

AMENDMENTS TO LB 1082

Introduced by Nebraska Retirement Systems

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

3           Section 1. Section 16-1001, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5           16-1001 Sections 16-1001 to 16-1019 shall be known and  
6 may be cited as the Police Officers Retirement Act and shall apply  
7 to all police officers of a city of the first class.

8           Sec. 2. Section 16-1002, Reissue Revised Statutes of  
9 Nebraska, is amended to read:

10           16-1002 For purposes of ~~sections 16-1001 to 16-1019,~~  
11 the Police Officers Retirement Act, unless the context otherwise  
12 requires:

13           (1) Actuarial equivalent ~~shall mean~~ means equality in  
14 value of the aggregate amount of benefit expected to be received  
15 under different forms of benefit or at different times determined  
16 as of a given date as adopted by the city or the retirement  
17 committee for use by the retirement system. Actuarial equivalencies  
18 ~~shall be~~ are specified in the funding medium established for the  
19 retirement system, except that if benefits under the retirement  
20 system are obtained through the purchase of an annuity contract,  
21 the actuarial equivalent of any such form of benefit ~~shall be~~  
22 is the amount of pension benefit which can be purchased or  
23 otherwise provided by the police officer's retirement value.

1 All actuarial and mortality assumptions adopted by the city or  
2 retirement committee ~~shall be~~ are on a sex-neutral basis;

3 (2) Beneficiary ~~shall mean~~ means the person or persons  
4 designated by a police officer, pursuant to a written instrument  
5 filed with the retirement committee before the police officer's  
6 death, to receive death benefits which may be payable under the  
7 retirement system;

8 (3) Funding agent ~~shall mean~~ means any bank, trust  
9 company, life insurance company, thrift institution, credit union,  
10 or investment management firm selected by the city or retirement  
11 committee to hold or invest the funds of the retirement system;

12 (4) Regular interest ~~shall mean~~ means the rate of  
13 interest earned each calendar year ~~commencing January 1, 1984,~~  
14 equal to the rate of net earnings realized for the calendar year  
15 from investments of the retirement fund. Net earnings ~~shall mean~~  
16 means the amount by which income or gain realized from investments  
17 of the retirement fund exceeds the amount of any realized losses  
18 from such investments during the calendar year;

19 (5) Regular pay ~~shall mean~~ the average salary of a police  
20 officer for the five years preceding the date such police officer  
21 elects to retire, the five years preceding his or her death, or  
22 the five years preceding the date of disability, whichever is  
23 earliest, except that for any police officer who retires, dies,  
24 or becomes disabled after July 15, 1992, regular pay shall mean  
25 means the average salary of the police officer for the period of  
26 five consecutive years preceding such elective retirement, death,  
27 or date of disability which produces the highest average;

1           (6) Salary ~~shall mean~~ means all amounts paid to a  
2 participating police officer by the employing city for personal  
3 services as reported on the participant's federal income tax  
4 withholding statement, including the police officer's contributions  
5 picked up by the city as provided in subsection (2) of section  
6 16-1005 and any salary reduction contributions which are excludable  
7 from income for federal income tax purposes pursuant to section 125  
8 or 457 of the Internal Revenue Code;

9           (7) Retirement committee ~~shall mean~~ means the retirement  
10 committee created pursuant to section 16-1014;

11           (8) Retirement system ~~shall mean~~ means a retirement  
12 system established pursuant to ~~sections 16-1001 to 16-1019,~~ the  
13 act;

14           (9) Retirement value ~~shall mean~~ means the accumulated  
15 value of the police officer's employee account and employer  
16 account. The retirement value ~~shall consist~~ consists of the sum  
17 of the contributions made or transferred to such accounts by the  
18 police officer and by the city on the police officer's behalf and  
19 the regular interest credited to the accounts as of the date of  
20 computation, reduced by any realized losses which were not taken  
21 into account in determining regular interest in any year, and  
22 further adjusted each year to reflect the pro rata share for the  
23 accounts of the appreciation or depreciation of the fair market  
24 value of the assets of the retirement system as determined by the  
25 retirement committee. The retirement value ~~shall be~~ is reduced by  
26 the amount of all distributions made to or on the behalf of the  
27 police officer from the retirement system. Such valuation ~~shall~~

1 ~~be~~ is computed annually as of December 31. If separate investment  
2 accounts are established pursuant to subsection (3) of section  
3 16-1004, a police officer's retirement value with respect to such  
4 accounts ~~shall be~~ is equal to the value of his or her separate  
5 investment accounts as determined under such subsection;

6 (10) Annuity contract ~~shall mean~~ means the contract or  
7 contracts issued by one or more life insurance companies and  
8 purchased by the retirement system in order to provide any of  
9 the benefits described in ~~sections 16-1001 to 16-1019.~~ the act.  
10 Annuity conversion rates contained in any such contract ~~shall be~~  
11 are specified on a sex-neutral basis; and

12 (11) Straight life annuity ~~shall mean~~ means an ordinary  
13 annuity payable for the life of the primary annuitant only and  
14 terminating at his or her death without refund or death benefit of  
15 any kind.

