

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 759

Introduced by Mello, 5; Ashford, 20; Krist, 10; Lathrop, 12;
Nordquist, 7.

Read first time January 09, 2014

Committee: Nebraska Retirement Systems

A BILL

1 FOR AN ACT relating to retirement; to amend sections 2-3228, 12-101,
2 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037,
3 19-3501, 23-1118, and 23-3526, Reissue Revised Statutes
4 of Nebraska, and section 71-1631.02, Revised Statutes
5 Cumulative Supplement, 2012; to require annual reports
6 relating to defined benefit retirement plans; and to
7 repeal the original sections.
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) Beginning November 1, 2014, and each
2 November 1 thereafter, the governing entity of the retirement plan of
3 each governmental subdivision that offers a defined benefit
4 retirement plan pursuant to section 401(a) of the Internal Revenue
5 Code shall file a report with the Nebraska Retirement Systems
6 Committee of the Legislature if either of the following conditions
7 exist as of the latest annual actuarial valuation of the retirement
8 plan: (a) The contributions do not equal the actuarial requirement
9 for funding; or (b) the funded ratio is less than eighty percent.

10 (2) The report shall include, but not be limited to, an
11 analysis of the conditions and a recommendation for the circumstances
12 and timing of any future benefit changes, contribution changes, or
13 other corrective action, or any combination of actions, to improve
14 the conditions. The Nebraska Retirement Systems Committee may require
15 a governing entity to present its report to the committee at a public
16 hearing. The report shall be submitted electronically.

17 Sec. 2. Section 2-3228, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 2-3228 (1) Each district shall have the power and
20 authority to:

21 (a) Receive and accept donations, gifts, grants,
22 bequests, appropriations, or other contributions in money, services,
23 materials, or otherwise from the United States or any of its
24 agencies, from the state or any of its agencies or political
25 subdivisions, or from any person as defined in section 49-801 and use

1 or expend all such contributions in carrying on its operations;

2 (b) Establish advisory groups by appointing persons
3 within the district, pay necessary and proper expenses of such groups
4 as the board shall determine, and dissolve such groups;

5 (c) Employ such persons as are necessary to carry out its
6 authorized purposes and, in addition to other compensation provided,
7 establish and fund a pension plan designed and intended for the
8 benefit of all permanent full-time employees of the district. Any
9 recognized method of funding a pension plan may be employed. Employee
10 contributions shall be required to fund at least fifty percent of the
11 benefits, and past service benefits may be included. The district
12 shall pay all costs of any such past service benefits, which may be
13 retroactive to July 1, 1972, and the plan may be integrated with old
14 age and survivors' insurance, generally known as social security. A
15 uniform pension plan, including the method for jointly funding such
16 plan, shall be established for all districts in the state. A district
17 may elect not to participate in such a plan but shall not establish
18 an independent plan;

19 (d) Purchase liability, property damage, workers'
20 compensation, and other types of insurance as in the judgment of the
21 board are necessary to protect the assets of the district;

22 (e) Borrow money to carry out its authorized purposes;

23 (f) Adopt and promulgate rules and regulations to carry
24 out its authorized purposes; and

25 (g) Invite the local governing body of any municipality

1 or county to designate a representative to advise and counsel with
2 the board on programs and policies that may affect the property,
3 water supply, or other interests of such municipality or county.

4 (2)(a) Beginning December 31, 1998, and each December 31
5 thereafter, the Nebraska Association of Resources Districts as
6 organized under the Interlocal Cooperation Act shall file with the
7 Public Employees Retirement Board an annual report on each retirement
8 plan established pursuant to this section and section 401(a) of the
9 Internal Revenue Code and shall submit copies of such report to the
10 Auditor of Public Accounts. The Auditor of Public Accounts may
11 prepare a review of such report pursuant to section 84-304.02 but is
12 not required to do so. The annual report shall be in a form
13 prescribed by the Public Employees Retirement Board and shall contain
14 the following information for each such retirement plan:

15 (i) The number of persons participating in the retirement
16 plan;

17 (ii) The contribution rates of participants in the plan;

18 (iii) Plan assets and liabilities;

19 (iv) The names and positions of persons administering the
20 plan;

21 (v) The names and positions of persons investing plan
22 assets;

23 (vi) The form and nature of investments;

24 (vii) For each defined contribution plan, a full
25 description of investment policies and options available to plan

1 participants; and

2 (viii) For each defined benefit plan, the levels of
3 benefits of participants in the plan, the number of members who are
4 eligible for a benefit, and the total present value of such members'
5 benefits, as well as the funding sources which will pay for such
6 benefits.

7 If a plan contains no current active participants, the
8 association may file in place of such report a statement with the
9 Public Employees Retirement Board indicating the number of retirees
10 still drawing benefits, and the sources and amount of funding for
11 such benefits.

12 (b) ~~Beginning December 31, 1998, and every four years~~
13 ~~thereafter, if~~ If such retirement plan is a defined benefit plan, in
14 addition to the report required by section 1 of this act, the
15 association shall cause to be prepared a quadrennial an annual report
16 and shall file the same with the Public Employees Retirement Board
17 and the Nebraska Retirement Systems Committee of the Legislature and
18 submit to the Auditor of Public Accounts a copy of such report. The
19 Auditor of Public Accounts may prepare a review of such report
20 pursuant to section 84-304.02 but is not required to do so. The
21 report shall consist of a full actuarial analysis of each such
22 retirement plan established pursuant to this section. The analysis
23 shall be prepared by an independent private organization or public
24 entity employing actuaries who are members in good standing of the
25 American Academy of Actuaries, and which organization or entity has

1 demonstrated expertise to perform this type of analysis and is
2 unrelated to any organization offering investment advice or which
3 provides investment management services to the retirement plan. The
4 report to the Nebraska Retirement Systems Committee shall be
5 submitted electronically.

