, the member's surviving  
9 spouse, or the member's former spouse who is an alternate payee  
10 under a qualified domestic relations order as defined in section  
11 414(p) of the Internal Revenue Code;

12           (b) Direct rollover means a payment by the retirement  
13 system to the eligible retirement plan or plans specified by the  
14 distributee;

15           (c) Eligible retirement plan means (i) an individual  
16 retirement account described in section 408(a) of the Internal  
17 Revenue Code, (ii) an individual retirement annuity described in  
18 section 408(b) of the code, except for an endowment contract, (iii)  
19 a qualified plan described in section 401(a) of the code, (iv) an  
20 annuity plan described in section 403(a) or 403(b) of the code, and  
21 (v) a plan described in section 457(b) of the code and maintained  
22 by a governmental employer. For eligible rollover distributions to  
23 a surviving spouse, an eligible retirement plan means subdivisions  
24 (1)(c)(i) through (iv) of this section; and

25           (d) Eligible rollover distribution means any distribution  
26 to a distributee of all or any portion of the balance to the credit  
27 of the distributee in the plan, except such term shall not include

1 any distribution which is one of a series of substantially equal  
2 periodic payments, not less frequently than annually, made for the  
3 life of the distributee or joint lives of the distributee and the  
4 distributee's beneficiary or for the specified period of ten years  
5 or more and shall not include any distribution to the extent such  
6 distribution is required under section 401(a)(9) of the Internal  
7 Revenue Code.

8 (2) A distributee may elect to have any portion of  
9 an eligible rollover distribution paid directly to an eligible  
10 retirement plan specified by the distributee.

11 (3) The board shall adopt and promulgate rules and  
12 regulations for direct rollover procedures which are consistent  
13 with section 401(a)(31) of the Internal Revenue Code and which  
14 include, but are not limited to, the form and time of direct  
15 rollover distributions.

16 Sec. 22. (1) The retirement system may accept cash  
17 rollover contributions from a member who is making payment pursuant  
18 to subsection (4) of section 4 of this act and sections 20 and  
19 24 of this act if the contributions do not exceed the amount of  
20 payment required for the service credits purchased by the member  
21 pursuant to such section and the contributions represent (a) all or  
22 any portion of the balance of the member's interest in a qualified  
23 plan under section 401(a) of the Internal Revenue Code or (b)  
24 the interest of the member from an individual retirement account  
25 or an individual retirement annuity, the entire amount of which  
26 is attributable to a qualified total distribution, as defined in  
27 the Internal Revenue Code, from a qualified plan under section

1 401(a) of the code and qualified as a tax-free rollover amount. The  
2 member's interest under subdivision (a) or (b) of this subsection  
3 must be transferred to the retirement system within sixty days from  
4 the date of the distribution from the qualified plan, individual  
5 retirement account, or individual retirement annuity.

6 (2) Cash transferred to the retirement system as a  
7 rollover contribution shall be deposited as other payments for  
8 service credits.

9 (3) Under the same conditions as provided in subsection  
10 (1) of this section, the retirement system may accept eligible  
11 rollover distributions from (a) an annuity contract described in  
12 section 403(b) of the Internal Revenue Code, (b) a plan described  
13 in section 457(b) of the code which is maintained by a state, a  
14 political subdivision of a state, or any agency or instrumentality  
15 of a state or political subdivision of a state, or (c) the  
16 portion of a distribution from an individual retirement account or  
17 annuity described in section 408(a) or 408(b) of the code that is  
18 eligible to be rolled over and would otherwise be includible in  
19 gross income. Amounts accepted pursuant to this subsection shall be  
20 deposited as all other payments under this section.

21 (4) The retirement system may accept direct rollover  
22 distributions made from a qualified plan pursuant to section  
23 401(a)(31) of the Internal Revenue Code. The direct rollover  
24 distribution shall be deposited as all other payments under this  
25 section.

