

AMENDMENTS TO LB40

Introduced by Nordquist, 7.

1           1. Insert the following new sections:

2           Section 1. Section 14-2111, Revised Statutes Cumulative Supplement,  
3           2014, is amended to read:

4           14-2111 (1) The board of directors of any metropolitan utilities  
5           district may also provide benefits for, insurance of, and annuities for  
6           the present and future employees and appointees of the district covering  
7           accident, disease, death, total and permanent disability, and retirement,  
8           all or any of them, under such terms and conditions as the board may deem  
9           proper and expedient from time to time. Any retirement plan adopted by  
10          the board of directors shall be upon some contributory basis requiring  
11          contributions by both the district and the employee or appointee, except  
12          that the district may pay the entire cost of the fund necessary to cover  
13          service rendered prior to the adoption of any new retirement plan. Any  
14          retirement plan shall take into consideration the benefits provided for  
15          employees and appointees of metropolitan utilities districts under the  
16          Social Security Act, and any benefits provided under a contributory  
17          retirement plan shall be supplemental to the benefits provided under the  
18          Social Security Act as defined in section 68-602 if the employees  
19          entitled to vote in a referendum vote in favor of old age and survivors'  
20          insurance coverage. To effectuate any plan adopted pursuant to this  
21          authority, the board of directors of the district is empowered to  
22          establish and maintain reserves and funds, provide for insurance premiums  
23          and costs, and make such delegation as may be necessary to carry into  
24          execution the general powers granted by this section. ~~Payments Except as~~  
25          ~~provided in subsection (4) of this section, payments~~ made to employees  
26          and appointees, under the authority in this section, shall be exempt from  
27          attachment or other legal process and shall not be assignable.

1           (2) Any retirement plan adopted by the board of directors of any  
2 metropolitan utilities district may allow the district to pick up the  
3 employee contribution required by this section for all compensation paid  
4 on or after January 1, 1986, and the contributions so picked up shall be  
5 treated as employer contributions in determining federal tax treatment  
6 under the Internal Revenue Code, except that the employer shall continue  
7 to withhold federal income taxes based upon such contributions until the  
8 Internal Revenue Service or the federal courts rule that, pursuant to  
9 section 414(h) of the Internal Revenue Code, such contributions shall not  
10 be included as gross income of the employee until such time as they are  
11 distributed or made available. The employer shall pay the employee  
12 contributions from the same source of funds which is used in paying  
13 earnings to the employees. The employer shall pick up the contributions  
14 by a salary deduction either through a reduction in the cash salary of  
15 the employee or a combination of a reduction in salary and offset against  
16 a future salary increase. Employee contributions picked up shall be  
17 treated in the same manner and to the same extent as employee  
18 contributions made prior to the date picked up.

19           (3)(a) Beginning December 31, 1998, and each December 31 thereafter,  
20 the chairperson of the board shall file with the Public Employees  
21 Retirement Board an annual report on each retirement plan established  
22 pursuant to this section and section 401(a) of the Internal Revenue Code  
23 and shall submit copies of such report to the Auditor of Public Accounts.  
24 The Auditor of Public Accounts may prepare a review of such report  
25 pursuant to section 84-304.02 but is not required to do so. The annual  
26 report shall be in a form prescribed by the Public Employees Retirement  
27 Board and shall contain the following information for each such  
28 retirement plan:

- 29           (i) The number of persons participating in the retirement plan;  
30           (ii) The contribution rates of participants in the plan;  
31           (iii) Plan assets and liabilities;

- 1 (iv) The names and positions of persons administering the plan;
- 2 (v) The names and positions of persons investing plan assets;
- 3 (vi) The form and nature of investments;
- 4 (vii) For each defined contribution plan, a full description of
- 5 investment policies and options available to plan participants; and
- 6 (viii) For each defined benefit plan, the levels of benefits of
- 7 participants in the plan, the number of members who are eligible for a
- 8 benefit, and the total present value of such members' benefits, as well
- 9 as the funding sources which will pay for such benefits.

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

14 (b) If such retirement plan is a defined benefit plan which was open  
15 to new members on January 1, 2004, in addition to the reports required by  
16 section 13-2402, the board of directors of any metropolitan utilities  
17 district shall cause to be prepared an annual report and shall file the  
18 same with the Public Employees Retirement Board and the Nebraska  
19 Retirement Systems Committee of the Legislature and submit to the Auditor  
20 of Public Accounts a copy of such report. The Auditor of Public Accounts  
21 may prepare a review of such report pursuant to section 84-304.02 but is  
22 not required to do so. If the board of directors does not submit a copy  
23 of the report to the Auditor of Public Accounts within six months after  
24 the end of the plan year, the Auditor of Public Accounts may audit, or  
25 cause to be audited, the metropolitan utilities district. All costs of  
26 the audit shall be paid by the metropolitan utilities district. The  
27 report shall consist of a full actuarial analysis of each such retirement  
28 plan established pursuant to this section. The analysis shall be prepared  
29 by an independent private organization or public entity employing  
30 actuaries who are members in good standing of the American Academy of  
31 Actuaries, and which organization or entity has demonstrated expertise to

1 perform this type of analysis and is unrelated to any organization  
2 offering investment advice or which provides investment management  
3 services to the retirement plan. The report to the Nebraska Retirement  
4 Systems Committee shall be submitted electronically.