16 Sec. 3. Section 16-1003, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18 16-1003 A police officer shall be credited with all years  
19 of his or her service after the year 1965 for the purpose of  
20 determining vested retirement benefits under ~~sections 16-1001 to~~  
21 ~~16-1019.~~ the Police Officers Retirement Act.

22 Sec. 4. Section 16-1004, Reissue Revised Statutes of  
23 Nebraska, is amended to read:

24 16-1004 (1) ~~Commencing on January 1, 1984,~~ Each city  
25 of the first class shall keep and maintain a Police Officers  
26 Retirement System Fund for the purpose of investing payroll  
27 deductions and city contributions to the retirement system. The

1 fund shall be maintained separate and apart from all city money and  
2 funds. The fund shall be administered under the direction of the  
3 city and the retirement committee exclusively for the purposes of  
4 the retirement system and for the benefit of participating police  
5 officers and their beneficiaries. The fund shall be established as  
6 a trust under the laws of this state for all purposes of section  
7 401(a) of the Internal Revenue Code. ~~Upon the passage of sections~~  
8 ~~16-1001 to 16-1019 all of the contributions made by a police~~  
9 ~~officer prior to January 1, 1984, will be transferred to the police~~  
10 ~~officer's employee account without interest unless the city, at~~  
11 ~~the time of the transfer, credited interest on such contributions.~~  
12 Regular interest shall ~~begin to~~ accrue on the any contributions  
13 transferred into the fund. ~~from January 1, 1984.~~ Such funds shall  
14 be invested in the manner prescribed in section 16-1016.

15 (2) The city shall establish a medium for funding of the  
16 retirement system, which may be a pension trust fund, custodial  
17 account, group annuity contract, or combination thereof, for the  
18 purpose of investing money for the retirement system in the manner  
19 prescribed by section 16-1016 and to provide the retirement, death,  
20 and disability benefits for police officers pursuant to ~~sections~~  
21 ~~16-1001 to 16-1019.~~ the Police Officers Retirement Act. The trustee  
22 or custodian of any trust fund may be a designated funding agent  
23 which is qualified to act as a fiduciary or custodian in this  
24 state, the city treasurer, a city officer authorized to administer  
25 funds of the city, or a combination thereof.

26 (3) Upon direction of the city, there may be established  
27 separate investment accounts for each participating police officer

1 for the purpose of allowing each police officer to direct the  
2 investment of all or a portion of his or her employee account or  
3 employer account subject to the requirements of section 16-1016  
4 and any other rules or limitations that may be established by  
5 the city or the retirement committee. If separate investment  
6 accounts are established, each account shall be separately invested  
7 and reinvested, separately credited with all earnings and gains  
8 with respect to the investment of the assets of the investment  
9 account, and separately debited with the losses of the account.  
10 Each investment account shall be adjusted each year to reflect the  
11 appreciation or depreciation of the fair market value of the assets  
12 held in such account as determined by the retirement committee. The  
13 expenses incurred by the retirement system when a police officer  
14 directs the investment of all or a portion of his or her individual  
15 investment account shall be charged against the police officer's  
16 investment account and shall reduce the police officer's retirement  
17 value.

18           Sec. 5. Section 16-1005, Reissue Revised Statutes of  
19 Nebraska, is amended to read:

20           16-1005 ~~(1)~~ Each (1) Until January 1, 2013, each police  
21 officer participating in the retirement system shall contribute  
22 to the retirement system a sum equal to six percent of his or  
23 her salary. Beginning January 1, 2013, each police officer shall  
24 contribute to the retirement system a sum equal to at least six and  
25 one-half percent of his or her salary. Beginning January 1, 2013,  
26 each city of the first class may by ordinance mandate an increase  
27 in such contribution as part of the retirement system. Such payment

1 shall be made by regular payroll deductions from ~~his or her~~ the  
2 police officer's periodic salary and shall be credited to his or  
3 her employee account on a monthly basis. Each such account shall  
4 also be credited with regular interest.