26 (5) The board shall adopt and promulgate rules and  
27 regulations defining procedures for acceptance of rollovers which



1 are consistent with sections 401(a)(31) and 402 of the Internal  
2 Revenue Code.

3           Sec. 23. A retired peace officer of a political  
4 subdivision of this state who becomes a peace officer of either the  
5 same or another political subdivision of this state shall continue  
6 receiving retirement benefits and shall be treated for all purposes  
7 of the Nebraska Peace Officer Retirement Act as a new member of  
8 the system.

9           Sec. 24. A peace officer who terminates employment prior  
10 to becoming eligible to retire and again serves as a peace officer  
11 in a political subdivision of this state may elect to repay part or  
12 all of the amount he or she had withdrawn as a refund pursuant to  
13 section 19 of this act plus the interest that would have accrued  
14 on such amount. Repayment shall commence within one hundred eighty  
15 days after reemployment, shall not be extended more than five years  
16 after the date the peace officer elects to repay his or her refund,  
17 and shall be completed prior to termination of employment. Prior  
18 service and rights shall be restored in proportion to the amounts  
19 repaid, and the prior service and rights of the peace officer  
20 shall be fully restored only if he or she repays all accumulated  
21 withdrawals plus interest which would have accrued on that amount.

22           Sec. 25. The retirement system may accept as payment for  
23 withdrawn amounts made pursuant to the Nebraska Peace Officer  
24 Retirement Act a direct trustee-to-trustee transfer from (1)  
25 an eligible tax-sheltered annuity plan as described in section  
26 403(b) of the Internal Revenue Code or (2) an eligible deferred  
27 compensation plan as described in section 457(b) of the code

1 on behalf of a member who is making payments for such amounts.

2 The amount transferred shall not exceed the amount withdrawn and

3 such transferred amount shall qualify as a purchase of permissive

4 service credit by the member as defined in section 415 of the code.

5 Sec. 26. All annuities or benefits which any person shall

6 be entitled to receive under the Nebraska Peace Officer Retirement

7 Act shall not be subject to garnishment, attachment, levy, the

8 operation of bankruptcy or insolvency laws, or any other process

9 of law whatsoever and shall not be assignable except to the extent

10 that such annuities or benefits are subject to a qualified domestic

11 relations order under the Spousal Pension Rights Act.

12 Sec. 27. Any member who, while a peace officer in

13 Nebraska, entered into and served or shall enter into and serve in

14 the armed forces of the United States during a declared emergency,

15 as defined and prescribed under such rules and regulations as

16 the board may adopt, and who, within six months after honorable

17 discharge or honorable separation from active duty, returned or

18 returns to the service of the state and again becomes a peace

19 officer in Nebraska shall be credited, in determining benefits due

20 such member from the Peace Officer Retirement Fund, for all the

21 time actually served in the armed forces as if such person had

22 been a peace officer in Nebraska throughout such declared emergency

23 service in the armed forces.

24 Sec. 28. Every claim and demand under the Nebraska Peace

25 Officer Retirement Act and against the retirement system or the

26 board shall be forever barred unless the action is brought within

27 two years of the time at which the claim accrued.

1           Sec. 29. Any person who, knowing it to be false  
2 or fraudulent, presents or causes to be presented a false or  
3 fraudulent claim or benefit application, any false or fraudulent  
4 proof in support of such a claim or benefit, or false or  
5 fraudulent information which would affect a future claim or benefit  
6 application to be paid under the retirement system for the purpose  
7 of defrauding or attempting to defraud the retirement system shall  
8 be guilty of a Class II misdemeanor. The board shall deny any  
9 benefits that it determines are based on false or fraudulent  
10 information and shall have a cause of action against the peace  
11 officer to recover any benefits already paid on the basis of such  
12 information.

13           Sec. 30. All contributions to the retirement system,  
14 all property and rights purchased with the contributions, and all  
15 investment income attributable to the contributions, property, or  
16 rights shall be held in trust by the State of Nebraska for the  
17 exclusive benefit of members and their beneficiaries and shall only  
18 be used to pay benefits to such persons and to pay administrative  
19 expenses according to the provisions of the Nebraska Peace Officer  
20 Retirement Act.