5 ~~(4) If an employee or appointee is convicted of or pleads no contest  
6 to a felony that is defined as assault, sexual assault, kidnapping, child  
7 abuse, false imprisonment, or theft by embezzlement and is found liable  
8 for civil damages as a result of such felony, following distribution of  
9 the employee's or appointee's benefits or annuities from the retirement  
10 plan, the court may order the payment of the employee's or appointee's  
11 benefits or annuities under the retirement plan for such civil damages,  
12 except that the benefits or annuities to the extent reasonably necessary  
13 for the support of the employee or appointee or any of his or her  
14 beneficiaries shall be exempt from such payment. Any order for payment of  
15 benefits or annuities shall not be stayed on the filing of any appeal of  
16 the conviction. If the conviction is reversed on final judgment, all  
17 benefits or annuities paid as civil damages shall be forfeited and  
18 returned to the employee or appointee. The changes made to this section  
19 by Laws 2012, LB916, shall apply to persons convicted of or who have pled  
20 no contest to such a felony and who have been found liable for civil  
21 damages as a result of such felony prior to, on, or after April 7, 2012.~~

22 Sec. 2. Section 16-1019, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 16-1019 (1) ~~The~~ Except as provided in subsection (6) of this  
25 section, the right to any benefits under the retirement system and the  
26 assets of any fund of the retirement system shall not be assignable or  
27 subject to execution, garnishment, attachment, or the operation of any  
28 bankruptcy or insolvency laws, except that the retirement system may  
29 comply with the directions set forth in a qualified domestic relations  
30 order meeting the requirements of section 414(p) of the Internal Revenue  
31 Code. Any payment of benefits subject to such order shall take priority

1 ~~over any payment made pursuant to subsection (6) of this section.~~ The  
2 city or retirement committee may require appropriate releases from any  
3 person as a condition to complying with any such order. The retirement  
4 system shall not recognize any domestic relations order which alters or  
5 changes benefits, provides for a form of benefit not otherwise provided  
6 for by the retirement system, increases benefits not otherwise provided  
7 by the retirement system, or accelerates or defers the time of payment of  
8 benefits. No participant or beneficiary shall have any right to any  
9 specific portion of the assets of the retirement system.

10 (2) The retirement system shall be administered in a manner  
11 necessary to comply with the tax-qualification requirements applicable to  
12 government retirement plans under section 401(a) of the Internal Revenue  
13 Code, including section 401(a)(9) relating to the time and manner in  
14 which benefits are required to be distributed and section 401(a)(9)(G)  
15 relating to incidental death benefit requirements, section 401(a)(16)  
16 relating to compliance with the maximum limitation on the plan benefits  
17 or contributions under section 415, section 401(a)(17) which limits the  
18 amount of compensation which can be taken into account under a retirement  
19 plan, section 401(a)(25) relating to the specification of actuarial  
20 assumptions, section 401(a)(31) relating to direct rollover distributions  
21 from eligible retirement plans, and section 401(a)(37) relating to the  
22 death benefit of a police officer who dies while performing qualified  
23 military service. Any requirements for compliance with section 401(a) of  
24 the Internal Revenue Code may be set forth in any trust or funding medium  
25 for the retirement system. This subsection shall be in full force and  
26 effect only so long as conformity with section 401(a) of the Internal  
27 Revenue Code is required for public retirement systems in order to secure  
28 the favorable income tax treatment extended to sponsors and beneficiaries  
29 of tax-qualified retirement plans.

30 (3) If the retirement committee determines that the retirement  
31 system has previously overpaid or underpaid a benefit payable under the

1 Police Officers Retirement Act, it shall have the power to correct such  
2 error. In the event of an overpayment, the retirement system may, in  
3 addition to any other remedy that the retirement system may possess,  
4 offset future benefit payments by the amount of the prior overpayment,  
5 together with regular interest thereon.

6 (4) A police officer whose benefit payment is adjusted by the  
7 retirement committee pursuant to subsection (3) of this section may  
8 request a review by the city council of the adjustment made by the  
9 retirement committee.

10 (5) In order to provide the necessary amounts to pay for or fund a  
11 pension plan established under the act, the mayor and council may make a  
12 levy which is within the levy restrictions of section 77-3442.