5 (2) Each city of the first class ~~with police officers~~  
6 ~~participating in a retirement system established pursuant to~~  
7 ~~sections 16-1001 to 16-1019~~ shall pick up the police officers'  
8 contributions required by subsection (1) of this section, including  
9 any mandatory contribution increase implemented by the city,  
10 ~~for all compensation paid on or after January 1, 1984,~~ and  
11 the contributions so picked up shall be treated as employer  
12 contributions in determining federal tax treatment under the  
13 Internal Revenue Code, except that the city shall continue to  
14 withhold federal income taxes based upon these contributions until  
15 the Internal Revenue Service or the federal courts rule that,  
16 pursuant to section 414(h) of the Internal Revenue Code, these  
17 contributions shall not be included as gross income of the employee  
18 until such time as they are distributed from the retirement system.  
19 The city shall pay these employee contributions from the same  
20 source of funds which is used in paying earnings to the employee.  
21 The city shall pick up these contributions by a salary deduction  
22 either through a reduction in the cash salary of the employee or  
23 a combination of a reduction in salary and offset against a future  
24 salary increase. A police officer shall not be given an option to  
25 choose to receive the amount of the required contribution in lieu  
26 of having such contribution paid directly to the retirement system.

27 (3) Each police officer ~~participating in the retirement~~

1 ~~system~~ shall be entitled to make voluntary cash contributions to  
2 the retirement system in an amount not to exceed the contribution  
3 limitations established by the Internal Revenue Code. Voluntary  
4 contributions shall be credited to the police officer's employee  
5 account and shall thereafter be credited with regular interest.  
6 A police officer's voluntary contribution shall become a part of  
7 the Police Officers Retirement System Fund and shall be held,  
8 administered, invested, and distributed in the same manner as any  
9 other employee contribution to the retirement system.

10           Sec. 6. Section 16-1006, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12           16-1006 ~~Beginning January 1, 1984, each~~ Each city of  
13 the first class ~~with police officers participating in a retirement~~  
14 ~~system~~ shall contribute to the retirement system a sum equal to  
15 ~~six~~ one hundred percent of the amounts deducted, in accordance with  
16 subsection (1) of section 16-1005, from each such participating  
17 police officer's periodic salary. Such payment shall be contributed  
18 as provided in subsection (1) of section 16-1005 for employee  
19 contributions and shall be credited to ~~his or her~~ the police  
20 officer's employer account on a monthly basis. Each such account  
21 shall also be credited with regular interest. The city shall also  
22 contribute to the employer account of any police officer employed  
23 by the city on January 1, 1984, an amount equal to the employee  
24 contributions of such police officer that were made to the city  
25 prior to January 1, 1984, without interest, with such contribution  
26 to be made at the time the police officer retires or terminates  
27 employment with the city. The city may contribute such amount



1 before the police officer's retirement or termination of employment  
2 or credit interest on such contribution.

3 Sec. 7. Section 16-1007, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5 16-1007 (1) At any time before the retirement date,  
6 the retiring police officer may elect to receive at his or her  
7 retirement date a pension benefit either in the form of a straight  
8 life annuity or any optional form of annuity benefit established  
9 by the retirement committee and provided under a purchased annuity  
10 contract. The optional annuity benefit shall be specified in the  
11 funding medium for the retirement system and shall include a  
12 straight life annuity with a guarantee of at least sixty monthly  
13 payments or an annuity payable for the life of the retiring police  
14 officer and, after the death of the retiree, monthly payments,  
15 as elected by the retiring police officer, of either one hundred  
16 percent, seventy-five percent, or fifty percent of the amount of  
17 annuity payable to the retiring police officer during his or her  
18 life, to the beneficiary selected by the retiring police officer at  
19 the time of the original application for an annuity. ~~For any police~~  
20 ~~officer whose retirement date is on or after January 1, 1997, the~~  
21 The optional benefit forms for the retirement system shall include  
22 a single lump-sum payment of the police officer's retirement value.  
23 ~~For police officers whose retirement date is prior to January 1,~~  
24 ~~1997, a single lump-sum payment shall be available only if the~~  
25 ~~city has adopted such distribution option in the funding medium~~  
26 ~~established for the retirement system.~~ The retiring police officer  
27 may further elect to defer the date of the first annuity payment

1 or lump-sum payment to the first day of any specified month prior  
2 to age seventy. If the retiring police officer elects to receive  
3 his or her pension benefit in the form of an annuity, the amount  
4 of annuity benefit shall be the amount paid by the annuity contract  
5 purchased or otherwise provided by his or her retirement value  
6 as of the date of the first payment. Any such annuity contract  
7 purchased by the retirement system may be distributed to the  
8 police officer and, upon such distribution, all obligations of the  
9 retirement system to pay retirement, death, or disability benefits  
10 to the police officer and his or her beneficiaries shall terminate,  
11 without exception.