6 Sec. 3. Section 12-101, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 12-101 (1) The cemetery in Lincoln, Nebraska, known as
9 Wyuka Cemetery, is hereby declared to be a public charitable
10 corporation. The general control and management of the affairs of
11 such cemetery shall be vested in a board of three trustees until July
12 1, 2009, and thereafter shall be vested in a board of five trustees.
13 The trustees shall serve without compensation and shall be a body
14 corporate to be known as Wyuka Cemetery, with power to sue and be
15 sued, to contract and to be contracted with, and to acquire, hold,
16 and convey both real and personal property for all purposes
17 consistent with the provisions of sections 12-101 to 12-105, and
18 shall have the power of eminent domain to be exercised in the manner
19 provided in section 12-201.

20 (2) The trustees of Wyuka Cemetery shall have the power,
21 by resolution duly adopted by a majority vote, to authorize one of
22 their number to sign a petition for paving, repaving, curbing,
23 recurbing, grading, changing grading, guttering, resurfacing,
24 relaying existing pavement, or otherwise improving any street,
25 streets, alley, alleys, or public ways or grounds abutting cemetery

1 property. When such improvements have been ordered, the trustees
2 shall pay, from funds of the cemetery, such special taxes or
3 assessments as may be properly determined.

4 (3) The trustees of Wyuka Cemetery shall be appointed by
5 the Governor of the State of Nebraska at the expiration of each
6 trustee's term of office. The two trustees appointed for their
7 initial terms of office beginning July 1, 2009, shall be appointed by
8 the Governor to serve a five-year term and a six-year term,
9 respectively. Thereafter, each of the five trustees shall be
10 appointed by the Governor for a term of six years. In the event of a
11 vacancy occurring among the members of the board, the vacancy shall
12 be filled by appointment by the Governor, and such appointment shall
13 continue for the unexpired term.

14 (4) The board of trustees of Wyuka Cemetery shall file
15 with the Auditor of Public Accounts, on or before the second Tuesday
16 in June of each year, an itemized report of all the receipts and
17 expenditures in connection with its management and control of the
18 cemetery.

19 (5) The trustees of Wyuka Cemetery shall have the power
20 to provide, in their discretion, retirement benefits for present and
21 future employees of the cemetery, and to establish, participate in,
22 and administer plans for the benefit of its employees or its
23 employees and their dependents, which may provide disability,
24 hospitalization, medical, surgical, accident, sickness and life
25 insurance coverage, or any one or more coverages, and which shall be

1 purchased from a corporation or corporations authorized and licensed
2 by the Department of Insurance.

3 (6)(a) Beginning December 31, 1998, and each December 31
4 thereafter, the trustees shall file with the Public Employees
5 Retirement Board an annual report on each retirement plan established
6 pursuant to this section and section 401(a) of the Internal Revenue
7 Code and shall submit copies of such report to the Auditor of Public
8 Accounts. The Auditor of Public Accounts may prepare a review of such
9 report pursuant to section 84-304.02 but is not required to do so.
10 The annual report shall be in a form prescribed by the Public
11 Employees Retirement Board and shall contain the following
12 information for each such retirement plan:

13 (i) The number of persons participating in the retirement
14 plan;

15 (ii) The contribution rates of participants in the plan;

16 (iii) Plan assets and liabilities;

17 (iv) The names and positions of persons administering the
18 plan;

19 (v) The names and positions of persons investing plan
20 assets;

21 (vi) The form and nature of investments;

22 (vii) For each defined contribution plan, a full
23 description of investment policies and options available to plan
24 participants; and

25 (viii) For each defined benefit plan, the levels of

1 benefits of participants in the plan, the number of members who are
2 eligible for a benefit, and the total present value of such members'
3 benefits, as well as the funding sources which will pay for such
4 benefits.

5 If a plan contains no current active participants, the
6 trustees may file in place of such report a statement with the Public
7 Employees Retirement Board indicating the number of retirees still
8 drawing benefits, and the sources and amount of funding for such
9 benefits.

10 (b) ~~Beginning December 31, 1998, and every four years~~
11 ~~thereafter, if~~ If such retirement plan is a defined benefit plan, in
12 addition to the report required by section 1 of this act, the
13 trustees shall cause to be prepared a quadrennial ~~an annual~~ report
14 and shall file the same with the Public Employees Retirement Board
15 and the Nebraska Retirement Systems Committee of the Legislature and
16 submit to the Auditor of Public Accounts a copy of such report. The
17 Auditor of Public Accounts may prepare a review of such report
18 pursuant to section 84-304.02 but is not required to do so. The
19 report shall consist of a full actuarial analysis of each such
20 retirement plan established pursuant to this section. The analysis
21 shall be prepared by an independent private organization or public
22 entity employing actuaries who are members in good standing of the
23 American Academy of Actuaries, and which organization or entity has
24 demonstrated expertise to perform this type of analysis and is
25 unrelated to any organization offering investment advice or which

1 provides investment management services to the retirement plan. The
2 report to the Nebraska Retirement Systems Committee shall be
3 submitted electronically.

4 Sec. 4. Section 14-567, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 14-567 (1) Beginning December 31, 1998, and each December
7 31 thereafter, the pension board of a city of the metropolitan class
8 shall file with the Public Employees Retirement Board an annual
9 report on each retirement plan established by such city pursuant to
10 section 401(a) of the Internal Revenue Code and shall submit copies
11 of such report to the Auditor of Public Accounts. The Auditor of
12 Public Accounts may prepare a review of such report pursuant to
13 section 84-304.02 but is not required to do so. The annual report
14 shall be in a form prescribed by the Public Employees Retirement
15 Board and shall contain the following information for each such
16 retirement plan:

17 (a) The number of persons participating in the retirement
18 plan;

19 (b) The contribution rates of participants in the plan;

20 (c) Plan assets and liabilities;

21 (d) The names and positions of persons administering the
22 plan;

23 (e) The names and positions of persons investing plan
24 assets;

25 (f) The form and nature of investments;

1 (g) For each defined contribution plan, a full
2 description of investment policies and options available to plan
3 participants; and

4 (h) For each defined benefit plan, the levels of benefits
5 of participants in the plan, the number of members who are eligible
6 for a benefit, and the total present value of such members' benefits,
7 as well as the funding sources which will pay for such benefits.

