

AMENDMENTS TO LB 188

Introduced by Nebraska Retirement Systems.

1           1. Insert the following new sections:

2           Sec. 7. Section 81-2017, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           81-2017 (1) Commencing July 1, ~~2005~~, 2009, each officer  
5 while in the service of the Nebraska State Patrol shall pay or have  
6 paid on his or her behalf a sum equal to ~~thirteen~~ fifteen percent  
7 of his or her monthly compensation. Such amounts shall be deducted  
8 monthly by the Director of Administrative Services who shall draw  
9 a warrant monthly in the amount of the total deductions from the  
10 compensation of members of the Nebraska State Patrol in accordance  
11 with subsection (4) of this section, and the State Treasurer shall  
12 credit the amount of such warrant to the State Patrol Retirement  
13 Fund. The director shall cause a detailed report of all monthly  
14 deductions to be made each month to the board.

15           (2) In addition, commencing July 1, 2005, there shall  
16 be assessed against the appropriation of the Nebraska State Patrol  
17 a sum equal to the amount of fifteen percent of each officer's  
18 monthly compensation which shall be credited to the State Patrol  
19 Retirement Fund.

20           (3) For the fiscal year beginning on July 1, 2002,  
21 and each fiscal year thereafter, the actuary for the board shall  
22 perform an actuarial valuation of the system using the entry  
23 age actuarial cost method. Under this method, the actuarially

1 required funding rate is equal to the normal cost rate, plus  
2 the contribution rate necessary to amortize the unfunded actuarial  
3 accrued liability on a level payment basis. The normal cost under  
4 this method shall be determined for each individual member on  
5 a level percentage of salary basis. The normal cost amount is  
6 then summed for all members. Beginning July 1, 2006, any existing  
7 unfunded liabilities shall be reinitialized and amortized over a  
8 thirty-year period, and during each subsequent actuarial valuation,  
9 changes in the funded actuarial accrued liability due to changes  
10 in benefits, actuarial assumptions, the asset valuation method, or  
11 actuarial gains or losses shall be measured and amortized over  
12 a thirty-year period beginning on the valuation date of such  
13 change. If the unfunded actuarial accrued liability under the  
14 entry age actuarial cost method is zero or less than zero on  
15 an actuarial valuation date, then all prior unfunded actuarial  
16 accrued liabilities shall be considered fully funded and the  
17 unfunded actuarial accrued liability shall be reinitialized and  
18 amortized over a thirty-year period as of the actuarial valuation  
19 date. If the actuarially required contribution rate exceeds the  
20 rate of all contributions required pursuant to the Nebraska State  
21 Patrol Retirement Act, there shall be a supplemental appropriation  
22 sufficient to pay for the differences between the actuarially  
23 required contribution rate and the rate of all contributions  
24 required pursuant to the Nebraska State Patrol Retirement Act.  
25 Such valuation shall be on the basis of actuarial assumptions  
26 recommended by the actuary, approved by the board, and kept on file  
27 with the board.

1           (4) The state shall pick up the member contributions  
2 required by this section for all compensation paid on or after  
3 January 1, 1985, and the contributions so picked up shall  
4 be treated as employer contributions in determining federal tax  
5 treatment under the Internal Revenue Code as defined in section  
6 49-801.01, except that the state shall continue to withhold federal  
7 income taxes based upon these contributions until the Internal  
8 Revenue Service or the federal courts rule that, pursuant to  
9 section 414(h) of the code, these contributions shall not be  
10 included as gross income of the member until such time as they  
11 are distributed or made available. The state shall pay these  
12 member contributions from the same source of funds which is used  
13 in paying earnings to the member. The state shall pick up these  
14 contributions by a compensation deduction through a reduction in  
15 the cash compensation of the member. Member contributions picked  
16 up shall be treated for all purposes of the Nebraska State Patrol  
17 Retirement Act in the same manner and to the extent as member  
18 contributions made prior to the date picked up.

19           Sec. 20. This act becomes operative on July 1, 2009.

20           Sec. 22. Since an emergency exists, this act takes effect  
21 when passed and approved according to law.

22           2. On page 28, line 23, strike "under section  
23 84-1313.01".

24           3. Renumber the remaining sections and correct internal  
25 references and the repealer accordingly.