

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 927

Introduced by Nebraska Retirement Systems Committee: Pankonin, 2,
Chairperson; Heidemann, 1; Karpisek, 32; Louden, 49;
Mello, 5; Nordquist, 7.

Read first time January 13, 2010

Committee: Nebraska Retirement Systems

A BILL

1 FOR AN ACT relating to the School Employees Retirement Act; to
2 amend section 79-958, Revised Statutes Supplement, 2009;
3 to change employee deposit requirements; and to repeal
4 the original section.
5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-958, Revised Statutes Supplement,
2 2009, is amended to read:

3 79-958 (1) Beginning on September 1, 2006, and ending
4 August 31, 2007, for the purpose of providing the funds to pay
5 for formula annuities, every employee shall be required to deposit
6 in the School Retirement Fund seven and eighty-three hundredths
7 percent of compensation. Beginning on September 1, 2007, and ending
8 August 31, 2009, for the purpose of providing the funds to pay
9 for formula annuities, every employee shall be required to deposit
10 in the School Retirement Fund seven and twenty-eight hundredths
11 percent of compensation. Beginning on September 1, 2009, and ending
12 August 31, ~~2014,~~ 2010, for the purpose of providing the funds
13 to pay for formula annuities, every employee shall be required
14 to deposit in the School Retirement Fund eight and twenty-eight
15 hundredths percent of compensation. Beginning on September 1, ~~2014,~~
16 2010, for the purpose of providing the funds to pay for formula
17 annuities, every employee shall be required to deposit in the
18 School Retirement Fund ~~seven and twenty-eight hundredths~~ xx percent
19 of compensation. Such deposits shall be transmitted at the same
20 time and in the same manner as required employer contributions.

21 (2) For the purpose of providing the funds to pay for
22 formula annuities, every employer shall be required to deposit
23 in the School Retirement Fund one hundred one percent of the
24 required contributions of the school employees of each employer.
25 Such deposits shall be transmitted to the retirement board at

1 the same time and in the same manner as such required employee
2 contributions.

3 (3) The employer shall pick up the member contributions
4 required by this section for all compensation paid on or after
5 January 1, 1986, and the contributions so picked up shall
6 be treated as employer contributions in determining federal tax
7 treatment under the Internal Revenue Code as defined in section
8 49-801.01, except that the employer shall continue to withhold
9 federal income taxes based upon these contributions until the
10 Internal Revenue Service or the federal courts rule that, pursuant
11 to section 414(h) of the code, these contributions shall not be
12 included as gross income of the member until such time as they
13 are distributed or made available. The employer shall pay these
14 member contributions from the same source of funds which is used
15 in paying earnings to the member. The employer shall pick up these
16 contributions by a compensation deduction through a reduction in
17 the cash compensation of the member. Member contributions picked
18 up shall be treated for all purposes of the School Employees
19 Retirement Act in the same manner and to the same extent as member
20 contributions made prior to the date picked up.

21 (4) The employer shall pick up the member contributions
22 made through irrevocable payroll deduction authorizations pursuant
23 to sections 79-921, 79-933.03 to 79-933.06, and 79-933.08, and
24 the contributions so picked up shall be treated as employer
25 contributions in the same manner as contributions picked up under

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1 subsection (3) of this section.

2 Sec. 2. Original section 79-958, Revised Statutes

3 Supplement, 2009, is repealed.