13 ~~(6) If a member of the retirement system is convicted of or pleads~~  
14 ~~no contest to a felony that is defined as assault, sexual assault,~~  
15 ~~kidnapping, child abuse, false imprisonment, or theft by embezzlement and~~  
16 ~~is found liable for civil damages as a result of such felony, following~~  
17 ~~distribution of the member's benefits or the assets of any fund of the~~  
18 ~~member from the retirement system, the court may order the payment of the~~  
19 ~~member's benefits or the assets of any fund of the member under the~~  
20 ~~retirement system for such civil damages, except that the benefits or~~  
21 ~~assets to the extent reasonably necessary for the support of the member~~  
22 ~~or any of his or her beneficiaries shall be exempt from such payment. Any~~  
23 ~~order for payment of benefits or assets shall not be stayed on the filing~~  
24 ~~of any appeal of the conviction. If the conviction is reversed on final~~  
25 ~~judgment, all benefits or assets paid as civil damages shall be forfeited~~  
26 ~~and returned to the member. The changes made to this section by Laws~~  
27 ~~2012, LB916, shall apply to persons convicted of or who have pled no~~  
28 ~~contest to such a felony and who have been found liable for civil damages~~  
29 ~~as a result of such felony prior to, on, or after April 7, 2012.~~

30 Sec. 3. Section 16-1038, Reissue Revised Statutes of Nebraska, is  
31 amended to read:

1           16-1038 (1) ~~The Except as provided in subsection (6) of this~~  
2 ~~section,~~ the right to any benefits under the retirement system and the  
3 assets of any fund of the retirement system shall not be assignable or  
4 subject to execution, garnishment, attachment, or the operation of any  
5 bankruptcy or insolvency laws, except that the retirement system may  
6 comply with the directions set forth in a qualified domestic relations  
7 order meeting the requirements of section 414(p) of the Internal Revenue  
8 Code. ~~Any payment of benefits subject to such order shall take priority~~  
9 ~~over any payment made pursuant to subsection (6) of this section.~~ The  
10 city or retirement committee may require appropriate releases from any  
11 person as a condition to complying with any such order. The retirement  
12 system shall not recognize any domestic relations order which alters or  
13 changes benefits, provides for a form of benefit not otherwise provided  
14 for by the retirement system, increases benefits not otherwise provided  
15 by the retirement system, or accelerates or defers the time of payment of  
16 benefits. No participant or beneficiary shall have any right to any  
17 specific portion of the assets of the retirement system.

18           (2) The retirement system shall be administered in a manner  
19 necessary to comply with the tax-qualification requirements applicable to  
20 government retirement plans under section 401(a) of the Internal Revenue  
21 Code, including section 401(a)(9) relating to the time and manner in  
22 which benefits are required to be distributed and section 401(a)(9)(G)  
23 relating to incidental death benefit requirements, section 401(a)(16)  
24 relating to compliance with the maximum limitation on the plan benefits  
25 or contributions under section 415, section 401(a)(17) which limits the  
26 amount of compensation which can be taken into account under a retirement  
27 plan, section 401(a)(25) relating to the specification of actuarial  
28 assumptions, section 401(a)(31) relating to direct rollover distribution  
29 from eligible retirement plans, and section 401(a)(37) relating to the  
30 death benefit of a firefighter who dies while performing qualified  
31 military service. Any requirements for compliance with section 401(a) of

1 the Internal Revenue Code may be set forth in any trust or funding medium  
2 for the retirement system. This subsection shall be in full force and  
3 effect only so long as conformity with section 401(a) of the Internal  
4 Revenue Code is required for public retirement systems in order to secure  
5 the favorable income tax treatment extended to sponsors and beneficiaries  
6 of tax-qualified retirement plans.

7 (3) If the retirement committee determines that the retirement  
8 system has previously overpaid or underpaid a benefit payable under  
9 sections 16-1020 to 16-1042, it shall have the power to correct such  
10 error. In the event of an overpayment, the retirement system may, in  
11 addition to any other remedy that the retirement system may possess,  
12 offset future benefit payments by the amount of the prior overpayment,  
13 together with regular interest thereon.

14 (4) A firefighter whose benefit payment is adjusted by the  
15 retirement committee pursuant to subsection (3) of this section may  
16 request a review by the city council of the adjustment made by the  
17 retirement committee.

18 (5) In order to provide the necessary amounts to pay for or fund a  
19 pension plan established under sections 16-1020 to 16-1042, the mayor and  
20 council may make a levy which is within the levy restrictions of section  
21 77-3442.

