

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 484

Introduced by Nordquist, 7; Garrett, 3; Smith, 14.

Read first time January 20, 2015

Committee: Nebraska Retirement Systems

- 1 A BILL FOR AN ACT relating to county employees retirement; to amend
- 2 section 23-2308, Reissue Revised Statutes of Nebraska, and section
- 3 23-2307, Revised Statutes Cumulative Supplement, 2014; to change
- 4 employee and county contribution rates as prescribed; and to repeal
- 5 the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 23-2307, Revised Statutes Cumulative Supplement,
2 2014, is amended to read:

3 23-2307 Each employee who is a member of the retirement system shall
4 pay to the county or have picked up by the county a sum equal to four and
5 one-half percent of his or her compensation for each pay period. For
6 counties with a population in excess of one hundred thousand inhabitants,
7 the employee shall pay to the county or have picked up by the county a
8 sum equal to six and three-quarters of his or her compensation for each
9 pay period. The contributions, although designated as employee
10 contributions, shall be paid by the county in lieu of employee
11 contributions. The county shall pick up the employee contributions
12 required by this section for all compensation paid on or after January 1,
13 1985, and the contributions so picked up shall be treated as employer
14 contributions pursuant to section 414(h)(2) of the Internal Revenue Code
15 in determining federal tax treatment under the code and shall not be
16 included as gross income of the employee until such time as they are
17 distributed or made available. The county shall pay these employee
18 contributions from the same source of funds which is used in paying
19 earnings to the employee. The county shall pick up these contributions by
20 a compensation deduction through a reduction in the cash compensation of
21 the employee. Employee contributions picked up shall be treated for all
22 purposes of the County Employees Retirement Act in the same manner and to
23 the extent as employee contributions made prior to the date picked up.

24 Sec. 2. Section 23-2308, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 23-2308 (1) The County Employees Retirement Fund is created. The
27 fund shall be administered by the board and shall consist of
28 contributions and other such sums as provided in section 23-2302. Any
29 money in the fund available for investment shall be invested by the state
30 investment officer pursuant to the Nebraska Capital Expansion Act and the
31 Nebraska State Funds Investment Act.

1 (2) The county clerk shall pay to the board or an entity designated
2 by the board an amount equal to two hundred fifty percent of the amounts
3 deducted from the compensation of employees in accordance with the
4 provisions of section 23-2307, which two hundred fifty percent equals the
5 employees' contributions plus the county's contributions of one hundred
6 fifty percent of the employees' contributions, except for counties with a
7 population exceeding one hundred thousand inhabitants. For counties with
8 a population exceeding one hundred thousand inhabitants, the county clerk
9 shall pay to the board or an entity designated by the board an amount
10 equal to two hundred percent of the amounts deducted from the
11 compensation of employees in accordance with the provisions of section
12 23-2307, which two hundred percent equals the employees' contributions
13 plus the county's contribution of one hundred percent of the employees'
14 contribution.

15 (3) The board may charge the county an administrative processing fee
16 of twenty-five dollars if the reports of necessary information or
17 payments made pursuant to this section are received later than the date
18 on which the board requires that such information or money should be
19 received. In addition, the board may charge the county a late fee of
20 thirty-eight thousandths of one percent of the amount required to be
21 submitted pursuant to this section for each day such amount has not been
22 received or in an amount equal to the amount of any costs incurred by the
23 member due to the late receipt of contributions, whichever is greater.
24 The late fee may be used to make a member's account whole for any costs
25 that may have been incurred by the member due to the late receipt of
26 contributions.

27 (4) The Department of Administrative Services may, for accounting
28 purposes, create subfunds of the County Employees Retirement Fund to
29 separately account for defined contribution plan assets and cash balance
30 plan assets.

31 Sec. 3. Original section 23-2308, Reissue Revised Statutes of

1 Nebraska, and section 23-2307, Revised Statutes Cumulative Supplement,
2 2014, are repealed.