12 (2) For all officers employed on January 1, 1984, and  
13 continuously employed by the city from such date through the  
14 date of their retirement, the amount of the pension benefit, when  
15 determined on the straight life annuity basis, shall not be less  
16 than the following amounts:

17 (a) If retirement occurs following age sixty and with  
18 twenty-five years of service with the city, ~~or twenty-one years~~  
19 ~~of service if hired prior to November 18, 1965,~~ fifty percent of  
20 regular pay; or

21 (b) If retirement occurs following age fifty-five but  
22 before age sixty and with twenty-five years of service with the  
23 city, forty percent of regular pay.

24 A police officer entitled to a minimum pension benefit  
25 under this subsection may elect to receive such pension benefit in  
26 any form permitted by subsection (1) of this section, including  
27 a single lump-sum payment,    if the officer retires on or after

1 ~~January 1, 1997, or if the city has adopted a lump-sum distribution~~  
2 ~~option for officers retiring before January 1, 1997, in the funding~~  
3 ~~medium for the retirement system.~~ If the minimum pension benefit  
4 is paid in a form other than a straight life annuity, such benefit  
5 shall be the actuarial equivalent of the straight life annuity that  
6 would otherwise be paid to the officer pursuant to this subsection.

7           If the police officer chooses the single lump-sum payment  
8 option, the officer can request that the actuarial equivalent  
9 be equal to the average of the cost of three annuity contracts  
10 purchased on the open market. Of the three annuity contracts used  
11 for comparison, one shall be chosen by the police officer, one  
12 shall be chosen by the retirement committee, and one shall be  
13 chosen by the city.

14           (3) If the retirement value of an officer entitled to a  
15 minimum pension benefit under subsection (2) of this section is not  
16 sufficient at the time of the first payment to purchase or provide  
17 the required pension benefit, the city shall transfer such funds as  
18 may be necessary to the employer account of the police officer so  
19 that the retirement value of such officer is sufficient to purchase  
20 or provide for the required pension benefit.

21           (4) Any retiring police officer whose pension benefit  
22 is less than twenty-five dollars per month on the straight life  
23 annuity option shall be paid a lump-sum settlement equal to the  
24 retirement value and shall not be entitled to elect to receive  
25 annuity benefits.

26           Sec. 8. Section 16-1009, Reissue Revised Statutes of  
27 Nebraska, is amended to read:

1                   16-1009 (1) When prior to retirement any police officer  
2 ~~participating in the retirement system~~ dies other than in the line  
3 of duty and except as provided in subsection (2) of this section,  
4 the entire retirement value shall be payable to the beneficiary  
5 or beneficiaries specified by the deceased police officer prior  
6 to his or her death or to the deceased police officer's estate  
7 if no beneficiary was specified. The retirement value or portion  
8 thereof to be received by the beneficiary may be paid in the  
9 form of a single lump-sum payment, straight life annuity, or other  
10 optional form of benefit specified in the retirement system's  
11 funding medium. If benefits are paid in the form of an annuity, the  
12 annuity shall be the amount paid by the annuity contract purchased  
13 or otherwise provided by the amount of the beneficiary's share  
14 of the retirement value as of the date of the first payment.  
15 Upon the purchase and distribution of such annuity contract to  
16 the beneficiary, all obligations of the retirement system to the  
17 beneficiary shall terminate, without exception.