22 ~~(6) If a member of the retirement system is convicted of or pleads~~  
23 ~~no contest to a felony that is defined as assault, sexual assault,~~  
24 ~~kidnapping, child abuse, false imprisonment, or theft by embezzlement and~~  
25 ~~is found liable for civil damages as a result of such felony, following~~  
26 ~~distribution of the member's benefits or the assets of any fund of the~~  
27 ~~member from the retirement system, the court may order the payment of the~~  
28 ~~member's benefits or the assets of any fund of the member under the~~  
29 ~~retirement system for such civil damages, except that the benefits or~~  
30 ~~assets to the extent reasonably necessary for the support of the member~~  
31 ~~or any of his or her beneficiaries shall be exempt from such payment. Any~~



1 ~~order for payment of benefits or assets shall not be stayed on the filing~~  
2 ~~of any appeal of the conviction. If the conviction is reversed on final~~  
3 ~~judgment, all benefits or assets paid as civil damages shall be forfeited~~  
4 ~~and returned to the member. The changes made to this section by Laws~~  
5 ~~2012, LB916, shall apply to persons convicted of or who have pled no~~  
6 ~~contest to such a felony and who have been found liable for civil damages~~  
7 ~~as a result of such felony prior to, on, or after April 7, 2012.~~

8       Sec. 5. Section 23-2322, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10       23-2322 Annuities ~~(1) Except as provided in subsection (2) of this~~  
11 ~~section, annuities or benefits which any person shall be entitled to~~  
12 ~~receive under the County Employees Retirement Act shall not be subject to~~  
13 ~~garnishment, attachment, levy, the operation of bankruptcy or insolvency~~  
14 ~~laws, or any other process of law whatsoever and shall not be assignable~~  
15 ~~except to the extent that such annuities or benefits are subject to a~~  
16 ~~qualified domestic relations order under the Spousal Pension Rights Act.~~  
17 ~~The payment of any annuities or benefits subject to such order shall take~~  
18 ~~priority over any payment made pursuant to subsection (2) of this~~  
19 ~~section.~~

20       ~~(2) If a member of the retirement system is convicted of or pleads~~  
21 ~~no contest to a felony that is defined as assault, sexual assault,~~  
22 ~~kidnapping, child abuse, false imprisonment, or theft by embezzlement and~~  
23 ~~is found liable for civil damages as a result of such felony, following~~  
24 ~~distribution of the member's annuities or benefits from the retirement~~  
25 ~~system, the court may order the payment of the member's annuities or~~  
26 ~~benefits under the retirement system for such civil damages, except that~~  
27 ~~the annuities or benefits to the extent reasonably necessary for the~~  
28 ~~support of the member or any of his or her beneficiaries shall be exempt~~  
29 ~~from such payment. Any order for payment of annuities or benefits shall~~  
30 ~~not be stayed on the filing of any appeal of the conviction. If the~~  
31 ~~conviction is reversed on final judgment, all annuities or benefits paid~~

1 ~~as civil damages shall be forfeited and returned to the member. The~~  
2 ~~changes made to this section by Laws 2012, LB916, shall apply to persons~~  
3 ~~convicted of or who have pled no contest to such a felony and who have~~  
4 ~~been found liable for civil damages as a result of such felony prior to,~~  
5 ~~on, or after April 7, 2012.~~

6 Sec. 7. Section 24-710.02, Revised Statutes Cumulative Supplement,  
7 2014, is amended to read:

8 24-710.02 All ~~(1) Except as provided in subsection (2) of this~~  
9 ~~section, all annuities or benefits which any person shall be entitled to~~  
10 ~~receive under the Judges Retirement Act shall not be subject to~~  
11 ~~garnishment, attachment, levy, the operation of bankruptcy or insolvency~~  
12 ~~laws, or any other process of law whatsoever and shall not be assignable~~  
13 ~~except to the extent that such annuities or benefits are subject to a~~  
14 ~~qualified domestic relations order under the Spousal Pension Rights Act.~~  
15 ~~The payment of any annuities or benefits subject to such order shall take~~  
16 ~~priority over any payment made pursuant to subsection (2) of this~~  
17 ~~section.~~

18 ~~(2) If a member of the retirement system is convicted of or pleads~~  
19 ~~no contest to a felony that is defined as assault, sexual assault,~~  
20 ~~kidnapping, child abuse, false imprisonment, or theft by embezzlement and~~  
21 ~~is found liable for civil damages as a result of such felony, following~~  
22 ~~distribution of the member's annuities or benefits from the retirement~~  
23 ~~system, the court may order the payment of the member's annuities or~~  
24 ~~benefits under the retirement system for such civil damages, except that~~  
25 ~~the annuities or benefits to the extent reasonably necessary for the~~  
26 ~~support of the member or any of his or her beneficiaries shall be exempt~~  
27 ~~from such payment. Any order for payment of annuities or benefits shall~~  
28 ~~not be stayed on the filing of any appeal of the conviction. If the~~  
29 ~~conviction is reversed on final judgment, all annuities or benefits paid~~  
30 ~~as civil damages shall be forfeited and returned to the member. The~~  
31 ~~changes made to this section by Laws 2012, LB916, shall apply to persons~~

1 ~~convicted of or who have pled no contest to such a felony and who have~~  
2 ~~been found liable for civil damages as a result of such felony prior to,~~  
3 ~~on, or after April 7, 2012.~~