8 If a plan contains no current active participants, the
9 pension board may file in place of such report a statement with the
10 Public Employees Retirement Board indicating the number of retirees
11 still drawing benefits, and the sources and amount of funding for
12 such benefits.

13 (2) ~~Beginning December 31, 1998, and every four years~~
14 ~~thereafter, if~~ If such retirement plan is a defined benefit plan, in
15 addition to the report required by section 1 of this act, the pension
16 board of a city of the metropolitan class shall cause to be prepared
17 ~~a quadrennial~~ an annual report and shall file the same with the
18 Public Employees Retirement Board and the Nebraska Retirement Systems
19 Committee of the Legislature and submit to the Auditor of Public
20 Accounts a copy of such report. The Auditor of Public Accounts may
21 prepare a review of such report pursuant to section 84-304.02 but is
22 not required to do so. The report shall consist of a full actuarial
23 analysis of each such retirement plan established by the city. The
24 analysis shall be prepared by an independent private organization or
25 public entity employing actuaries who are members in good standing of

1 the American Academy of Actuaries, and which organization or entity
2 has demonstrated expertise to perform this type of analysis and is
3 unrelated to any organization offering investment advice or which
4 provides investment management services to the retirement plan. The
5 report to the Nebraska Retirement Systems Committee shall be
6 submitted electronically.

7 Sec. 5. Section 14-1805.01, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 14-1805.01 (1) Beginning December 31, 1998, and each
10 December 31 thereafter, the chairperson of the board shall file with
11 the Public Employees Retirement Board an annual report on each
12 retirement plan established pursuant to section 14-1805 and section
13 401(a) of the Internal Revenue Code and shall submit copies of such
14 report to the Auditor of Public Accounts. The Auditor of Public
15 Accounts may prepare a review of such report pursuant to section
16 84-304.02 but is not required to do so. The annual report shall be in
17 a form prescribed by the Public Employees Retirement Board and shall
18 contain the following information for each such retirement plan:

19 (a) The number of persons participating in the retirement
20 plan;

21 (b) The contribution rates of participants in the plan;

22 (c) Plan assets and liabilities;

23 (d) The names and positions of persons administering the
24 plan;

25 (e) The names and positions of persons investing plan

1 assets;

2 (f) The form and nature of investments;

3 (g) For each defined contribution plan, a full
4 description of investment policies and options available to plan
5 participants; and

6 (h) For each defined benefit plan, the levels of benefits
7 of participants in the plan, the number of members who are eligible
8 for a benefit, and the total present value of such members' benefits,
9 as well as the funding sources which will pay for such benefits.

10 If a plan contains no current active participants, the
11 chairperson may file in place of such report a statement with the
12 Public Employees Retirement Board indicating the number of retirees
13 still drawing benefits, and the sources and amount of funding for
14 such benefits.

15 (2) ~~Beginning December 31, 1998, and every four years~~
16 ~~thereafter, if~~ If such retirement plan is a defined benefit plan, in
17 addition to the report required by section 1 of this act, the
18 authority shall cause to be prepared a quadrennial ~~an annual~~ report
19 and the chairperson shall file the same with the Public Employees
20 Retirement Board and the Nebraska Retirement Systems Committee of the
21 Legislature and submit to the Auditor of Public Accounts a copy of
22 such report. The Auditor of Public Accounts may prepare a review of
23 such report pursuant to section 84-304.02 but is not required to do
24 so. The report shall consist of a full actuarial analysis of each
25 such retirement plan established pursuant to section 14-1805. The

1 analysis shall be prepared by an independent private organization or
2 public entity employing actuaries who are members in good standing of
3 the American Academy of Actuaries, and which organization or entity
4 has demonstrated expertise to perform this type of analysis and is
5 unrelated to any organization offering investment advice or which
6 provides investment management services to the retirement plan. The
7 report to the Nebraska Retirement Systems Committee shall be
8 submitted electronically.

9 Sec. 6. Section 14-2111, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 14-2111 (1) The board of directors of any metropolitan
12 utilities district may also provide benefits for, insurance of, and
13 annuities for the present and future employees and appointees of the
14 district covering accident, disease, death, total and permanent
15 disability, and retirement, all or any of them, under such terms and
16 conditions as the board may deem proper and expedient from time to
17 time. Any retirement plan adopted by the board of directors shall be
18 upon some contributory basis requiring contributions by both the
19 district and the employee or appointee, except that the district may
20 pay the entire cost of the fund necessary to cover service rendered
21 prior to the adoption of any new retirement plan. Any retirement plan
22 shall take into consideration the benefits provided for employees and
23 appointees of metropolitan utilities districts under the Social
24 Security Act, and any benefits provided under a contributory
25 retirement plan shall be supplemental to the benefits provided under

1 the Social Security Act as defined in section 68-602 if the employees
2 entitled to vote in a referendum vote in favor of old age and
3 survivors' insurance coverage. To effectuate any plan adopted
4 pursuant to this authority, the board of directors of the district is
5 empowered to establish and maintain reserves and funds, provide for
6 insurance premiums and costs, and make such delegation as may be
7 necessary to carry into execution the general powers granted by this
8 section. Except as provided in subsection (4) of this section,
9 payments made to employees and appointees, under the authority in
10 this section, shall be exempt from attachment or other legal process
11 and shall not be assignable.

12 (2) Any retirement plan adopted by the board of directors
13 of any metropolitan utilities district may allow the district to pick
14 up the employee contribution required by this section for all
15 compensation paid on or after January 1, 1986, and the contributions
16 so picked up shall be treated as employer contributions in
17 determining federal tax treatment under the Internal Revenue Code,
18 except that the employer shall continue to withhold federal income
19 taxes based upon such contributions until the Internal Revenue
20 Service or the federal courts rule that, pursuant to section 414(h)
21 of the Internal Revenue Code, such contributions shall not be
22 included as gross income of the employee until such time as they are
23 distributed or made available. The employer shall pay the employee
24 contributions from the same source of funds which is used in paying
25 earnings to the employees. The employer shall pick up the

1 contributions by a salary deduction either through a reduction in the
2 cash salary of the employee or a combination of a reduction in salary
3 and offset against a future salary increase. Employee contributions
4 picked up shall be treated in the same manner and to the same extent
5 as employee contributions made prior to the date picked up.