18                   (2) If any police officer employed by such city as a  
19 member of its paid police department on January 1, 1984, except  
20 those who ~~shall have been~~ were formerly employed in such department  
21 who are now in military service, dies while employed by the city as  
22 a police officer, other than in the line of duty, after becoming  
23 fifty-five years of age and before electing to retire, and after  
24 serving in the paid police department of such city for at least  
25 twenty-one years, then a pension of at least twenty-five percent  
26 of his or her regular pay in the form of a straight life annuity  
27 shall be paid to the surviving spouse of such deceased police

1 officer. If the deceased police officer is not survived by a spouse  
2 or if the surviving spouse dies before the children of the police  
3 officer attain the age of majority, the pension benefit shall be  
4 paid to the police officer's minor children until they attain the  
5 age of majority. Each such child shall share equally in the total  
6 pension benefit to the age of his or her majority, except that as  
7 soon as a child attains the age of majority, such pension as to  
8 such child shall cease. To the extent that the retirement value  
9 at the date of death exceeds the amount required to purchase the  
10 specified pension, the excess shall be paid in the manner provided  
11 in subsection (1) of this section. If the actuarial equivalent  
12 of the pension benefit payable under this subsection exceeds the  
13 retirement value at the time of the first payment, the city shall  
14 contribute such additional amounts as may be necessary to purchase  
15 or provide for the required pension benefit. If a deceased police  
16 officer described in this subsection is not survived by a spouse or  
17 minor children, his or her death benefits shall be provided under  
18 subsection (1) of this section as if such officer was not employed  
19 by the city on January 1, 1984.

20 (3) Any payments for the benefit of a minor child shall  
21 be made on behalf of the child to the surviving parent or, if there  
22 is no surviving parent, to the legal guardian of the child.

23 Sec. 9. Section 16-1010, Reissue Revised Statutes of  
24 Nebraska, is amended to read:

25 16-1010 When prior to retirement any police officer  
26 ~~participating in the retirement system~~ dies in the line of duty or  
27 ~~in case~~ his or her death is caused by or is the result of injuries

1 received while in the line of duty and if such police officer  
2 is not survived by a spouse or by minor children, the entire  
3 retirement value shall be payable to the beneficiary specified by  
4 the deceased police officer prior to his or her death or to the  
5 deceased police officer's estate if no beneficiary was specified.  
6 The retirement value or portion thereof to be received by the  
7 beneficiary may be paid in the form of a single lump-sum payment,  
8 straight life annuity, or other optional form of benefit specified  
9 in the retirement system's funding medium. For a police officer who  
10 is survived by a spouse or minor children, a retirement pension  
11 of fifty percent of regular pay shall be paid to the surviving  
12 spouse or, upon his or her remarriage or death, to the minor  
13 children during each child's minority subject to deduction of the  
14 amounts paid as workers' compensation benefits on account of death  
15 as provided in section 16-1012. Each such child shall share equally  
16 in the total pension benefit to the age of his or her majority,  
17 except that as soon as a child attains the age of majority, such  
18 pension as to such child shall cease. Any payments for the benefit  
19 of a minor child shall be made on behalf of such child to the  
20 surviving parent or, if there is no surviving parent, to the legal  
21 guardian of the child. To the extent that the retirement value  
22 at the date of death exceeds the amount required to purchase or  
23 provide the specified retirement pension, as reduced by any amounts  
24 paid as workers' compensation benefits, the excess shall be paid in  
25 the manner provided in subsection (1) of section 16-1009. If the  
26 actuarial equivalent of the pension benefit payable to a surviving  
27 spouse or minor children under this section exceeds the retirement

1 value at the time of the first payment, the city shall contribute  
2 such additional amount as may be necessary to purchase or provide  
3 for the required pension benefit.

4 Sec. 10. Section 16-1012, Reissue Revised Statutes of  
5 Nebraska, is amended to read:

6 16-1012 No police officer shall be entitled during any  
7 period of temporary disability to receive in full both his or  
8 her salary and his or her benefits under the Nebraska Workers'  
9 Compensation Act. All Nebraska workers' compensation benefits shall  
10 be payable in full to such police officer as provided in the  
11 Nebraska Workers' Compensation Act, but all amounts paid by the  
12 city or its insurer under the Nebraska Workers' Compensation Act  
13 to any disabled police officer entitled to receive a salary during  
14 such disability shall be considered as payments on account of such  
15 salary and shall be credited thereon. The remaining balance of such  
16 salary, if any, shall be payable as otherwise provided in sections  
17 ~~16-1001 to 16-1019.~~ the Police Officers Retirement Act.

