

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 366

Introduced by Pankonin, 2.

Read first time January 16, 2009

Committee: Nebraska Retirement Systems

A BILL

1 FOR AN ACT relating to the State Employees Retirement Act; to amend
2 section 84-1308, Reissue Revised Statutes of Nebraska; to
3 increase the mandatory contribution rate; to provide an
4 operative date; to repeal the original section; and to
5 declare an emergency.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 84-1308, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 84-1308 (1) ~~Each~~ Beginning July 1, 2009, each employee
4 who is a member of the retirement system shall pay or have paid
5 on his or her behalf a sum equal to ~~four and eight-tenths~~ five
6 percent of his or her monthly compensation. Such amounts shall
7 be deducted monthly pursuant to subsection (2) of this section by
8 the Director of Administrative Services. All money received shall
9 be set aside by the State Treasurer and credited to the State
10 Employees Retirement Fund.

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

1 shall be treated for all purposes of the State Employees Retirement
2 Act in the same manner and to the extent as employee contributions
3 made prior to the date picked up.

4 Sec. 2. This act becomes operative on July 1, 2009.

5 Sec. 3. Original section 84-1308, Reissue Revised
6 Statutes of Nebraska, is repealed.

7 Sec. 4. Since an emergency exists, this act takes effect
8 when passed and approved according to law.