

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 594

Introduced by Kolowski, 31.

Read first time January 21, 2015

Committee: Nebraska Retirement Systems

1 A BILL FOR AN ACT relating to retirement; to amend sections 16-1005,
2 23-2332, and 23-2332.01, Reissue Revised Statutes of Nebraska; to
3 change provisions relating to contribution rates for police officers
4 in cities of the primary class and for supplement county retirement
5 plans; and to repeal the original sections.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 16-1005, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 16-1005 (1) ~~Until October 1, 2013, each police officer shall~~
4 ~~contribute to the retirement system a sum equal to six percent of his or~~
5 ~~her salary. Beginning October 1, 2013, until~~ October 1, 2015, each police
6 officer shall contribute to the retirement system a sum equal to at least
7 six and one-half percent of his or her salary. Beginning October 1, 2015,
8 each police officer shall contribute to the retirement system a sum equal
9 to at least seven percent of his or her salary. Such payment shall be
10 made by regular payroll deductions from the police officer's periodic
11 salary and shall be credited to his or her employee account on a monthly
12 basis. Each such account shall also be credited with regular interest.

13 (2) Each city of the first class shall pick up the police officers'
14 contributions required by subsection (1) of this section, and the
15 contributions so picked up shall be treated as employer contributions in
16 determining federal tax treatment under the Internal Revenue Code, except
17 that the city shall continue to withhold federal income taxes based upon
18 these contributions until the Internal Revenue Service or the federal
19 courts rule that, pursuant to section 414(h) of the Internal Revenue
20 Code, these contributions shall not be included as gross income of the
21 employee until such time as they are distributed from the retirement
22 system. The city shall pay these employee contributions from the same
23 source of funds which is used in paying earnings to the employee. The
24 city shall pick up these contributions by a salary deduction either
25 through a reduction in the cash salary of the employee or a combination
26 of a reduction in salary and offset against a future salary increase. A
27 police officer shall not be given an option to choose to receive the
28 amount of the required contribution in lieu of having such contribution
29 paid directly to the retirement system.

30 (3) Each police officer shall be entitled to make voluntary cash
31 contributions to the retirement system in an amount not to exceed the

1 contribution limitations established by the Internal Revenue Code.
2 Voluntary contributions shall be credited to the police officer's
3 employee account and shall thereafter be credited with regular interest.
4 A police officer's voluntary contribution shall become a part of the
5 Police Officers Retirement System Fund and shall be held, administered,
6 invested, and distributed in the same manner as any other employee
7 contribution to the retirement system.

8 Sec. 2. Section 23-2332, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 23-2332 Any county with a population in excess of eighty-five
11 thousand inhabitants which participates in the Retirement System for
12 Nebraska Counties established by the County Employees Retirement Act
13 shall establish and fund a supplemental retirement plan for the benefit
14 of all present and future commissioned law enforcement personnel employed
15 by such county. The auxiliary benefit plan shall be funded by additional
16 contributions to the county employees retirement plan in excess of the
17 amounts established by sections 23-2307 and 23-2308. The additional
18 contributions made by employees shall be credited to the employee
19 account, and contributions paid by the county shall be credited to the
20 employer account, with each amount to be established at a rate of at
21 least two percent of compensation. All contributions made pursuant to
22 this section shall be invested and administered according to the County
23 Employees Retirement Act.

24 Sec. 3. Section 23-2332.01, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 23-2332.01 Any county with a population of eighty-five thousand
27 inhabitants or less which participates in the Retirement System for
28 Nebraska Counties established by the County Employees Retirement Act
29 shall establish and fund a supplemental retirement plan for the benefit
30 of all present and future commissioned law enforcement personnel employed
31 by such county who possess a valid law enforcement officer certificate or

1 diploma, as established by the Nebraska Police Standards Advisory
2 Council. The auxiliary benefit plan shall be funded by additional
3 contributions to the county employees retirement plan in excess of the
4 amounts established by sections 23-2307 and 23-2308. The additional
5 contributions made by employees shall be credited to the employee
6 account, and contributions paid by the county shall be credited to the
7 employer account, with each amount to be established at a rate of at
8 least one percent of compensation. All contributions made pursuant to
9 this section shall be invested and administered according to the County
10 Employees Retirement Act.

11 Sec. 4. Original sections 16-1005, 23-2332, and 23-2332.01, Reissue
12 Revised Statutes of Nebraska, are repealed.