

AMENDMENTS TO LB 414

Introduced by Pankonin, 2.

1           1. Insert the following new sections:

2           Sec. 2. Section 24-703, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           24-703 (1) Each original member shall contribute monthly  
5 four percent of his or her monthly compensation to the fund  
6 until the maximum benefit as limited in subsection (1) of section  
7 24-710 has been earned. It shall be the duty of the Director  
8 of Administrative Services in accordance with subsection (10) of  
9 this section to make a deduction of four percent on the monthly  
10 payroll of each original member who is a judge of the Supreme  
11 Court, a judge of the Court of Appeals, a judge of the district  
12 court, a judge of a separate juvenile court, a judge of the county  
13 court, a clerk magistrate of the county court who was an associate  
14 county judge and a member of the fund at the time of his or her  
15 appointment as a clerk magistrate, or a judge of the Nebraska  
16 Workers' Compensation Court showing the amount to be deducted and  
17 its credit to the fund. The Director of Administrative Services  
18 and the State Treasurer shall credit the four percent as shown  
19 on the payroll and the amounts received from the various counties  
20 to the fund and remit the same to the director in charge of the  
21 judges retirement system who shall keep an accurate record of the  
22 contributions of each judge.

23           (2) (a) ~~Beginning~~ In addition to the contribution required

1 under subdivision (c) of this subsection, beginning on July 1,  
2 2004, each future member who has not elected to make contributions  
3 and receive benefits as provided in section 24-703.03 shall  
4 contribute monthly six percent of his or her monthly compensation  
5 to the fund until the maximum benefit as limited in subsection  
6 (2) of section 24-710 has been earned. After the maximum benefit  
7 as limited in subsection (2) of section 24-710 has been earned,  
8 such future member shall make no further contributions to the fund,  
9 except that (i) any time the maximum benefit is changed, a future  
10 member who has previously earned the maximum benefit as it existed  
11 prior to the change shall contribute monthly six percent of his  
12 or her monthly compensation to the fund until the maximum benefit  
13 as changed and as limited in subsection (2) of section 24-710 has  
14 been earned and (ii) such future member shall continue to make the  
15 contribution required under subdivision (c) of this subsection.

16 (b) ~~Beginning~~ In addition to the contribution required  
17 under subdivision (c) of this subsection, beginning on July 1,  
18 2004, a judge who first serves as a judge on or after such date  
19 or a future member who elects to make contributions and receive  
20 benefits as provided in section 24-703.03 shall contribute monthly  
21 eight percent of his or her monthly compensation to the fund until  
22 the maximum benefit as limited by subsection (2) of section 24-710  
23 has been earned. ~~After~~ In addition to the contribution required  
24 under subdivision (c) of this subsection, after the maximum benefit  
25 as limited in subsection (2) of section 24-710 has been earned,  
26 such judge or future member shall contribute monthly four percent  
27 of his or her monthly compensation to the fund for the remainder of

1 his or her active service.

2 (c) Beginning on July 1, 2009, until July 1, 2014, a  
3 member or judge described in subdivisions (a) and (b) of this  
4 subsection shall contribute monthly an additional one percent of  
5 his or her monthly compensation to the fund.

6 ~~(e)~~ (d) It shall be the duty of the Director of  
7 Administrative Services to make a deduction on the monthly payroll  
8 of each such future member who is a judge of the Supreme Court,  
9 a judge of the Court of Appeals, a judge of the district court,  
10 a judge of a separate juvenile court, a judge of the county  
11 court, a clerk magistrate of the county court who was an associate  
12 county judge and a member of the fund at the time of his or her  
13 appointment as a clerk magistrate, or a judge of the Nebraska  
14 Workers' Compensation Court showing the amount to be deducted and  
15 its credit to the fund. This shall be done each month. The Director  
16 of Administrative Services and the State Treasurer shall credit the  
17 amount as shown on the payroll and the amounts received from the  
18 various counties to the fund and remit the same to the director in  
19 charge of the judges retirement system who shall keep an accurate  
20 record of the contributions of each judge.

21 (3) ~~A~~ Except as otherwise provided in this subsection,  
22 a Nebraska Retirement Fund for Judges fee of five dollars shall  
23 be taxed as costs in each (a) civil cause of action, criminal  
24 cause of action, traffic misdemeanor or infraction, and city or  
25 village ordinance violation filed in the district courts, the  
26 county courts, and the separate juvenile courts, (b) filing in the  
27 district court of an order, award, or judgment of the Nebraska

1 Workers' Compensation Court or any judge thereof pursuant to  
2 section 48-188, (c) appeal or other proceeding filed in the Court  
3 of Appeals, and (d) original action, appeal, or other proceeding  
4 filed in the Supreme Court. Beginning on July 1, 2009, and until  
5 July 1, 2014, such fee shall be six dollars. In county courts a sum  
6 shall be charged which is equal to ten percent of each fee provided  
7 by sections 33-125, 33-126.02, 33-126.03, and 33-126.06, rounded to  
8 the nearest even dollar. No judges retirement fee shall be charged  
9 for filing a report pursuant to sections 33-126.02 and 33-126.06.  
10 When collected by the clerk of the district or county court, such  
11 fees shall be paid and information submitted to the director in  
12 charge of the judges retirement system on forms prescribed by the  
13 board by the clerk within ten days after the close of each calendar  
14 quarter. The board may charge a late administrative processing fee  
15 not to exceed twenty-five dollars if the information is not timely  
16 received or the money is delinquent. In addition, the board may  
17 charge a late fee of thirty-eight thousandths of one percent of the  
18 amount required to be submitted pursuant to this section for each  
19 day such amount has not been received. Such director shall promptly  
20 thereafter remit the same to the State Treasurer for credit to  
21 the fund. No Nebraska Retirement Fund for Judges fee which is  
22 uncollectible for any reason shall be waived by a county judge as  
23 provided in section 29-2709.