18 Sec. 11. Section 16-1013, Reissue Revised Statutes of  
19 Nebraska, is amended to read:

20 16-1013 (1) If a police officer quits or is discharged  
21 before his or her normal or early retirement date, the officer  
22 may request and receive as a lump-sum payment an amount equal  
23 to the retirement value of his or her employee account as  
24 determined at the valuation date preceding his or her termination  
25 of employment. Such police officer, if vested, shall also receive  
26 a deferred pension benefit in an amount purchased or provided by  
27 the retirement value at the date of retirement. The retirement

1 value at such retirement date shall consist of the accumulated  
2 value of the police officer's employee account, as reduced by  
3 any lump-sum distributions received prior to retirement, together  
4 with a vested percentage of the accumulated value of the police  
5 officer's employer account at the date of retirement.

6 ~~The~~ (2) Until January 1, 2013, the vesting schedule shall  
7 be as follows:

8 ~~(1)~~ (a) If the terminated police officer has been a  
9 member of the system for less than four years, such vesting shall  
10 be nil;

11 ~~(2)~~ (b) If the terminating officer has been a member of  
12 the paid department of the city of the first class for at least  
13 four years, such vesting percentage shall be forty percent. Such  
14 vesting percentage shall be fifty percent after five years, sixty  
15 percent after six years, seventy percent after seven years, eighty  
16 percent after eight years, ninety percent after nine years, and one  
17 hundred percent after ten years; and

18 ~~(3)~~ (c) All police officers shall be one hundred percent  
19 vested upon attainment of age sixty while employed by the city as  
20 a police officer.

21 (3) Beginning January 1, 2013, the vesting schedule shall  
22 be as follows:

23 (a) If the terminated police officer has been a member of  
24 the system for less than two years, such vesting shall be nil;

25 (b) If the terminating officer has been a member of the  
26 paid department of the city of the first class for at least two  
27 years, such vesting percentage shall be forty percent. Such vesting



1 percentage shall be sixty percent after four years, eighty percent  
2 after five years, and one hundred percent after seven years; and

3 (c) All police officers shall be one hundred percent  
4 vested upon attainment of age sixty while employed by the city as  
5 a police officer.

6 (4) The deferred pension benefit shall be payable on  
7 the first of the month immediately following the police officer's  
8 sixtieth birthday. At the option of the terminating police officer,  
9 such pension benefit may be paid as of the first of the month after  
10 such police officer attains the age of fifty-five. Such election  
11 may be made by the police officer any time prior to the payment  
12 of the pension benefits. The deferred pension benefit shall be  
13 paid in the form of the benefit options specified in subsection  
14 (1) of section 16-1007 as elected by the police officer. If the  
15 police officer's vested retirement value at the date of his or her  
16 termination of employment is less than three thousand five hundred  
17 dollars, the city may elect to pay such police officer his or her  
18 vested retirement value in the form of a single lump-sum payment.

19 Effective January 1, 1997, a (5) A police officer may  
20 elect upon his or her termination of employment to receive his  
21 or her vested retirement value in the form of a single lump-sum  
22 payment. ~~For a police officer whose termination of employment~~  
23 ~~is prior to January 1, 1997, this election shall be available~~  
24 ~~only if the city has adopted a lump-sum distribution option for~~  
25 ~~terminating police officers in the funding medium established for~~  
26 ~~the retirement system.~~

27 (6) Upon any lump-sum payment of a terminating police

1 officer's retirement value under this section, such police officer  
2 will not be entitled to any deferred pension benefit and the city  
3 and the retirement system shall have no further obligation to pay  
4 such police officer or his or her beneficiaries any benefits under  
5 ~~sections 16-1001 to 16-1019.~~ the Police Officers Retirement Act.

6 (7) If the terminating police officer is not credited  
7 with one hundred percent of his or her employer account, the  
8 nonvested portion of the account shall be forfeited and first used  
9 to meet the expense charges incurred by the city in connection  
10 with administering the police officers retirement system and the  
11 remainder shall then be used to reduce the city contribution which  
12 would otherwise be required to fund pension benefits.

13 Sec. 12. Section 16-1014, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15 16-1014 A retirement committee shall be established  
16 to supervise the general operation of the retirement system  
17 established pursuant to ~~sections 16-1001 to 16-1019.~~ the Police  
18 Officers Retirement Act. The governing body of the city shall  
19 continue to be responsible for the general administration of  
20 such retirement system unless specific functions or all functions  
21 with regard to the administration of the retirement system are  
22 delegated, by ordinance, to the retirement committee. Whenever  
23 duties or powers are vested in the city or the retirement committee  
24 under ~~such sections~~ the act or whenever ~~such sections fail~~ the  
25 act fails to specifically allocate the duties or powers of  
26 administration of the retirement system, such powers or duties  
27 shall be vested in the city unless such powers or duties have been

1 delegated by ordinance to the retirement committee. The city and  
2 the retirement committee shall have all powers which are necessary  
3 for or appropriate to establishing, maintaining, managing, and  
4 administering the retirement system.