4 Sec. 8. Section 48-1401, Revised Statutes Cumulative Supplement,  
5 2014, is amended to read:

6 48-1401 (1) Any county, municipality, or other political  
7 subdivision, instrumentality, or agency of the State of Nebraska, except  
8 any agency subject to sections 84-1504 to 84-1506 or section 85-106,  
9 85-320, or 85-606.01, may enter into an agreement to defer a portion of  
10 any individual's compensation derived from such county, municipality, or  
11 other political subdivision, instrumentality, or agency to a future  
12 period in time pursuant to section 457 of the Internal Revenue Code. Such  
13 deferred compensation plan shall be voluntary and shall be available to  
14 all regular employees and elected officials.

15 (2) The compensation to be deferred may never exceed the total  
16 compensation to be received by the individual from the employer or exceed  
17 the limits established by the Internal Revenue Code for such a plan.

18 (3) All compensation deferred under the plan, all property and  
19 rights purchased with the deferred compensation, and all investment  
20 income attributable to the deferred compensation, property, or rights  
21 shall be held in trust for the exclusive benefit of participants and  
22 their beneficiaries by the county, municipality, or other political  
23 subdivision, instrumentality, or agency until such time as payments are  
24 made under the terms of the deferred compensation plan.

25 (4) The county, municipality, or other political subdivision,  
26 instrumentality, or agency shall designate its treasurer or an equivalent  
27 official, including the State Treasurer, to be the custodian of the funds  
28 and securities of the deferred compensation plan.

29 (5) The county, municipality, or other political subdivision,  
30 instrumentality, or agency may invest the compensation to be deferred  
31 under an agreement in or with: (a) Annuities; (b) mutual funds; (c)

1 banks; (d) savings and loan associations; (e) trust companies qualified  
2 to act as fiduciaries in this state; (f) an organization established for  
3 the purpose of administering public employee deferred compensation  
4 retirement plans and authorized to do business in the State of Nebraska;  
5 or (g) investment advisers as defined in the federal Investment Advisers  
6 Act of 1940.

7 (6) The deferred compensation program shall exist and serve in  
8 addition to, and shall not be a part of, any existing retirement or  
9 pension system provided for state, county, municipal, or other political  
10 subdivision, instrumentality, or agency employees, or any other benefit  
11 program.

12 (7) Any compensation deferred under such a deferred compensation  
13 plan shall continue to be included as regular compensation for the  
14 purpose of computing the retirement, pension, or social security  
15 contributions made or benefits earned by any employee.

16 (8) Any sum so deferred shall not be included in the computation of  
17 any federal or state taxes withheld on behalf of any such individual.

18 (9) The state, county, municipality, or other political subdivision,  
19 instrumentality, or agency shall not be responsible for any investment  
20 results entered into by the individual in the deferred compensation  
21 agreement.

22 (10) ~~All (a) Except as provided in subdivision (b) of this~~  
23 ~~subsection, all~~ compensation deferred under the plan, all property and  
24 rights purchased with the deferred compensation, and all investment  
25 income attributable to the deferred compensation, property, or rights  
26 shall not be subject to garnishment, attachment, levy, the operation of  
27 bankruptcy or insolvency laws, or any other process of law whatsoever and  
28 shall not be assignable.

29 ~~(b) If a participant in the deferred compensation plan is convicted~~  
30 ~~of or pleads no contest to a felony that is defined as assault, sexual~~  
31 ~~assault, kidnapping, child abuse, false imprisonment, or theft by~~

1 ~~embezzlement and is found liable for civil damages as a result of such~~  
2 ~~felony, following distribution of the participant's compensation deferred~~  
3 ~~under the plan, property and rights purchased with the deferred~~  
4 ~~compensation, or investment income attributable to the deferred~~  
5 ~~compensation, property, or rights from the plan, the court may order the~~  
6 ~~payment of such compensation, property and rights, or investment income~~  
7 ~~for such civil damages, except that the compensation, property and~~  
8 ~~rights, or investment income to the extent reasonably necessary for the~~  
9 ~~support of the participant or any of his or her beneficiaries shall be~~  
10 ~~exempt from such payment. Any order for payment of compensation, property~~  
11 ~~and rights, or investment income shall not be stayed on the filing of any~~  
12 ~~appeal of the conviction. If the conviction is reversed on final~~  
13 ~~judgment, all compensation, property and rights, or investment income~~  
14 ~~paid as civil damages shall be forfeited and returned to the participant.~~  
15 ~~The changes made to this section by Laws 2012, LB916, shall apply to~~  
16 ~~persons convicted of or who have pled no contest to such a felony and who~~  
17 ~~have been found liable for civil damages as a result of such felony prior~~  
18 ~~to, on, or after April 7, 2012.~~

19 (11) Nothing contained in this section shall in any way limit,  
20 restrict, alter, amend, invalidate, or nullify any deferred compensation  
21 plan previously instituted by any county, municipality, or other  
22 political subdivision, instrumentality, or agency of the State of  
23 Nebraska, and any such plan is hereby authorized and approved.

