

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 179

Introduced by Clouse, 37; Wordekemper, 15.

Read first time January 13, 2025

Committee: Nebraska Retirement Systems

- 1 A BILL FOR AN ACT relating to retirement; to amend section 16-1005,
- 2 Reissue Revised Statutes of Nebraska; to change contribution rates
- 3 for police officers employed by cities of the first class; to
- 4 eliminate obsolete provisions; and to repeal the original section.
- 5 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)(a)(i) Prior to October 1, 2025 ~~(1) Until October 1,~~
4 ~~2013, each police officer shall contribute to the retirement system a sum~~
5 ~~equal to six percent of his or her salary. Beginning October 1, 2013,~~
6 ~~until October 1, 2015, each police officer shall contribute to the~~
7 ~~retirement system a sum equal to six and one-half percent of his or her~~
8 ~~salary. Beginning October 1, 2015, each police officer shall contribute~~
9 to the retirement system a sum equal to seven percent of his or her
10 salary.

11 (ii) Beginning October 1, 2025, each police officer shall contribute
12 to the retirement system a sum equal to nine percent of his or her
13 salary.

14 (b) Such payment under subdivision (a) of this subsection shall be
15 made by regular payroll deductions from the police officer's periodic
16 salary and shall be credited to his or her employee account on a monthly
17 basis.

18 (c) Each such account shall also be credited with regular interest.

19 (2) Each city of the first class shall pick up the police officers'
20 contributions required by subsection (1) of this section, and the
21 contributions so picked up shall be treated as employer contributions in
22 determining federal tax treatment under the Internal Revenue Code, except
23 that the city shall continue to withhold federal income taxes based upon
24 these contributions until the Internal Revenue Service or the federal
25 courts rule that, pursuant to section 414(h) of the Internal Revenue
26 Code, these contributions shall not be included as gross income of the
27 employee until such time as they are distributed from the retirement
28 system. The city shall pay these employee contributions from the same
29 source of funds which is used in paying earnings to the employee. The
30 city shall pick up these contributions by a salary deduction either
31 through a reduction in the cash salary of the employee or a combination

1 of a reduction in salary and offset against a future salary increase. A
2 police officer shall not be given an option to choose to receive the
3 amount of the required contribution in lieu of having such contribution
4 paid directly to the retirement system.

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

14 **Sec. 2.** Original section 16-1005, Reissue Revised Statutes of
15 Nebraska, is repealed.