5           Sec. 13. Section 16-1016, Reissue Revised Statutes of  
6 Nebraska, is amended to read:

7           16-1016 The funds of the retirement system shall be  
8 invested under the general direction of the retirement committee.  
9 The city or the retirement committee if delegated such function  
10 by the city shall select and contract with a funding agent or  
11 agents to hold or invest the assets of the retirement system and to  
12 provide for the benefits provided by ~~sections 16-1001 to 16-1019.~~  
13 the Police Officers Retirement Act. The city or committee may  
14 select and contract with investment managers registered under the  
15 Investment Advisers Act of 1940 to invest, reinvest, and otherwise  
16 manage such portion of the assets of the retirement system as may  
17 be assigned by the city or committee. All funds of the retirement  
18 system shall be invested pursuant to the policies established by  
19 the Nebraska Investment Council.

20           Sec. 14. Section 16-1017, Revised Statutes Supplement,  
21 2011, is amended to read:

22           16-1017 (1) It shall be the duty of the retirement  
23 committee to:

24           (a) Provide each employee a summary of plan eligibility  
25 requirements and benefit provisions;

26           (b) Provide, within thirty days after a request is made  
27 by a participant, a statement describing the amount of benefits

1 such participant is eligible to receive; and

2 (c) Make available for review an annual report of the  
3 system's operations describing both (i) the amount of contributions  
4 to the system from both employee and employer sources and (ii) an  
5 identification of the total assets of the retirement system.

6 (2)(a) Beginning December 31, 1998, and each December  
7 31 thereafter, the chairperson of the retirement committee shall  
8 file with the Public Employees Retirement Board ~~an annual~~ a report  
9 on each retirement plan established pursuant to section 401(a) of  
10 the Internal Revenue Code and administered by a retirement system  
11 established pursuant to ~~sections 16-1001 to 16-1019~~ the Police  
12 Officers Retirement Act and shall submit copies of such report  
13 to the Auditor of Public Accounts. The Auditor of Public Accounts  
14 may prepare a review of such report pursuant to section 84-304.02  
15 but is not required to do so. The annual report shall be in a  
16 form prescribed by the Public Employees Retirement Board and shall  
17 contain the following information for each such retirement plan:

18 (i) The number of persons participating in the retirement  
19 plan;

20 (ii) The contribution rates of participants in the plan;

21 (iii) Plan assets and liabilities;

22 (iv) The names and positions of persons administering the  
23 plan;

24 (v) The names and positions of persons investing plan  
25 assets;

26 (vi) The form and nature of investments;

27 (vii) For each defined contribution plan, a full

1 description of investment policies and options available to plan  
2 participants; and

3 (viii) For each defined benefit plan, the levels of  
4 benefits of participants in the plan, the number of members who  
5 are eligible for a benefit, and the total present value of such  
6 members' benefits, as well as the funding sources which will pay  
7 for such benefits.

8 If a plan contains no current active participants, the  
9 chairperson may file in place of such report a statement with the  
10 Public Employees Retirement Board indicating the number of retirees  
11 still drawing benefits, and the sources and amount of funding for  
12 such benefits.

13 (b) Beginning December 31, 1998, and every four years  
14 thereafter, if such retirement plan is a defined benefit plan,  
15 the retirement committee shall cause to be prepared a quadrennial  
16 report and the chairperson shall file the same with the Public  
17 Employees Retirement Board and submit to the Auditor of Public  
18 Accounts a copy of such report. The Auditor of Public Accounts  
19 may prepare a review of such report pursuant to section 84-304.02  
20 but is not required to do so. The report shall consist of a  
21 full actuarial analysis of each such retirement plan administered  
22 by a system established pursuant to ~~sections 16-1001 to 16-1019.~~  
23 the act. The analysis shall be prepared by an independent private  
24 organization or public entity employing actuaries who are members  
25 in good standing of the American Academy of Actuaries, and which  
26 organization or entity has demonstrated expertise to perform this  
27 type of analysis and is unrelated to any organization offering

1 investment advice or which provides investment management services  
2 to the retirement plan.