24 (12) If a county has not established a deferred compensation plan  
25 pursuant to this section, each individual may require that the county  
26 enter into an agreement with the individual to defer a portion of such  
27 individual's compensation and place it under the management and  
28 supervision of the state deferred compensation plan created pursuant to  
29 sections 84-1504 to 84-1506. If such an agreement is made, the county  
30 shall designate the State Treasurer as custodian of such deferred  
31 compensation funds and such deferred compensation funds shall become a

1 part of the trust administered by the Public Employees Retirement Board  
2 pursuant to sections 84-1504 to 84-1506.

3 (13) For purposes of this section, individual means (a) any person  
4 designated by the county, municipality, or other political subdivision,  
5 instrumentality, or agency of the State of Nebraska, except any agency  
6 subject to sections 84-1504 to 84-1506 or section 85-106, 85-320, or  
7 85-606.01, as a permanent part-time or full-time employee of the county,  
8 municipality, or other political subdivision, instrumentality, or agency  
9 and (b) a person under contract providing services to the county,  
10 municipality, or other political subdivision, instrumentality, or agency  
11 of the State of Nebraska, except any agency subject to sections 84-1504  
12 to 84-1506 or section 85-106, 85-320, or 85-606.01, and who has entered  
13 into a contract with such county, municipality, political subdivision,  
14 instrumentality, or agency to have compensation deferred prior to August  
15 28, 1999.

16 Sec. 10. Section 79-948, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 79-948 The ~~(1) Except as provided in subsection (2) of this~~  
19 ~~section,~~ the right of a person to an annuity, an allowance, or any  
20 optional benefit under the School Employees Retirement Act, any other  
21 right accrued or accruing to any person or persons under such act, the  
22 various funds and account created thereby, and all the money,  
23 investments, and income thereof shall be exempt from any state, county,  
24 municipal, or other local tax, shall not be subject to execution,  
25 garnishment, attachment, the operation of bankruptcy or insolvency laws,  
26 or any other process of law whatsoever, and shall not be assignable  
27 except to the extent that such annuity, allowance, or benefit is subject  
28 to a qualified domestic relations order under the Spousal Pension Rights  
29 Act. ~~The payment of any annuity, allowance, or benefit subject to such~~  
30 ~~order shall take priority over any payment made pursuant to subsection~~  
31 ~~(2) of this section.~~

1           ~~(2) If a member of the retirement system is convicted of or pleads~~  
2 ~~no contest to a felony that is defined as assault, sexual assault,~~  
3 ~~kidnapping, child abuse, false imprisonment, or theft by embezzlement and~~  
4 ~~is found liable for civil damages as a result of such felony, following~~  
5 ~~distribution of the member's annuity, allowance, or optional benefit from~~  
6 ~~the retirement system, the court may order the payment of such annuity,~~  
7 ~~allowance, or optional benefit under the retirement system for such civil~~  
8 ~~damages, except that the annuities, allowances, or optional benefits to~~  
9 ~~the extent reasonably necessary for the support of the member or any of~~  
10 ~~his or her beneficiaries shall be exempt from such payment. Any order for~~  
11 ~~payment of annuities, allowances, or optional benefits shall not be~~  
12 ~~stayed on the filing of any appeal of the conviction. If the conviction~~  
13 ~~is reversed on final judgment, all annuities, allowances, or optional~~  
14 ~~benefits paid as civil damages shall be forfeited and returned to the~~  
15 ~~member. The changes made to this section by Laws 2012, LB916, shall apply~~  
16 ~~to persons convicted of or who have pled no contest to such a felony and~~  
17 ~~who have been found liable for civil damages as a result of such felony~~  
18 ~~prior to, on, or after April 7, 2012.~~

19           Sec. 11. Section 79-9,104, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21           79-9,104 (1) All ~~Except as provided in subsection (4) of this~~  
22 ~~section, all annuities and other benefits payable under the Class V~~  
23 ~~School Employees Retirement Act and all accumulated credits of members of~~  
24 ~~the retirement system shall not be assignable or subject to execution,~~  
25 ~~garnishment, or attachment except to the extent that such annuity or~~  
26 ~~benefit is subject to a qualified domestic relations order as such term~~  
27 ~~is defined in and which meets the requirements of section 414(p) of the~~  
28 ~~Internal Revenue Code. The payment of any annuity or benefit subject to~~  
29 ~~such order shall take priority over any payment made pursuant to~~  
30 ~~subsection (4) of this section. Payments under such a qualified domestic~~  
31 ~~relations order shall be made only after the administrator of the~~

1 retirement system receives written notice of such order and such  
2 additional information and documentation as the administrator may  
3 require.