21           Sec. 31. Upon termination or partial termination of the  
22 retirement system or upon complete discontinuance of contributions  
23 under the retirement system, the rights of all affected members  
24 to benefits accrued to the date of such termination, partial  
25 termination, or discontinuance, to the extent funded as of such  
26 date, shall be nonforfeitable.

27           Sec. 33. Section 77-3442, Revised Statutes Supplement,

1 2007, is amended to read:

2 77-3442 (1) Property tax levies for the support of local  
3 governments for fiscal years beginning on or after July 1, 1998,  
4 shall be limited to the amounts set forth in this section except as  
5 provided in section 77-3444.

6 (2) (a) Except as provided in subdivision (2) (e) of this  
7 section, school districts and multiple-district school systems,  
8 except learning communities and school districts that are members  
9 of learning communities, may levy a maximum levy of one dollar and  
10 five cents per one hundred dollars of taxable valuation of property  
11 subject to the levy.

12 (b) For each fiscal year, learning communities may levy  
13 a maximum levy for the general fund budgets of member school  
14 districts equal to the local effort rate prescribed in section  
15 79-1015.01 for such fiscal year. The proceeds from the levy  
16 pursuant to this subdivision shall be distributed pursuant to  
17 section 79-1073.

18 (c) Except as provided in subdivision (2) (e) of this  
19 section, for each fiscal year, school districts that are members  
20 of learning communities may levy for purposes of such districts'  
21 general fund budget and special building funds a maximum combined  
22 levy of the difference of one dollar and five cents on each one  
23 hundred dollars of taxable property subject to the levy minus  
24 the learning community levies pursuant to subdivisions (2) (b) and  
25 (2) (g) of this section for such learning community.

26 (d) Excluded from the limitations in subdivisions (2) (a)  
27 and (2) (c) of this section are amounts levied to pay for

1 sums agreed to be paid by a school district to certificated  
2 employees in exchange for a voluntary termination of employment  
3 and amounts levied to pay for special building funds and sinking  
4 funds established for projects commenced prior to April 1, 1996,  
5 for construction, expansion, or alteration of school district  
6 buildings. For purposes of this subsection, commenced means any  
7 action taken by the school board on the record which commits  
8 the board to expend district funds in planning, constructing, or  
9 carrying out the project.

10 (e) Federal aid school districts may exceed the maximum  
11 levy prescribed by subdivision (2)(a) or (2)(c) of this section  
12 only to the extent necessary to qualify to receive federal aid  
13 pursuant to Title VIII of Public Law 103-382, as such title existed  
14 on September 1, 2001. For purposes of this subdivision, federal  
15 aid school district means any school district which receives ten  
16 percent or more of the revenue for its general fund budget from  
17 federal government sources pursuant to Title VIII of Public Law  
18 103-382, as such title existed on September 1, 2001.

19 (f) For school fiscal year 2002-03 through school fiscal  
20 year 2007-08, school districts and multiple-district school systems  
21 may, upon a three-fourths majority vote of the school board of  
22 the school district, the board of the unified system, or the  
23 school board of the high school district of the multiple-district  
24 school system that is not a unified system, exceed the maximum  
25 levy prescribed by subdivision (2)(a) of this section in an amount  
26 equal to the net difference between the amount of state aid that  
27 would have been provided under the Tax Equity and Educational

1 Opportunities Support Act without the temporary aid adjustment  
2 factor as defined in section 79-1003 for the ensuing school fiscal  
3 year for the school district or multiple-district school system  
4 and the amount provided with the temporary aid adjustment factor.  
5 The State Department of Education shall certify to the school  
6 districts and multiple-district school systems the amount by which  
7 the maximum levy may be exceeded for the next school fiscal year  
8 pursuant to this subdivision (f) of this subsection on or before  
9 February 15 for school fiscal years 2004-05 through 2007-08.