3           Sec. 15. Section 16-1019, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5           16-1019 (1) The right to any benefits under the  
6 retirement system and the assets of any fund of the retirement  
7 system shall not be assignable or subject to execution,  
8 garnishment, attachment, or the operation of any bankruptcy or  
9 insolvency laws, except that the retirement system may comply with  
10 the directions set forth in a qualified domestic relations order  
11 meeting the requirements of section 414(p) of the Internal Revenue  
12 Code. The city or retirement committee may require appropriate  
13 releases from any person as a condition to complying with any  
14 such order. The retirement system shall not recognize any domestic  
15 relations order which alters or changes benefits, provides for  
16 a form of benefit not otherwise provided for by the retirement  
17 system, increases benefits not otherwise provided by the retirement  
18 system, or accelerates or defers the time of payment of benefits.  
19 No participant or beneficiary shall have any right to any specific  
20 portion of the assets of the retirement system.

21           (2) The retirement system shall be administered in a  
22 manner necessary to comply with the tax-qualification requirements  
23 applicable to government retirement plans under section 401(a) of  
24 the Internal Revenue Code, including section 401(a)(9) relating  
25 to the time and manner in which benefits are required to  
26 be distributed, section 401(a)(16) relating to compliance with  
27 the maximum limitation on the plan benefits or contributions

1 under section 415, section 401(a)(17) which limits the amount of  
2 compensation which can be taken into account under a retirement  
3 plan, and section 401(a)(25) relating to the specification of  
4 actuarial assumptions. Any requirements for compliance with section  
5 401(a) of the Internal Revenue Code may be set forth in any  
6 trust or funding medium for the retirement system. This subsection  
7 shall be in full force and effect only so long as conformity with  
8 section 401(a) of the Internal Revenue Code is required for public  
9 retirement systems in order to secure the favorable income tax  
10 treatment extended to sponsors and beneficiaries of tax-qualified  
11 retirement plans.

12 (3) If the retirement committee determines that the  
13 retirement system has previously overpaid or underpaid a benefit  
14 payable under ~~sections 16-1001 to 16-1019,~~ the Police Officers  
15 Retirement Act, it shall have the power to correct such error. In  
16 the event of an overpayment, the retirement system may, in addition  
17 to any other remedy that the retirement system may possess, offset  
18 future benefit payments by the amount of the prior overpayment,  
19 together with regular interest thereon.

20 (4) A police officer whose benefit payment is adjusted by  
21 the retirement committee pursuant to subsection (3) of this section  
22 may request a review by the city council of the adjustment made by  
23 the retirement committee.

24 (5) In order to provide the necessary amounts to pay  
25 for or fund a pension plan established under ~~sections 16-1001 to~~  
26 ~~16-1019,~~ the act, the mayor and council may make a levy which is  
27 within the levy restrictions of section 77-3442.

1           Sec. 16. Section 18-1723, Revised Statutes Cumulative  
2 Supplement, 2010, is amended to read:

3           18-1723 Whenever any firefighter who has served a total  
4 of five years as a member of a paid fire department of any city  
5 in this state or any police officer of any city or village,  
6 including any city having a home rule charter, shall suffer death  
7 or disability as a result of hypertension or heart or respiratory  
8 defect or disease, there shall be a rebuttable presumption that  
9 such death or disability resulted from accident or other cause  
10 while in the line of duty for all purposes of the Police Officers  
11 Retirement Act, Chapter 15, article 10, sections ~~16-1001~~ 16-1020  
12 to 16-1042, and any firefighter's or police officer's pension plan  
13 established pursuant to any home rule charter, the Legislature  
14 specifically finding the subject of this section to be a matter  
15 of general statewide concern. The rebuttable presumption shall  
16 apply to death or disability as a result of hypertension or  
17 heart or respiratory defect or disease after the firefighter or  
18 police officer separates from his or her applicable employment  
19 if the death or disability occurs within three months after such  
20 separation. Such rebuttable presumption shall apply in any action  
21 or proceeding arising out of death or disability incurred prior  
22 to December 25, 1969, and which has not been processed to final  
23 administrative or judicial conclusion prior to such date.

24           Sec. 17. Original sections 16-1001, 16-1002, 16-1003,  
25 16-1004, 16-1005, 16-1006, 16-1007, 16-1009, 16-1010, 16-1012,  
26 16-1013, 16-1014, 16-1016, and 16-1019, Reissue Revised Statutes of  
27 Nebraska, section 18-1723, Revised Statutes Cumulative Supplement,



- 1 2010, and section 16-1017, Revised Statutes Supplement, 2011, are
- 2 repealed.