4 (2) In lieu of the assignment of a member's future annuity or  
5 benefit to the member's spouse or former spouse, the retirement system  
6 shall permit the spouse or former spouse of a member to receive, pursuant  
7 to a qualified domestic relations order, a single sum payment of a  
8 specified percentage of the member's accumulated contributions on the  
9 condition that upon the payment of such amount the spouse or former  
10 spouse shall have no further interest in the retirement system or in the  
11 remaining benefit of the member under the retirement system.

12 (3) A member's interest and benefits under the retirement system  
13 shall be reduced, either at termination of employment, retirement,  
14 disability, or death, by the actuarial value of the benefit assigned or  
15 paid to the member's spouse, former spouse, or other dependents under a  
16 qualified domestic relations order, as determined by the plan actuary on  
17 the basis of the actuarial assumptions then recommended by the actuary  
18 pursuant to section 79-984.

19 ~~(4) If a member of the retirement system is convicted of or pleads~~  
20 ~~no contest to a felony that is defined as assault, sexual assault,~~  
21 ~~kidnapping, child abuse, false imprisonment, or theft by embezzlement and~~  
22 ~~is found liable for civil damages as a result of such felony, following~~  
23 ~~distribution of the member's annuities or benefits from the retirement~~  
24 ~~system, the court may order the payment of the member's annuities or~~  
25 ~~benefits earned under the retirement system for such civil damages,~~  
26 ~~except that the annuities or benefits to the extent reasonably necessary~~  
27 ~~for the support of the member or any of his or her beneficiaries shall be~~  
28 ~~exempt from such payment. Any order for payment of annuities or benefits~~  
29 ~~shall not be stayed on the filing of any appeal of the conviction. If the~~  
30 ~~conviction is reversed on final judgment, all annuities or benefits paid~~  
31 ~~as civil damages shall be forfeited and returned to the member. The~~



1 ~~changes made to this section by Laws 2012, LB916, shall apply to persons~~  
2 ~~convicted of or who have pled no contest to such a felony and who have~~  
3 ~~been found liable for civil damages as a result of such felony prior to,~~  
4 ~~on, or after April 7, 2012.~~

5 Sec. 13. Section 81-2032, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 81-2032 All ~~(1) Except as provided in subsection (2) of this~~  
8 ~~section, all annuities or benefits which any person shall be entitled to~~  
9 ~~receive under the Nebraska State Patrol Retirement Act sections 81-2014~~  
10 ~~to 81-2036 shall not be subject to garnishment, attachment, levy, the~~  
11 ~~operation of bankruptcy or insolvency laws, or any other process of law~~  
12 ~~whatsoever and shall not be assignable except to the extent that such~~  
13 ~~annuities or benefits are subject to a qualified domestic relations order~~  
14 ~~under the Spousal Pension Rights Act. The payment of any annuities or~~  
15 ~~benefits subject to such order shall take priority over any payment made~~  
16 ~~pursuant to subsection (2) of this section.~~

17 ~~(2) If a member of the retirement system is convicted of or pleads~~  
18 ~~no contest to a felony that is defined as assault, sexual assault,~~  
19 ~~kidnapping, child abuse, false imprisonment, or theft by embezzlement and~~  
20 ~~is found liable for civil damages as a result of such felony, following~~  
21 ~~distribution of the member's annuities or benefits from the retirement~~  
22 ~~system, the court may order the payment of the member's annuities or~~  
23 ~~benefits under the retirement system for such civil damages, except that~~  
24 ~~the annuities or benefits to the extent reasonably necessary for the~~  
25 ~~support of the member or any of his or her beneficiaries shall be exempt~~  
26 ~~from such payment. Any order for payment of annuities or benefits shall~~  
27 ~~not be stayed on the filing of any appeal of the conviction. If the~~  
28 ~~conviction is reversed on final judgment, all annuities or benefits paid~~  
29 ~~as civil damages shall be forfeited and returned to the member. The~~  
30 ~~changes made to this section by Laws 2012, LB916, shall apply to persons~~  
31 ~~convicted of or who have pled no contest to such a felony and who have~~

1 ~~been found liable for civil damages as a result of such felony prior to,~~  
2 ~~on, or after April 7, 2012.~~

3 Sec. 15. Section 84-1324, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 84-1324 All ~~(1) Except as provided in subsection (2) of this~~  
6 ~~section, all~~ annuities or benefits which any person shall be entitled to  
7 receive under the State Employees Retirement Act shall not be subject to  
8 garnishment, attachment, levy, the operation of bankruptcy or insolvency  
9 laws, or any other process of law whatsoever and shall not be assignable  
10 except to the extent that such annuities or benefits are subject to a  
11 qualified domestic relations order under the Spousal Pension Rights Act.  
12 ~~The payment of any annuities or benefits subject to such order shall take~~  
13 ~~priority over any payment made pursuant to subsection (2) of this~~  
14 ~~section.~~