10 (g) For each fiscal year, learning communities may levy a  
11 maximum levy of two cents on each one hundred dollars of taxable  
12 property subject to the levy for special building funds for member  
13 school districts. The proceeds from the levy pursuant to this  
14 subdivision shall be distributed pursuant to section 79-1073.01.

15 (h) For each fiscal year, learning communities may levy  
16 a maximum levy of five cents on each one hundred dollars of  
17 taxable property subject to the levy for elementary learning center  
18 facilities and for up to fifty percent of the estimated cost for  
19 capital projects approved by the learning community coordinating  
20 council pursuant to section 79-2111.

21 (3) Community colleges may levy a maximum levy calculated  
22 pursuant to the Community College Foundation and Equalization Aid  
23 Act on each one hundred dollars of taxable property subject to the  
24 levy.

25 (4) (a) Natural resources districts may levy a maximum  
26 levy of four and one-half cents per one hundred dollars of taxable  
27 valuation of property subject to the levy.

1           (b) Natural resources districts shall also have the power  
2 and authority to levy a tax equal to the dollar amount by which  
3 their restricted funds budgeted to administer and implement ground  
4 water management activities and integrated management activities  
5 under the Nebraska Ground Water Management and Protection Act  
6 exceed their restricted funds budgeted to administer and implement  
7 ground water management activities and integrated management  
8 activities for FY2003-04, not to exceed one cent on each one  
9 hundred dollars of taxable valuation annually on all of the taxable  
10 property within the district.

11           (c) In addition, natural resources districts located in  
12 a river basin, subbasin, or reach that has been determined to  
13 be fully appropriated pursuant to section 46-714 or designated  
14 as overappropriated pursuant to section 46-713 by the Department  
15 of Natural Resources shall also have the power and authority to  
16 levy a tax equal to the dollar amount by which their restricted  
17 funds budgeted to administer and implement ground water management  
18 activities and integrated management activities under the Nebraska  
19 Ground Water Management and Protection Act exceed their restricted  
20 funds budgeted to administer and implement ground water management  
21 activities and integrated management activities for FY2005-06, not  
22 to exceed three cents on each one hundred dollars of taxable  
23 valuation on all of the taxable property within the district for  
24 fiscal year 2006-07 and each fiscal year thereafter through fiscal  
25 year 2011-12.

26           (5) Educational service units may levy a maximum levy of  
27 one and one-half cents per one hundred dollars of taxable valuation

1 of property subject to the levy.

2 (6) (a) Incorporated cities and villages which are not  
3 within the boundaries of a municipal county may levy a maximum levy  
4 of forty-five cents per one hundred dollars of taxable valuation  
5 of property subject to the levy plus an additional five cents per  
6 one hundred dollars of taxable valuation to provide financing for  
7 the municipality's share of revenue required under an agreement  
8 or agreements executed pursuant to the Interlocal Cooperation Act  
9 or the Joint Public Agency Act. The maximum levy shall include  
10 amounts levied to pay for sums to support a library pursuant  
11 to section 51-201, museum pursuant to section 51-501, visiting  
12 community nurse, home health nurse, or home health agency pursuant  
13 to section 71-1637, or statue, memorial, or monument pursuant to  
14 section 80-202. The levy limit in this subsection shall not apply  
15 to property tax levies for costs associated with the Nebraska Peace  
16 Officer Retirement Act for fiscal year 2008-09.

17 (b) Incorporated cities and villages which are within the  
18 boundaries of a municipal county may levy a maximum levy of ninety  
19 cents per one hundred dollars of taxable valuation of property  
20 subject to the levy. The maximum levy shall include amounts paid  
21 to a municipal county for county services, amounts levied to pay  
22 for sums to support a library pursuant to section 51-201, a museum  
23 pursuant to section 51-501, a visiting community nurse, home health  
24 nurse, or home health agency pursuant to section 71-1637, or a  
25 statue, memorial, or monument pursuant to section 80-202.