24 (4) All expenditures from the fund shall be authorized by  
25 voucher in the manner prescribed in section 24-713. The fund shall  
26 be used for the payment of all annuities and other benefits and for  
27 the expenses of administration.

1           (5) The fund shall consist of the total fund as of  
2 December 25, 1969, the contributions of members as provided in this  
3 section, all supplementary court fees as provided in subsection (3)  
4 of this section, and any required contributions of the state.

5           (6) Not later than January 1 of each year, the State  
6 Treasurer shall transfer to the fund the amount certified by the  
7 board as being necessary to pay the cost of any benefits accrued  
8 during the fiscal year ending the previous June 30 in excess  
9 of member contributions for that fiscal year and court fees as  
10 provided in subsection (3) of this section and fees pursuant to  
11 sections 25-2804, 33-103, 33-103.01, 33-106, 33-106.02, 33-123,  
12 33-125, 33-126.02, 33-126.03, and 33-126.06 and directed to be  
13 remitted to the fund, if any, for that fiscal year plus any  
14 required contributions of the state as provided in subsection (9)  
15 of this section.

16           (7) Benefits under the retirement system to members or to  
17 their beneficiaries shall be paid from the fund.

18           (8) Any member who is making contributions to the fund on  
19 December 25, 1969, may, on or before June 30, 1970, elect to become  
20 a future member by delivering written notice of such election to  
21 the board.

22           (9) Not later than January 1 of each year, the State  
23 Treasurer shall transfer to the fund an amount, determined on  
24 the basis of an actuarial valuation as of the previous June 30  
25 and certified by the board, to fully fund the unfunded accrued  
26 liabilities of the retirement system as of June 30, 1988, by level  
27 payments up to January 1, 2000. Such valuation shall be on the

1 basis of actuarial assumptions recommended by the actuary, approved  
2 by the board, and kept on file with the board. For the fiscal  
3 year beginning July 1, 2002, and each fiscal year thereafter,  
4 the actuary for the board shall perform an actuarial valuation  
5 of the system using the entry age actuarial cost method. Under  
6 this method, the actuarially required funding rate is equal to the  
7 normal cost rate, plus the contribution rate necessary to amortize  
8 the unfunded actuarial accrued liability on a level payment basis.  
9 The normal cost under this method shall be determined for each  
10 individual member on a level percentage of salary basis. The normal  
11 cost amount is then summed for all members. The initial unfunded  
12 actual accrued liability as of July 1, 2002, if any, shall be  
13 amortized over a twenty-five-year period. Prior to July 1, 2006,  
14 changes in the funded actuarial accrued liability due to changes  
15 in benefits, actuarial assumptions, the asset valuation method, or  
16 actuarial gains or losses shall be measured and amortized over a  
17 twenty-five-year period beginning on the valuation date of such  
18 change. Beginning July 1, 2006, any existing unfunded liabilities  
19 shall be reinitialized and amortized over a thirty-year period,  
20 and during each subsequent actuarial valuation, changes in the  
21 funded actuarial accrued liability due to changes in benefits,  
22 actuarial assumptions, the asset valuation method, or actuarial  
23 gains or losses shall be measured and amortized over a thirty-year  
24 period beginning on the valuation date of such change. If the  
25 unfunded actuarial accrued liability under the entry age actuarial  
26 cost method is zero or less than zero on an actuarial valuation  
27 date, then all prior unfunded actuarial accrued liabilities shall

1 be considered fully funded and the unfunded actuarial accrued  
2 liability shall be reinitialized and amortized over a thirty-year  
3 period as of the actuarial valuation date. If the actuarially  
4 required contribution rate exceeds the rate of all contributions  
5 required pursuant to the Judges Retirement Act, there shall be a  
6 supplemental appropriation sufficient to pay for the differences  
7 between the actuarially required contribution rate and the rate of  
8 all contributions required pursuant to the Judges Retirement Act.

9 (10) The state or county shall pick up the member  
10 contributions required by this section for all compensation paid  
11 on or after January 1, 1985, and the contributions so picked up  
12 shall be treated as employer contributions in determining federal  
13 tax treatment under the Internal Revenue Code as defined in section  
14 49-801.01, except that the state or county shall continue to  
15 withhold federal income taxes based upon these contributions until  
16 the Internal Revenue Service or the federal courts rule that,  
17 pursuant to section 414(h) of the code, these contributions shall  
18 not be included as gross income of the member until such time as  
19 they are distributed or made available. The state or county shall  
20 pay these member contributions from the same source of funds which  
21 is used in paying earnings to the member. The state or county  
22 shall pick up these contributions by a compensation deduction  
23 through a reduction in the compensation of the member. Member  
24 contributions picked up shall be treated for all purposes of the  
25 Judges Retirement Act in the same manner and to the extent as  
26 member contributions made prior to the date picked up.

27 Sec. 3. Sections 2 and 6 of this act become operative on

1 July 1, 2009. The other sections of this act become operative on  
2 their effective date.

3           Sec. 4. This act shall be considered a complete act  
4 and its provisions inseverable. If any provision of this act is  
5 declared unconstitutional, the entire act shall be invalid.

6           Sec. 6. Original section 24-703, Reissue Revised Statutes  
7 of Nebraska, is repealed.

8           2. Renumber the remaining sections accordingly.