15 ~~(2) If a member of the retirement system is convicted of or pleads~~  
16 ~~no contest to a felony that is defined as assault, sexual assault,~~  
17 ~~kidnapping, child abuse, false imprisonment, or theft by embezzlement and~~  
18 ~~is found liable for civil damages as a result of such felony, following~~  
19 ~~distribution of the member's annuities or benefits from the retirement~~  
20 ~~system, the court may order the payment of the member's annuities or~~  
21 ~~benefits under the retirement system for such civil damages, except that~~  
22 ~~the annuities or benefits to the extent reasonably necessary for the~~  
23 ~~support of the member or any of his or her beneficiaries shall be exempt~~  
24 ~~from such payment. Any order for payment of annuities or benefits shall~~  
25 ~~not be stayed on the filing of any appeal of the conviction. If the~~  
26 ~~conviction is reversed on final judgment, all annuities or benefits paid~~  
27 ~~as civil damages shall be forfeited and returned to the member. The~~  
28 ~~changes made to this section by Laws 2012, LB916, shall apply to persons~~  
29 ~~convicted of or who have pled no contest to such a felony and who have~~  
30 ~~been found liable for civil damages as a result of such felony prior to,~~  
31 ~~on, or after April 7, 2012.~~

1           Sec. 17. Section 84-1505, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           84-1505 (1) All compensation deferred under the plan, all property  
4 and rights purchased with the deferred compensation, and all investment  
5 income attributable to the deferred compensation, property, or rights  
6 shall be held in trust for the exclusive benefit of participants and  
7 their beneficiaries by the State of Nebraska until such time as payments  
8 shall be paid under the terms of the deferred compensation plan. All such  
9 assets held in trust shall be invested by the state investment officer  
10 pursuant to the Nebraska Capital Expansion Act and the Nebraska State  
11 Funds Investment Act.

12           (2) The State Treasurer shall be the custodian of the funds and  
13 securities of the deferred compensation plan and may deposit the funds  
14 and securities in any financial institution approved by the Nebraska  
15 Investment Council. All disbursements therefrom shall be paid by him or  
16 her only upon vouchers duly authorized by the retirement board. The State  
17 Treasurer shall furnish annually to the retirement board a sworn  
18 statement of the amount of the funds in his or her custody belonging to  
19 the deferred compensation plan, which statement shall be as of the  
20 calendar year ending December 31 of each year.

21           (3) ~~All Except as provided in subsection (4) of this section, all~~  
22 compensation deferred under the plan, all property and rights purchased  
23 with the deferred compensation, and all investment income attributable to  
24 the deferred compensation, property, or rights shall not be subject to  
25 garnishment, attachment, levy, the operation of bankruptcy or insolvency  
26 laws, or any other process of law whatsoever and shall not be assignable.

27           ~~(4) If a participant in the deferred compensation plan is convicted~~  
28 ~~of or pleads no contest to a felony that is defined as assault, sexual~~  
29 ~~assault, kidnapping, child abuse, false imprisonment, or theft by~~  
30 ~~embezzlement and is found liable for civil damages as a result of such~~  
31 ~~felony, following distribution of the participant's compensation deferred~~

1 ~~under the plan, property and rights purchased with the deferred~~  
2 ~~compensation, or investment income attributable to the deferred~~  
3 ~~compensation, property, or rights from the plan, the court may order the~~  
4 ~~payment of such compensation, property and rights, or investment income~~  
5 ~~for such civil damages, except that the compensation, property and~~  
6 ~~rights, or investment income to the extent reasonably necessary for the~~  
7 ~~support of the participant or any of his or her beneficiaries shall be~~  
8 ~~exempt from such payment. Any order for payment of compensation, property~~  
9 ~~and rights, or investment income shall not be stayed on the filing of any~~  
10 ~~appeal of the conviction. If the conviction is reversed on final~~  
11 ~~judgment, all compensation, property and rights, or investment income~~  
12 ~~paid as civil damages shall be forfeited and returned to the participant.~~  
13 ~~The changes made to this section by Laws 2012, LB916, shall apply to~~  
14 ~~persons convicted of or who have pled no contest to such a felony and who~~  
15 ~~have been found liable for civil damages as a result of such felony prior~~  
16 ~~to, on, or after April 7, 2012.~~

17       2. On page 13, line 9, after "sections" insert "16-1019, 16-1038,",  
18 after the first comma insert "23-2322,", and after the last comma insert  
19 "79-948, 79-9,104,"; in line 10 after the first comma insert "81-2032,",  
20 strike "and" and insert "84-1324,", and after the last comma insert "and  
21 84-1505,"; and in line 11 after the comma insert "and sections 14-2111,  
22 24-710.02, and 48-1401, Revised Statutes Cumulative Supplement, 2014,".

23       3. Renumber the remaining sections accordingly.