26 (7) Sanitary and improvement districts which have been in  
27 existence for more than five years may levy a maximum levy of forty



1 cents per one hundred dollars of taxable valuation of property  
2 subject to the levy, and sanitary and improvement districts which  
3 have been in existence for five years or less shall not have  
4 a maximum levy. Unconsolidated sanitary and improvement districts  
5 which have been in existence for more than five years and are  
6 located in a municipal county may levy a maximum of eighty-five  
7 cents per hundred dollars of taxable valuation of property subject  
8 to the levy.

9 (8) Counties may levy or authorize a maximum levy of  
10 fifty cents per one hundred dollars of taxable valuation of  
11 property subject to the levy, except that five cents per one  
12 hundred dollars of taxable valuation of property subject to the  
13 levy may only be levied to provide financing for the county's  
14 share of revenue required under an agreement or agreements executed  
15 pursuant to the Interlocal Cooperation Act or the Joint Public  
16 Agency Act. The maximum levy shall include amounts levied to pay  
17 for sums to support a library pursuant to section 51-201 or museum  
18 pursuant to section 51-501. The county may allocate up to fifteen  
19 cents of its authority to other political subdivisions subject  
20 to allocation of property tax authority under subsection (1) of  
21 section 77-3443 and not specifically covered in this section to  
22 levy taxes as authorized by law which do not collectively exceed  
23 fifteen cents per one hundred dollars of taxable valuation on any  
24 parcel or item of taxable property. The county may allocate to  
25 one or more other political subdivisions subject to allocation  
26 of property tax authority by the county under subsection (1) of  
27 section 77-3443 some or all of the county's five cents per one

1 hundred dollars of valuation authorized for support of an agreement  
2 or agreements to be levied by the political subdivision for the  
3 purpose of supporting that political subdivision's share of revenue  
4 required under an agreement or agreements executed pursuant to the  
5 Interlocal Cooperation Act or the Joint Public Agency Act. If an  
6 allocation by a county would cause another county to exceed its  
7 levy authority under this section, the second county may exceed the  
8 levy authority in order to levy the amount allocated.

9 (9) Municipal counties may levy or authorize a maximum  
10 levy of one dollar per one hundred dollars of taxable valuation  
11 of property subject to the levy. The municipal county may allocate  
12 levy authority to any political subdivision or entity subject to  
13 allocation under section 77-3443.

14 (10) Property tax levies for judgments, except judgments  
15 or orders from the Commission of Industrial Relations, obtained  
16 against a political subdivision which require or obligate a  
17 political subdivision to pay such judgment, to the extent such  
18 judgment is not paid by liability insurance coverage of a  
19 political subdivision, for preexisting lease-purchase contracts  
20 approved prior to July 1, 1998, for bonded indebtedness approved  
21 according to law and secured by a levy on property, and for  
22 payments by a public airport to retire interest-free loans from the  
23 Department of Aeronautics in lieu of bonded indebtedness at a lower  
24 cost to the public airport are not included in the levy limits  
25 established by this section.

26 (11) The limitations on tax levies provided in this  
27 section are to include all other general or special levies

1 provided by law. Notwithstanding other provisions of law, the  
2 only exceptions to the limits in this section are those provided by  
3 or authorized by sections 77-3442 to 77-3444.

4 (12) Tax levies in excess of the limitations in this  
5 section shall be considered unauthorized levies under section  
6 77-1606 unless approved under section 77-3444.

7 (13) For purposes of sections 77-3442 to 77-3444,  
8 political subdivision means a political subdivision of this state  
9 and a county agricultural society.

10 Sec. 38. Since an emergency exists, this act takes effect  
11 when passed and approved according to law.

12 2. On page 58, line 23, strike the first "and"; and in  
13 line 24 after the last comma insert "and section 77-3442, Revised  
14 Statutes Supplement, 2007,".

15 3. Renumber the remaining sections accordingly.