

LEGISLATIVE BILL 186

Approved by the Governor March 14, 2001

Introduced by Stuhr, 24; Bromm, 23

AN ACT relating to the County Employees Retirement Act; to amend section 23-2307, Reissue Revised Statutes of Nebraska, and section 23-2331, Revised Statutes Supplement, 2000; to change provisions relating to contributions; to provide for a supplemental retirement plan for certain law enforcement personnel; to harmonize provisions; to provide an operative date; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 23-2307, Reissue Revised Statutes of Nebraska, is amended to read:

23-2307. Each employee who is a member of the retirement system shall pay to the county or have picked up by the county a sum equal to four and one-half percent of his or her compensation for each pay period. The county shall pick up the employee contributions required by this section for all compensation paid on or after January 1, 1985, and the contributions so picked up shall be treated as employer contributions in determining federal tax treatment under the Internal Revenue Code as defined in section 49-801.01, except that the county shall continue to withhold federal income taxes based upon these contributions until the Internal Revenue Service or the federal courts rule that, pursuant to section 414(h) of the Internal Revenue Code code, these contributions shall not be included as gross income of the employee until such time as they are distributed or made available. The county shall pay these employee contributions from the same source of funds which is used in paying earnings to the employee. The county shall pick up these contributions by a compensation deduction either through a reduction in the cash compensation of the employee or a combination of a reduction in compensation and offset against a future compensation increase. Employee contributions picked up shall be treated for all purposes of the County Employees Retirement Act in the same manner and to the extent as employee contributions made prior to the date picked up.

Sec. 2. Section 23-2331, Revised Statutes Supplement, 2000, is amended to read:

23-2331. Sections 23-2301 to 23-2332 and section 3 of this act shall be known and may be cited as the County Employees Retirement Act.

Sec. 3. Any county with a population of eighty-five thousand inhabitants or less which participates in the Retirement System for Nebraska Counties established by the County Employees Retirement Act shall establish and fund a supplemental retirement plan for the benefit of all present and future commissioned law enforcement personnel employed by such county who possess a valid law enforcement officer certificate or diploma, as established by the Nebraska Police Standards Advisory Council. The auxiliary benefit plan shall be funded by additional contributions to the county employees retirement plan in excess of the amounts established by sections 23-2307 and 23-2308. The additional contributions made by employees shall be credited to the employee account, and contributions paid by the county shall be credited to the employer account, with each amount to be established at a rate of one percent of compensation. All contributions made pursuant to this section shall be invested and administered according to the County Employees Retirement Act.

Sec. 4. This act becomes operative on January 1, 2003.

Sec. 5. Original section 23-2307, Reissue Revised Statutes of Nebraska, and section 23-2331, Revised Statutes Supplement, 2000, are repealed.