6 (3)(a) Beginning December 31, 1998, and each December 31
7 thereafter, the chairperson of the board shall file with the Public
8 Employees Retirement Board an annual report on each retirement plan
9 established pursuant to this section and section 401(a) of the
10 Internal Revenue Code and shall submit copies of such report to the
11 Auditor of Public Accounts. The Auditor of Public Accounts may
12 prepare a review of such report pursuant to section 84-304.02 but is
13 not required to do so. The annual report shall be in a form
14 prescribed by the Public Employees Retirement Board and shall contain
15 the following information for each such retirement plan:

16 (i) The number of persons participating in the retirement
17 plan;

18 (ii) The contribution rates of participants in the plan;

19 (iii) Plan assets and liabilities;

20 (iv) The names and positions of persons administering the
21 plan;

22 (v) The names and positions of persons investing plan
23 assets;

24 (vi) The form and nature of investments;

25 (vii) For each defined contribution plan, a full

1 description of investment policies and options available to plan
2 participants; and

3 (viii) For each defined benefit plan, the levels of
4 benefits of participants in the plan, the number of members who are
5 eligible for a benefit, and the total present value of such members'
6 benefits, as well as the funding sources which will pay for such
7 benefits.

8 If a plan contains no current active participants, the
9 chairperson may file in place of such report a statement with the
10 Public Employees Retirement Board indicating the number of retirees
11 still drawing benefits, and the sources and amount of funding for
12 such benefits.

13 (b) ~~Beginning December 31, 1998, and every four years~~
14 ~~thereafter, if~~ If such retirement plan is a defined benefit plan, in
15 addition to the report required by section 1 of this act, the board
16 of directors of any metropolitan utilities district shall cause to be
17 prepared a ~~quadrennial~~ annual report and shall file the same with
18 the Public Employees Retirement Board and the Nebraska Retirement
19 Systems Committee of the Legislature and submit to the Auditor of
20 Public Accounts a copy of such report. The Auditor of Public Accounts
21 may prepare a review of such report pursuant to section 84-304.02 but
22 is not required to do so. The report shall consist of a full
23 actuarial analysis of each such retirement plan established pursuant
24 to this section. The analysis shall be prepared by an independent
25 private organization or public entity employing actuaries who are

1 members in good standing of the American Academy of Actuaries, and
2 which organization or entity has demonstrated expertise to perform
3 this type of analysis and is unrelated to any organization offering
4 investment advice or which provides investment management services to
5 the retirement plan. The report to the Nebraska Retirement Systems
6 Committee shall be submitted electronically.

7 (4) If an employee or appointee is convicted of or pleads
8 no contest to a felony that is defined as assault, sexual assault,
9 kidnapping, child abuse, false imprisonment, or theft by embezzlement
10 and is found liable for civil damages as a result of such felony,
11 following distribution of the employee's or appointee's benefits or
12 annuities from the retirement plan, the court may order the payment
13 of the employee's or appointee's benefits or annuities under the
14 retirement plan for such civil damages, except that the benefits or
15 annuities to the extent reasonably necessary for the support of the
16 employee or appointee or any of his or her beneficiaries shall be
17 exempt from such payment. Any order for payment of benefits or
18 annuities shall not be stayed on the filing of any appeal of the
19 conviction. If the conviction is reversed on final judgment, all
20 benefits or annuities paid as civil damages shall be forfeited and
21 returned to the employee or appointee. The changes made to this
22 section by Laws 2012, LB916, shall apply to persons convicted of or
23 who have pled no contest to such a felony and who have been found
24 liable for civil damages as a result of such felony prior to, on, or
25 after April 7, 2012.

1 Sec. 7. Section 15-1017, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 15-1017 (1) A city of the primary class which has a city
4 pension and retirement plan or fund, or a city fire and police
5 pension plan or fund, or both, may provide by ordinance as authorized
6 by its home rule charter, and not prohibited by the Constitution of
7 Nebraska, for the investment of any plan or fund, and it may provide
8 that (a) such a city shall place in trust any part of such plan or
9 fund, (b) it shall place in trust any part of any such plan or fund
10 with a corporate trustee in Nebraska, or (c) it shall purchase any
11 part of any such plan from a life insurance company licensed to do
12 business in the State of Nebraska. The powers conferred by this
13 section shall be independent of and in addition and supplemental to
14 any other provisions of the laws of the State of Nebraska with
15 reference to the matters covered hereby and this section shall be
16 considered as a complete and independent act and not as amendatory of
17 or limited by any other provision of the laws of the State of
18 Nebraska.

19 (2)(a) Beginning December 31, 1998, and each December 31
20 thereafter, the clerk of a city of the primary class shall file with
21 the Public Employees Retirement Board an annual report on each
22 retirement plan established pursuant to this section, section
23 15-1026, and section 401(a) of the Internal Revenue Code and shall
24 submit copies of such report to the Auditor of Public Accounts. The
25 Auditor of Public Accounts may prepare a review of such report

1 pursuant to section 84-304.02 but is not required to do so. The
2 annual report shall be in a form prescribed by the Public Employees
3 Retirement Board and shall contain the following information for each
4 such retirement plan:

- 5 (i) The number of persons participating in the retirement
6 plan;
- 7 (ii) The contribution rates of participants in the plan;
- 8 (iii) Plan assets and liabilities;
- 9 (iv) The names and positions of persons administering the
10 plan;
- 11 (v) The names and positions of persons investing plan
12 assets;
- 13 (vi) The form and nature of investments;
- 14 (vii) For each defined contribution plan, a full
15 description of investment policies and options available to plan
16 participants; and
- 17 (viii) For each defined benefit plan, the levels of
18 benefits of participants in the plan, the number of members who are
19 eligible for a benefit, and the total present value of such members'
20 benefits, as well as the funding sources which will pay for such
21 benefits.

22 If a plan contains no current active participants, the
23 city clerk may file in place of such report a statement with the
24 Public Employees Retirement Board indicating the number of retirees
25 still drawing benefits, and the sources and amount of funding for

1 such benefits.

