

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 187

Introduced by Nebraska Retirement Systems Committee Pankonin, 2,
Chairperson; Heidemann, 1; Karpisek, 32; Loudon, 49;
Mello, 5; Nordquist, 7.

Read first time January 12, 2009

Committee: Nebraska Retirement Systems

A BILL

1 FOR AN ACT relating to the School Employees Retirement Act;
2 to amend section 79-958, Reissue Revised Statutes of
3 Nebraska; to change and eliminate provisions relating to
4 employee deposits into the School Retirement Fund; and to
5 repeal the original section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-958, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-958 (1) ~~Beginning on September 1, 2006, and ending~~
4 ~~August 31, 2007, for the purpose of providing the funds to pay~~
5 ~~for formula annuities, every employee shall be required to deposit~~
6 ~~in the School Retirement Fund seven and eighty-three hundredths~~
7 ~~percent of compensation.~~ Beginning on September 1, 2007, and
8 ending August 31, 2010, for the purpose of providing the funds
9 to pay for formula annuities, every employee shall be required
10 to deposit in the School Retirement Fund seven and twenty-eight
11 hundredths percent of compensation. Beginning on September 1,
12 2010, and ending August 31, 2011, for the purpose of providing
13 the funds to pay for formula annuities, every employee shall be
14 required to deposit in the School Retirement Fund xxx percent of
15 compensation. Beginning on September 1, 2011, for the purpose of
16 providing the funds to pay for formula annuities, every employee
17 shall be required to deposit in the School Retirement Fund seven
18 and twenty-eight hundredths percent of compensation. Such deposits
19 shall be transmitted at the same time and in the same manner as
20 required employer contributions.

21 (2) For the purpose of providing the funds to pay for
22 formula annuities, every employer shall be required to deposit
23 in the School Retirement Fund one hundred one percent of the
24 required contributions of the school employees of each employer.
25 Such deposits shall be transmitted to the retirement board at

1 the same time and in the same manner as such required employee
2 contributions.

3 (3) The employer shall pick up the member contributions
4 required by this section for all compensation paid on or after
5 January 1, 1986, and the contributions so picked up shall
6 be treated as employer contributions in determining federal tax
7 treatment under the Internal Revenue Code as defined in section
8 49-801.01, except that the employer shall continue to withhold
9 federal income taxes based upon these contributions until the
10 Internal Revenue Service or the federal courts rule that, pursuant
11 to section 414(h) of the code, these contributions shall not be
12 included as gross income of the member until such time as they
13 are distributed or made available. The employer shall pay these
14 member contributions from the same source of funds which is used
15 in paying earnings to the member. The employer shall pick up these
16 contributions by a compensation deduction through a reduction in
17 the cash compensation of the member. Member contributions picked
18 up shall be treated for all purposes of the School Employees
19 Retirement Act in the same manner and to the same extent as member
20 contributions made prior to the date picked up.

21 (4) The employer shall pick up the member contributions
22 made through irrevocable payroll deduction authorizations pursuant
23 to sections 79-921, 79-933.03 to 79-933.06, and 79-933.08, and
24 the contributions so picked up shall be treated as employer
25 contributions in the same manner as contributions picked up under

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1 subsection (3) of this section.

2 Sec. 2. Original section 79-958, Reissue Revised Statutes

3 of Nebraska, is repealed.