2 (b) ~~Beginning December 31, 1998, and every four years~~
3 ~~thereafter, if~~ If such retirement plan is a defined benefit plan, in
4 addition to the report required by section 1 of this act, the city
5 council of a city of the primary class shall cause to be prepared a
6 ~~quadrennial~~ an annual report and shall file the same with the Public
7 Employees Retirement Board and the Nebraska Retirement Systems
8 Committee of the Legislature and submit to the Auditor of Public
9 Accounts a copy of such report. The Auditor of Public Accounts may
10 prepare a review of such report pursuant to section 84-304.02 but is
11 not required to do so. The report shall consist of a full actuarial
12 analysis of each such retirement plan established pursuant to this
13 section and section 15-1026. The analysis shall be prepared by an
14 independent private organization or public entity employing actuaries
15 who are members in good standing of the American Academy of
16 Actuaries, and which organization or entity has demonstrated
17 expertise to perform this type of analysis and is unrelated to any
18 organization offering investment advice or which provides investment
19 management services to the retirement plan. The report to the
20 Nebraska Retirement Systems Committee shall be submitted
21 electronically.

22 Sec. 8. Section 16-1017, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 16-1017 (1) It shall be the duty of the retirement
25 committee to:

1 (a) Provide each employee a summary of plan eligibility
2 requirements and benefit provisions;

3 (b) Provide, within thirty days after a request is made
4 by a participant, a statement describing the amount of benefits such
5 participant is eligible to receive; and

6 (c) Make available for review an annual report of the
7 retirement system's operations describing both (i) the amount of
8 contributions to the retirement system from both employee and
9 employer sources and (ii) an identification of the total assets of
10 the retirement system.

11 (2)(a) Beginning December 31, 1998, and each December 31
12 thereafter, the chairperson of the retirement committee shall file
13 with the Public Employees Retirement Board a report on each
14 retirement plan established pursuant to section 401(a) of the
15 Internal Revenue Code and administered by a retirement system
16 established pursuant to the Police Officers Retirement Act and shall
17 submit copies of such report to the Auditor of Public Accounts. The
18 Auditor of Public Accounts may prepare a review of such report
19 pursuant to section 84-304.02 but is not required to do so. The
20 annual report shall be in a form prescribed by the Public Employees
21 Retirement Board and shall contain the following information for each
22 such retirement plan:

23 (i) The number of persons participating in the retirement
24 plan;

25 (ii) The contribution rates of participants in the plan;

- 1 (iii) Plan assets and liabilities;
- 2 (iv) The names and positions of persons administering the
3 plan;
- 4 (v) The names and positions of persons investing plan
5 assets;
- 6 (vi) The form and nature of investments;
- 7 (vii) For each defined contribution plan, a full
8 description of investment policies and options available to plan
9 participants; and
- 10 (viii) For each defined benefit plan, the levels of
11 benefits of participants in the plan, the number of members who are
12 eligible for a benefit, and the total present value of such members'
13 benefits, as well as the funding sources which will pay for such
14 benefits.

15 If a plan contains no current active participants, the
16 chairperson may file in place of such report a statement with the
17 Public Employees Retirement Board indicating the number of retirees
18 still drawing benefits and the sources and amount of funding for such
19 benefits.

20 (b) ~~Beginning December 31, 1998, and every four years~~
21 ~~thereafter, if~~ If such retirement plan is a defined benefit plan, in
22 addition to the report required by section 1 of this act, the
23 retirement committee shall cause to be prepared a ~~quadrennial~~ an
24 annual report and the chairperson shall file the same with the Public
25 Employees Retirement Board and the Nebraska Retirement Systems

1 Committee of the Legislature and submit to the Auditor of Public
2 Accounts a copy of such report. The Auditor of Public Accounts may
3 prepare a review of such report pursuant to section 84-304.02 but is
4 not required to do so. The report shall consist of a full actuarial
5 analysis of each such retirement plan administered by a retirement
6 system established pursuant to the act. The analysis shall be
7 prepared by an independent private organization or public entity
8 employing actuaries who are members in good standing of the American
9 Academy of Actuaries, and which organization or entity has
10 demonstrated expertise to perform this type of analysis and is
11 unrelated to any organization offering investment advice or which
12 provides investment management services to the retirement plan. The
13 report to the Nebraska Retirement Systems Committee shall be
14 submitted electronically.

15 Sec. 9. Section 16-1037, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 16-1037 (1) It shall be the duty of the retirement
18 committee to:

19 (a) Elect a chairperson, a vice-chairperson, and such
20 other officers as the committee deems appropriate;

21 (b) Hold regular quarterly meetings and special meetings
22 upon the call of the chairperson;

23 (c) Conduct meetings pursuant to the Open Meetings Act;

24 (d) Provide each employee a summary of plan eligibility
25 requirements, benefit provisions, and investment options available to

1 such employee;

2 (e) Provide, within thirty days after a request is made
3 by a participant, a statement describing the amount of benefits such
4 participant is eligible to receive; and

5 (f) Make available for review an annual report of the
6 system's operations describing both (i) the amount of contributions
7 to the system from both employee and employer sources and (ii) an
8 identification of the total assets of the retirement system.

9 (2)(a) Beginning December 31, 1998, and each December 31
10 thereafter, the chairperson of the retirement committee shall file
11 with the Public Employees Retirement Board an annual report on each
12 retirement plan established pursuant to section 401(a) of the
13 Internal Revenue Code and administered by a retirement system
14 established pursuant to sections 16-1020 to 16-1042 and shall submit
15 copies of such report to the Auditor of Public Accounts. The Auditor
16 of Public Accounts may prepare a review of such report pursuant to
17 section 84-304.02 but is not required to do so. The annual report
18 shall be in a form prescribed by the Public Employees Retirement
19 Board and shall contain the following information for each such
20 retirement plan:

21 (i) The number of persons participating in the retirement
22 plan;

23 (ii) The contribution rates of participants in the plan;

24 (iii) Plan assets and liabilities;

25 (iv) The names and positions of persons administering the

1 plan;

2 (v) The names and positions of persons investing plan
3 assets;

4 (vi) The form and nature of investments;

5 (vii) For each defined contribution plan, a full
6 description of investment policies and options available to plan
7 participants; and

8 (viii) For each defined benefit plan, the levels of
9 benefits of participants in the plan, the number of members who are
10 eligible for a benefit, and the total present value of such members'
11 benefits, as well as the funding sources which will pay for such
12 benefits.

13 If a plan contains no current active participants, the
14 chairperson may file in place of such report a statement with the
15 Public Employees Retirement Board indicating the number of retirees
16 still drawing benefits, and the sources and amount of funding for
17 such benefits.

18 (b) ~~Beginning December 31, 1998, and every four years~~
19 ~~thereafter, if~~ If such retirement plan is a defined benefit plan, in
20 addition to the report required by section 1 of this act, the
21 retirement committee shall cause to be prepared a ~~quadrennial~~ an
22 annual report and the chairperson shall file the same with the Public
23 Employees Retirement Board and the Nebraska Retirement Systems
24 Committee of the Legislature and submit to the Auditor of Public
25 Accounts a copy of such report. The Auditor of Public Accounts may

1 prepare a review of such report pursuant to section 84-304.02 but is
2 not required to do so. The report shall consist of a full actuarial
3 analysis of each such retirement plan administered by a system
4 established pursuant to sections 16-1020 to 16-1042. The analysis
5 shall be prepared by an independent private organization or public
6 entity employing actuaries who are members in good standing of the
7 American Academy of Actuaries, and which organization or entity has
8 demonstrated expertise to perform this type of analysis and is
9 unrelated to any organization offering investment advice or which
10 provides investment management services to the retirement plan. The
11 report to the Nebraska Retirement Systems Committee shall be
12 submitted electronically.

13 Sec. 10. Section 19-3501, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 19-3501 (1) The governing body of cities of the first and
16 second classes and villages may, by appropriate ordinance or proper
17 resolution, establish a pension plan designed and intended for the
18 benefit of the regularly employed or appointed full-time employees of
19 the city. Any recognized method of funding a pension plan may be
20 employed. The plan shall be established by appropriate ordinance or
21 proper resolution, which may provide for mandatory contribution by
22 the employee. The city may also contribute, in addition to any
23 amounts contributed by the employee, amounts to be used for the
24 purpose of funding employee past service benefits. Any two or more
25 cities of the first and second classes and villages may jointly

1 establish such a pension plan by adoption of appropriate ordinances
2 or resolutions. Such a pension plan may be integrated with old age
3 and survivors insurance, otherwise generally known as social
4 security.

5 (2)(a) Beginning December 31, 1998, and each December 31
6 thereafter, the clerk of a city or village with a retirement plan
7 established pursuant to this section and section 401(a) of the
8 Internal Revenue Code shall file with the Public Employees Retirement
9 Board an annual report on such plan and shall submit copies of such
10 report to the Auditor of Public Accounts. The Auditor of Public
11 Accounts may prepare a review of such report pursuant to section
12 84-304.02 but is not required to do so. The annual report shall be in
13 a form prescribed by the Public Employees Retirement Board and shall
14 contain the following information for each such retirement plan:

15 (i) The number of persons participating in the retirement
16 plan;

17 (ii) The contribution rates of participants in the plan;

18 (iii) Plan assets and liabilities;

19 (iv) The names and positions of persons administering the
20 plan;

21 (v) The names and positions of persons investing plan
22 assets;

23 (vi) The form and nature of investments;

24 (vii) For each defined contribution plan, a full
25 description of investment policies and options available to plan

1 participants; and

2 (viii) For each defined benefit plan, the levels of
3 benefits of participants in the plan, the number of members who are
4 eligible for a benefit, and the total present value of such members'
5 benefits, as well as the funding sources which will pay for such
6 benefits.

7 If a plan contains no current active participants, the
8 city or village clerk may file in place of such report a statement
9 with the Public Employees Retirement Board indicating the number of
10 retirees still drawing benefits, and the sources and amount of
11 funding for such benefits.

12 (b) ~~Beginning December 31, 1998, and every four years~~
13 ~~thereafter, if~~ If such retirement plan is a defined benefit plan, in
14 addition to the report required by section 1 of this act, the city
15 council or village board shall cause to be prepared a quadrennial an
16 annual report and shall file the same with the Public Employees
17 Retirement Board and the Nebraska Retirement Systems Committee of the
18 Legislature and submit to the Auditor of Public Accounts a copy of
19 each report. The Auditor of Public Accounts may prepare a review of
20 such report pursuant to section 84-304.02 but is not required to do
21 so. The report shall consist of a full actuarial analysis of each
22 such retirement plan established pursuant to this section. The
23 analysis shall be prepared by an independent private organization or
24 public entity employing actuaries who are members in good standing of
25 the American Academy of Actuaries, and which organization or entity

1 has demonstrated expertise to perform this type of analysis and is
2 unrelated to any organization offering investment advice or which
3 provides investment management services to the retirement plan. The
4 report to the Nebraska Retirement Systems Committee shall be
5 submitted electronically.

6 (3) Subsection (1) of this section shall not apply to
7 firefighters or police officers who are included under an existing
8 pension or retirement system established by the municipality
9 employing such firefighters or police officers or the Legislature. If
10 a city of the first class decreases in population to less than five
11 thousand, as determined by the latest federal census, any police
12 officer or firefighter employed by such city on or prior to the date
13 such city becomes a city of the second class shall retain the level
14 of benefits established by the Legislature for police officers or
15 firefighters employed by a city of the first class on the date such
16 city becomes a city of the second class.

17 Sec. 11. Section 23-1118, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 23-1118 (1)(a) Unless the county has adopted a retirement
20 system pursuant to section 23-2329, the county board of any county
21 having a population of one hundred fifty thousand inhabitants or
22 more, as determined by the most recent federal decennial census, may,
23 in its discretion and with the approval of the voters, provide
24 retirement benefits for present and future employees of the county.
25 The cost of such retirement benefits shall be funded in accordance

1 with sound actuarial principles with the necessary cost being treated
2 in the county budget in the same way as any other operating expense.

3 (b) Except as provided in subdivision (c) of this
4 subsection, each employee shall be required to contribute, or have
5 contributed on his or her behalf, an amount at least equal to the
6 county's contribution to the cost of any such retirement program as
7 to service performed after the adoption of such retirement program,
8 but the cost of any benefits based on prior service shall be borne
9 solely by the county.

10 (c) In a county or municipal county having a population
11 of two hundred thousand or more inhabitants but not more than three
12 hundred thousand inhabitants, as determined by the most recent
13 federal decennial census, the county or municipal county shall
14 establish the employee and employer contribution rates to the
15 retirement program for each year after July 15, 1992. The county or
16 municipal county shall contribute one hundred fifty percent of each
17 employee's mandatory contribution, and for an employee hired on or
18 after July 1, 2012, the county or municipal county shall contribute
19 at least one hundred percent of each such employee's mandatory
20 contribution. The combined contributions of the county or municipal
21 county and its employees to the cost of any such retirement program
22 shall not exceed thirteen percent of the employees' salaries.

23 (2) Before the county board or council provides
24 retirement benefits for the employees of the county or municipal
25 county, such question shall be submitted at a regular general or

1 primary election held within the county or municipal county, and in
2 which election all persons eligible to vote for the officials of the
3 county or municipal county shall be entitled to vote on such
4 question, which shall be submitted in the following language: Shall
5 the county board or council provide retirement benefits for present
6 and future employees of the county or municipal county? If a majority
7 of the votes cast upon such question are in favor of such question,
8 then the county board or council shall be empowered to provide
9 retirement benefits for present and future employees as provided in
10 this section. If such retirement benefits for present and future
11 county and municipal county employees are approved by the voters and
12 authorized by the county board or council, then the funds of such
13 retirement system, in excess of the amount required for current
14 operations as determined by the county board or council, may be
15 invested and reinvested in the class of securities and investments
16 described in section 30-3209.

17 (3) As used in this section, employees shall mean all
18 persons or officers devoting more than twenty hours per week to
19 employment by the county or municipal county, all elected officers of
20 the county or municipal county, and such other persons or officers as
21 are classified from time to time as permanent employees by the county
22 board or council.

23 (4) The county or municipal county may pick up the member
24 contributions required by this section for all compensation paid on
25 or after January 1, 1985, and the contributions so picked up shall be

1 treated as employer contributions in determining federal tax
2 treatment under the Internal Revenue Code, except that the county or
3 municipal county shall continue to withhold federal income taxes
4 based upon these contributions until the Internal Revenue Service or
5 the federal courts rule that, pursuant to section 414(h) of the
6 Internal Revenue Code, these contributions shall not be included as
7 gross income of the member until such time as they are distributed or
8 made available. The county or municipal county shall pay these member
9 contributions from the same source of funds which is used in paying
10 earnings to the member. The county or municipal county shall pick up
11 these contributions by a salary deduction either through a reduction
12 in the cash salary of the member or a combination of a reduction in
13 salary and offset against a future salary increase. Member
14 contributions picked up shall be treated in the same manner and to
15 the same extent as member contributions made prior to the date picked
16 up.

17 (5)(a) Beginning December 31, 1998, and each December 31
18 thereafter, the chairperson of the county board or council with a
19 retirement plan established pursuant to this section and section
20 401(a) of the Internal Revenue Code shall file with the Public
21 Employees Retirement Board a report on such plan and shall submit
22 copies of such report to the Auditor of Public Accounts. The Auditor
23 of Public Accounts may prepare a review of such report pursuant to
24 section 84-304.02 but is not required to do so. The report shall be
25 in a form prescribed by the Public Employees Retirement Board and

1 shall contain the following information for each such retirement
2 plan:

3 (i) The number of persons participating in the retirement
4 plan;

5 (ii) The contribution rates of participants in the plan;

6 (iii) Plan assets and liabilities;

7 (iv) The names and positions of persons administering the
8 plan;

9 (v) The names and positions of persons investing plan
10 assets;

11 (vi) The form and nature of investments;

12 (vii) For each defined contribution plan, a full
13 description of investment policies and options available to plan
14 participants; and

15 (viii) For each defined benefit plan, the levels of
16 benefits of participants in the plan, the number of members who are
17 eligible for a benefit, and the total present value of such members'
18 benefits, as well as the funding sources which will pay for such
19 benefits.

20 If a plan contains no current active participants, the
21 chairperson may file in place of such report a statement with the
22 Public Employees Retirement Board indicating the number of retirees
23 still drawing benefits, and the sources and amount of funding for
24 such benefits.

25 (b) ~~Beginning December 31, 1998, and every four years~~

1 ~~thereafter, if~~ If such retirement plan is a defined benefit plan, in
2 addition to the report required by section 1 of this act, the county
3 board of a county or council of the municipal county with a
4 retirement plan established pursuant to this section shall cause to
5 be prepared a ~~an~~ annual report and the chairperson shall file the
6 same with the Public Employees Retirement Board and the Nebraska
7 Retirement Systems Committee of the Legislature and submit to the
8 Auditor of Public Accounts a copy of such report. The Auditor of
9 Public Accounts may prepare a review of such report pursuant to
10 section 84-304.02 but is not required to do so. The report shall
11 consist of a full actuarial analysis of each such retirement plan
12 established pursuant to this section. The analysis shall be prepared
13 by an independent private organization or public entity employing
14 actuaries who are members in good standing of the American Academy of
15 Actuaries, and which organization or entity has demonstrated
16 expertise to perform this type of analysis and is unrelated to any
17 organization offering investment advice or which provides investment
18 management services to the retirement plan. The report to the
19 Nebraska Retirement Systems Committee shall be submitted
20 electronically.

21 Sec. 12. Section 23-3526, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 23-3526 (1) The board of trustees of each facility, as
24 provided by section 23-3501, shall, upon approval of the county
25 board, have the power and authority to establish and fund a

1 retirement plan for the benefit of its full-time employees. The plan
2 may be funded by any actuarially recognized method approved by the
3 county board. Employees participating in the plan may be required to
4 contribute toward funding the benefits. The facility shall pay all
5 costs of establishing and maintaining the plan. The plan may be
6 integrated with old age and survivor's insurance.

7 (2)(a) Beginning December 31, 1998, and each December 31
8 thereafter, the chairperson of the board of trustees of a facility
9 with a retirement plan established pursuant to this section and
10 section 401(a) of the Internal Revenue Code shall file with the
11 Public Employees Retirement Board an annual report on such plan and
12 shall submit copies of such report to the Auditor of Public Accounts.
13 The Auditor of Public Accounts may prepare a review of such report
14 pursuant to section 84-304.02 but is not required to do so. The
15 annual report shall be in a form prescribed by the Public Employees
16 Retirement Board and shall contain the following information for each
17 such retirement plan:

18 (i) The number of persons participating in the retirement
19 plan;

20 (ii) The contribution rates of participants in the plan;

21 (iii) Plan assets and liabilities;

22 (iv) The names and positions of persons administering the
23 plan;

24 (v) The names and positions of persons investing plan
25 assets;

1 (vi) The form and nature of investments;

2 (vii) For each defined contribution plan which is not
3 administered by a retirement system under the County Employees
4 Retirement Act, a full description of investment policies and options
5 available to plan participants; and

6 (viii) For each defined benefit plan which is not
7 administered by a retirement system under the County Employees
8 Retirement Act, the levels of benefits of participants in the plan,
9 the number of members who are eligible for a benefit, and the total
10 present value of such members' benefits, as well as the funding
11 sources which will pay for such benefits.

12 If a plan which is not administered by a retirement
13 system under the County Employees Retirement Act contains no current
14 active participants, the chairperson may file in place of such report
15 a statement with the Public Employees Retirement Board indicating the
16 number of retirees still drawing benefits, and the sources and amount
17 of funding for such benefits.

18 (b) ~~Beginning December 31, 1998, and every four years~~
19 ~~thereafter, if~~ If such retirement plan is a defined benefit plan, in
20 addition to the report required by section 1 of this act, the board
21 of trustees shall cause to be prepared a quadrennial an annual report
22 for each retirement plan which is not administered by a retirement
23 system under the County Employees Retirement Act, and the chairperson
24 shall file the same with the Public Employees Retirement Board and
25 the Nebraska Retirement Systems Committee of the Legislature and

1 submit to the Auditor of Public Accounts a copy of such report. The
2 Auditor of Public Accounts may prepare a review of such report
3 pursuant to section 84-304.02 but is not required to do so. The
4 report shall consist of a full actuarial analysis of each such
5 retirement plan established pursuant to this section which is not
6 administered by a retirement system under the County Employees
7 Retirement Act. The analysis shall be prepared by an independent
8 private organization or public entity employing actuaries who are
9 members in good standing of the American Academy of Actuaries, and
10 which organization or entity has demonstrated expertise to perform
11 this type of analysis and is unrelated to any organization offering
12 investment advice or which provides investment management services to
13 the retirement plan. The report to the Nebraska Retirement Systems
14 Committee shall be submitted electronically.

15 Sec. 13. Section 71-1631.02, Revised Statutes Cumulative
16 Supplement, 2012, is amended to read:

17 71-1631.02 (1) Beginning December 31, 1998, and each year
18 thereafter, the health director of a board of health with an
19 independent retirement plan established pursuant to section 71-1631
20 and section 401(a) of the Internal Revenue Code shall file with the
21 Public Employees Retirement Board an annual report on such plan and
22 shall submit copies of such report to the Auditor of Public Accounts.
23 The Auditor of Public Accounts may prepare a review of such report
24 pursuant to section 84-304.02 but is not required to do so. The
25 annual report shall be in a form prescribed by the Public Employees

1 Retirement Board and shall contain the following information for each
2 such retirement plan:

3 (a) The number of persons participating in the retirement
4 plan;

5 (b) The contribution rates of participants in the plan;

6 (c) Plan assets and liabilities;

7 (d) The names and positions of persons administering the
8 plan;

9 (e) The names and positions of persons investing plan
10 assets;

11 (f) The form and nature of investments;

12 (g) For each independent defined contribution plan, a
13 full description of investment policies and options available to plan
14 participants; and

15 (h) For each independent defined benefit plan, the levels
16 of benefits of participants in the plan, the number of members who
17 are eligible for a benefit, and the total present value of such
18 members' benefits, as well as the funding sources which will pay for
19 such benefits.

20 If an independent plan contains no current active
21 participants, the health director may file in place of such report a
22 statement with the Public Employees Retirement Board indicating the
23 number of retirees still drawing benefits, and the sources and amount
24 of funding for such benefits.

25 (2) ~~Beginning December 31, 1998, and every four years~~

1 ~~thereafter, if~~ If such retirement plan is a defined benefit plan, in
2 addition to the report required by section 1 of this act, a board of
3 health with an independent retirement plan established pursuant to
4 section 71-1631 shall cause to be prepared a quadrennial ~~an annual~~
5 report and the health director shall file the same with the Public
6 Employees Retirement Board and the Nebraska Retirement Systems
7 Committee of the Legislature and submit to the Auditor of Public
8 Accounts a copy of such report. The Auditor of Public Accounts may
9 prepare a review of such report pursuant to section 84-304.02 but is
10 not required to do so. The report shall consist of a full actuarial
11 analysis of each such independent retirement plan established
12 pursuant to section 71-1631. The analysis shall be prepared by an
13 independent private organization or public entity employing actuaries
14 who are members in good standing of the American Academy of
15 Actuaries, and which organization or entity has demonstrated
16 expertise to perform this type of analysis and is unrelated to any
17 organization offering investment advice or which provides investment
18 management services to the retirement plan. The report to the
19 Nebraska Retirement Systems Committee shall be submitted
20 electronically.

21 Sec. 14. Original sections 2-3228, 12-101, 14-567,
22 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 19-3501, 23-1118, and
23 23-3526, Reissue Revised Statutes of Nebraska, and section
24 71-1631.02, Revised Statutes Cumulative Supplement, 2012, are
25 repealed.